

RESOLUTION 21-092

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
ADOPTING A RESOLUTION OF APPLICATION REQUESTING THAT THE SAN LUIS
OBISPO LOCAL AGENCY FORMATION COMMISSION RE-INITIATE PROCEEDINGS FOR
THE ANNEXATION OF THE UNINCORPORATED AREA KNOWN AS THE GATEWAY
ANNEXATION PROPERTY TO THE CITY OF EL PASO DE ROBLES ANX 16-01 PURSUANT
TO CERTIFIED FINAL ENVIRONMENTAL IMPACT REPORT SCH# 013101050 FOR THE
PASO ROBLES GATEWAY PROJECT; ADOPTING ENVIRONMENTAL FINDINGS
PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A
STATEMENT OF OVERRIDING CONSIDERATIONS AND A MITIGATION MONITORING
AND REPORTING PROGRAM**

**GATEWAY ANNEXATION REAUTHORIZATION
APPLICANT – QUORUM REALTY FUND IV, LLC**

APNs: 040-031-001, 040-031-017, 040-031-019, 040-031-020, 040-091-039, and 040-091-041

WHEREAS, the City of Paso Robles desires to initiate proceedings pursuant to the Cortese-Knox Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for annexation of territory to the City of El Paso de Robles (“City” or “Paso Robles”) from the County of San Luis Obispo (“County”), including amendment to the established Sphere of Influence and Municipal Service Review; and

WHEREAS, the Gateway Annexation Project (“Gateway” or “project”) consists of 170 acres located adjacent to the southwest side of the City in the unincorporated San Luis Obispo County, outside of the Paso Robles City limits, in the City’s General Plan Planning Impact Area, and included in the area covered by the City’s Purple Belt Action Plan and the Paso Robles Gateway Plan: Design Standards; and

WHEREAS, the territory subject to the proposed change of organization is uninhabited, and a description of the external boundary of the territory is set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, Mike Furlotti, on behalf of Quorum Realty Fund IV, LLC, (the “Applicant”), filed an application requesting that the City initiate annexation proceedings (ANX 16-01) to annex the property defined by the project, Pre-Zone the project territory (ZC 17-03), and amend the Land Use Element (GPA 17-03) to assign City General Plan land use designations to approximately 170 acres of land located in the unincorporated San Luis Obispo County, at the northwest corner of U.S. 101 and State Route 46 West, APNs: 040-031-001, 040-031-017, 040-031-019, 040-031-020, 040-091-039, 040-091-041, and 009-631-025 (ptn.); and

WHEREAS, the Applicant filed this request in connection with a request for approval of a Conceptual Master Development Plan (PD 17-009), Lot Line Adjustment (PR/COAL 18-0098), Phased Vesting Tentative Tract Map (TR 3120), Oak Tree Removal Permit (OTR 20-04), Development Agreement (DA 20-04), and annexation to the Citywide Community Facilities District 2005-1 to allow for the phased development of:

- Two (2) hotel/resorts with up to 325 rooms
- Three (3) commercial centers with a total of 73,600 leasable square feet
- 17 workforce apartment units
- Up to 80 attached single-family residential resort units OR a third hotel with up to 100 rooms

- Approximately 98± acres of agriculture and open space areas; and

WHEREAS, pursuant to Government Code Section 56654(a), the City must approve a resolution of application in order to initiate annexation proceedings; and

WHEREAS, the principal reasons for the proposed reorganization are to incorporate property along the westerly City boundary and which are currently served by South Vine Street, a City street. Annexation (including amendment to the Sphere of Influence and Sphere of Services) will allow the City to provide infrastructure, facilities, and services that will permit development of the subject property in a manner consistent with the City's General Plan (as amended by GPA 17-03) and Economic Development Strategy.

WHEREAS, the following agency or agencies would be affected by the proposed jurisdictional changes:

<u>Agency</u>	<u>Nature of Change</u>
City of Paso Robles	Annexation
County of San Luis Obispo	Transfer of Jurisdiction (Detachment)

WHEREAS, the proposed land use of the territory subject to change will be Resort/Lodging, Regional Commercial, Parks and Open Space, Agriculture, and Multi-Family (8 units/acre), consistent with the City's General Plan and Zoning of the adjacent properties to the south and east located within City boundaries.

WHEREAS, the territory subject to change is not subject to a contract executed pursuant to the Williamson Act set forth in Government Code Section 51200 et. seq.; and

WHEREAS, as recommended by the 2013 Sphere of Influence update and Memorandum of Agreement, the Sphere of Influence amendment and Annexation are being submitted simultaneously; and,

WHEREAS, the proposed annexation is subject to the following terms and conditions: the annexation shall be consistent with the Cortese-Knox Local Government Reorganization Act of 2000, terms and conditions established by the San Luis Obispo as of the date of the filing of this resolution; and

WHEREAS, the Paso Robles City Council approved the Gateway Annexation Project on June 16, 2020, including initiation of the Annexation, Sphere of Influence Amendment, Municipal Service Review, and Tax Sharing Agreement with LAFCO; and

WHEREAS, Revenue and Taxation Code Section 99 requires that before an annexation may occur, the affected local governments must come to an agreement regarding the amount of property tax to be exchanged. This section also requires that the County Assessor provide the County Auditor a report that identifies the assessed valuation of the property subject to annexation and that the County Auditor shall in return estimate the amount of property tax generated by the property subject to annexation and shall estimate what proportion of the property tax revenue is attributable to each affected jurisdiction, including which amount of the tax revenue is subject to negotiation. Only the annual growth in excess of the base revenue is negotiable.; and

WHEREAS, the estimated property tax revenue generated by the Gateway Annexation property for 2020/2021 is \$55,713. It was determined that 9.1932% of the annual property tax increment after transfers to the Educational Revenue Augmentation Fund can be negotiated for exchange between the City and County; and

WHEREAS, the City submitted an Application for Annexation to San Luis Obispo County Local Agency Formation Commission (LAFCO) on October 10, 2020; and

WHEREAS, on November 5, 2020, the City received a letter from LAFCO that additional information was needed to process the application; and

WHEREAS, on January 26, 2021, the County approved the commencement of negotiation for the exchange of property tax revenue relative to the Gateway Annexation Property. Per Revenue and Taxation Code Section 99, property tax negotiations were required to be completed by May 20, 2021.; and

WHEREAS, on March 16, 2021, the City provided additional information to LAFCO that satisfied the information request from November 5, 2020, with the exception of a Property Tax Exchange Agreement that has been approved by both the County and City; and

WHEREAS, on June 7, 2021, LAFCO returned the application for the Gateway Annexation, citing Revenue and Tax Code Section 99, which provides specific direction and timeframes for completing property tax negotiations for an annexation; and

WHEREAS, GPA 17-03, ZC 17-03, and PD 17-009 would become effective upon successful annexation of the property from the San Luis Obispo County to the City of Paso Robles jurisdiction; and

WHEREAS, pursuant to section 21067 of the Public Resources Code of the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) (“CEQA”), Section 15367 of the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), and the City’s Local CEQA Guidelines, the City is the lead agency for the proposed Project; and

WHEREAS, pursuant to CEQA, an Environmental Impact Report (EIR) was prepared to describe the impacts of the project and on February 28, 2020, the City and the Governor's Office of Planning and Research distributed the Draft EIR, which identified and evaluated the potential environmental impacts of the proposed project and associated entitlements to interested parties and responsible agencies (SCH #2013101050) for a 45-day public review period, February 28, 2020 through April 13, 2020; and

WHEREAS, the City Council reviewed and certified the Environmental Impact Report prepared for the project pursuant to Section 15091 of the State CEQA Guidelines (14 California Code of Regulations [CCR]) and Section 21081 of the Public Resources Code on June 16, 2020; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has been certified, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code section 21166 and State CEQA Guidelines section 15162 require additional environmental review; and

WHEREAS, staff evaluated the proposed annexation in light of the standards for subsequent environmental review outlined in Public Resources Code section 21166 and State CEQA Guidelines section 15162; and

WHEREAS, based on that evaluation, staff concluded that the EIR fully analyzed and mitigated, where feasible, all potentially significant environmental impacts, if any, that would result from the proposed annexation, and therefore, no subsequent EIR or mitigated negative declaration is required; and

WHEREAS, notice of intent to adopt this resolution of application has been given, and the City Council has conducted a public hearing based upon this notification; and,

WHEREAS, on June 25, 2021, a Notice of Public Hearing was published in a newspaper of general circulation within the City of El Paso de Robles and was mailed to all interested parties, as well as property owners within a 300-foot radius; and

WHEREAS, on July 8, 2021, the City Council conducted a duly noticed public hearing to consider re-adoption of a Resolution of Application to reinstate proceedings for annexation of the Project, at which time all persons wishing to testify were heard and the Project was fully considered.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Resolution.

Section 2. Compliance with the California Environmental Quality Act. As the approving body for the Project, the City Council has reviewed and considered the EIR, and administrative record on file with the City and available for review at 1000 Spring Street, Paso Robles, California. The City Council found that the EIR has been completed in compliance with the California Environmental Quality Act (Pub. Res. Code § 21000 et seq.: “CEQA”) and the State CEQA Guidelines.

Section 3. Findings Regarding Environmental Impacts. Based on the substantial evidence set forth in the record, including but not limited to the EIR, the City Council finds that, based on the whole record before it, none of the conditions under State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred because proposed annexation:

a) will not result in substantial changes that would require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

b) will not result in substantial changes with respect to the circumstances under which the Revised Project is developed that would require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

c) does not present new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the EIR documents were certified or adopted, as applicable, showing any of the following: (i) that the proposed annexation would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the applicant declined to adopt.

Further, based on the substantial evidence set forth in the record, including but not limited to the EIR the City Council finds that the applicable mitigation measures identified in the EIR have been incorporated into a specific mitigation monitoring program for proposed annexation and would ensure that any potential environmental impacts would be reduced to less than significant levels. Those impacts which were identified in the EIR as significant and unavoidable remain significant and unavoidable. However, the proposed annexation would not add to or further exacerbate those previously identified significant impacts.

The City Council further finds that those impacts identified in the EIR as significant and unavoidable remain significant and unavoidable under the proposed annexation but that the proposed annexation does not increase those previously identified impacts in their severity.

Section 4. Statement of Overriding Consideration. The City Council further finds that the CEQA Findings and Statements of Overriding Considerations adopted in support of the Project attached as **Exhibit D** attached hereto, and by this reference incorporated herein, remain valid and appropriate for purposes of the proposed annexation.

Section 5. Mitigation Monitoring and Reporting Program. The City Council re-adopts those mitigation measures identified in the EIR as detailed specifically in the Mitigation Monitoring and Reporting Program prepared as attached as **Exhibit E**, attached hereto and by this reference incorporated herein.

Section 6: Resolution Regarding Staff Direction: A Notice of Determination shall be filed with the County and the State Clearinghouse within 5 (five) working days of the City Council's approval of the Resolution.

Section 7. Findings for Adoption of Resolution of Application. Based on the facts and analysis presented to it, including all written and oral testimony and staff presentations, the City Council finds as follows regarding the proposed Annexation and Sphere of Influence and Sphere of Service amendments:

- a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment where possible.
- b. The boundaries of the proposed annexation will not result in any areas difficult to serve.
- c. There is a demonstrated need for governmental services and controls in the area proposed for annexation.
- d. The City has the resources capable of meeting the need for services in the area proposed for annexation.
- e. There is a mutual social and economic community of interest between the residents of the municipality and the proposed territory.
- f. The proposed annexation is compatible with the City's General Plan and represents a logical and reasonable expansion of the City.

Section 8. Initiation of Annexation. Based on all of the above, the City Council of the City of El Paso de Robles, California, finds that ANX 16-01 is compatible with the surrounding land uses in the vicinity and would provide for orderly growth and development, and does hereby reaffirm approval of ANX 16-01 and requests that the San Luis Obispo Local Agency Formation Commission re-initiate proceedings for the annexation into the City of Paso Robles. Having already commenced negotiations with County staff, City acknowledges the terms of and will accept the Master Tax Sharing agreement with the understanding if the update to the Master Property Tax Sharing Agreement results in a revised tax sharing formula that it is more beneficial to the City those revisions will apply to this annexation. Furthermore, the annexation shall be consistent with Exhibits A, B, C and C1 attached hereto and incorporated herein by reference.

Section 9. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City's office at 1000 Spring Street, Paso Robles, CA 93446. The City Clerk, is the custodian of the record of proceedings.

Section 10. Execution of Resolution. The Mayor shall sign this Resolution and the Deputy City Clerk shall attest and certify to the passage and adoption thereof.

PASSED AND APPROVED by the City Council of the City of El Paso de Robles, California, at its regular meeting held on this 16th day of June 2020, by the following vote, to wit:

AYES: Hamon, Gregory, Garcia, Strong, Martin



Steven W. Martin, Mayor

ATTEST:



Melissa Boyer, City Clerk

Exhibit A – Legal Description Text
Exhibit B – Legal Description Diagram
Exhibit C – Plan for Services
Exhibit C1 – Water Supply Assessment
Exhibit D - CEQA Findings and Statements of Overriding Considerations
Exhibit E - Mitigation Monitoring and Reporting Program