



CITY OF MORRO BAY
COMMUNITY DEVELOPMENT DEPARTMENT
955 SHASTA AVENUE ♦ MORRO BAY, CA 93442
805-772-6261

M I T I G A T E D N E G A T I V E D E C L A R A T I O N

CEQA: CALIFORNIA ENVIRONMENTAL QUALITY ACT

CITY OF MORRO BAY
955 Shasta Avenue
Morro Bay, California 93442
805-772-6261

December 16, 2019

The State of California and the City of Morro Bay require, prior to the approval of any project which is not exempt under CEQA, that a determination be made whether or not that project may have any significant effects on the environment. In the case of the project described below, the City has determined that the proposal qualifies for a Mitigated Negative Declaration.

CASE NO.: CUP19-13 / CDP19-039 / LTM19-06

PROJECT TITLE: 295 Atascadero Road, Morro Bay Hotel

APPLICANT / PROJECT SPONSOR:

Owner/Applicant:

Agent:

Escape Hospitality, LLC
590 Morro Avenue
Morro Bay, CA 93442
T 805-801-1224

Cathy Novak Consulting
PO Box 296
Morro Bay, CA 93442
T 805-772-9499
novakconsulting@charter.net

PREPARED BY:



1422 Monterey Street, Suite B200
San Luis Obispo, CA 93401
T 805-543-7095

SUMMARY PROJECT DESCRIPTION

Escape Hospitality, LLC (owner/applicant) proposes to construct and operate a new 56,358-square-foot hotel located at 295 Atascadero Road in Morro Bay, San Luis Obispo County, California. The hotel would provide 83 guest rooms, an indoor pool, a fitness room, a meeting room, interior dining and lounge areas, and on-site parking, including 92 vehicle parking spaces and 19 bicycle parking spaces. The hotel would be three stories in height and would require a modification pursuant to the Planned Development overlay standards in the City of Morro Bay (City) Title 17 Zoning Ordinance (MBMC 17.40.030) to allow a proposed height of 35.5 feet above average natural grade (ANG), 5.5 feet above the 30-foot ANG height limit.

The project is anticipated to require some level of disturbance over the entire 2.02-acre (88,025-square-foot) site and would require earthwork of approximately 1,650 cubic yards of cut and 3,500 cubic yards of fill. Project construction is expected to require 14–16 months to complete.

PROJECT LOCATION

The project site is located at 295 Atascadero Road, at the northwest corner of the State Route (SR-) 1 and SR-41 intersection, adjacent to Morro Bay High School. The project site is located within the C-VS (Visitor Serving Commercial/Planned Development) zoning district and designated by the City's General Plan and Coastal Land Use Plan (CLUP) as Visitor Serving Commercial. The project site is located in the Coastal Zone and is within the appealable jurisdiction of the California Coastal Commission.

FINDINGS OF THE ENVIRONMENTAL COORDINATOR

It has been found that the project described above will not have a significant effect on the environment. The Initial Study includes the reasons in support of this finding. Mitigation measures are required to assure that there will not be a significant effect on the environment; these are described in the attached Initial Study and Checklist and have been added to the permit conditions of approval.



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INITIAL STUDY AND CHECKLIST

I. PROJECT INFORMATION

| | | | |
|----------------------------------|--|---------------|--------------------------------|
| Project Title: | <u>295 Atascadero Road, Morro Bay Hotel Project</u> | | |
| Project Location: | <u>295 Atascadero Road (APN 066-332-003, 065-182-003, 065-182-004)</u> | | |
| Case Number: | <u>Coastal Development Permit #CDP19-039, Conditional Use Permit # CUP19-13, Lot Merger # LTM19-06</u> | | |
| Lead Agency: | <u>City of Morro Bay</u> | Phone: | <u>(805) 772-6577</u> |
| | <u>955 Shasta Ave.</u> | Email: | <u>cjacinth@morrobayca.gov</u> |
| | <u>Morro Bay, CA 93442</u> | | |
| | <u>Contact: Cindy Jacinth</u> | | |
| Project Applicant/Agent: | <u>Hemant and Pradeep Patel</u> | Phone: | <u>(805) 801-1224</u> |
| | <u>Escape Hospitality, LLC</u> | Email: | <u>hemant96@yahoo.com</u> |
| | <u>590 Morro Avenue</u> | | |
| | <u>Morro Bay, CA 93442</u> | | |
| Project Landowner: | <u>Hemant and Pradeep Patel</u> | Phone: | <u>(805) 801-1224</u> |
| | <u>Escape Hospitality, LLC</u> | Email: | <u>hemant96@yahoo.com</u> |
| | <u>590 Morro Avenue</u> | | |
| | <u>Morro Bay, CA 93442</u> | | |
| General Plan Designation: | <u>Visitor Serving Commercial</u> | | |
| Zoning Designation: | <u>C-VS/PD (Visitor Serving Commercial/Planned Development)</u> | | |

PROJECT LOCATION

The 2.02-acre project site is located at 295 Atascadero Road, at the northwest corner of the Highway 1 and Highway 41 intersection, within the city of Morro Bay (Figures 1 and 2). The project site is adjacent to Morro Bay High School and is surrounded by the high school to the north and west, Highway 1 to the east, and Atascadero Road to the south. The site is currently and has historically been vacant and undeveloped and is located within the C-VS/PD (Visitor Serving Commercial/Planned Development) zoning district and designated by the City of Morro Bay General Plan and Coastal Land Use Plan (CLUP) of the Local Coastal Plan (LCP) as Visitor Serving Commercial. The project site is located within the Coastal Zone boundary and is within the appealable jurisdiction of the California Coastal Commission. The topography at the project site is nearly level, with elevation ranging from approximately 20 feet above mean sea level (msl) in the northern portion of the site to approximately 22 feet above msl in the southern portion of the site near Atascadero Road.

Figure 1. Project vicinity map.



Figure 2. Project location map.



PROJECT BACKGROUND

The City of Morro Bay (City) originally received an application for the 295 Atascadero Road, Morro Bay Hotel project from Escape Hospitality, LLC (owner/applicant) on June 13, 2018. The original project was very similar to the proposed project, except that it was seeking additional height, requesting a reduction of parking, and proposing a contemporary-modern architectural style. The original project was introduced at the City Planning Commission Hearing on January 15, 2019, for a conceptual review (no action). Between the conceptual Planning Commission review on January 15, 2019, and the revised application submittal on May 17, 2019, the applicant made several changes to the project in response to initial Planning Commission feedback, including a reduction in overall height of the hotel structure, refinement of the landscaping plan, and modification of the architectural design.

The following supporting information and technical studies were prepared for the project and are included as appendices to this Initial Study/Mitigated Negative Declaration (IS/MND):

- Attachment B: *Air Quality & Greenhouse Gas Impact Study for the Proposed Morro Bay Hotel Project, Morro Bay, CA* (AMBIENT Air Quality and Noise Consulting, August 2019a)
- Attachment C: *Biological Resources Assessment for the Atascadero Road Hotel Project* (Kevin Merk Associates, LLC, May 23, 2018)
- Attachment D: *Energy Impact Study for the Proposed Morro Bay Hotel Project, Morro Bay, CA* (AMBIENT Air Quality and Noise Consulting, August 2019b)
- Attachment E: *Geotechnical Engineering Report* (Earth Systems Pacific, January 29, 2018)
- Attachment F: *Phase I Environmental Site Assessment* (Haro Environmental, December 7, 2017)
- Attachment G: *Acoustics Assessment of Atascadero Road Hotel Morro Bay, CA* (45dB Acoustics, May 3, 2018)
- Attachment H: *Transportation Impact Study* (Central Coast Transportation Consulting, March 2018)

A *Phase I Archaeological Survey* prepared by SWCA Environmental Consultants (March 2018) was also prepared for the project. The findings of the survey are summarized in this document; however, the report is not included in the technical appendix due to the confidential locational information of archaeological resources included therein.

PROJECT DESCRIPTION

Escape Hospitality, LLC (owner/applicant) proposes to construct and operate a new 56,358-square-foot hotel located at 295 Atascadero Road in Morro Bay, California. The hotel would provide 83 guest rooms within three floors—18 rooms on the first floor, 30 rooms on the second floor, and 35 rooms on the third floor. An indoor pool, fitness room, meeting room, interior dining and lounge areas, and ancillary operational areas would also be provided on the first floor. On-site parking would include 92 vehicle parking spaces and 19 bicycle parking spaces (Figure 3). Of the 92 vehicle parking spaces, 67 would be standard-sized spaces, 20 would be compact-sized spaces, and five would be Americans with Disabilities Act (ADA)-accessible spaces. The 92 vehicle parking spaces would include nine electric vehicle (EV) charging stations (see Public Benefit, below).

The project is anticipated to require some level of disturbance over the entire 2.02-acre (88,025-square-foot) site and would require earthwork of 1,650 cubic yards of cut and 3,500 cubic yards of fill. Project construction is expected to require 14–16 months to complete.

Figure 3. Site plan.



Planned Development

As noted above, the project is located in a Planned Development (PD) zoning overlay. Pursuant to the City of Morro Bay Municipal Code Section 17.40.030, the purpose of the PD overlay zone is to provide for detailed and substantial analysis of development on parcels which, because of location, size, or public ownership, warrant special review. This overlay zone is also intended to allow for the modification of or exemption from the development standards of the primary zone that would otherwise apply if such action would result in better design or other public benefit. The applicant is seeking project approval with modifications to several development standards in exchange for several public benefits (see Public Benefit, below).

Building Height. The hotel would be three stories in height and would require a modification from the City's allowed height limit to allow for a finished height of 35.5 feet above average natural grade (ANG). The City's C-VS zoning allows for a maximum building height of 30.0 feet above ANG, which means the project would exceed the height limit by 5.5 feet. The project site is nearly level and ranges in elevation from 20 to 22 feet above msl. The ANG of the site is 20.74 feet above msl. However, the project is within a floodplain and the base flood elevation is located at 24.5 feet above msl, 3.76 feet above the ANG of the site. Federal Emergency Management Agency (FEMA) standards require that structures be constructed with the finished floor at least 1 foot above the base flood elevation. The City requires structures be constructed with the finished floor at least 2-feet above the base flood elevation but allows structures to be constructed with a finished floor at 1 foot below the base floodplain as long as the first 3 feet of the structure are floodproofed. Because the applicant is not able to construct the structure at ANG without further height exception request, they are proposing to construct the hotel at 1 foot below the base floodplain elevation and floodproof the first 3 feet of the building, per City standards. This will require the finished floor to be located 2.76 feet above ANG (Figure 4). The hotel would be 32.67 feet tall and would therefore have a finished height of 35.5 feet above ANG.

Parking Lot Design. Onsite parking would be provided and would include 92 vehicle parking spaces and 19 bicycle parking spaces. as previously stated, of the 92 vehicle parking spaces, 67 would be standard-sized spaces, 20 would be compact-sized spaces, and five would be ADA-accessible spaces. The 92 vehicle parking spaces would include nine EV charging stations. In addition, the applicant is seeking a modification of the parking lot landscape design standard that requires trees to be planted in rectangular planter boxes after every five parking stalls (finger islands). Instead, the applicant is proposing to provide diamond-shaped tree planters, which would not be located after every five parking stalls in some areas of the parking lot. Finger islands after every five parking stalls are included along the east side of the parking lot. A shade study was provided by the applicant which showed the alternative planter locations would provide shaded cover for up to 59% of the parking stall area.

Public Benefit

In order to allow for the modification of development standards (see Planned Development, above), the applicant is proposing the following public benefits.

EV Charging Stations. The applicant is proposing to install nine EV charging stations that would be incorporated into the 92 vehicle parking spaces. These charging stations would be located closest to Atascadero Road and would be available to both hotel guests and the general public. Of the nine charging stations seven would be Level 2 (240 volt) and two would be Level 3 (direct current [DC] fast charge, 480 volt). One of the charging stations would be dedicated for ADA-accessible use.

Class I Bike Lane. The applicant is proposing to construct a Class I bike path along the street frontage of the project (Atascadero Road) to Morro Bay High School (see Figure 3). An existing Class I bike path runs along the east side of the high school, across the north side of the project site, and adjacent to and across the west side of the project site to Atascadero Road. The new bike path would be located along the south side of the project site, along Atascadero Road in the right-of-way, and would provide access from the Highway 1 southbound offramp to the

high school. The new Class I bike path would replace an existing Class II on-street striped bike lane along this portion of Atascadero Road.

Offer of Dedication to the High School. The existing bike path that runs along a portion of the western property boundary would be offered for dedication to Morro Bay High School (see Figure 3).

Other “Green” Measures. The applicant is proposing several measures that would help reduce the environmental impact of the project including:

- Solar panels on the roof (117-kilowatt [KW] system consisting of 300 390-watt panels)
- Net zero energy consumption goal for the building (does not include vehicle trips)
- Bike share program
- Recycled content building materials
- Water conserving plumbing fixtures
- Key card controlled electrical within the guest rooms
- Light-Emitting Diode (LED) lighting
- Reflective roofing
- Permeable pavers
- Recycling bins in guest rooms
- Excess bathroom product recycling program
- High performance glazing systems

Lot Merger

The project site is comprised of five underlying parcels which are proposed to be combined into a single parcel as part of project implementation.

PROJECT ENTITLEMENTS REQUESTED

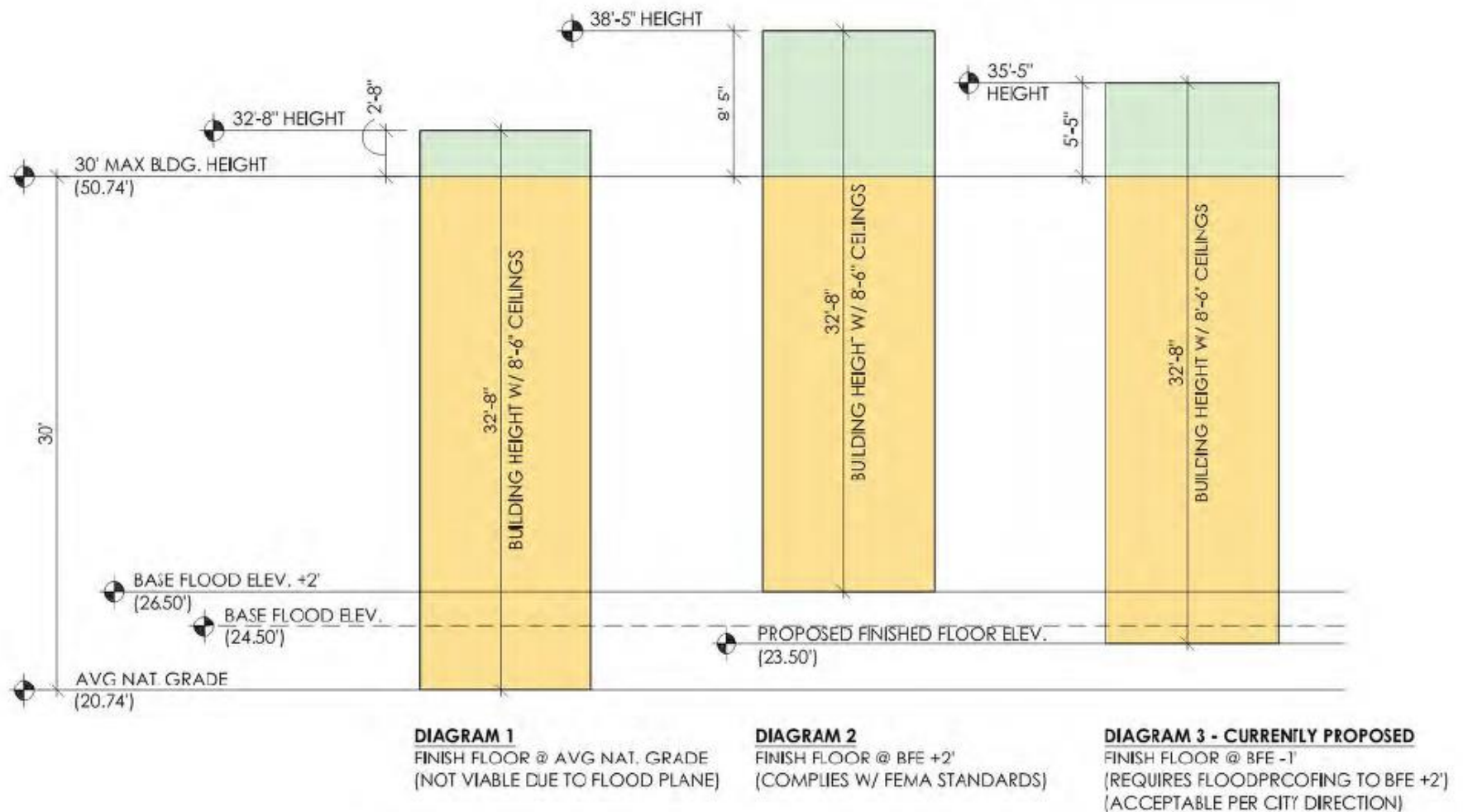
City approvals for a Coastal Development Permit (CDP), Conditional Use Permit (CUP), and voluntary lot merger are required for construction of the project.

OTHER PUBLIC AGENCIES WHOSE APPROVAL IS REQUIRED (E.G., PERMITS, FINANCING APPROVAL, OR PARTICIPATION AGREEMENT)

The City is the lead agency for the proposed project. Responsible and trustee agencies may include, but are not limited to:

- California Coastal Commission (appealable jurisdiction)
- San Luis Obispo County Air Pollution Control District (SLOAPCD)
- Environmental Health Division of the County of San Luis Obispo Public Health Department (County Health Department)
- California Department of Transportation (Caltrans)
- Regional Water Quality Control Board (RWQCB)

Figure 4. Building height exhibit.



Source: Arris Architects 2019

II. ENVIRONMENTAL SETTING AND IMPACTS

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the Environmental Checklist on the following pages.

| | | | |
|---|---------------------------------------|---|-----------------------------------|
| X | 1. Aesthetics | X | 11. Land Use and Planning |
| | 2. Agriculture and Forestry Resources | | 12. Mineral Resources |
| X | 3. Air Quality | | 13. Noise |
| X | 4. Biological Resources | | 14. Population and Housing |
| X | 5. Cultural Resources | | 15. Public Services |
| X | 6. Energy | | 16. Recreation |
| X | 7. Geology and Soils | X | 17. Transportation |
| X | 8. Greenhouse Gas Emissions | X | 18. Tribal Cultural Resources |
| | 9. Hazards and Hazardous Materials | | 19. Utilities and Service Systems |
| | 10. Hydrology and Water Quality | | 20. Wildfire |

Fish and Game Fees

| | |
|---|--|
| | The Department of Fish and Wildlife has reviewed the CEQA document and written no effect determination request and has determined that the project will not have a potential effect on fish, wildlife, or habitat (see attached determination). |
| X | The project has potential to impact fish and wildlife resources and shall be subject to the payment of Fish and Game fees pursuant to Section 711.4 of the California Fish and Game Code. This initial study has been circulated to the California Department of Fish and Wildlife for review and comment. |

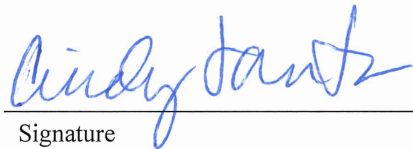
State Clearinghouse

| | |
|---|---|
| X | This environmental document must be submitted to the State Clearinghouse for review by one or more State agencies (e.g., Cal Trans, California Department of Fish and Wildlife, Department of Housing and Community Development). The public review period shall not be less than 30 days (CEQA Guidelines 15073(a)). |
|---|---|

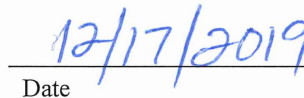
III. DETERMINATION (To be completed by the Lead Agency):

On the basis of this initial evaluation:

| | |
|---|---|
| | I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared. |
| X | I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made, by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared. |
| | I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required. |
| | I find that the proposed project MAY have a "potentially significant" impact(s) or "potentially significant unless mitigated" impact(s) on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed |
| | I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required. |



Signature



Date

Cindy Jacinth

Senior Planner

For: Scot Graham

Community Development Director

☒ X

With Public Hearing

☐

Without Public Hearing

Previous Document: CASE NO. CUP19-13 / CDP19-039 / LTM19-06

Evaluation of Environmental Impacts:

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including offsite as well as onsite, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant with Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section 19, “Earlier Analysis,” as described in (5) below, may be cross-referenced).
5. Earlier analysis may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration (Section 15063 (c) (3) (D)). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they addressed site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used, or individuals contacted should be cited in the discussion.
8. The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance.

IV. ENVIRONMENTAL CHECKLIST

1. Aesthetics

| Except as provided in Public Resources Code Section 21099, would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Have a substantial adverse effect on a scenic vista? | | | X | |
| b. Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | | | X | |
| c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? | | X | | |
| d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? | | | X | |

ENVIRONMENTAL SETTING

The project site is located at the northwest quadrant of the intersection of Highways 1 and 41 near the north-central section of Morro Bay, approximately 0.5 mile from the Pacific Ocean. Highway 41 begins at the project site and continues east over the hills to the city of Atascadero and beyond. West of Highway 1, Highway 41 turns into Atascadero Road and serves a variety of uses, including Morro Bay High School, a community recreation center, two hotels, a concrete plant, and recreational uses such as Morro Rock Beach, Lila Keiser Park, and Morro Dunes Recreational Vehicle (RV) Park. Main Street parallels the freeway east of Highway 1. A mix of service commercial and residential uses are seen in this area. Residential development includes both multi-unit development, single-family development, and mobile homes.

The project site is located on a coastal plain. To the west, the landform drops gently down through a dune area to beach and ocean. Inland from the site and east of Highway 1, the topography begins to rise to the coastal foothills. The area surrounding the project site is fairly well vegetated. Mature cypress, pine, and eucalyptus are the predominant tree cover in the area. Random groupings as well as scattered windrows are seen throughout the community. Native and ornamental shrubs and ground covers are visible along Highway 1, as well as the nearby developed areas. The site itself is grass covered and surrounded by chain-link fence on all sides. Wooden utility poles and overhead lines cross the parcel. Mature cypress trees line the project site to the north and west.

The project site occupies a vacant, relatively flat parcel, ranging from approximately 20–22 feet in elevation. The parcel is approximately 15 feet lower in elevation than the Highway 1 mainline. The southbound off-ramp passes by the east side the project site as it drops from Highway 1 to Highway 41. Atascadero Road borders the southern side and Morro Bay High School borders the north side of the parcel. The high school entry drive and the City Teen Center and Skate Park are to the west. A Class I bicycle lane connecting the northern part of the community with the downtown area passes by the north and west boundaries of the project site under the cypress trees.

Two hotels are located across from the project site along Atascadero Road. The hotels are two stories, with exterior balconies and modest landscaping. Streetlights follow Atascadero Road east and west of the project site.

Regulatory Context and Viewer Sensitivity

The City of Morro Bay General Plan and LCP contain policies that protect the city's visual resources. The waterfront and Embarcadero are designated as scenic view areas in the General Plan Visual Resources and Scenic Highway Element. Morro Rock, the sand spit, the harbor, and navigable waterways are all considered significant scenic resources. Highway 1, which is located immediately adjacent to the project site, is an Officially Designated State Scenic Highway as well as a National Scenic Byway and All-American Road. The following visual policies and programs not only provide a regulatory framework but are also indicators of sensitivity to visual changes proposed at the project site.

State and National Scenic Designations

In 1999 Highway 1 was designated by the State of California as an Officially Designated Scenic Highway. The County of San Luis Obispo (County) and the City promoted the designation based on the high level of existing visual quality along the corridor as well as the desire to protect its visual resources in the future. In 2003 Highway 1 was also bestowed the title of "All-American Road" in the National Scenic Byway program. This designation recognizes the visual characteristics of the Highway 1 corridor as being among the highest quality in the nation. These designations illustrate the highest level of concern and sensitivity for the aesthetics within the project area and beyond.

City of Morro Bay Coastal Land Use Plan, Chapter XIII

The City's CLUP includes a chapter on Visual Resources to address the visual quality concerns in the city. The CLUP identifies several aesthetic concerns in the community, including overhead utility lines and the protection of neighborhood character:

D. Conflicts and Issues

3. Overhead Utility Lines

Throughout Morro Bay's residential neighborhoods and most of its commercial areas, there seems to be a maze of overhead utility lines darting in every direction. While this problem is not unique to Morro Bay, it seems particularly acute in this community, particularly in the northern sections of the City. This web of lines serves to both:

- a) Create a jumbled, blighted appearance for those areas in which it is most predominant;*
- b) Interfere with, obstruct, and in some cases render unsightly views that would otherwise be spectacular.*

Existing utility lines will continue to plague what is visually pleasant about Morro Bay and detract from property values unless a concerted effort is taken to eliminate this eyesore.

6. Protection of Neighborhood Character

One of the priorities of the Coastal Act is the protection of the character of the community and its neighborhoods. Morro Bay recognizes the need to preserve the unique character of its varied neighborhoods and to create a higher quality visual environment within them. Among some of the issues that predicate the establishment of policy to preserve neighborhood character are the following:

- (d) There is a need for balancing formula governing the allowable height and bulk of residential and commercial buildings.*

The City's CLUP identifies several policies to address these concerns:

E. Visual Resource Policies

Policy 12.01: The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic and coastal areas to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and where feasible, to restore and enhance visual quality in visually degraded areas.

Policy 12.02: Permitted development shall be sited and designed to protect views to and along the coast and designated scenic areas and shall be visually compatible with the surrounding areas.

Policy 12.05(d): The City shall, as part of the implementation phase of the LCP, adopt new provisions to reduce allowable height and size where they interfere with views to and along State Highway One.

City of Morro Bay General Plan Visual Resources and Scenic Highway Element, Chapter IV

The Visual Resources and Scenic Highway Element of the City's General Plan and LCP establish criteria for the protection, preservation and enhancement of the city's scenic resources and identifies the scenic qualities along major roadways in Morro Bay. The element provides the following criteria and policies for the protection of scenic resources:

Assessment of Scenic Values

In order to implement the policies of the Coastal Act regarding visual resources, the City identified areas providing significant public views such as Morro Bay, Morro Rock, and the Pacific Ocean. Because man-made visual quality and natural visual quality are aesthetically pleasing and desirable in different ways, urban views are evaluated under different criteria than natural views. The criteria used for assessing views of the urban environment include such things as:

- a) The enhancement of the City's character through the use of building materials and scale of the structures;*
- b) The compatibility with surrounding structures;*
- c) The preservation of public views;*
- d) The enhancement and definition of the City's image.*

The General Plan identifies Morro Rock as the landmark of the community and the most significant visual feature of the area that can be seen from almost any location in Morro Bay.

The City's entry corridors are also important with regard to preserving and enhancing visual amenities. If the axiom that first impressions are most important is applied to Morro Bay, then entry corridors should receive considerable attention particularly when one considers that tourism is one of the principal economic bases for the City. Both Highway 1 and 41 are identified as "Entry Corridors" on Figure VR-3, Scenic Routes, of the General Plan. The intersection of Highways 1 and 41 is identified in the General Plan as a principal entryway to the city. The visual quality of this area is seriously impaired by the lack of landscaping, excessive signs, vacant and unkept properties, and overhead utilities. The General Plan states that the City should exercise strict design control over new development along these corridors to improve architectural coordination and quality. Special sign controls and landscaping requirements should be applied in these areas. Further, establishment of future utility undergrounding

districts by the City should focus on these entryways (refer to page IV-16 of the Visual Resources and Scenic Highway Element).

The General Plan identifies two policies that aim to enhance, protect, and preserve the existing and potential visual resources of Morro Bay and its surroundings:

Policy VR-2: The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic and coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas those such as designated on Figure VR-1, shall be subordinate to the character of its setting.

Policy VR-3: The City shall implement the Coastal Land Use Plan/Coastal Element map and policies, through the adoption of appropriate ordinances, to protect and enhance the visual resources associated with the corridors of the City's scenic highways and local designated routes.

Project Visibility

The applicant erected story poles on the project site in advance of the conceptual Planning Commission meeting on January 15, 2019. Five story poles were placed with string-line connection to help simulate the four corners of the structure and the structure's midpoint. The story poles were representative of the proposed maximum building height of the original project design (35.42 feet).

Views from Highway 1

The project site is located at an identified "Gateway" to Morro Bay. Highway 1, which is immediately east of the site, rises in elevation as it crosses over Highway 41. This elevated vantage point provides a direct view of the project site at a viewing distance of approximately 100 feet away. Traveling in the southbound direction of Highway 1, viewers would see the project from along an approximately 700-foot section of the roadway. Vehicles traveling at the posted speed limit would experience project views for approximately 7 seconds. Bicyclists, traveling at 20 miles per hour would see the project for approximately 23 seconds.

Traveling south, Morro Rock is directly visible from Highway 1 along an approximately 0.6-mile segment adjacent to the Cloisters development north of the project. Continuing southbound, views of Morro Rock are intermittent due to mature vegetation along the highway and around the high school. In the vicinity of the project site, the existing cypress trees lining the west side of the site substantially block views of Morro Rock, except at the southern end of the parcel where the row of trees ends. From that vantage point Morro Rock can be clearly seen to the southwest along an approximately 250-foot segment of the southbound lanes. South of the Highway 41 undercrossing, views to Morro Rock once again become intermittent due to intervening vegetation and development. The story poles that were erected in January 2019 showed that a small portion of the original project design would have blocked Morro Rock while traveling southbound past the project. The project design was altered in response to preliminary feedback from Planning Commission and the revised design analyzed here would not result in blocked views of Morro Rock while traveling southbound on Highway 1.

Traveling northbound, the project site would be potentially seen along an approximately 600-foot segment of Highway 1. Due to the slight northwest angle of Highway 1 while traveling northbound, and the location of Morro Rock south of the project site, the hotel would not block views of Morro Rock while traveling northbound on Highway 1. Similar to the views in the southbound direction, the existing cypress trees around the site block most of the views of the ocean. The story poles that were previously erected showed that the hotel would not block views of the ocean traveling northbound on Highway 1 as the height of the structure would be below the tree line of the cypress trees that backdrop the project.

Views from Highway 41/Atascadero Road

Highway 41 becomes Atascadero Road west of the southbound Highway 1 on- and off-ramps. From viewpoints west of Highway 1, the roadway is immediately adjacent to the project site and can be clearly seen in the foreground. West of the project site, the southernmost portion of the project parcel is visible, while existing vegetation and development limits views to the northern end of the site. As seen from Highway 41 east of Highway 1, the embankment slopes and vegetation of the undercrossing effectively block views of the project site.

Views from Other Local Roads

The project site can be seen from a portion of Main Street north of Highway 41. From this location, the ground-plane of the site is not visible, but the upper portion of the proposed structure would be visible across Highway 1. A glimpse of Morro Rock is available beyond the southern end of the cypress trees bordering the project site.

The project would also be seen from portions of Sunset Avenue and Hill Street east of Highway 1. The elevated viewing position of these roadways would allow for intermittent views of the project west of Highway 1.

City staff conducted a field reconnaissance to view the story poles from nearby local roads, including Sunset Avenue. The reconnaissance showed that due to the elevation of the project site approximately 16 feet below Highway 1, and the height and angle of the cypress trees on the western portion of the project site, the story poles (and therefore the hotel) did not block views of Morro Rock from residences on Sunset Avenue or other uphill streets (such as Hill Street).

The public bicycle trail would provide direct foreground views of the project as it passes along the northern and western perimeter of the site. Due to viewing distance, intervening development, and vegetation, the project would not be visible from public parks or the beach.

IMPACT DISCUSSION

Scenic vistas are generally defined as high-quality views displaying good aesthetic and compositional value that can be seen from public viewpoints. If the project substantially degrades the scenic landscape as viewed from public roads, or in particular designated scenic routes, or from other public or recreation areas, this would be considered a potentially significant impact on the scenic vista. The primary visual resource contributing to scenic vistas in the project vicinity is Morro Rock, approximately 1 mile southwest of the project site. Other visual resources along the Highway 1 corridor that contribute to scenic vistas often include views of the Pacific Ocean, the beach and shoreline, bluffs and cliffs, mature trees and other native vegetation, and the hillsides and ridges to the inland from Highway 1.

- a. Views of the Pacific Ocean are not readily visible from the immediate project area because of topography, distance, and intervening vegetation and development. The inland hills contribute to the scenic vista for views toward the east. Because of the project's location west of Highway 1, views to the scenic inland hills would not be affected.

As seen from southbound Highway 1, the project site occupies the foreground along an approximately 550-foot frontage of the highway and off-ramp. Although existing cypress trees block views to Morro Rock while traveling along most of the project frontage, no trees exist at the southernmost 120 feet of the project site. Through this gap, Morro Rock can be easily seen to the southwest. The project proposes a 35.5-foot-tall structure which steps down at its southern section. The elevation of the Highway 1 travel lanes is approximately 15 feet above the ground elevation of the project parcel. Review of the project site, story-pole exhibits, and photo simulations indicate that the hotel structure would have minimal effect on availability of views to Morro Rock as seen from the Highway 1 mainline (Figures 5 and 6). The bulk of the hotel structure would be seen in front of the existing row of cypress trees, which already block views to Morro Rock. A small portion of the southeastern corner of the building would affect the view; however,

the duration of this blockage would be approximately 1 second and would be inconsequential in terms of its effect on the scenic vista (Figure 6).

As the southbound off-ramp approaches Highway 41, it drops in elevation relative to the project site. As a result, the proposed building would occupy a greater percentage of the available view in that direction. However, as seen from the off-ramp, the existing view of Morro Rock is somewhat compromised relative to the views from the highway mainline due to the lower view angle and a greater amount of intervening development. As a result, the partial reduction of views to Morro Rock from the southbound off-ramp would be minimal.

As a result of these viewing conditions, potential impacts to the scenic vista would be less than significant.

- b. A scenic resource is a specific feature or element with a high degree of memorability or landmark characteristics that contribute to the high visual quality of the corridor. In general, coastal scenic resources along Highway 1 include the Pacific Ocean, the rugged cliffs and shoreline, rock outcroppings and inland hills, vegetated creek ways, and patterns of mature native vegetation. Morro Rock is among the most memorable and iconic natural features and coastal scenic resources as seen from Highway 1 through Morro Bay and the coastal communities of northern San Luis Obispo County. The project would result in a significant impact if it were to damage or have a substantial negative effect on views of any of those specific resources as seen from Highway 1, an Officially Designated State Scenic Highway.

As mentioned previously, the project would have only a minor effect on the availability of views to Morro Rock. As seen from southbound Highway 1, the southernmost portion of the hotel would affect a small portion of Morro Rock for a viewing duration of approximately 1 second (Figures 7 and 8). It is expected that this change would be unnoticed by the casual observer.

Additionally, because of some combination of proximity, view orientation, topography, intervening vegetation, or development, potential views of other identified scenic resources as seen from Highway 1 would be not affected by the project.

Therefore, potential impacts to the scenic resources as seen from the Officially Designated State Scenic Highway would be less than significant.

- c. Project-related actions would be considered to have a significant impact on the visual character of the site if they altered the area in a way that substantially changed, detracted from, or degraded the visual quality of the site or the surrounding area. The degree to which that change reflects documented community values and meets viewers' aesthetic expectations is the basis for determining levels of significance. Visual contrast and compatibility may be used as a measure of the potential impact that the project may have on the visual quality of the site. If a strong contrast occurred where project features or activities attract attention and dominate the landscape setting, this would be considered a potentially significant impact on visual character or quality of the site.

Figure 5. Existing view of the project site from southbound Highway 1 with Morro Rock in the distance.



Source: Arris Studio Architects

Figure 6. Simulation of the project from southbound Highway 1 with Morro Rock in the distance.



Source: Arris Studio Architects

The visual character of the project site and its surroundings is defined by both built and natural elements. Although the immediate project setting is characterized by suburban-type development, the views of Morro Rock, the Pacific Ocean, and the inland hills provide an awareness of a larger, natural context. These features combine for a moderately high visual quality and character. Within the project vicinity, the Highway 1/41 interchange, Atascadero Road, and Main Street corridors are seen as primarily commercial. With two existing hotels located directly across from the project site, the proposed hotel would not be an unexpected use for the area.

The proposed hotel structure would be 35.5 feet tall, which exceeds the maximum 30-foot height allowed by the City Zoning Ordinance. This three-story structure would be visually inconsistent with the two-story hotels across the street. Although the proposed structure shows some articulated features, shed-roof elements, and varied materials, its large mass and basic rectilinear box form would be apparent as seen from Highway 1. Although the building would be somewhat out-of-scale with the surrounding developments, the combination of the elevated Highway 1 viewing position relative to the site, along with the row of large cypress trees directly adjacent to the site would partially reduce the perceived size and visual mass of the project. The project plans include approximately 20 parking lot and accent trees along the east side of the structure. The trees would provide some visual filtering of the project but would not be sufficient in size or number to disguise the large visual scale of the hotel building.

Figure 7. Existing view of the project site from southbound Highway 1; existing cypress trees block views of Morro Rock.



Source: Arris Studio Architects

Figure 8. Simulation of the project from southbound Highway 1; existing cypress trees block views of Morro Rock.



Source: Arris Studio Architects

Figure 9. Existing view of the project site from the intersection of Atascadero Road and the Highway 1 southbound ramps.



Source: Arris Studio Architects

Figure 10. Simulation of the project from the intersection of Atascadero Road and the Highway 1 southbound ramps.



Source: Arris Studio Architects

The primary visual effect of the project would be that the site would go from being dominated by the mature cypress trees to being dominated by the large building. The proposed parking lot landscaping would visually reduce the visual mass of the proposed structure (JBLA Conceptual Landscape Plan February 2019 and JBLA Landscape Screening Update Letter November 2019). With implementation of the mitigation measures identified in this report, the perceived large mass and rectilinear character of the hotel building would be reduced. As a result, the project would result in significant but mitigable impacts to the existing visual character and quality of the site and its surroundings. After implementation of identified mitigation, residual impacts would be less than significant.

- d. The project would result in a significant impact if it subjected viewers from public viewpoints to a substantial amount of point-source lighting visibility at night, or if the collective lumination of the project resulted in a noticeable spillover effect into the nighttime sky, increasing the ambient light over the region. The placement of lighting, source of illumination, and fixture types combined with viewer locations, adjacent reflective elements, and atmospheric conditions can affect the degree of change to nighttime views.

Night lights are currently seen throughout the area. Streetlights line Atascadero Road and the Highway 1 on- and off-ramps. Various types of lights are associated with the nearby commercial properties, and sports field lighting can be seen at Morro Bay High School and Lila Keiser Park. The project plans identify a range of outdoor lighting, including parking lot pole lighting, and bollards and sconces on the building. LED lighting would be used throughout the project, with cut-off fixtures proposed for elevated light sources. A photometric study provided by the applicant shows no light spillover onto adjacent properties.

Based on this information combined with the existing developed setting, no substantial sources of light or glare affecting day or nighttime views would occur, and potential impacts would be less than significant.

CONCLUSION

Potentially significant impacts to aesthetic resources associated with the proposed project would be less than significant with implementation of mitigation.

MITIGATION AND MONITORING

Mitigation Measure VR-1: At time of application for construction permits, the applicant shall revise the Conceptual Landscape Plan (dated February 19, 2019) by Jim Burrows Landscape Architecture to be consistent with the Landscape Screening Update Letter dated November 7, 2019 by Jim Burrows Landscape Architecture. The revised landscape plan shall provide for landscaping that provides at least 50% year-round (evergreen) screening of the structure, as viewed from Highway 1 traveling southbound (east building frontage) and taken from the vantage point as shown in Figure 5. Within five years of final inspection and occupancy, the landscaping shall provide for

25% year-round screening of the structure as viewed from Highway 1 traveling southbound. Within ten years of final inspection and occupancy and for the life of the project, the landscaping shall provide for 50% year-round screening of the structure as viewed from Highway 1 traveling southbound. In the event the landscaping does not meet or falls below these performance criteria, the applicant shall retain a qualified landscape architect to prepare and submit a revised landscape and replanting plan to fulfil this mitigation measure to the satisfaction of the City.

Mitigation Measure VR-2: Per City of Morro Bay Municipal Code section 17.48.050, all overhead utilities on the project site shall be placed underground. Prior to issuance of grading permits, the applicant shall provide revised plans showing compliance with this measure for review and approval by the City of Morro Bay Community Development Department.

2. Agricultural Resources

| <p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocol adopted by the California Air Resources Board.</p> <p>Would the project:</p> | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Convert prime farmland, unique farmland, or farmland of statewide importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | | | | X |
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract? | | | | X |
| c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | | | | X |
| d. Result in the loss of forest land or conversion of forest land to non-forest use? | | | | X |
| e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use? | | | | X |

ENVIRONMENTAL SETTING

The project site is located within the C-VS/PD (Visitor Serving Commercial/Planned Development) zoning district and designated by the City's General Plan and CLUP as Visitor Serving Commercial. The site is completely vacant and there is no record of previous development. No agricultural activities are present within or proximate to the project site. Based on review of the California Department of Conservation (DOC) San Luis Obispo County Important Farmland 2016 map (DOC 2016), the project site is designated as Urban and Built-up Land.

The project site is entirely underlain by 192 Psamments and Fluvents, occasionally flooded soils. Permeability is moderately rapid or rapid, and surface runoff is very slow or slow. The hazard of water erosion is moderate and during unusually heavy storms, damaging overflow and deposition can occur. Because the profile of these soils is highly variable, on-site investigation is needed to determine practices needed to control erosion, prevent flooding, and determine suitability for range, farming, and engineering uses. This soil is classified as Not Prime Farmland by the Natural Resource Conservation Service (NRCS 2019). This soil has a CA Storie Index Rating of Grade 4 – Poor.

IMPACT DISCUSSION

- a. There is no active farmland on the project site or in the project vicinity. The project site is designated as Urban and Built-up Land and does not contain soils classified as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance pursuant to the FMMP. On-site soils are designated Not Prime Farmland by the NRCS. Therefore, the project would not result in the conversion of Farmland pursuant to the FMMP to a non-agricultural use and no impacts would occur.
- b. The project site does not include land within the Agriculture land use designation or land subject to a Williamson Act contract. Therefore, the project would not result in a conflict with existing zoning for agricultural use or a Williamson Act contract and no impacts would occur.
- c., d. The project site does not include land use designations or zoning for forest land or timberland, nor does the project site support forest land or timberland; therefore, the project would not result in the loss or conversion of these lands to non-forest use. No impacts would occur.
- e. The project is not located near Farmland or forest land and the nature of the project would not conflict with existing agricultural uses. The project would not substantially increase demand on agricultural water supplies and would not indirectly affect any proximate agricultural support facilities. Therefore, the project would not result in changes in the existing environment that could result in the conversion of Farmland to non-agricultural uses or forest land to non-forest uses. No impacts would occur.

CONCLUSION

The project would not directly or indirectly result in the conversion of farmland, forest land, or timber land to non-agricultural uses or non-forest uses and would not conflict with agricultural zoning or otherwise adversely affect agricultural resources or uses. No significant impacts to agricultural resources would occur and no mitigation measures are necessary.

MITIGATION AND MONITORING

Mitigation measures are not required.

3. Air Quality

| Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project: | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--|--------------------------------|--|------------------------------|-----------|
| a. | Conflict with or obstruct implementation of the applicable air quality plan? | | X | | |
| b. | Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard? | | X | | |
| c. | Expose sensitive receptors to substantial pollutant concentrations? | | X | | |
| d. | Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people? | | | X | |

ENVIRONMENTAL SETTING

This section summarizes the information in the Air Quality and Greenhouse Gas Impact Analysis prepared for the project (AMBIENT Air Quality and Noise Consulting 2019a). For more detailed information, please refer to Attachment B.

Morro Bay is in San Luis Obispo County, which is part of the South-Central Coast Air Basin (SCCAB) and within the jurisdiction of the San Luis Obispo County Air Pollution District (SLOAPCD). The climate of the SCCAB is strongly influenced by its proximity to the Pacific Ocean. Airflow around and within the basin plays an important role in the movement and dispersion of pollutants. The speed and direction of local winds are controlled by the location and strength of the Pacific high-pressure system and other global weather patterns, topographical factors, and circulation patterns that result from temperature differences between the land and the sea.

Air quality within the SCCAB is regulated by several jurisdictions including the U.S. Environmental Protection Agency (EPA), California Air Resources Board (CARB), and SLOAPCD. Each of these jurisdictions develops rules, regulations, and policies to attain the goals or directives imposed upon them through legislation.

The SLOAPCD is the agency primarily responsible for ensuring that federal and state ambient air quality standards are not exceeded and that air quality conditions within the region are maintained. Responsibilities of the SLOAPCD include, but are not limited to, preparing plans for the attainment of ambient air quality standards, adopting and enforcing rules and regulations concerning sources of air pollution, issuing permits for stationary sources of air pollution, inspecting stationary sources of air pollution and responding to citizen complaints, monitoring ambient air quality and meteorological conditions, and implementing programs and regulations required by the federal and state Clean Air Acts.

As part of the California Clean Air Act, the SLOAPCD is required to develop a plan to achieve and maintain the state ozone standard by the earliest practicable date. The SLOAPCD's 2001 Clean Air Plan (CAP) addresses the attainment and maintenance of federal and state ambient air quality standards. The CAP was adopted by SLOAPCD on March 26, 2002, and outlines strategies to reduce ozone-precursor pollutants (i.e., reactive organic gas [ROG] and nitrogen oxide [NOx]) from a wide variety of sources. The CAP includes a stationary-source control program, which includes control measures for permitted stationary sources, as well as transportation and land use management strategies to reduce motor vehicle emissions and use. The stationary-source control program is administered by SLOAPCD. Transportation and land use control measures are implemented at the regional or local

level by promoting and facilitating the use of alternative transportation options, increased pedestrian access and accessibility to community services and local destinations, reductions in vehicle miles traveled, and promotion of congestion management efforts. In addition, local jurisdictions also prepare population forecasts, which are used by SLOAPCD to forecast population-related emissions and air quality attainment, including those contained in the CAP.

The SLOAPCD has developed and updated their California Environmental Quality Act (CEQA) Air Quality Handbook (most recently updated with a November 2017 Clarification Memorandum) to help local agencies evaluate project-specific impacts and determine if air quality mitigation measures are needed, or if potentially significant impacts could result.

The SLOAPCD has established thresholds for both short-term construction emissions and long-term operational emissions. Use of heavy equipment and earth-moving operations during project construction can generate fugitive dust and engine combustion emissions that may have substantial temporary impacts on local air quality and climate change. Combustion emissions, such as NO_x, ROG, greenhouse gases (GHGs), and diesel particulate matter (DPM), are most significant when using large, diesel-fueled scrapers, loaders, bulldozers, haul trucks, compressors, generators, and other heavy equipment. The SLOAPCD has established thresholds of significance for each of these contaminants.

Operational impacts are focused primarily on the indirect emissions (e.g., motor vehicles) associated with residential, commercial, and industrial development. Certain types of projects can also include components that generate direct emissions, such as power plants, gasoline stations, dry cleaners, and refineries (source emissions).

Sensitive receptors are people that have an increased sensitivity to air pollution or environmental contaminants, such as the elderly, children, asthmatics, and others who are at a heightened risk of negative health outcomes due to exposure to air pollution. Some land uses are considered more sensitive to changes in air quality than others, due to the population that occupies the uses and the activities involved. Sensitive receptor locations include schools, parks and playgrounds, day care centers, nursing homes, hospitals, and residences. The project site is located in a moderately developed area and the nearest sensitive land uses to the project site is Morro Bay High School, located immediately to the north and west of the project.

IMPACT DISCUSSION

- a. According to the SLOAPCD's CEQA Air Quality Handbook (2012), a consistency analysis with the CAP is required for a program-level environmental review and may be necessary for a larger project-level environmental review, depending on the project being considered. Project-level environmental reviews that may require consistency analysis with the CAP include large residential developments and large commercial/industrial developments. For such projects, evaluation of consistency is based on a comparison of the proposed project with the land use and transportation control measures and strategies outlined in the CAP. If the project is consistent with these measures, the project is considered consistent with the CAP.

The proposed project is not considered a large development project that would have the potential to result in a substantial increase in population or employment. In addition, the proposed project is also consistent with existing zoning designations. However, construction-generated emissions of ROG+NO_x would exceed the SLOAPCD's recommended significance threshold of 137 pounds per day. Projects that exceed the SLOAPCD's recommended significance thresholds would also be considered to potentially conflict with regional air quality planning efforts. Therefore, this impact is considered potentially significant.

**Table 1: Summary of Ambient Air Quality Standards and
San Luis Obispo County Attainment Status**

| Pollutant | Averaging Time | California Standards* | | National Standards* | |
|--|-------------------------|--|--------------------------|------------------------|--|
| | | Concentration* | Attainment Status | Primary ^(a) | Attainment Status |
| Ozone (O ₃) | 1-hour | 0.09 ppm | Non-Attainment | — | Non-Attainment Eastern SLO County -Attainment Western SLO County |
| | 8-hour | 0.070 ppm | | 0.075 ppm | |
| Particulate Matter (PM ₁₀) | AAM | 20 µg/m3 | Non-Attainment | — | Unclassified/Attainment |
| | 24-hour | 50 µg/m3 | | 150 µg/m3 | |
| Fine Particulate Matter (PM _{2.5}) | AAM | 12 µg/m3 | Attainment | 12 µg/m3 | Unclassified/Attainment |
| | 24-hour | No Standard | | 35 µg/m3 | |
| Carbon Monoxide (CO) | 1-hour | 20 ppm | Attainment | 35 ppm | Attainment/Maintenance |
| | 8-hour | 9 ppm | | 9 ppm | |
| | 8-hour (Lake Tahoe) | 6 ppm | | — | |
| Nitrogen Dioxide (NO ₂) | AAM | 0.030 ppm | Attainment | 0.053 ppm | Unclassified |
| | 1-hour | 0.18 ppm | | 100 ppm | |
| Sulfur Dioxide (SO ₂) | AAM | — | Attainment | 0.03 ppm | Unclassified |
| | 24-hour | 0.04 ppm | | 0.14 ppm | |
| | 3-hour | — | | 0.5 ppm (1300 µg/m3)** | |
| | 1-hour | 0.25 ppm | | 75 ppb | |
| Lead | 30-day Average | 1.5 µg/m3 | Attainment | — | No Attainment Information |
| | Calendar Quarter | — | | 1.5 µg/m3 | |
| | Rolling 3-Month Average | — | | 0.15 µg/m3 | |
| Sulfates | 24-hour | 25 µg/m3 | Attainment | No Federal Standards | |
| Hydrogen Sulfide | 1-hour | 0.03 ppm (42 µg/m3) | Attainment | | |
| Vinyl Chloride | 24-hour | 0.01 ppm (26 µg/m3) | No Information Available | | |
| Visibility-Reducing Particle Matter | 8-hour | Extinction coefficient: 0.23/kilometer-visibility of 10 miles or more (0.07-30 miles or more for Lake Tahoe) due to particles when the relative humidity is less than 70%. | Attainment | | |

* For more information on standards visit: <http://ww.arb.ca.gov/research/aaqs/aaqs2.pdf>

** Secondary Standard

Source: SLOAPCD 2017; CARB 2017a

In July 2005, the SLOAPCD adopted the Particulate Matter Report (PM Report). The PM Report identifies various measures and strategies to reduce public exposure to PM emitted from a wide variety of sources, including emissions from permitted stationary sources and fugitive sources, such as construction activities. Uncontrolled fugitive dust generated during construction may result in localized pollutant concentrations that may result in increased nuisance concerns to nearby land uses. Therefore, construction-generated emissions of fugitive dust would be considered to have a potentially significant impact.

Implementation of Mitigation Measure AQ-1 would include measures to reduce construction-generated emissions of fugitive dust, as well as mobile-source emissions associated with construction vehicle and equipment operations and evaporative emissions from architectural coatings. With implementation of mitigation, overall emissions of fugitive dust would be reduced by roughly 50–60%. These measures would also help to ensure compliance with the SLOAPCD's 20% opacity limit (SLOAPCD Rule 401) and nuisance rule (SLOAPCD Rule 402) and would minimize potential nuisance impacts to nearby receptors. Therefore, this impact would be significant but mitigable. With implementation of identified mitigation, residual impacts would be less than significant.

b. Short-Term Construction Emissions

The construction of the proposed project would result in the temporary generation of emissions associated with site grading and excavation, paving, and motor vehicle exhaust associated with construction equipment and worker trips, as well as the movement of construction equipment on unpaved surfaces. Short-term construction emissions would result in increased emissions of ozone-precursor pollutants (i.e., ROG and NO_x) and emissions of PM. Emissions of ozone precursors would result from the operation of on- and off-road motorized vehicles and equipment. Emissions of airborne PM are largely dependent on the amount of ground disturbance associated with site preparation activities and can result in increased concentrations of PM that can adversely affect nearby sensitive land uses.

Estimated daily and quarterly emissions associated with initial construction of the proposed project are presented in Tables 2 and 3, respectively. Construction-generated emissions in comparison to SLOAPCD significance thresholds are summarized in Table 4. As depicted, maximum daily emissions associated with construction of the proposed project would total approximately 118.8 pounds per day of ROG+NO_x. Emissions of particulate matter 10 micrometers or less in diameter (PM₁₀) during construction would total approximately 5.2 pounds per day or less. Maximum quarterly construction-generated emissions would total approximately 1.0 tons of ROG+NO_x and less than 0.1 tons of both Fugitive PM₁₀ and DPM. Estimated construction emissions would not exceed the SLOAPCD's significance thresholds. However, if uncontrolled, fugitive dust generated during construction may result in localized pollutant concentrations that could exceed ambient air quality standards and result in increased nuisance concerns to nearby land uses. For these reasons, construction-generated emissions would be a potentially significant impact.

With implementation of Mitigation Measure AQ-1, overall emissions of fugitive dust would be reduced by approximately 50–60%. These measures would also help to ensure compliance with SLOAPCD's 20% opacity limit (SLOAPCD Rule 401) and nuisance rule (SLOAPCD Rule 402) and would minimize potential nuisance impacts to nearby receptors. With the use of low-volatile organic compound (VOC)-content paints, maximum daily construction-generated emissions of ROG+NO_x would total approximately 65 pounds per day. Mitigated emissions of ROG+NO_x would not exceed SLOAPCD's daily significance threshold of 137 pounds per day (Table 5). Therefore, this impact would be significant but mitigable. With implementation of identified mitigation, residual impacts would be less than significant.

Table 2: Daily Construction Emissions Without Mitigation

| Construction Activity | Construction Year | Daily Emissions (lbs) | |
|---|-------------------|-----------------------|--------------------------|
| | | ROG+NO _x | Exhaust PM ₁₀ |
| Site Preparation | 2020 | 50.1 | 2.4 |
| Grading/Excavation | 2020 | 38.4 | 1.5 |
| Building Construction | 2020-2021 | 118.8 | 5.2 |
| Paving | 2021 | 13.3 | 0.7 |
| Architectural Coating | 2021 | 27.7 | 0.1 |
| <i>SLOAPCD Significance Thresholds</i> | | <i>137</i> | <i>7</i> |
| <i>Maximum Daily Emissions-Year 2021</i> | | <i>118.8</i> | <i>5.2</i> |
| Exceed SLOAPCD Thresholds? | | No | No |

Maximum Daily Emissions: Assumes that building construction, paving, and application of architectural coatings could potentially occur simultaneously on any given day. Totals may not sum due to rounding. Refer to Attachment B for modeling assumptions and results.

Table 3: Quarterly Construction Emissions Without Mitigation

| Quarter | Quarterly Emissions (tons) | | | |
|---|----------------------------|--------------------|--------------------|--------------------|
| | ROG+NO _x | PM ₁₀ | | |
| | | Dust | Exhaust | Total |
| Quarter 1 | 1.0 | 0.10 | 0.05 | 0.15 |
| Quarter 2 | 0.8 | 0.03 | 0.04 | 0.06 |
| Quarter 3 | 0.9 | 0.03 | 0.04 | 0.07 |
| Quarter 4 | 1.0 | 0.02 | 0.04 | 0.06 |
| <i>Maximum Quarterly Emissions:</i> | <i>1.0</i> | <i>0.10</i> | <i>0.05</i> | <i>0.15</i> |
| <i>SLOAPCD Significance Thresholds</i> | <i>2.5</i> | <i>2.5</i> | <i>0.13</i> | <i>None</i> |
| Exceed SLOAPCD Thresholds? | No | No | No | No |

To be conservative, total exhaust PM₁₀ emissions were compared to SLOAPCD's DPM threshold. Totals may not sum due to rounding. Refer to Attachment B for modeling assumptions and results.

Table 4: Summary of Construction Emissions Without Mitigation

| Criteria | Project Emissions* | SLOAPCD Significance Threshold | Exceed Significance Threshold? |
|--|--------------------|--------------------------------|--------------------------------|
| Maximum Daily Emissions of ROG+NO _x | 118.8 lbs/day | 137 lbs/day | No |
| Maximum Daily Emissions of DPM | 5.2 lbs/day | 7 lbs/day | No |
| Maximum Quarterly Emissions of ROG+NO _x | 1.0 tons/qtr. | 2.5 tons/qtr. | No |
| Maximum Quarterly Emissions of DPM | 0.05 tons/qtr. | 0.13 tons/qtr. | No |
| Maximum Quarterly Emissions of Fugitive PM | 0.1 tons/qtr. | 2.5 tons/qtr. | No |

* lbs/day = pounds per day, tons/qtr. = tons per quarter

Quarterly thresholds are based on the more conservative Tier 1 thresholds. Refer to Attachment B for modeling assumptions and results.

Table 5: Daily Construction Emissions with Mitigation

| Construction Activity | Construction Year | Daily Emissions (lbs) | |
|---|-------------------|-----------------------|--------------------------|
| | | ROG+NO _x | Exhaust PM ₁₀ |
| Site Preparation | 2019 | 20.2 | 1.0 |
| Grading/Excavation | 2019 | 26.0 | 0.8 |
| Building Construction | 2019–2020 | 65.0 | 2.7 |
| Paving | 2020 | 9.8 | 0.5 |
| Architectural Coating | 2020 | 27.1 | 0.1 |
| <i>SLOAPCD Significance Thresholds</i> | | <i>137</i> | <i>7</i> |
| <i>Maximum Daily Emissions-Year 2020</i> | | <i>101.9</i> | <i>3.3</i> |
| Exceed SLOAPCD Thresholds? | | No | No |

Maximum Daily Emissions: Assumes that building construction, paving, and application of architectural coatings could potentially occur simultaneously on any given day. Totals may not sum due to rounding. Refer to Attachment B for modeling assumptions and results.

Long-term Operational Emissions

Long-term operational emissions associated with the proposed project would be predominantly associated with mobile sources. To a lesser extent, emissions associated with area sources, such as landscape maintenance activities, as well as, use of electricity and natural gas would also contribute to increased operational emissions. Unmitigated operational emissions associated with operation of the proposed project are summarized in Table 6. As depicted, maximum daily operational emissions would total approximately 10.5 pounds per day ROG+NO_x, 13.3 pounds per day carbon monoxide (CO), 2.3 pounds per day of fugitive PM₁₀, and 0.1 pounds per day of exhaust PM₁₀. Maximum annual emissions would total approximately 1.9 tons/year of ROG+NO_x and approximately 0.4 tons/year of fugitive PM₁₀. Operational emissions associated with the proposed project would not exceed SLOAPCD significance thresholds. As a result, this impact would be less than significant.

Table 6: Operational Emissions Without Mitigation

| Operational Period/Source | Emissions | | | | | | |
|---------------------------------|-----------|-----------------|---------------------|------|------------------|---------|-------|
| | ROG | NO _x | ROG+NO _x | CO | PM ₁₀ | | |
| | | | | | Fugitive | Exhaust | Total |
| Daily Emissions (lbs/day) | | | | | | | |
| Summer Conditions | 4.8 | 5.7 | 10.5 | 12.7 | 2.3 | 0.1 | 2.4 |
| Winter Conditions | 1.2 | 5.9 | 7.2 | 13.3 | 2.3 | 0.1 | 2.4 |
| SLOAPCD Significance Thresholds | -- | -- | 25 | 550 | 25 | 1.25 | -- |
| Exceeds SLOAPCD Thresholds? | -- | -- | No | No | No | No | -- |
| Annual Emissions (tons/year) | | | | | | | |
| Total Project Emissions | 0.9 | 1.0 | 1.9 | 2.3 | 0.4 | 0.0 | 0.4 |
| SLOAPCD Significance Thresholds | -- | -- | 25 | -- | 25 | -- | -- |
| Exceeds SLOAPCD Thresholds? | -- | -- | No | -- | No | -- | -- |

Based on year 2020 operational conditions. Totals may not sum due to rounding.
Refer to Attachment B for modeling output files and assumptions.

- c. Localized air quality impacts would be primarily associated with the project's contribution to localized mobile-source CO concentrations, as well as exposure to construction-generated emissions.

Localized Carbon Monoxide Concentrations

Localized concentrations of CO are of primary concern in areas located near congested roadway intersections. Of particular concern are signalized intersections that are projected to operate at unacceptable levels of service (LOS) E or F. Based on the traffic analysis prepared for this project, the proposed project would not substantially contribute to unacceptable levels of service (i.e., LOS E or F) at signalized intersections. Two of the study intersections (the Highway 41 intersections at Main Street and the Highway 1 southbound on- and off-ramps) currently operate below the LOS C/D threshold for vehicles. The addition of project traffic would increase delay at these intersections by less than 2 seconds at both locations. The City and Caltrans are pursuing a six-leg roundabout at this intersection. This project is currently in the design stage. Constructing the roundabout would result in acceptable operations (Central Coast Transportation Consulting [CCTC] 2018). In addition, the proposed project would not result in emissions of CO in excess of the SLOAPCD's significance threshold of 550 pounds per day. Therefore, this impact would be less than significant.

Naturally Occurring Asbestos

Naturally Occurring Asbestos (NOA) has been identified as a toxic air contaminant by the CARB. In accordance with CARB Airborne Toxic Control Measures (ATCMs), prior to any grading activities a geologic evaluation should be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request form, along with a copy of the geologic report, must be filed with the SLOAPCD. If NOA is found at the site, the applicant must comply with all requirements outlined in the Asbestos ATCM. ed on a review of the SLOAPCD's map depicting potential areas of NOA, the project site is not located in an area that has been identified by SLOAPCD as having a potential for NOA. As a result, this impact is considered less than significant.

Localized PM Concentrations

Implementation of the proposed project would result in the generation of fugitive PM emitted during construction. Fugitive PM emissions would be primarily associated with earth-moving, demolition, and material-handling activities, as well as vehicle travel on unpaved and paved surfaces. On-site off-road equipment and trucks would also result in short-term emissions of DPM. If uncontrolled, localized concentrations of PM could exceed air quality standards and may also result in increased nuisance impacts to nearby land uses and receptors. This impact is considered potentially significant. Idling of on-site equipment during construction would be prohibited when equipment is not in use in accordance with SLOAPCD requirements (CEQA Air Quality Handbook section 2.1.1) due to the close proximity of sensitive receptors, including the adjacent school.

Mitigation Measure AQ-1 includes measures for the control of fugitive dust emitted during project construction. Mitigation Measures AQ-2.b through AQ-2.i include additional provisions for reducing emissions of DPM from on-site mobile sources. With implementation of Mitigation Measure AQ-1 and AQ-2, this impact would be less than significant.

- d. The proposed project would not result in the installation of any equipment or processes that would be considered major odor-emission sources. However, construction of the proposed project would involve the use of a variety of gasoline or diesel-powered equipment that would emit exhaust fumes. Exhaust fumes, particularly diesel exhaust, may be considered objectionable by some people. In addition, pavement coatings and architectural coatings used during project construction would also emit temporary odors. However, construction-generated emissions would occur intermittently throughout the workday and would dissipate rapidly with increasing distance from the source. As a result, short-term construction activities

would not expose a substantial number of people to frequent odorous emissions. For these reasons, potential exposure of sensitive receptors to odorous emissions would be considered less than significant.

CONCLUSION

Implementation of the proposed project would result in emissions exceeding thresholds of significance, as identified by the SLOAPCD, which would also be considered to potentially conflict with regional air quality planning efforts. Standard mitigation has been identified to reduce potential impacts. With incorporation of the mitigation detailed below, the project would result in less-than-significant impacts on air quality.

MITIGATION AND MONITORING

Mitigation Measure AQ-1: The following measures shall be implemented to minimize construction-generated emissions. These measures are based on SLOAPCD standard mitigation measures and would help to ensure compliance with the SLOAPCD's 20% opacity limit (SLOAPCD Rule 401) and nuisance rule (SLOAPCD Rule 402). These measures shall be shown on grading and building plans:

- a. Construction of the proposed project shall use low-VOC content paints not exceeding 50 grams per liter.
- b. To the extent locally available, prefinished building materials or materials that do not require the application of architectural coatings shall be used.
- c. Reduce the amount of the disturbed area where possible.
- d. Use water trucks, APCD approved dust suppressants (see Section 4.3 in the CEQA Air Quality Handbook), or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the District's limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that since water use is a concern due to drought conditions, the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control. For a list of suppressants, see Section 4.3 of the CEQA Air Quality Handbook.
- e. All dirt stock-pile areas should be sprayed daily as needed.
- f. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities;
- g. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established.
- h. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the SLOAPCD.
- i. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.
- j. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site.
- k. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114.
- l. Install wheel washers at the construction site entrance, wash off the tires or tracks of all trucks and equipment leaving the site, or implement other SLOAPCD-approved methods sufficient to minimize the track-out of soil onto paved roadways.

- m. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible.
- n. The burning of vegetative material shall be prohibited. Effective February 25, 2000, the APCD prohibited developmental burning of vegetative material within San Luis Obispo County. If you have any questions regarding these requirements, contact the SLOAPCD Engineering and Compliance Division at (805) 781-5912.
- o. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the SLOAPCD Compliance Division prior to the start of any grading, earthwork or demolition.
- p. When applicable, portable equipment, 50 horsepower (hp) or greater, used during construction activities shall be registered with the California statewide portable equipment registration program (issued by the California Air Resources Board) or be permitted by the APCD. Such equipment may include: power screens, conveyors, internal combustion engines, crushers, portable generators, tub grinders, trammel screens, and portable plants (e.g., aggregate plant, asphalt plant, concrete plant). For more information, contact the SLOAPCD Engineering and Compliance Division at (805) 781-5912.

Mitigation Measure AQ-2: The following measures based on the SLOAPCD standard mitigation measures for construction equipment for reducing nitrogen oxides (NO_x), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment shall be implemented to reduce exposure of sensitive receptors to substantial pollutant concentrations. These measures shall be shown on grading and building plans:

- a. Implement Mitigation Measure AQ-1, as identified above.
- b. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
 - 1. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation; and,
 - 2. Shall not operate a diesel-fueled auxiliary power system to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5.0 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
- c. Maintain all construction equipment in proper tune according to manufacturer's specifications;
- d. Fuel all off-road and portable diesel-powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
- e. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-Road Regulation;
- f. Idling of all on and off-road diesel-fueled vehicles shall not be permitted when not in use. Signs shall be posted in the designated queuing areas and or job site to remind drivers and operators of the no idling limitation.
- g. Electrify equipment when possible;
- h. Substitute gasoline-powered in place of diesel-powered equipment, when available; and,

- i. Use alternatively fueled construction equipment on-site when available, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

4. Biological Resources

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service? | | X | | |
| b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service? | | | | X |
| c. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | | | | X |
| d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | | | X | |
| e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | | | | X |
| f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan? | | | | X |

ENVIRONMENTAL SETTING

A Biological Resources Assessment (BRA) was prepared by Kevin Merk Associates (KMA 2018; Attachment C) and has been incorporated into the following discussion and analysis. The BRA included field surveys conducted by Principal Biologist Kevin Merk on February 9, March 26, and April 27, 2018, to determine if any special-status species had the potential to occur on-site. A literature review was also conducted to assess what species have known occurrences within the project vicinity. The review included a query of the most recent version of the California Department of Fish and Wildlife (CDFW) California Natural Diversity Database (CNDDDB) to identify reported occurrences of sensitive resources within the project vicinity. In addition to the CNDDDB query, the California Native Plant Society (CNPS) Electronic Inventory of Rare and Endangered Plants of California (CNPS 2019) was reviewed to provide additional information on rare plants that are known to occur in the area.

The project is located on an undeveloped lot composed of weedy annual grasses and forbs surrounded by chain link fence. There are no drainages or aquatic features on-site. The field surveys conducted as part of the BRA identified disturbed annual grassland as the primary habitat type on-site. A windrow of Monterey cypress (*Hesperocyparis macrocarpa*) is present just off-site of the western and northern sides of the property, and only the outer tree canopy extends onto the site. No special-status plants were observed on-site, and none are expected to occur due to the regular cycle of disturbance from historic land uses (e.g., annual mowing) and predominance of nonnative weedy species. Based on the site's proximity to existing development, adjacency to Highway 1, and its setback from the

immediate coastline, no special-status wildlife species are expected to occur on-site. No habitats constituting Environmentally Sensitive Habitat Areas (ESHA) as defined by the City's LCP were identified.

IMPACT DISCUSSION

- a. A review of potentially occurring special-status species was performed using CNDDDB and CNPS searches, and through multiple field surveys of the entire project area. The CNDDDB identified numerous special-status plants and plant communities of special concern that have been found to occur within the general vicinity of the property. Special-status plant communities known to occur in the area are primarily associated with coastal dune habitats farther west along the immediate coastline and include coastal dune scrub, coastal foredune, coastal and valley freshwater marsh, maritime chaparral, riparian, and serpentine bunchgrass. The disturbed nature of the site does not provide suitable habitat for any of the special-status plants or plant communities evaluated in the BRA. No special-status plants or plant communities were observed within the study area during the field surveys and they are not expected to occur on-site.

The CNDDDB also identified numerous animal species with the potential to occur in the project vicinity; however, all of these species have highly specialized habitat requirements that are not present on-site. The project site does not contain any drainages or aquatic features that would otherwise provide suitable aquatic habitat for species, such as California red-legged frog (*Rana draytonii*). Since the proposed development area is highly disturbed from years of mowing, coastal scrub habitat for species such as the legless lizard (*Anniella pulchra*) and coast horned lizard (*Phrynosoma blainvillii*) is not present, and therefore reptiles known to occur in scrub habitats are not expected to occur. Based on the proximity of the site to the Pacific Ocean, the CNDDDB search identified numerous coastal species that are known to occur in the coastal sand dunes to the west and southwest of the project area. However, species such as the California black rail (*Laterallus jamaicensis coturniculus*), Morro Bay blue butterfly (*Icaricia icarioides moroensis*), and western snowy plover (*Charadrius nivosus* ssp. *nivosus*) are not expected to occur on-site based on the lack of suitable habitat.

Monarch butterflies (*Danaus plexippus*) are known to overwinter in the Morro Bay area farther south of the site, and historic occurrences were identified to the north and south of the site. During the field surveys, the cypress windrow was inspected and confirmed that it did not have sufficient structure or proximity to food and water sources to create the micro-climate needed to provide suitable overwintering habitat. Windrows lack the more complex structure needed to protect butterflies and buffer them from wind and cold temperatures during winter storm events.

Other invertebrate species with known occurrences in the immediate project area include the federal endangered Morro shoulderband snail (MSS) (*Helminthoglypta walkeriana*). The MSS is associated with coastal dune and coastal sage scrub habitats occurring on sandy soils (Baywood fine sands) around the Los Osos and Morro Bay area. The site does not support suitable MSS habitat since coastal dune scrub/sage scrub habitat, ice plant mats, or clumps of veldt grass (*Ehrharta calycina*) are not present. In addition, the on-site soils are disturbed from their original sandy dune nature, and no suitable anthropogenic habitat (e.g., old debris piles) was present on-site that could provide shelter for this species. In addition, the site is separated from known occurrences to the west by existing development and the windrow of cypress trees. Cypress trees are known to create a movement barrier for the species, especially when no understory vegetation is present. Therefore, based on the lack of suitable habitat and separation from known occurrences by existing development and the Monterey cypress windrow, MSS is not expected to occur onsite.

Although no special-status wildlife species were observed during the surveys, suitable habitat for nesting birds protected under the Migratory Bird Treaty Act (MBTA) and California Fish and Game Code (CFGF) was present in the Monterey cypress windrow just off-site to the west and north. The project does not propose to remove any trees as part of the project and no nests were observed during the field surveys;

however, nesting birds could be present on a seasonal basis in these trees, and construction activities as well as trimming or removing trees could adversely affect their nesting activities. Mitigation Measure BIO-1 would require preconstruction nesting surveys to avoid impacts to birds protected under the MBTA and CFCG.

The project site does not contain suitable habitat for any of the other special-status species identified in database queries. With implementation of Mitigation Measure BIO-1, the project would not have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in regional or local plans, policies, or regulations, or by the CDFW or U.S. Fish and Wildlife Service (USFWS). Therefore, impacts would be less than significant with mitigation.

- b. The project site is a flat lot and does not contain any riparian or any other sensitive habitats. The project site does not support ESHA or other habitat that would support special-status species. The project would not have substantial adverse effect on any riparian habitat or other sensitive natural community identified in regional or local plans, policies, or regulations, or by the CDFW or USFWS. Therefore, no impacts would occur.
- c. The project site does not support any wetlands or drainages and does not contain waters or wetland features on or near the project site that would be subject to federal or state jurisdiction. The closest drainage feature and sensitive habitat area is Morro Creek, located approximately 750 feet to the south, which is separated from the property by existing development, including two hotels and Lila Keiser Park. The project would not have a substantial adverse effect on federally or state-protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means; therefore, no impacts would occur.
- d. The project would occur within an urban area that is mostly developed and is bound by Highway 1 to the east, Atascadero Road to the south, and Morro Bay High School to the north and west. The project area does not support any surface water resources, migratory corridors, or nursery sites. Therefore, based on the location of the project, habitat conditions, and analysis presented in the BRA, impacts to movement of native and migratory species would be less than significant.
- e. The project would be located in the Coastal Zone and is subject to the City's LCP, which includes policies related to the preservation of ESHA and other sensitive biological resources. Based on the field surveys conducted as part of the BRA, no ESHA or other sensitive biological resources were identified on-site. The project does not propose to remove trees or any other activities that would otherwise conflict with any local policies or ordinances protecting biological resources. Therefore, no impacts would occur.
- f. The project site is not subject to any adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved state, regional, or local habitat conservation plan. Therefore, no impacts related to conflicts would occur.

CONCLUSION

Potentially significant impacts to biological resources associated with the proposed project would be less than significant with implementation of standard mitigation to avoid impacts to nesting birds.

MITIGATION AND MONITORING

Mitigation Measure BR-1: To avoid impacts to nesting birds, including raptors, for construction activities occurring between February 15 and August 31, a preconstruction survey for active bird nests shall be conducted by a qualified biologist. Surveys shall be conducted within 2 weeks prior to construction activities. If no active nests are located, construction activities can proceed. If active nests are located, then all construction work shall be

conducted outside a non-disturbance buffer zone to be developed by the project biologist based on the species (i.e., 50 feet for common species and up to 250 feet for raptors), slope aspect and surrounding vegetation in proximity to the nest site. No direct disturbance to nests shall occur until the young are no longer reliant on the nest site as determined by the project biologist. The biologist shall conduct monitoring of the nest until all young have fledged. The qualified biologist shall document all active nests and submit a letter report to the City of Morro Bay documenting project compliance with the Migratory Bird Treaty Act, California Fish and Game Code, and applicable project mitigation measures, within 14 days of survey completion or prior to first inspection, whichever occurs first.

5. Cultural Resources

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Cause a substantial adverse change in the significance of a historical resource pursuant to 15064.5? | | | X | |
| b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5? | | X | | |
| c. Disturb any human remains, including those interred outside of dedicated cemeteries? | | X | | |

ENVIRONMENTAL SETTING

The project site is located in an area historically occupied by the Obispeño Chumash and is considered by some to include the southern boundary of the Playano Salinan people. During prehistoric times, the areas surrounding the Morro Bay inlet and estuary were rich in terrestrial, littoral, and estuarine resources, which directly correlate to the high frequency of prehistoric cultural sites identified in the Morro Bay region. Several locations along the coast and Morro Creek are designated Archaeologically Sensitive (AS) by the City and the County.

A Phase 1 Archaeological Report (SWCA 2018) was prepared for the project site which included a records search at the Central Coast Information Center (CCIC) at the University of California, Santa Barbara and a pedestrian surface survey. Based on the results of the records search, numerous archaeological studies have been conducted within a 0.25-mile radius of the project site, including an intensive pedestrian field survey of the current project area. No resources were identified within or adjacent to the project area as result of that effort; however, eight previously identified prehistoric archaeological sites have been identified within a 0.25-mile radius of the project area. The closest resource is located approximately 400 feet east and is a historic property listed on the National Register of Historic Places (NRHP). During the field survey, the presence of previously undocumented, significant archaeological resources were not identified within the project area. However, the survey did identify Pismo clam, abalone, ceramic, and glass fragments that were likely associated with historic-era buildings once located near the project area.

IMPACT DISCUSSION

- a. Based on the CCIC records search, the project site does not directly contain any historic resources; however, a historic property listed on the NRHP is located near the project site. All project activities would be limited to the project site and the proposed project would not cause a substantial adverse change in the significance of proximate historical resources. Therefore, impacts would be less than significant.
- b, c. Based on the discussion above, and information documented in the Phase I Archaeological Report, no known archaeological resources, including human remains, are known to be present within the project site. However, the project is located in an archaeologically sensitive area and eight prehistoric archaeological

sites have been previously identified in the project vicinity, some of which contain human remains. Therefore, the project area is considered moderately sensitive for the presence of buried and/or obscured archaeological resources. Mitigation Measure CUL-1 would require the development of an Archaeological Monitoring Plan (AMP) and associated archaeological monitoring procedures during initial ground-disturbing activities. The AMP would appropriately identify and address archaeological finds encountered during construction monitoring and would include measures to avoid or reduce potential impacts to cultural resources. Implementation of these mitigation measures would ensure impacts to archaeological resources, including human remains, are avoided and minimized. Therefore, potential impacts associated with archaeological resources and the disturbance of human remains would be less than significant with mitigation.

CONCLUSION

Potentially significant impacts to cultural resources associated with the proposed project would be less than significant with implementation of identified mitigation.

MITIGATION AND MONITORING

To minimize the potential significant impacts to cultural resources, the following mitigation measure would be implemented.

Mitigation Measure CUL-1: Prior to project implementation, the applicant shall prepare an Archaeological Monitoring Plan (AMP) for review and approval by the City of Morro Bay. A standard clause shall be included in every grading and construction contract to inform contractors of this requirement. The AMP shall include, but not be limited to, the following:

- a. A list of personnel involved in the monitoring activities;
- b. Description of how the monitoring shall occur;
- c. Description of frequency of monitoring (e.g., full time, part time, spot checking);
- d. Description of what resources are expected to be encountered;
- e. Description of circumstances that would result in the halting of work at the project site;
- f. Description of procedures for halting work on the site and notification procedures;
- g. Description of monitoring reporting procedures; and
- h. Specific, detailed protocols for what to do in the event of the discovery of human remains.

Mitigation Measure CUL-2: An archaeological monitor and a representative from the Salinan Tribe of Monterey and San Luis Obispo Counties and the yak tit̥u tit̥u yak tiłhini Northern Chumash Tribe shall be present during project-related ground-disturbing activities that have the potential to encounter previously unidentified archaeological resources, as outlined in the AMP prepared to satisfy CUL-1. Archaeological and tribal monitoring may cease at any time if the qualified archaeologist, in coordination with the City's Environmental Coordinator and the tribes, determine that project activities do not have the potential to encounter and/or disturb unknown resources.

6. Energy

| Would the project: | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--------------------|--|--------------------------------|--|------------------------------|-----------|
| a. | Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation? | | X | | |
| b. | Conflict with or obstruct a state or local plan for renewable energy or energy efficiency? | | X | | |

ENVIRONMENTAL SETTING

This section summarizes information in the Energy Impact Analysis prepared for the project (AMBIENT Air Quality and Noise Consulting 2019b; Attachment E).

Energy use is typically associated with transportation, construction, and the operation of land uses. Transportation energy use is generally categorized by direct and indirect energy. Direct energy relates to energy consumption by vehicle propulsion. Indirect energy relates to the long-term indirect energy consumption of equipment, such as maintenance activities. Energy is also consumed by construction and routine operation and maintenance of land use. Construction energy relates to a direct one-time energy expenditure primarily associated with the consumption of fuel use to operate construction equipment. Energy related to land use is normally associated with direct energy consumption for heating, ventilation, and air conditioning of buildings.

The city is currently served by Pacific Gas and Electric Company (PG&E) for electricity needs. However, beginning in January 2020, the city will begin receiving electricity from Monterey Bay Community Power (MBCP), a Community Choice Energy agency that provides carbon-free electricity. MBCP energy resources consist largely of solar, wind, and hydroelectric. Roughly 34% of MBCP's 2018 total electric power mix came from renewable energy sources and 66% came from hydroelectric sources (MBCP 2019). The city is served by the Southern California Gas Company (SoCalGas) for natural gas needs. In 2017, natural gas throughput provided by SoCalGas totaled 236 billion cubic feet (Bcf). Natural gas demand has decreased over the past few years and is expected to continue to decline at a rate of 0.5% per year.

The energy impact analysis prepared by AMBIENT Air Quality and Noise Consulting (2019b; Attachment E) evaluated electricity and natural gas usage requirements associated with future development, as well as energy requirements associated with the use of on-road and off-road vehicles. The degree to which the proposed project would comply with existing energy standards, as well as applicable regulatory requirements and policies related to energy conservation, was also taken into consideration in the energy impact analysis.

IMPACT DISCUSSION

- a. The long-term operation of the proposed land uses would require electricity and natural gas usage for lighting, space and water heating, appliances, water conveyance, and landscaping maintenance equipment. Indirect energy use would include wastewater treatment and solid waste removal. Project operation would include the consumption of diesel and gasoline fuel from on-road vehicles. Implementation of the proposed project would increase electricity, diesel, gasoline, and natural gas consumption associated with construction activities, as well as long-term operational activities.

Construction-Related Energy Consumption

Table 7 summarizes the levels of energy consumption associated with project construction. Construction equipment use and associated energy consumption would be typical of that commonly associated with the

construction of new land uses. As a result, project construction would not be anticipated to require the use of construction equipment that would be less energy efficient than those commonly used for the construction of similar land uses. Idling of on-site equipment during construction would be prohibited when equipment is not in use in accordance with SLOAPCD requirements and mitigation measures included as part of the air quality analysis prepared for this project. Furthermore, on-site construction equipment may include alternatively fueled vehicles (e.g., natural gas), where feasible and to the extent locally available, in accordance with mitigation measures included as part of the GHG analysis prepared for this project. Energy use associated with construction of the proposed project would be temporary and would not be anticipated to result in the need for additional capacity, nor would construction be anticipated to result in increased peak-period demands for electricity. As a result, construction of proposed project would not result in an inefficient, wasteful, or unnecessary consumption of energy. As a result, impacts are considered less than significant.

Table 7: Construction Energy Consumption

| Source | Total Fuel Use (gallons) | Total MMBTU |
|---------------------------------|--------------------------|--------------|
| Off-Road Equipment Use (Diesel) | 31,328 | 4,304 |
| On-Road Vehicles (Gasoline) | 6,551 | 789 |
| On-Road Vehicles (Diesel) | 7,313 | 1,005 |
| Total: | | 6,097 |

Fuel use was calculated based, in part, on default construction schedules, equipment uses, and vehicle trips identified for the construction of similar land uses contained in the CalEEMod output files prepared for the air quality analysis conducted for this project. Refer to Attachment E for modeling assumptions and results.

Operational Mobile-Source Energy Consumption

Operational mobile-source energy consumption would be primarily associated with vehicle trips to and from the hotel. Table 8 summarizes the total fuel use at build-out of the proposed land uses. Project related trips would adhere to Federal and State regulations that include, but are not limited to, the Low-Carbon Fuel Standard, Advanced Clean Car Program, and Low-Emission Vehicle Program, which would contribute to reductions in future fuel usage. However, the proposed project does not include measures to reduce employee or guest vehicle trips. As a result, this impact would be considered potentially significant

Table 8: Operational Fuel Consumption

| Source | Total Fuel Use (gallons) | Total MMBTU |
|-----------------------------|--------------------------|--------------|
| On-Road Vehicles (Diesel) | 7,326 | 1,006 |
| On-Road Vehicles (Gasoline) | 39,788 | 4,792 |
| Total: | | 5,798 |

Fuel use was calculated based, in part, on VMT data for the proposed land uses derived from CalEEMod. Refer to Attachment E for modeling assumptions and results.

Operational Building-Use Energy Consumption

The proposed project would result in increased electricity and natural gas consumption associated with the long-term operation of the proposed land uses. It is important to note that the proposed buildings would be required to comply with Title 24 standards for energy-efficiency, which would include increased building

insulation and energy-efficiency requirements, including the use of energy-efficient lighting, energy-efficient appliances, and use of low-flow water fixtures.

Estimated electricity and natural gas consumption associated with proposed Project are summarized in Table 9. The proposed project would comply with the most current building energy-efficient standards (i.e., Title 24), which would result in increased building energy efficiency and energy conservation. However, without mitigation, implementation of the proposed project could result in wasteful, inefficient, and unnecessary consumption of energy. As a result, this impact is considered potentially significant.

Table 9: Operational Electricity and Natural Gas Consumption

| Source | Energy Use | MMBTU/Year |
|--------------------------------------|--------------------|--------------|
| Electricity Consumption | 711,682 kWh/Yr. | 2,428 |
| Water Use, Treatment, and Conveyance | 34,032 kWh/Yr. | 22 |
| Natural Gas Use | 4,863,300 kBTU/Yr. | 4,863 |
| Total: | | 7,313 |

Fuel use was calculated based, in part, on default construction schedules, equipment uses, and vehicle trips contained in the CalEEMod output files prepared for the air quality analysis conducted for this project. Refer to Attachment E for modeling assumptions and results.

Mitigation Measure GHG-1 includes measures that would result in decreased energy consumption and increase reliance on renewable energy sources. With the implementation of Mitigation Measures GHG-1, implementation of the proposed project would not result in wasteful, inefficient, or unnecessary consumption of energy. This impact would be less than significant with mitigation.

- b. As discussed previously, the proposed project would result in the consumption of energy associated with the use of motor vehicles, equipment, electricity, and natural gas consumption. Without mitigation, the proposed project could result in increased fuel usage that could conflict with applicable plans, policies, or regulations adopted for the purpose of reducing future energy use including, but not limited to, local and state climate action plans. Adherence to current and future Title 24 energy requirements would help to reduce the project's building-use energy consumption. Additional measures would likely be required to further reduce energy usage, as well as fuel use associated with motor-vehicle trips. This impact would be considered potentially significant.

Mitigation Measure GHG-1 has been included to reduce overall operational energy consumption, including those associated with long-term operational building energy use and fuel consumption. With mitigation, operational energy consumption would be substantially reduced, beyond those required by Title 24 building energy-efficiency requirements. With mitigation, this impact would be less than significant.

CONCLUSION

With implementation of GHG-1, the project would have a less than significant impact on energy resources.

MITIGATION MONITORING

Implement **Mitigation Measure GHG-1**, detailed in Section 8, below.

7. Geology and Soils

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| (i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Publication 42. | | | X | |
| (ii) Strong Seismic ground shaking? | | | X | |
| (iii) Seismic-related ground failure, including liquefaction? | | X | | |
| (iv) Landslides? | | | X | |
| b. Result in substantial erosion or the loss of topsoil? | | | X | |
| c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | | X | | |
| d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property? | | X | | |
| e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? | | | | X |
| f. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | | X | | |

ENVIRONMENTAL SETTING

The City of Morro Bay is located within the Coast Range Geomorphic Province, which extends along the coastline from central California to Oregon. This region is characterized by extensive folding, faulting, and fracturing of variable intensity. In general, the folds and faults of this province comprise the pronounced northwest trending ridge-valley system of the central and northern coast of California.

The City's General Plan Safety Element depicts landslide prone areas, flood prone areas, areas of high liquefaction potential, and areas of potential ground shaking. A Geotechnical Engineering Report was prepared by Earth Systems Pacific for the project (Earth Systems Pacific 2018; Attachment E) and the results are summarized in the following impact discussion.

IMPACT DISCUSSION

a-i. The nearest potentially capable fault is the Cambria fault located approximately 1.25 miles east of the project site. Based on the Alquist-Priolo Earthquake Fault Zone Maps and information available from the California Department of Conservation's website, the project site is not located within an identified Alquist-Priolo Earthquake Hazard Zone. The geotechnical engineering report prepared for the project provided recommendation for site preparation, grading, and foundations. In addition, the proposed project would be

subject to professional engineering standards and California Building Code (CBC) requirements to ensure buildings are constructed to withstand the magnitude of earthquakes that could potentially occur in that zone. The project would not expose people or structures to the rupture of any known active faults, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map. Therefore, impacts would be less than significant.

- a-ii. San Luis Obispo County is located in a geologically complex and seismically active region. The project site is located in area with moderately high potential for seismic activity, ground shaking, and seismic settlement. As part of the geotechnical engineering report, a seismic analysis was performed and did not identify seismic shaking as a major risk. However, the report identified liquefaction from seismic events as a concern and provided recommendations for the building's foundation. Impacts related to seismic induced liquefaction are discussed below. With the incorporation of the geotechnical recommendations provided in the report, and compliance with professional engineering standards and CBC requirements, potential seismic-related impacts would be reduced to less than significant. This requirement is detailed in Mitigation Measure GEO-1.
- a-iii. The geotechnical report concluded that the primary geotechnical concern at the project site is the potential for liquefaction from seismic settlement. Due to the potential for liquefaction-induced settlement, the geotechnical report recommended that the foundations and/or subsurface conditions should be designed and/or modified to address the potential for significant settlement due to liquefaction. Recommendations provided in the report include utilizing deep foundations (i.e., piles) for structure support that would bear through the upper potentially liquefiable zone and into more dense, non-liquefiable materials at depth. Additionally, the report recommends ground improvements that consists of displacing the soil with an auger to the bottom of the liquefiable layers and injecting grout or consolidating gravel into the resulting soil voids, thus densifying the soil and allowing conventional shallow foundations to be constructed over the ground improvement elements. The project would be required to design the project to be consistent with professional engineering standards and CBC requirements to withstand seismic events that could result in liquefaction. However, based on the site's susceptibility to seismically induced liquefaction, the project would also be required to implement Mitigation Measure GEO-1, which would require that grading and building plans include measures and techniques that are consistent with the design recommendations provided by the geotechnical engineering report. With incorporation of professional engineering standards, CBC requirements, and Mitigation Measure GEO-1, potential impacts related to seismically induced liquefaction would be reduced to less than significant. Therefore, impacts would be less than significant with mitigation.
- a-iv. According to the Hazards section of the City's LCP, the proposed project would not be sited in an area identified as a High Landslide Risk. Additionally, the project area is predominantly flat surrounded by gentle topography absent of significant geologic features. The proposed project would not expose people or structures to landslide risk or exacerbate or result in increased risk of landslides because it is not located in an area prone to landslides; therefore, no impacts would occur.
- b. It is anticipated that the entire 2.02-acre (88,025 square-foot) site would be disturbed, requiring earthwork of approximately 1,650 cubic yards of cut and 3,500 cubic yards of fill. Site improvements include clearing, grading, and the development of a hotel and associated parking. The greatest potential for onsite erosion to occur would be during the initial site preparation and grading during construction. The geotechnical report prepared for the project identified the soils on the property to be erodible and provided recommendations during site preparation and grading for surface soil stabilization. In addition, a Storm Water Control Plan has been prepared for the site and provides design requirements and source control measures that would reduce the potential for erosion or siltation. The project would also be required to prepare a Stormwater Pollution Prevention Plan (SWPPP) and implement Best Management Practices (BMPs) that are designed to further prevent soil erosion during construction. The project also proposes to incorporate a bioretention

facility and other Low Impact Development (LID) techniques including pervious pavers that would help manage stormwater and prevent soil erosion. With incorporation of the design requirements and recommendations provided in the geotechnical engineering report and the SWCP, and by using LID techniques and implementing BMPs provided in the SWPPP, the project would not result in substantial erosion or loss of topsoil. Therefore, impacts would be less than significant.

- c. As discussed above, the geotechnical report prepared for the project concluded that the primary geotechnical concern at the project site is the potential for seismic settlement due to liquefaction. The project would be required to design the project to be consistent with professional engineering standards and CBC requirements to withstand seismic events that could result in liquefaction. In addition, Mitigation Measure GEO-1 would require the project to prepare grading and building plans that include measures and techniques that are consistent with the design recommendations provided by the geotechnical report. Incorporation of professional engineering standards, CBC requirements, and Mitigation Measure GEO-1 would ensure the project is designed to adequately address potential impacts related to unstable geologic units. Therefore, potential impacts would be less than significant with mitigation.
- d. According to the geotechnical report, site soils were determined to be expansive. Expansive soils tend to swell with seasonal increases in moisture and shrink during the dry season as subsurface moisture decreases. The volume changes that these materials undergo in this cyclical pattern can stress and damage slabs and foundations if precautionary measures are not incorporated into the design and construction procedures. The geotechnical report provided design recommendations to reduce impacts related to seismically induced liquefaction, which would also be sufficient in resisting potential stresses by expansive soils. These recommendations include a mat foundation system and replacing existing soils with imported non-expansive soils. Incorporation of professional engineering standards, CBC requirements, and Mitigation Measure GEO-1 would ensure the project is designed to adequately address potential impacts related to expansive soils. Therefore, potential impacts would be less than significant with mitigation.
- e. The project would connect with the City municipal wastewater system and does not propose the use of septic tanks or alternative wastewater disposal systems. Therefore, no impacts would occur.
- f. The project consists of Psamment soils which are primarily unconsolidated sand deposits. There are no known unique paleontological resources or unique geological features located within the project sites and the area has a low potential for encountering important fossils. Therefore, impacts would be less than significant.

CONCLUSION

Potentially significant impacts related to geology and soils associated with the proposed project would be less than significant with implementation of mitigation.

MITIGATION MONITORING

Mitigation Measure GEO-1: Prior to issuance of grading permits, the project applicant shall submit to the City for approval, grading and building plans prepared by a professional engineer that incorporate design methods and engineering techniques that are consistent with the recommendations provided in the Geotechnical Engineering Report prepared by Earth Systems for the project. Recommendations include, but are not limited to:

- a. Utilize deep foundations (i.e., piles) for structure support so that the piles would bear through the upper potentially liquefiable zone and into more dense, non-liquefiable materials at depth.
- b. Ground improvements would include displacing the soil with an auger to the bottom of the liquefiable layers and injecting grout or consolidating gravel into the resulting soil voids, thus densifying the soil; conventional shallow foundations would then be constructed over the ground improvement elements.

- c. A hybrid solution involving over-excavation and reinforcement of the soil and a rigid mat foundation could also be utilized. Mat foundations distribute the structural loads over a wider area of the soil and can be designed to be sufficiently rigid such that the foundation will act as an integral unit in the event of liquefaction. The foundation should be designed to accommodate the shear and bending stresses that could result from the anticipated differential seismic settlement due to liquefaction. A relatively low bearing value is also recommended, as is a design of the foundations to accommodate a span of lost bearing at any point within the foundation.

8. Greenhouse Gas Emissions

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | | X | | |
| b. Conflict with an applicable plan, policy of regulation adopted for the purpose of reducing the emissions of greenhouse gases? | | X | | |

ENVIRONMENTAL SETTING

This section summarizes the information in the Air Quality and Greenhouse Gas Impact Analysis prepared for the project. For more detailed information, please refer to Attachment B.

The City of Morro Bay CAP was adopted by the City Council on January 14, 2014. The CAP is a long-range plan to reduce GHG emissions from City government operations and community activities within Morro Bay and prepare for the anticipated effects of climate change. The CAP will also help achieve multiple community goals such as lowering energy costs, reducing air pollution, supporting local economic development, and improving public health and quality of life.

According to the GHG emissions inventory identified in the CAP, in 2005, the Morro Bay community emitted approximately 169,557 metric tons of carbon dioxide equivalent GHG emissions (MTCO₂e), as a result of activities that took place within the transportation, residential energy use, commercial and industrial energy use, off-road vehicles and equipment, solid waste, aircraft and wastewater sectors. The largest contributors of GHG emissions were the transportation (40 percent), residential energy use (29 percent) and commercial/industrial energy use (21 percent) sectors. The remainder of emissions resulted from the solid waste (5 percent), off-road vehicles and equipment (5 percent), and wastewater (less than one percent) sectors.

In accordance with SLOAPCD-recommended significance thresholds, projects that are determined to be consistent with the GHG-reduction plan, or in this case the CAP, would be considered to have a less-than-significant impact. To assist with this determination, the CAP includes a Consistency Worksheet that identifies various “mandatory”, as well as, “voluntary” measures. All “mandatory” actions must be incorporated as binding and enforceable components of the project to be considered consistent with the CAP. If a project cannot meet one or more of the “mandatory” actions, substitutions may be allowed provided equivalent reductions can be achieved. In addition, to demonstrate consistency with the CAP Consistency Worksheet, all required measures must be incorporated as binding and enforceable components of the project.

The project proposes to install several GHG-reduction measures into the project design, including providing designated parking spaces for an alternatively fueled vehicles, installation of electric-vehicle charging stations (tier 2 and 3), and installation of a photovoltaic energy system.

IMPACT DISCUSSION

Estimated GHG emissions attributable to future development would be primarily associated with increases of CO₂ from mobile sources. To a lesser extent, other GHG pollutants, such as CH₄ and N₂O, would also be generated. Short-term and long-term GHG emissions associated with the development of the proposed project are discussed below.

a., b. Short-term Construction GHG Emissions

Estimated increases in GHG emissions associated with construction of the proposed project are summarized in Table 10. Based on the modeling conducted, construction-related GHG emissions would total approximately 443 MTCO₂e. Amortized GHG emissions, when averaged over the assumed 25-year life of the project, would total approximately 15 MTCO₂e/year. There would also be a small amount of GHG emissions from waste generated during construction; however, this amount is speculative. Actual emissions may vary, depending on the final construction schedules, equipment required, and activities conducted.

Table 10: Construction-Generated GHG Emissions Without Mitigation

| Construction Year | GHG Emissions (MTCO ₂ e/Year) |
|--|---|
| 2019 | 121 |
| 2020 | 322 |
| Construction Total: | 443 |
| <i>Amortized Construction Emissions:</i> | <i>15</i> |

Amortized emissions are quantified based on an estimated 30-year project life.

Refer to Attachment B for modeling assumptions and results.

Long-term Operational GHG Emissions

Estimated long-term increases in GHG emissions associated with the proposed project are summarized in Table 11. As depicted, operational GHG emissions for the proposed project, with the inclusion of amortized construction GHGs, would total approximately 852 MTCO₂e/year during the initial year of full operation (year 2021). Operational GHG emissions would decrease slightly in future years to approximately 699 MTCO₂e/year in 2030. A majority of the operational GHG emissions would be associated with energy use and the operation of motor vehicles. To a lesser extent, GHG emissions would also be associated with solid waste generation and water use.

Based on the modeling conducted, net increases in GHG emissions would not exceed the SLOAPCD's significance threshold of 1,150 MTCO₂e/year. As a result, net increases in project generated GHG emissions would not be anticipated to have a significant impact on the environment. This impact would be considered less than significant.

Table 11: Operational GHG Emissions Without Mitigation

| Operational Year/Source | GHG Emissions (MTCO ₂ e/Year) |
|---------------------------|---|
| Buildout Year 2021 | |
| Energy Use ² | 396.2 |
| Motor Vehicles | 424.8 |
| Waste Generation | 11.4 |
| Water Use and Conveyance | 4.4 |

Table 11: Operational GHG Emissions Without Mitigation

| Operational Year/Source | GHG Emissions (MTCO ₂ e/Year) |
|---|---|
| Amortized Construction Emissions: | 15 |
| Total with Amortized Construction Emissions: | 852 |
| SLOAPCD Significance Threshold: | 1,150 |
| Exceeds Significance Threshold? | No |
| Year 2030 | |
| Energy Use ² | 361.9 |
| Motor Vehicles | 312.3 |
| Waste Generation | 5.7 |
| Water Use and Conveyance | 3.9 |
| Amortized Construction Emissions: | 15 |
| <i>Total with Amortized Construction Emissions:</i> | <i>699</i> |
| <i>SLOAPCD Significance Threshold:</i> | <i>1,150</i> |
| Exceeds Significance Threshold? | No |

¹ Area source includes emissions associated with the application of architectural coatings, use of consumer products/agricultural products, and landscape maintenance.

² Includes adjustment for California Renewable Portfolio Standards requirements. *Does not include installation of onsite photovoltaic energy system (pending final design), which is estimated to reduce onsite energy use by roughly 20 to 25 percent.*

Refer to Attachment B for modeling assumptions and results.

As discussed previously, the City of Morro Bay CAP is a long-range plan to reduce GHG emissions from City government operations and community activities within Morro Bay and prepare for the anticipated effects of climate change. The CAP will also help achieve multiple community goals such as lowering energy costs, reducing air pollution, supporting local economic development, and improving public health and quality of life. To help achieve these goals, the CAP includes a “Consistency Worksheet”, which identifies various mandatory and voluntary actions designed to reduce GHG emissions.

Mitigation Measure GHG-1.a includes all “mandatory” GHG-reduction measures, as identified in the City’s CAP Consistency Worksheet. Mitigation Measure GHG-1.b includes additional measures, beyond those required by the City’s CAP Consistency Worksheet, which would further reduce GHG-emissions. These additional measures include providing a designated parking space for alternatively fueled vehicles, installation of energy-efficient appliances, the installation of occupancy sensors in hotel guest rooms to reduce energy use when rooms are not occupied, designing the project site for the future installation of renewable/photovoltaic energy systems, and the use of roofing materials that have a high-solar-reflectance index.

With mitigation, which incorporates GHG-reduction measures beyond the applicable “mandatory” measures, the proposed project would be considered consistent with the City’s CAP. As previously noted, and in accordance with SLOAPCD-recommended guidance, projects deemed to be consistent with the City’s CAP would not be considered to have a significant impact on the environment and would not conflict with GHG-reduction planning efforts. As a result, this impact is considered less than significant with mitigation.

CONCLUSION

The project would be consistent with City of Morro Bay's CAP by implementing mandatory GHG reduction measures. With implementation of mitigation identified below, the project would not result in significant impacts related to greenhouse gas emissions.

MITIGATION MONITORING

Mitigation Measure GHG-1: The proposed project shall implement the following GHG-reduction measures, consistent with the “mandatory” measures identified in the City’s CAP:

a.

1. The project shall install high efficiency lights (i.e., sodium, light-emitting diode [LED]) in parking lots, streets, and other public areas. (Note: this measure was included per SLOAPCD recommendations and is not a CAP mandatory measure but is a requirement in the recently updated building standards that will take effect on January 1, 2020).
2. The project shall provide on-site bicycle parking and/or amenities in accordance with the California Green Building Standards Code and related facilities to support long-term use (lockers, or a locked room with standard racks and access limited to bicyclists only). (CAP Measure TL-1)
3. The project shall incorporate a pedestrian access network that internally links all uses and connects all existing or planned external streets and pedestrian facilities contiguous with the project site. (CAP Measure TL-2)
4. The project shall be designed to minimize barriers to pedestrian access and interconnectivity. (CAP Measure TL-2)
5. The project shall incorporate traffic calming improvements as appropriate (e.g., marked crosswalks, count-down signal timers, curb extensions, speed tables, raised crosswalks, median islands, mini-circles, tight corner radii, etc.). (CAP Measure TL-2)
6. Three percent of construction vehicles and equipment shall be electrically powered or use alternative fuels such as compressed natural gas. (CAP Measure O-1)
7. Idling of all on and off-road diesel-fueled vehicles shall not be permitted when not in use. Signs shall be posted in the designated queuing areas and or job site to remind drivers and operators of the no idling limitation. (SLOAPCD Diesel Idling Restrictions for Construction Phases)

b. The following additional GHG-reduction measures shall also be implemented, beyond the “mandatory” measures required by the City’s CAP:

1. Trees to be planted shall be native and drought tolerant, beyond those required as mitigation for tree removal. (Voluntary CAP Measure T-1)
2. Install occupancy sensors in hotel guest rooms that reduce energy usage when rooms are not occupied.
3. To the extent available, install energy-efficient (e.g., EnergyStar rated) appliances. (Refer to: <https://www.energystar.gov/products>).
4. To the extent allowed by code, utilize roofing materials that have a high-solar-reflectance index. (<https://www.epa.gov/sites/production/files/2014-06/documents/coolroofscompendium.pdf>).

9. Hazards/Hazardous Materials

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | | | X | |
| b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | | | X | |
| c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | | | X | |
| d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or the environment? | | | X | |
| e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? | | | | X |
| f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | | | X | |
| g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires? | | | X | |

ENVIRONMENTAL SETTING

The Hazardous Waste and Substances Site (Cortese) List is a planning document used by the State, local agencies, and developers to comply with CEQA requirements related to the disclosure of information about the location of hazardous materials release sites. Government Code section 65962.5 requires the California EPA to develop at least annually an updated Cortese List. Various state and local government agencies are required to track and document hazardous material release information for the Cortese List. The California Department of Toxic Substance Control's (DTSC) EnviroStor database tracks DTSC cleanup, permitting, enforcement and investigation efforts at hazardous waste facilities and sites with known contamination, such as federal superfund sites, state response sites, voluntary cleanup sites, school cleanup sites, school investigation sites, and military evaluation sites. The State Water Resources Control Board's (SWRCB) GeoTracker database contains records for sites that impact, or have the potential to impact, water in California, such as Leaking Underground Storage Tank (LUST) sites, Department of Defense sites, and Cleanup Program Sites.

A Phase I Environmental Site Assessment (ESA) was prepared for the project by Haro Environmental (Haro 2017; Attachment F) to identify known potential or historic recognized environmental conditions resulting from historic and/or current uses of hazardous substances or petroleum products at the project site. Based on the findings of the Phase 1 Environmental Site Assessment and a search of multiple databases including DTSC's EnviroStor database

and the SWRCB's GeoTracker system, the nearest sites that could post an environmental concern is the former Les' Exxon station at 290 Atascadero Road and the former Shell Service Station at 1840 Main Street. The project is not located within 2 miles of any public airport or private airstrip; the nearest airport to the project is the San Luis Obispo County Airport, located approximately 17 miles southeast. The nearest school is Morro Bay High School located directly north and west of the project site.

IMPACT DISCUSSION

- a. The project consists of a new 56,358 square-foot hotel and associated parking and landscaping. Construction of the proposed project is anticipated to require limited quantities of hazardous substances, including gasoline, diesel fuel, hydraulic fluid, solvents, oils, paints, etc. Temporary storage containers (bulk above-ground storage tanks, 55-gallon drums, sheds/trailers, etc.) may be used by the project contractor for equipment refueling and maintenance purposes during construction. The transport, use, handling, and disposal of hazardous materials during construction would occur pursuant to local, state, and federal regulations to minimize risk and exposure. Operation of the hotel would be similar to that of other guest accommodations and would not require routine transport, use, or disposal of hazardous materials. Any hazardous substances associated with the project would continue to be transported, stored, and used according to regulatory requirements and existing procedures for the handling of hazardous materials; therefore, impacts would be less than significant.
- b. During the construction period, there is a possibility of accidental release of hazardous substances such as petroleum-based fuels used for construction equipment. The level of risk associated with the accidental release of hazardous substances is not considered significant due to the limited nature and duration of construction activities and the small volume and low concentration of materials that would be utilized during construction. No hazardous materials would be permanently stored on site. The contractor would be required to use standard construction controls and safety procedures, which would avoid and minimize the potential for accidental release of such substances into the environment and mitigate impacts in the event of a spill or accidental release. Standard construction practices would be implemented such that any materials released are appropriately contained and remediated as required by local, state, and federal law. Therefore, potential impacts related to an accidental release of hazardous materials would be less than significant.
- c. The nearest school is located directly west and north of the project site. Operation of the proposed project would not emit hazardous emissions or handle acutely hazardous materials, substance or waste; however, during construction, oils, lubricants, fuels, and other hazardous materials may be used. Given the limited building footprint and temporary duration of construction activities, potential impacts would be less than significant.
- d. Based on the findings of the Phase 1 ESA, the project would be located near two sites that have been listed as having a potential environmental concern. A Shell Service Station located at 1840 Main Street was listed in multiple databases for a release of gasoline to the subsurface. As a result of the release, total petroleum hydrocarbons (TPH) and methyl tertiary butyl ether (MTBE) were detected in groundwater beneath the project site. As part of the remediation effort initiated by Central Coast Regional Water Quality Control Board (CCRWWQCB), nine groundwater monitoring wells were installed. Included was a monitoring well installed at the site to assess the extent of groundwater impacts, particularly for MTBE, which was threatening water production wells owned by the city of Morro Bay. In 2008, the CCRWWQCB closed the site because final concentrations were below the laboratory reporting limits. As such, the Phase 1 ESA concluded that the former presence of TPH and MTBE concentrations in groundwater beneath the project site would not pose a significant environmental threat to subsurface soil, soil vapor, or groundwater beneath the site.

Records from the State Water Resource's Control Board indicate that in 1969, four 8,000-gallon underground storage tanks (USTs) were installed across the street from the project site at the former Les' Exxon site; however, there are no records of when the USTs were removed or what the subsurface conditions of the site were at the time of their removal. The Phase 1 ESA concluded that based on the information from the groundwater monitoring wells installed for the Shell remediation effort, and because the Les' Exxon site is located at a cross-gradient location relative to the project site, the former presence of USTs at Les' Exxon site would not be expected to pose an environmental concern to soil, soil vapor, and/or groundwater beneath the project site. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would not create a significant hazard to the public or the environment. Further, the Phase 1 ESA did not identify recognized environmental conditions or concerns that have impacted, or pose a significant environmental threat to subsurface soil, soil vapor, or groundwater beneath the project site. Therefore, impacts would be less than significant.

- e. The proposed facility is not located near any public airports or designated Airport Review Areas. The closest public airport is the San Luis Obispo County Airport, located approximately 17 miles southeast of the facility. The proposed project would not result in a safety hazard related to airport operations, flight patterns, or other airport uses or resources that would create a safety hazard for people residing or working in the project area. Therefore, no impacts would occur.
- f. Implementation of the proposed project would not have a permanent impact on any adopted emergency response plans or emergency evacuation plans. During short-term construction, large vehicles may be accessing the project site; however, access to neighboring properties including Morro Bay High School would be maintained during all construction activities. Therefore, the project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan and impacts would be less than significant.
- g. The project is in a Local Responsibility Area (LRA) and would be served by the City Fire Department located approximately 1.5 miles south. The project is in an urban setting and is not in a high fire risk area. According to the City of Morro Bay's General Plan Safety Element, wildfires are generally not a major concern based on the location of development in proximity to wildland areas. Based on the location and relatively low risk of wildfires near the project site, the project would not expose people or structures to a significant risk of fire, and impacts would be less than significant.

CONCLUSION

The proposed project would not result in significant adverse impacts to Hazards and Hazardous Materials. The limited nature and duration of disturbance substantially reduces and avoids the potential for significant effects related to hazardous material contamination, emergency evacuation, and fire risk. Therefore, potential impacts would be less than significant, and no mitigation is necessary.

MITIGATION AND MONITORING

Mitigation measures are not necessary.

10. Hydrology and Water Quality

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality? | | | X | |

| Would the project: | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--------------------|---|--------------------------------|--|------------------------------|-----------|
| b. | Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin? | | | X | |
| c. | Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: | | | | |
| (i) | Result in substantial erosion or siltation on- or off-site; | | | X | |
| (ii) | Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site; | | | X | |
| (iii) | Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or | | | X | |
| (iv) | Impede or redirect flood flows? | | | X | |
| d. | In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation? | | | X | |
| e. | Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? | | | X | |

ENVIRONMENTAL SETTING

The Central Coast Regional Water Quality Control Board's (RWQCB) Water Quality Control Plan for the Central Coast Basin describes how the quality of surface water and groundwater in the Central Coast Region should be managed to provide the highest water quality reasonably possible. The Basin Plan outlines the beneficial uses of streams, lakes, and other water bodies for humans and other life. The Regional Board implements the Basin Plan by issuing and enforcing waste discharge requirements to individuals, communities, or businesses whose discharges can affect water quality.

The existing site is a vacant lot, with sparse, weedy vegetation cover. The existing site topography is relatively flat with an average slope around 1%, with multiple low spots on the site. Due to the flat nature of the site, runoff has historically remained onsite where it has eventually infiltrated through the soil. The project site does not support any wetlands or drainages and does not contain waters or wetland features on or near the project site that would be subject to state or federal jurisdiction. The closest drainage feature and sensitive habitat area is Morro Creek located approximately 750 feet to the south, which is separated from the property by existing development. According the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM, 06079C0813H, effective 05/16/2017), the project is located in Zone AE, a 100-year flood zone. This area is also assigned a Flood Hazard (FH) designation by the County of San Luis Obispo.

IMPACT DISCUSSION

- a. The proposed project is located within the jurisdiction of the CCRWQCB and would be required to comply with all regulatory requirements designed to minimize and control discharges to surface and groundwater. The project would require onsite grading which could result in the erosion of onsite soils and sedimentation during heavy wind or rain events. A geotechnical report (Earth Systems, 2018) prepared for the project identified the soils on the property to be erodible and provided recommendations during site preparation

and grading for surface soil stabilization. The project proposes over one-acre of disturbance, requiring a state Construction General Permit and a Storm Water Pollution Prevention Plan (SWPPP), which would include BMPs to control the discharge of pollutants into local surface water drainages. In addition, a Storm Water Control Plan (SWCP) has also been prepared for the project and identifies source control measures to prevent potential non-stormwater discharges. The project also proposes a bioretention basin, pervious pavers, and other low-impact development (LID) treatments to control stormwater on site. By incorporating LID treatments and source control measures identified in the SWCP, inclusion of erosion control recommendations provided in the geotechnical report, as well compliance with the CCRWQCB discharge requirements and BMPs identified in the SWPPP, the project would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality. Therefore, potential impacts would be less than significant.

- b. The project would receive water from the City of Morro Bay, which receives a majority of its water from the State Water Project (SWP) which is derived from various rivers around the state. A small portion of the City's water is supplemented by two local groundwater basins, Morro and Chorro Basins. While most of the project's future water supply would not be derived from groundwater resources, the project would convert a small vacant lot to a developed area and place an increased demand on the City's water supply. The project proposes to implement several LID techniques and water conservation measures including water-saving plumbing fixtures, a bioretention basin, and pervious pavers that would encourage groundwater recharge and limit stormwater runoff. Because most of the project's future water supply would largely be derived from the SWP and not groundwater, and with the inclusion of LID techniques and water conservation measures, the project would not substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin. Therefore, impacts would be less than significant.
- c-i. The project proposes to develop the entire 2.02-acre site for a new hotel and associated parking. The greatest potential for onsite erosion to occur would be during the initial site preparation and grading during construction. A geotechnical report prepared for the project identified the soils on the property to be erodible and provided recommendations during site preparation and grading for surface soil stabilization. In addition, a Storm Water Control Plan has been prepared for the site and provides design requirements and source control measures that would reduce the potential for erosion or siltation. The project would also be required to prepare a SWPPP with BMPs that are designed to further prevent soil erosion during construction. The project also proposes LID techniques such as a bioretention basin and pervious pavers that would help manage stormwater and prevent soil erosion. With incorporation of the design requirements and recommendations provided in the geotechnical engineering report and the SWCP, and by using LID techniques and implementing BMPs provided in the SWPPP, the project would not result in substantial erosion or siltation on- or off-site. Therefore, impacts would be less than significant.
- c-ii., iii. This project is not located immediately near surface water and is in an area subject to the City's MS-4 Stormwater Management Permit. The project design includes several drainage management areas that incorporate LID techniques to reduce and avoid stormwater runoff. The first drainage management area includes a bioretention basin, where site runoff would be directed through a combination of storm drainpipes and overland flow to the bioretention basin where it would be treated. Overland flow would travel through a combination of a valley gutters and slotted curbs located at the back of the parking area, where runoff from buildings would be directed away from the foundations in a non-erosive manner. The second drainage management area includes pervious pavers, where site runoff would be directed to the pervious paver areas through overland flow. Stormwater runoff would travel across pavement surfaces and in valley gutters to their destination point. Additionally, the SWCP prepared for the project provides design requirements and source control measures to further manage onsite runoff. Based on the project's design to include bioretention basins and pervious pavers, and by adhering to design requirements and source control measures outlined in the SWCP, the project would not substantially increase the rate or amount of surface

runoff in a manner which would result in flooding on- or off-site. Similarly, the project would not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Therefore, impacts would be less than significant.

- c-iv. The project site is primarily upland and does not include any surface water or hydrological features. The project has been designed to adequately manage stormwater through bioretention basins and pervious pavers and does not propose any design features or activities that would impede or redirect flood flows. Therefore, impacts would be less than significant.
- d. The project is located in FEMA's 100-year flood hazard zone and in an area designated as a 100-year floodplain by the City's LCP. In addition, according to the Department of Conservation's Tsunami Inundation Map (Morro Bay South quadrangle) the project would be located in a tsunami inundation zone. The project would be subject to both FEMA and the City's building standards for structures within floodplain areas, which includes a design requirement to floodproof the first 3 feet of the structure. The project does not propose to store any materials that would be susceptible to the release of pollutants in the event of a flood or tsunami and would be further safeguarded by the required FEMA and the City building standards for structures within a flood inundation zone. Therefore, impacts would be less than significant.
- e. As discussed above, water would be supplied to the site primarily from the SWP and further supplemented by groundwater wells. According to the City's 2018 OneWater Morro Bay Plan, there are sufficient water sources to serve the City and anticipated development until 2050 or later. The project proposes several water conservation methods and does not propose any activities that would otherwise place an excessive demand on the City's water supplies or conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan. Therefore, impacts would be less than significant.

CONCLUSION

Potentially significant impacts related to hydrology and water quality associated with the proposed project would be less than significant.

MITIGATION AND MONITORING

Mitigation measures are not required.

11. Land Use and Planning

| Would the project: | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--------------------|---|--------------------------------|--|------------------------------|-----------|
| a. | Physically divide an established community? | | | | X |
| b. | Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? | | X | | |

ENVIRONMENTAL SETTING

The site is currently a vacant, undeveloped lot located within the C-VS/PD (Visitor Serving Commercial/Planned Development) zoning district and designated by the General Plan and City's LCP as Visitor Serving Commercial. The project site is partially located within the Coastal Zone boundary and is subject to Coastal Commission's Appeals Jurisdiction.

As noted above, the project is located in a Planned Development (PD) zoning overlay. Pursuant to the city of Morro Bay Municipal Code section 17.40.030, the purpose of the Planned Development, (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels which, because of location, size, or public ownership, warrant special review. This overlay zone is also intended to allow for the modification of or exemption from the development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit. The Applicant is seeking project approval with modifications to several development standards including the finished building height for an exchange of several public benefits pursuant to the Planned Development overlay standards in the City's Zoning Ordinance (MBMC 17.40.030).

IMPACT DISCUSSION

- a. The proposed project and associated uses are consistent with the underlying zoning and land use designation as described in the City's General Plan and LCP. The hotel would be located directly off Highway 1 near other hotels and would not be located within a residential neighborhood or preclude the development of future housing. The project would not divide an existing community; therefore, no impact would occur.
- b. The project proposes to develop a three-story hotel with a finished height of 35.5 feet above average natural grade (ANG). However, C-VS zoning currently allows for a maximum building height of 30.0 feet above ANG, which means the project would exceed the height limit by 5.5 feet. As discussed in Section 10. Hydrology and Water Quality, the project would be located in a floodplain area as designated by FEMA. For projects located in a floodplain area, FEMA standards require that structures be constructed with the finished floor at 1 foot above the base floodplain and the City of Morro Bay's adopted floodplain ordinance requires 2 feet above base flood elevation. The City of Morro Bay allows structures to be constructed with a finished floor at 1 foot below the base floodplain as long as the first 3 feet of the structure are floodproofed. Because the applicant is not able to construct at ANG, they are proposing to construct the hotel at 1 foot below the base floodplain and floodproof the first 3 feet of the building. The project proposes to construct a 32.67-foot-tall hotel which would have a finished height of 35.5 feet above ANG.

The project is in a Planned Development (PD) zoning overlay, which allows for the modification of or exemption from the development standards if the project would result in a better design or other public benefit (MBMC 17.40.030). As discussed in detail in the Project Description, the applicant proposes a number of public benefits including Electric Vehicle (EV) Charging Stations, an extension of a Class I bike path along the street frontage of the project, as well as several other conservation measures that would further reduce energy, water, and waste.

The project proposes that the first 3 feet of the project be constructed to meet the City's floodproofing standards; however, this would require a height modification that would place the building 5.5 feet above what is currently allowed by the City Zoning Ordinance. The project incorporates several public benefits to justify the modification to the height standard for the project per the Planned Development overlay standards. The project would be required to include the following design recommendations and Mitigation Measure AES-1 to further reduce impacts to visual resources. Based on the proposed design, inclusion of public benefits, and Mitigation Measure AES-1, the project would not cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. Therefore, impacts would be less than significant with mitigation.

CONCLUSION

The proposed project would include design features and request for a modification to the height standard to allow for development to occur within a floodplain area. In addition, the project would offer several public benefits and be required to mitigate for potential impacts related to visual resources. Therefore, the project impacts related to land use and planning would be reduced to less than significant with incorporation of mitigation.

MITIGATION AND MONITORING

With implementation of **Mitigation Measures VR-1 and VR-2**, the project would have a less-than-significant impact on land use and planning conflicts.

12. Mineral Resources

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | | | | X |
| b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | | | | X |

ENVIRONMENTAL SETTING

The General Plan and the Division of Oil, Gas, and Geothermal Resources do not delineate any resources in the area. Further, the State Mining and Geology Board has not designated or formally recognized the statewide or regional significance of any classified mineral resources in San Luis Obispo County.

IMPACT DISCUSSION

- a., b. The proposed project is not in an area where significant sand and gravel mining has occurred or will occur and there are no oil wells within the area where the project is located. In addition, the project site is not delineated as a mineral resource recovery site in the general plan, any specific plan or other land use plan. This area of the City is predominantly built with urban uses and the City's General Plan does not provide for mining. The project will not result in the loss of a known mineral resource of value to the region. Therefore, no impacts would occur.

CONCLUSION

Implementation of the proposed project would not result in no impact to mineral resources.

MITIGATION AND MONITORING

Mitigation measures are not required.

13. Noise

| Would the project result in: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | | | X | |
| b. Generation of excessive groundborne vibration or groundborne noise levels? | | | X | |

| Would the project result in: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| c. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | | | | X |

ENVIRONMENTAL SETTING

Community noise levels are typically measured in terms of A-weighted decibels (dBA). A-weighting is a frequency correction that correlates overall sound pressure levels with the frequency response of the human ear. The duration of noise and the time of day at which it occurs are important factors in determining the impact of noise on communities. The Community Noise Equivalent Level (CNEL) and Day-Night Average Level (Ldn) account for the time of day and duration of noise generation. These indices are time-weighted average values equal to the amount of acoustic energy equivalent to a time-varying sound over a 24-hour period.

Title 21, Chapter 6, Article 1 of the California Administrative Code requires that all habitable rooms shall have an interior CNEL of 45 dBA or less (45dB Acoustics 2018). The City's General Plan Noise Element has a CNEL threshold for noise exposure of 60 dBA for most land uses. Additionally, the City's Zoning Ordinance contains noise limitations and specifies operations hours.

The proposed project would be located northwest of the corner of Atascadero Road and Highway 1, approximately 120 feet from the southbound lanes and directly adjacent to the southbound offramp. Based on the project's proximity to Highway 1, which is a significant noise source, an acoustic assessment was prepared by 45dB Acoustics, LLC (45dB Acoustics 2018; Attachment G). The results of the acoustic assessments are summarized below in the impact discussion.

IMPACT DISCUSSION

- a. The project site would be located on an undeveloped lot directly adjacent to the southbound lanes and offramp of Highway 1. The nearest sensitive land use is Morro Bay High School located directly west and north of the project. Due to the proximity of the proposed project next to Highway 1, an acoustic assessment evaluated the potential impact of transportation noise and surrounding streets. The acoustic assessment concluded that the hotel would be exposed to CNEL levels up to approximately 68 dBA, which are considered moderately high; however, the interior noise level would be below the required CNEL level of 45 dBA. According to the California Supreme Court's decision in *California Building Industry Association v Bay Area Air Quality Management District* (S213478, December 17, 2015), CEQA generally does not require public agencies to analyze the impact existing environmental conditions might have on a project's future users or residents. However, an agency must analyze how environmental conditions might adversely affect a project's residents or users only where the project itself might worsen existing environmental hazards in a way that will adversely affect them.

Project construction and operation would occur in an area that currently experiences excessive noise levels. The project would contribute to the moderately high noise levels in the area, exacerbating ambient noise levels in the project vicinity. Construction activities associated with the proposed project would generate short-term increased noise levels due to the use of heavy construction equipment and vehicles. Mobile equipment such as dozers, excavators, loaders, etc., operate in a cyclic fashion in which a period of full power is followed by a period of reduced power, causing a difference in perceived noise levels over time. Other equipment such as generators and compressors, considered to be stationary when operating, typically

don't have different noise levels that vary over time, rather they produce sound at a steady state. The City's General Plan Noise Element does not specifically address construction related noise nor are there established thresholds defining overall maximum acceptable noise levels (Lmax) or acceptable time averaged hourly levels (Leq(h)) during construction activities.

Operational activities would include on-site traffic patterns as well as typical roof-mounted HVAC systems commonly used for heating and cooling. Noise from these activities would be consistent with noise from other nearby uses (hotels, water treatment facility) and would considerably attenuate before reaching nearby sensitive receptors. The project would not significantly exacerbate existing noise levels nor result in the generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. Therefore, impacts would be less than significant.

- b. As part of the acoustic assessment prepared for the project, a vibration analysis was prepared to evaluate existing vibration impacts from Highway 1 and concluded that the current vibration levels at the project site are anticipated to be less than the human threshold of perception. The primary sources of vibration would occur during construction; however, given the distance to the nearest sensitive receptors, the type of activities proposed, and the duration of construction, the project would not result in the generation of excessive groundborne vibration or groundborne noise levels. Therefore, impacts would be less than significant.
- c. The nearest airport to the project is the San Luis Obispo County Airport, located approximately 17 miles southeast. The project is not located within the vicinity of a private airstrip or an airport land use plan or within two miles of a public airport or public use airport and the project would not expose people residing or working in the project area to excessive noise levels. Therefore, no impact would occur.

CONCLUSION

Potentially significant impacts related to noise associated with the proposed project would be less than significant.

MITIGATION AND MONITORING

Mitigation measures are not required.

14. Population and Housing

| Would the project: | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--------------------|--|--------------------------------|--|------------------------------|-----------|
| a. | Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | | | X | |
| b. | Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere? | | | | X |

ENVIRONMENTAL SETTING

The California Department of Finance's (DOF) current population estimate for the city of Morro Bay is 10,439 (DOF, Table E-1, 2019). The San Luis Obispo County Association of Governments (SLOCOG) Regional Growth Forecast 2010-2050 presents forecasts of population and employment between 2010 and 2050 for the County of

San Luis Obispo, including the city of Morro Bay. SLOCOG projects that the city will have a population of 12,261 residents and 7,433 housing units by 2050. In 1984, the citizens of Morro Bay enacted Measure F, a voter initiative that set the maximum population for the city at 12,200 and requires voter approval to increase the population above this limit. In response to Measure F, the City adopted a growth management ordinance (Ordinance No. 266) to allow fair distribution of scarce water resources and protect the city's small-town character and surrounding open space. Ordinance No. 266 mandates that building permits will be limited to a number permitting an annual increase in population that would achieve the 12,200-person goal by the year 2000. No further residential building will be permitted after a population of 12,200 has been reached unless an increase has been approved by a majority vote at a regular or special election (City of Morro Bay Housing Element Update 2019).

IMPACT DISCUSSION

- a. The project proposes development of a new hotel that would accommodate up to 83 guest rooms and which would largely serve people traveling for business or tourism. The project does not propose development of any new residential units and it is anticipated that jobs associated with construction and operation of the hotel would come from the local labor pool. The project proposes to improve an existing bike trail adjacent to the project site but does not propose any other road or infrastructure improvements that would increase the area's capacity for population growth or development. Based on the type and scale of the project, it would not substantially induce unplanned population growth within the area. Therefore, impacts would be less than significant.
- b. The project would be built on an undeveloped parcel zoned C-VS/PD (Visitor Serving Commercial/Planned Development). The project site is not zoned for residential use and would not displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere. Therefore, no impacts would occur.

CONCLUSION

Implementation of the proposed project would not result in significant impacts related to population and housing.

MITIGATION AND MONITORING

Mitigation measures are not required.

15. Public Services

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Would the project result in a substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services: | | | | |
| Fire protection? | | | X | |
| Police protection? | | | X | |
| Schools? | | | X | |
| Parks? | | | X | |

| | | | | |
|--------------------------|--|--|---|--|
| Other public facilities? | | | X | |
|--------------------------|--|--|---|--|

ENVIRONMENTAL SETTING

The City provides most of the public services, including fire and police protection, in the project area. Fire protection services are provided by the Morro Bay Fire Department, with the closest fire station located approximately 1.5 miles away at 715 Harbor Street, with an average response time of 5 minutes. Police services would be provided by the Morro Bay Police Department, located approximately 2 miles away at 850 Morro Bay Boulevard.

The City of Morro Bay is served by the San Luis Coastal Unified School District (SLCUSD), which is responsible for managing fifteen pre-schools to twelfth-grade schools that serve approximately 7,500 students. Two SLCUSD schools are located in Morro Bay: Morro Bay High School located directly adjacent to the project site at 235 Atascadero Road and Del Mar Elementary located at 501 Sequoia Street.

The City manages numerous parks within the city including Morro Rock Beach, Monte Young Park, Del Mar Park, Anchor Street Park, Keiser Park, Morro Bay City Park, Centennial Park, Coleman Park, Bayshore Bluffs, Tideland Park, North Point, and Cloisters Park. In addition, Morro Bay is home to Morro Strand State Beach and Morro Bay State Park, which are managed by the California Department of Parks and Recreation, and a state marine recreational management area. Together, these recreational resources total over 5,000 acres of recreation and open space area, including 10 miles of ocean and bay front shoreline (City of Morro Bay, 2017). Approximately 95 percent of this shoreline has public lateral access, which provides active recreational opportunities for residents. Lila Keiser Park is located approximately 300 feet south of the proposed project, behind the Motel 6 and Morro Shores Inn & Suites lodging. Public access to Morro Strand State Beach is located 0.3 miles west of the project site.

A development impact fee program has been adopted to address impacts related to public facilities (City) and schools (State Government Code 65995 et seq.). The fee amounts are assessed annually by the City based on the type of proposed development and the development's proportional impact and are collected at the time of building permit issuance. Development impact fees are used as needed to finance the construction of and/or improvements to public facilities required to the serve new development, including fire protection, law enforcement, schools, parks, and roads.

IMPACT DISCUSSION

a. Fire Protection

The project site is surrounded by existing development and would be served by the city of Morro Bay Fire Department located approximately 1.5 miles south of the of the project. The project is located in a Local Responsibility Area (LRA) in a Moderate Fire Hazard Severity Zone. The project is easily accessible by emergency vehicles and is not immediately surround by wildlands or any other features that inherently increases the risk of fire. Future construction and development of the hotel would be required to comply with applicable building and fire codes and there are no design features or activities that are proposed that would otherwise increase the risk of fire.

Additionally, the project would be required to pay its fair share of development impact fees, which would offset the development's proportional impact to fire protection services. Therefore, the project would have a less than significant impact on fire protection services.

Police Protection

The project would continue to be served by the Morro Bay Police Department located approximately 2 miles south of the project. Activities associated with the development and operation of the new hotel are consistent with surrounding land uses and there are no unusual design features or activities proposed that would require additional security or a significant increase in police or emergency services.

Additionally, the project would be required to pay its fair share of development impact fees, which would offset the development's proportional impact to police protection services. Therefore, the project would have a less than significant impact on police protection services. Therefore, the project would have less than significant impact on police services.

Schools

The proposed hotel would primarily serve people traveling in the local area for business or tourism, and the project workforce is anticipated to come from the local labor pool. There are no project components proposed that would result in a permanent increase in City populations; temporary hotel guests would almost entirely live in other areas and would not include students attending local public schools. Therefore, there would be no increase in demand on local schools and their facilities as a result of the project; potential impacts would be less than significant.

Parks

The project includes the dedication of a new Class I bike trail along the frontage of the hotel that would improve bike and pedestrian access to the adjacent Morro Bay High School and proximate parks and recreational facilities accessed by residents/tourists using the bike trail system. The bike trail connects with several nearby parks and would provide a beneficial impact to these public park and recreation facilities and increase public safety. The bike trail, proximate parks and beach access are the facilities most likely to be utilized by guests at the hotel; therefore, the project would increase use and demand on these facilities. However, adequate beach access, parks and recreational facilities exists in the project vicinity to accommodate this increased demand. Additionally, the project would be required to pay its fair share of development impact fees, which would offset the development's proportional impact to park facilities. Therefore, the project would have a less than significant impact on park facilities.

Other Public Facilities

The proposed project would serve temporary residents visiting the City and would be generally consistent with surrounding uses. As discussed in Section 14, Population/Housing, the project workers would likely be sourced from the local labor pool and would not result in significant increased demand on other surrounding public services such as libraries or City administrative services. Therefore, impacts would be less than significant.

CONCLUSION

Implementation of the project would result in less than significant impacts on public services.

MITIGATION AND MONITORING

Mitigation measures are not required.

16. Recreation

| | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | | | X | |

| | | | | | |
|----|--|--|--|---|--|
| b. | Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? | | | X | |
|----|--|--|--|---|--|

ENVIRONMENTAL SETTING

A variety of recreational activities including hiking, sightseeing, birdwatching, etc. are available within Morro Bay. Within the boundary of Morro Bay city limits, there are over 10 miles of ocean and bay front shoreline. Approximately 95% of the shoreline has public lateral access. These walkways provide active recreational activities for visitors and residents. There are also multiple improved parks and playgrounds throughout the city. The hotel would be located approximately 0.30-miles from the ocean front which would likely be the nearest attraction that occupants of the hotel would visit. In addition, the hotel would be bordered by a Class I bike path that runs along the western edge of Highway 1, providing access to nearby regional parks and other recreational and visitor-serving areas of the City.

IMPACT DISCUSSION

- a., b. As noted above, the bike trail, proximate parks and beach access are the facilities most likely to be utilized by guests at the hotel; therefore, the project would increase use and demand on these facilities. However, adequate beach access, parks and recreational facilities exists in the project vicinity to accommodate this increased demand. The project would be required to pay its fair share of development impact fees, which would offset the development's proportional impact to park and recreation facilities. Additionally, although the project does not require the construction of new recreational facilities, the project is proposing, as a public benefit, to replace an existing Class II bike path along the project frontage with a new Class I bike path that would connect with an existing Class I bike path adjacent to Morro Bay High School. The extension of the bike path would result in a beneficial impact that would improve the overall circulation and safety for cyclists and would not result in an adverse physical effect on the environment as the path would be located within existing paved right-of-way. Development of the hotel and associated bike path improvements are not in themselves growth inducing and would not significantly increase the demand on parks and other recreational facilities. No additional recreational facilities are proposed. Therefore, impacts to recreational facilities would be less than significant.

CONCLUSION

Implementation of the proposed project would not result in impacts related to recreation facilities.

MITIGATION MONITORING

Mitigation measures are not required.

17. Transportation

| | Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|----|---|--------------------------------|--|------------------------------|-----------|
| a. | Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities? | | | X | |
| b. | Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)? | | | | X |

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| c. Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | | X | | |
| d. Result in inadequate emergency access? | | | X | |

ENVIRONMENTAL SETTING

The following section is based on a Transportation Impact Study (TIS) prepared for the project by Central Coast Transportation Consulting (CCTC 2018; Attachment H). The study evaluated potential transportation impacts related to the development of a new 83-room hotel and related facilities located on the corner of Highway 1 southbound off-ramp and Atascadero Road.

The existing road network near the project includes four main roads. Highway 1 is a major north-south state highway running along the Pacific coastline of California. It separates from the US 101 on Santa Rosa Street in San Luis Obispo, CA and continues north as a four-lane arterial known as the Cabrillo Highway. It is a four-lane freeway in the project area. State Route (SR) 41 is a two-lane, southwest-northeast Caltrans facility that connects Atascadero to Morro Bay where it terminates at its junction with Highway 1. Atascadero Road is an east-west major collector with two travel lanes. The project driveway will be connected to this road, which is owned and maintained by the City of Morro Bay. Main Street is a north-south minor arterial with two travel lanes. It parallels Highway 1 from Radcliff Avenue to Zanzibar Street, allowing access to the surrounding residential and commercial areas from the highway.

Pedestrian facilities in the project area include sidewalks, crosswalks, and multi-use paths. Sidewalks are provided along the north and south sides of Atascadero Road with some discontinuous segments. There are marked crossings along the north and south sides of Atascadero Road, as well as several marked crossings connecting the two sides. There is no sidewalk fronting the project site where the driveway will be installed. Main Street has sidewalks running along the east side.

Bicycle facilities consist of separated right-of-way bike paths (Class I) and on-street striped bike lanes (Class II). The city's Bike Map identifies existing Class I bike paths fronting the north and west sides of the project site, which connect the Cloisters Community Park to Atascadero Road, and another bike path running parallel to the SR 1 southbound on-ramp. The city's Bike Map also identifies existing Class II bike lanes on Atascadero Road from the high school pedestrian crossing to the Highway 1 intersection, with a dedicated northbound bicycle crossing connecting the Class I bike path running parallel to the Highway 1 southbound on-ramp. The Class II bike lanes on Atascadero Road are discontinuous along the on- and off-ramps but continue after the Main Street intersection. Main Street has Class II bike lanes in the north and south directions.

The Morro Bay Transit operates fixed route, Call-A-Ride, and trolley services. The fixed route and trolley service both have three bus stops near the project area – two on Atascadero Road and one on Main Street at Errol. The trolley service operates Memorial Day weekend through early October. Call- A-Ride provides curb-to-curb service within the city limits on weekdays and Saturdays. Morro Bay Transit connects with the Regional Transit Authority (RTA) Routes 12 and 15 at City Park. RTA Route 15 runs north-south on Highway 1 and north on Main Street.

The City of Morro Bay does not have formal Level of Service (LOS) policies; therefore, the analysis approach for the project was developed based on Caltrans standards. The project would be located at the northwest intersection of Highway 1 and State Route 41, which are operated and maintained by Caltrans. Caltrans strives to maintain operations at the LOS C/D threshold on state-operated facilities, where LOS C is acceptable, but LOS D is not. If an existing State Highway facility is operating at LOS D, E, or F the existing service level should be maintained.

As part of the traffic analysis, traffic counts for weekday AM and PM peak hour conditions were collected at the study intersections in February and March 2018 when the high school was in session. The traffic count analysis concluded that the southbound approach to the Highway 1 southbound ramp/Atascadero Road intersection currently operates at LOS D during the AM peak hour and LOS C during the PM peak hour. The Main Street/SR 41 intersection currently operates at LOS C during AM peak hour and LOS E during the PM peak hour. The Project Driveway/Atascadero Road intersection does not currently exist and therefore no traffic information was collected.

IMPACT DISCUSSION

- a. The traffic analysis included a trip generation estimate as well as an analysis of the project's impacts on the existing LOS. The project's trip generation estimate was developed using weekday daily, AM peak hour, and PM peak hour data provided in the Institute of Transportation Engineers' (ITE) Trip Generation Manual. Based on the trip generation estimate, the project would result in a total of 670 new daily trips, with 43 occurring during AM peak hours and 49 occurring during PM peak hours.

The following intersections were analyzed during the weekday AM (7-9 AM) and PM (4-6 PM) time periods:

- Project driveway / Atascadero Road
- State Route 1 southbound ramp / Atascadero Road
- Main Street / State Route 41

Two of the study intersections currently operate below the LOS C/D threshold for vehicles. The addition of project traffic increases average delay by less than two seconds at both locations:

- SR 1 southbound ramp / Atascadero Road: With the addition of project trips, the southbound approach would remain at LOS D during AM peak hours and would be reduced from LOS C to D during PM peak hours. The 95th percentile queues would remain below two vehicles both with and without the project. The intersection would not meet the peak hour signal warrant. Restriping the southbound approach to provide a shared through/right turn lane and designated left turn lane would improve operations slightly but is not recommended due to the very minor delay reduction.
- Main Street / SR 41: The intersection of Main Street and SR 41 operates at LOS E during the PM peak hour both with and without the project. The City of Morro Bay and Caltrans are pursuing a six-leg roundabout at this intersection. This project is currently in the design stage. The design stage is funded, and construction is partially funded. Constructing the roundabout would result in acceptable operations at this intersection.

All remaining intersections would continue to operate at an acceptable service level. Multiple intersections in the immediate vicinity were evaluated to determine if the proposed project would result in queue spillback on the Highway 1 southbound off-ramps. The analysis concluded that the project would not result in queues on Atascadero Road at the Project Driveway intersection; therefore, queue spillback to the SR 1 ramp intersections is not expected.

The project would result in a slight degradation of service level during PM peak hours for the southbound approach of the Highway 1 southbound ramp/Atascadero Road intersection, resulting in an increase in delay of less than 2 seconds per vehicle. The TIS evaluated the potential for mitigating the existing and plus project deficiency at this intersection by restriping the southbound approach to include an exclusive left turn lane and a shared through-right lane. However, the TIS concluded that these improvements would have a minimal effect on vehicular delay and were, therefore, not recommended. In addition, the project includes

improving existing bicycle facilities by upgrading the existing Class II to a Class I bicycle facility, resulting in improved circulation and safety for cyclists and pedestrians.

As discussed previously, the City does not have formal LOS policies, and based on the TIS, the proposed improvements would not result in significant traffic-related impacts. While the project would cause a slight delay in PM peak hours service levels at the southbound ramp, the project would not result in a queueing issue impacting the southbound offramp and would not result in or contribute to unacceptable levels of service at signalized intersections; therefore, impacts would be less than significant. Therefore, the proposed project would not conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities and potential impacts would be less than significant.

- b. In 2013, Senate Bill 743 was signed into law with the intent to “more appropriately balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions” and required the Governor’s Office of Planning and Research (OPR) to identify new metrics for identifying and mitigating transportation impacts within CEQA. As a result, in December 2018, the California Natural Resources Agency certified and adopted updates to the State CEQA Guidelines. The revisions included new requirements related to the implementation of Senate Bill 743 and identified vehicle miles traveled (VMT) per capita, VMT per employee, and net VMT as new metrics for transportation analysis under CEQA. Beginning July 1, 2020, the newly adopted VMT criteria for determining significance of transportation impacts must be implemented statewide. Currently, the City of Morro Bay has not yet adopted new standards or threshold targets for VMT reduction.

The traffic analysis report did not evaluate VMT, and the city has not yet established regional thresholds for VMT. It is anticipated that the project would add approximately 670 new daily trips, which would likely consist of people traveling from outside the area for business or tourism. The proposed project would not likely serve as a primary destination but would provide accommodations for people already traveling to the area who would otherwise require accommodations nearby. The project would be located directly next to the highway and is close to other attractions such as the beach, Morro Rock, and downtown Morro Bay. Because the city has not yet established regional thresholds for VMT, the project would not conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b). Therefore, no impact would occur.

- c. The traffic study evaluated site access and on-site circulation to determine if the project could create hazardous conditions. In the original site plan and project description evaluated, the traffic study identified a deficiency specific to sight distance for cars exiting the driveway and recommend that the landscaping be modified to increase overall sight distance. In addition, the traffic study recommended that sidewalk and bicycle improvements along Atascadero Road should be unobstructed and maintain connectivity. Since the preparation of the traffic report, the project site plans, and project description have been modified to address several issues including traffic related impacts. Mitigation Measure TR-1 would require that the final project design to be submitted and reviewed by the City and/or a qualified transportation engineer to ensure that all proposed improvements are consistent with the design recommendations provided in the Transportation Impact Study prepared by CCTC for the project. Implementation of Mitigation Measure TR-1 would ensure that the final design of the project would not substantially increase hazards due to a geometric design feature or incompatible uses. Therefore, impacts would be less than significant with mitigation.
- d. Based on the results of the traffic study and the most recent site plan, the project would provide adequate on-site circulation and does not propose any uses or design features that would interfere with emergency access. Development of the hotel and associated improvements along Atascadero Road may result in partial lane closures; however, these activities would be temporary and adequate access along Atascadero Road

would be maintained. Therefore, the project would not result in inadequate emergency access and impacts would be less than significant.

CONCLUSION

Potentially significant impacts related to transportation and circulation associated with the proposed project would be less than significant with implementation of mitigation.

MITIGATION AND MONITORING

Mitigation Measure TR-1: Prior to issuance of construction or grading permits, the applicant shall submit for approval by the City of Morro Bay or a qualified transportation engineer designated by the City of Morro Bay, final site plans demonstrating that all proposed access and circulation improvements are consistent with the design recommendations provided in the Transportation Impact Study prepared by CCTC for the project.

18. Tribal Cultural Resources

| | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Would the project cause a substantial adverse change in the significance of a tribal cultural resources, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is: | | | | |
| (i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or | | | X | |
| (ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe. | | X | | |

ENVIRONMENTAL SETTING

Approved in 2014, Assembly Bill (AB) 52 added tribal cultural resources to the categories of resources that must be evaluated under CEQA. Tribal cultural resources are defined as either of the following:

- Sites, features, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either of the following:
- Included or determined to be eligible for inclusion in the California Register of Historical Resources; or
- Included in a local register of historical resources as defined in subdivision (k) of California Public Resources Code Section 5020.1.

A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of California Public Resources Code Section 5024.1. In applying

these criteria for the purposes of this paragraph, the lead agency shall consider the significance of the resource to a California Native American Tribe.

Recognizing that tribes may have expertise with regard to their tribal history and practices, AB 52 requires lead agencies to provide notice to tribes that are traditionally and culturally affiliated with the geographic area of a proposed project if they have requested notice of projects proposed within that area. If the tribe requests consultation within 30 days upon receipt of the notice, the lead agency must consult with the tribe regarding the potential for adverse impacts on tribal cultural resources as a result of a project. Consultation may include discussing the type of environmental review necessary, the presence and/or significance of tribal cultural resources, the level of significance of a project's impacts on the tribal cultural resources, and available project alternatives and mitigation measures recommended by the tribe to avoid or lessen potential impacts on tribal cultural resources.

The City of Morro Bay (the CEQA Lead Agency) provided notification to Native American tribes affiliated with the project area pursuant to AB 52 and received responses from three tribes. The Xolon-Salinan Tribe requested a copy of recommendations and the archaeological monitoring plan during construction of the site. The yak tit̥u tit̥u yak tilhini Northern Chumash Tribe requested archaeological and Native American monitoring. The Salinan Tribe of San Luis Obispo and Monterey Counties requested a Salinan monitor be present for all ground disturbing activities. In addition, a *Phase 1 Archaeological Report* (SWCA 2018) and pedestrian survey was conducted for the site and produced negative findings.

IMPACT DISCUSSION

- a. The proposed project does not contain any known tribal cultural resources that have been listed or are eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k). As discussed in Section 5, Cultural Resources, a historic property listed on the National Register of Historic Places is located near the project site; however, all project activities would be limited to the project site and the proposed project will not cause a substantial adverse change in the significance of a historical resource. Therefore, no impacts to historical resources would occur.
- b. The Phase 1 Archaeological Report, the pedestrian survey, and notification to affiliated tribes per AB 52 concluded that there are no known significant tribal cultural resources in the project area. However, due to the proximity to eight previously identified prehistoric archaeological sites, some of which contain human remains, the project area is considered moderately sensitive for the presence of buried and/or obscured archaeological resources. Mitigation Measures CUL-1 would require the development of an Archaeological Monitoring Plan (AMP) and associated archaeological monitoring procedures during initial ground-disturbing activities. The AMP would appropriately identify and address archaeological finds encountered during construction monitoring and would include measures to avoid or reduce potential impacts to tribal cultural resources. Therefore, potential impacts associated with tribal cultural resources would be less than significant with mitigation.

CONCLUSION

Potentially significant impacts to tribal cultural resources associated with the proposed project would be less than significant with implementation of identified mitigation.

MITIGATION AND MONITORING

With implementation of **Mitigation Measure CUL-1**, the project would have a less-than-significant impact on tribal cultural resources.

19. Utilities and Service Systems

| Would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a. Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects? | | | X | |
| b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years? | | | X | |
| c. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | | | X | |
| d. Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? | | | X | |
| e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste? | | | X | |

ENVIRONMENTAL SETTING

The project proposes to develop a new 83-unit hotel with parking and associated landscaping. The project proposes to include several waste-reduction and conservation measures during the construction and operation of the facility including using recycled content for building materials, installing water conserving plumbing fixtures, installing a rooftop solar system, placing recycling bins in guest rooms, and implementing an excess bathroom product recycling program.

The project would be required to hook-up to the City's municipal water system, which would be provided by the Morro Bay Public Works Water Division. The majority of the water supplied to the City is from the State Water Project (SWP) and further supplemented by two local groundwater basins, Morro and Chorro Basins, and a desalination plant during emergencies. Based on the City's 2018 OneWater Morro Bay Plan, projected water supply is estimated to remain relatively constant through 2050.

Wastewater services within the city are currently provided by the Morro Bay Wastewater Treatment Plant which is rated for an average daily flow of 2.06 million gallons a day, serving approximately 13,300 people. Due to the existing facility's aging infrastructure, a new wastewater treatment facility is required to be built and is expected to be completed by 2023. According to the adopted OneWater Morro Bay Plan, the project would connect to an 18-inch gravity main along Atascadero Road. Current flows in the gravity sewer cause the hydraulic grade line to surge within 3 feet of the manhole rim during peak wet-weather flow events.

The City contracts with Morro Bay Garbage Service to provide residential and commercial garbage, recycling, and green waste collection services for Morro Bay. All of the City's waste is taken to Cold Canyon Landfill, which has a permitted capacity of approximately 23 million cubic yards, with an anticipated closure date of 2040.

IMPACT DISCUSSION

- a. The project would be required to connect to the City's water and wastewater services. Water to the project would be supplied by the City's Public Works Department and would not require the development of additional infrastructure to supply water. Wastewater services would be provided by the Morro Bay wastewater treatment plant located near the project on Atascadero Road. Due to the biological treatment capacity, age, and location of the existing wastewater treatment facility, a new treatment facility, the Water Reclamation Facility (WRF), has been recently approved by the California Coastal Commission in July 2019 and will be located on South Bay Boulevard to serve the City and the project when it becomes operational, by March of 2023. The project would be served by an 18-inch gravity sewer located with the former 66th Street right-of-way adjacent to Atascadero Road. According to the OneWater Morro Bay Plan, the flow in the sewer exceeds capacity during peak wet weather flow events as defined in the adopted OneWater Morro Bay Plan. The sewer main is proposed to be replaced with a 27-inch diameter pipe within the next three to five years.

The project is located in an urbanized area and all other services required for the operation of the hotel are currently available and the project would not require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects. Therefore, impacts would be less than significant.

- b. The City's water supply is mainly derived from the SWP and further supplemented by two local groundwater basins. When water is not available during SWP shutdowns and emergencies, water is further supplemented by Morro Bay's desalination plant. Contractually, Morro Bay is entitled to 1,313 acre-feet a year (AFY) of SWP water, plus an additional 174 percent "drought buffer" to ensure reliability when the SWP reduces deliveries during dry years. The "drought buffer", detailed in the Drought Buffer Water Agreement for 2,290 AFY, allows Morro Bay to receive its full 1,313 AFY allocation when the SWP can deliver at least 36.44 percent of contracted allocations.

According to the OneWater Morro Bay Plan, which provides a forecast of the city's water demand, the city is expected to have available water supply in excess of projected demand through 2050. In addition, the new water reclamation facility that is being constructed to replace the aging wastewater treatment plant would also involve a water purification facility that would further supplement the city's water needs. The project would increase demand on water supplies; however, due to the location of the project and proposed use, future development within the city, including the project, is anticipated in the OneWater Morro Bay Plan water demand projections. In addition, the project includes several water conservation measures such as water saving plumbing fixtures that would further reduce water consumption. Based on the city's current water supply and the OneWater Morro Bay Plan water demand projections, the project would have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years. Therefore, impacts would be less than significant.

- c. As discussed above, wastewater treatment services would be provided to the project by the nearby Morro Bay wastewater treatment plant. However, due to its aging infrastructure, a new facility is being constructed and would serve the city and the proposed project when operational. The new facility has been designed to meet the city's current wastewater needs and includes construction of a new one million gallon per day advanced treatment facility that would further supplement the city's water demand. The project and proposed use are consistent with the city's anticipated level of development and the new facility would have adequate capacity to serve the project and existing commitments. Therefore, impacts would be less than significant.
- d. Most of the solid waste associated with the project would occur during the initial construction which may include excavated soils, demolition debris, and other construction materials associated with new

development. The project proposes to implement a number of waste reduction measures including the use of recycled content for building materials, placement of recycling bins in guestrooms, and a program for recycling excess bathroom products. Sanitary services would be provided by Morro Bay Garbage Service and waste would be disposed of at the Cold Canyon Landfill. The Cold Canyon Landfill currently has a capacity of 1,650 tons per day and an estimated remaining capacity of 14,500,000 cubic yards. Currently, the estimated closure date for this landfill is December 31, 2040 (CalRecycle 2018), which has adequate permit capacity to serve the project. Based on proposed use and the existing capacity of landfill serving the project, the project would not generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals. Therefore, impacts would be less than significant.

- e. Solid waste associated with the project would similar to that of similar hotels or commercial uses. The project does not propose any uses or activities that would otherwise result in the generation of solid waste that would conflict with federal, state, and local management and reduction statutes and regulations related to solid waste. Therefore, impacts would be less than significant.

CONCLUSION

Implementation of the proposed project would not result in significant impacts related to utilities and service systems.

MITIGATION AND MONITORING

Mitigation measures are not required.

20. Wildfire

| | If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project: | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|----|---|---------------------------------------|---|-------------------------------------|------------------|
| a. | Substantially impair an adopted emergency response plan or emergency evacuation plan? | | | X | |
| b. | Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire? | | | | X |
| c. | Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? | | | | X |
| d. | Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? | | | | X |

ENVIRONMENTAL SETTING

Fire Hazard Severity Zones (FHSZ) are defined by the California Department of Forestry and Fire Protection (CALFIRE) based on the presence of fire-prone vegetation, climate, topography, assets at risk (e.g., high population centers), and a fire protection agency's ability to provide service to the area (CAL FIRE 2007). FHSZs throughout

the city have been designated as “Very High,” “High,” or “Moderate.” The project is located in a Locally Responsible Area (LRA) in an area designated as Moderate FHSZ.

IMPACT DISCUSSION

- a. The project is located in a developed area within the city of Morro Bay, with access to the site provided directly from Highway 1 and Atascadero Road. The project would be served by the Morro Bay Fire Department with the nearest station located at 715 Harbor St, which is approximately 1.5 south with an estimated response time of 5 minutes. The project would develop a hotel on a vacant lot surrounded by development and does not propose any activities or design elements that would impair an adopted emergency response plan or emergency evacuation plan. During short-term construction, improvements would occur within the right-of-way along Atascadero Road to accommodate a bike path and large vehicles would be utilizing adjacent roadways to access the project site; however, access to neighboring properties including Morro Bay High School would be maintained during all construction activities. Therefore, the project would not substantially impair an adopted emergency response plan or emergency evacuation plan and impacts would be less than significant.
- b. The project would be developed on vacant land surrounded by urban development. The project is not located in an area where slope, prevailing winds, and other factors, would exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire. Therefore, no impacts would occur.
- c. Development of the hotel would almost entirely be limited within the project parcel, with the exception of bike path improvements occurring on the north side of Atascadero Road. As such, the project would not require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment. Therefore, no impacts would occur.
- d. As discussed previously, the project is located in an urbanized area and is not located near steep slopes or significant geologic features. Therefore, the project would not expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes. No impacts would occur.

CONCLUSION

The proposed project and associated activities would not result in a significant adverse impact related to Wildfire.

MITIGATION MONITORING

Mitigation measures are not required.

21. Mandatory Findings of Significance (Section 15065)

A project may have a significant effect on the environment and thereby require a focused or full environmental impact report to be prepared for the project where any of the following conditions occur (CEQA Sec. 15065):

| | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a. Potential to degrade: Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | | X | | |
| b. Cumulative: Does the project have impacts that are individually limited but cumulatively considerable? (“Cumulatively considerable” means that incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? | | | X | |
| c. Substantial adverse: Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly? | | | X | |

IMPACT DISCUSSION

- a. **Potential to Degrade.** The proposed project would not substantially degrade or threaten the quality of the environment, habitat, or populations of any fish or wildlife species, or important examples of California history or prehistory. The project does not propose to remove any trees as part of the project; however, nesting birds could be present on a seasonal basis in nearby trees, and construction activities as well as trimming or removing trees could adversely affect their nesting activities. Mitigation measures have been proposed to prevent or reduce potential impacts. Refer to Section 1, Aesthetics; Section 4, Biological Resources; Section 6, Geology and Soils; and Section 8, Hazards/Hazardous Materials, for additional information.
- b. **Cumulative.** Project-specific impacts, when considered along with, or in combination with, other impacts, do not rise to a level of significance. Project impacts are limited and no substantial cumulative impacts resulting from other projects were identified.
- c. **Substantial Adverse.** The project does not have environmental effects that could cause substantial adverse effects on human beings, either directly or indirectly. Project impacts are limited, and standard mitigation measures would be incorporated that would reduce any potential impacts to a less-than-significant level.

V. INFORMATION SOURCES:

A. County/City/Federal Departments Consulted:

City of Morro Bay Community Development Department (Planning and Building Divisions), Public Works Department, Fire Department.
San Luis Obispo Air Pollution Control District
California Department of Toxic Substances Control

B. General Plan

| | | | |
|---|-------------------------------|---|-----------------------------|
| x | Land Use Element | x | Conservation Element |
| x | Circulation Element | x | Noise Element |
| x | Seismic Safety/Safety Element | x | Local Coastal Plan and Maps |
| x | Zoning Ordinance and Map | x | Climate Action Plan |

C. References

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VI. ATTACHMENTS

- Attachment A: Summary of Mitigation Measures and Applicant's Consent to Incorporate Mitigation into the Project Description.
- Attachment B: *Air Quality & Greenhouse Gas Impact Study for the Proposed Morro Bay Hotel Project, Morro Bay, CA* (AMBIENT Air Quality and Noise Consulting, August 2019a)
- Attachment C: *Biological Resources Assessment for the Atascadero Road Hotel Project* (Kevin Merk Associates, LLC, May 23, 2018)
- Attachment D: *Energy Impact Study for the Proposed Morro Bay Hotel Project, Morro Bay, CA* (AMBIENT Air Quality and Noise Consulting, August 2019b)
- Attachment E: *Geotechnical Engineering Report* (Earth Systems Pacific, January 29, 2018)
- Attachment F: *Phase 1 Environmental Site Assessment* (Haro Environmental, December 7, 2017)
- Attachment G: *Acoustics Assessment of Atascadero Road Hotel Morro Bay, CA* (45dB Acoustics, May 3, 2018)
- Attachment H: *Transportation Impact Study* (Central Coast Transportation Consulting, March 2018)

ATTACHMENT A: MITIGATION AND MONITORING PROGRAM

Mitigation Measure VR-1: At time of application for construction permits, the applicant shall revise the Conceptual Landscape Plan (dated February 19, 2019) by Jim Burrows Landscape Architecture to be consistent with the Landscape Screening Update Letter dated November 7, 2019 by Jim Burrows Landscape Architecture. The revised landscape plan shall provide for landscaping that provides at least 50% year-round (evergreen) screening of the structure, as viewed from Highway 1 traveling southbound (east building frontage) and taken from the vantage point as shown in Figure 5. Within five years of final inspection and occupancy, the landscaping shall provide for 25% year-round screening of the structure as viewed from Highway 1 traveling southbound. Within ten years of final inspection and occupancy and for the life of the project, the landscaping shall provide for 50% year-round screening of the structure as viewed from Highway 1 traveling southbound. In the event the landscaping does not meet or falls below these performance criteria, the applicant shall retain a qualified landscape architect to prepare and submit a revised landscape and replanting plan to fulfil this mitigation measure to the satisfaction of the City.

Mitigation Measure VR-2: Per City of Morro Bay Municipal Code section 17.48.050, all overhead utilities on the project site shall be placed underground. Prior to issuance of grading permits, the applicant shall provide revised plans showing compliance with this measure for review and approval by the City of Morro Bay Community Development Department.

Mitigation Measure AQ-1: The following measures shall be implemented to minimize construction-generated emissions. These measures are based on SLOAPCD standard mitigation measures and would help to ensure compliance with the SLOAPCD's 20% opacity limit (SLOAPCD Rule 401) and nuisance rule (SLOAPCD Rule 402). These measures shall be shown on grading and building plans:

- a. Construction of the proposed project shall use low-VOC content paints not exceeding 50 grams per liter.
- b. To the extent locally available, prefinished building materials or materials that do not require the application of architectural coatings shall be used.
- c. Reduce the amount of the disturbed area where possible.
- d. Use water trucks, APCD approved dust suppressants (see Section 4.3 in the CEQA Air Quality Handbook), or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the District's limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that since water use is a concern due to drought conditions, the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control. For a list of suppressants, see Section 4.3 of the CEQA Air Quality Handbook.
- e. All dirt stock-pile areas should be sprayed daily as needed.
- f. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities;
- g. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established.
- h. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the SLOAPCD.
- i. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.

- j. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site.
- k. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114.
- l. Install wheel washers at the construction site entrance, wash off the tires or tracks of all trucks and equipment leaving the site, or implement other SLOAPCD-approved methods sufficient to minimize the track-out of soil onto paved roadways.
- m. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible.
- n. The burning of vegetative material shall be prohibited. Effective February 25, 2000, the APCD prohibited developmental burning of vegetative material within San Luis Obispo County. If you have any questions regarding these requirements, contact the SLOAPCD Engineering and Compliance Division at (805) 781-5912.
- o. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the SLOAPCD Compliance Division prior to the start of any grading, earthwork or demolition.
- p. When applicable, portable equipment, 50 horsepower (hp) or greater, used during construction activities shall be registered with the California statewide portable equipment registration program (issued by the California Air Resources Board) or be permitted by the APCD. Such equipment may include: power screens, conveyors, internal combustion engines, crushers, portable generators, tub grinders, trammel screens, and portable plants (e.g., aggregate plant, asphalt plant, concrete plant). For more information, contact the SLOAPCD Engineering and Compliance Division at (805) 781-5912.

Mitigation Measure AQ-2: The following measures based on the SLOAPCD standard mitigation measures for construction equipment for reducing nitrogen oxides (NO_x), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment shall be implemented to reduce exposure of sensitive receptors to substantial pollutant concentrations. These measures shall be shown on grading and building plans:

- a. Implement Mitigation Measure AQ-1, as identified above.
- b. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
 - 1. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation; and,
 - 2. Shall not operate a diesel-fueled auxiliary power system to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5.0 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
- c. Maintain all construction equipment in proper tune according to manufacturer's specifications;
- d. Fuel all off-road and portable diesel-powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);

- e. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-Road Regulation;
- f. Idling of all on and off-road diesel-fueled vehicles shall not be permitted when not in use. Signs shall be posted in the designated queuing areas and or job site to remind drivers and operators of the no idling limitation.
- g. Electrify equipment when possible;
- h. Substitute gasoline-powered in place of diesel-powered equipment, when available; and,
- i. Use alternatively fueled construction equipment on-site when available, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

Mitigation Measure BR-1: To avoid impacts to nesting birds, including raptors, for construction activities occurring between February 15 and August 31, a preconstruction survey for active bird nests shall be conducted by a qualified biologist. Surveys shall be conducted within 2 weeks prior to construction activities. If no active nests are located, construction activities can proceed. If active nests are located, then all construction work shall be conducted outside a non-disturbance buffer zone to be developed by the project biologist based on the species (i.e., 50 feet for common species and up to 250 feet for raptors), slope aspect and surrounding vegetation in proximity to the nest site. No direct disturbance to nests shall occur until the young are no longer reliant on the nest site as determined by the project biologist. The biologist shall conduct monitoring of the nest until all young have fledged. The qualified biologist shall document all active nests and submit a letter report to the City of Morro Bay documenting project compliance with the Migratory Bird Treaty Act, California Fish and Game Code, and applicable project mitigation measures, within 14 days of survey completion or prior to first inspection, whichever occurs first.

Mitigation Measure CUL-1: Prior to project implementation, the applicant shall prepare an Archaeological Monitoring Plan (AMP) for review and approval by the City of Morro Bay. A standard clause shall be included in every grading and construction contract to inform contractors of this requirement. The AMP shall include, but not be limited to, the following:

- a. A list of personnel involved in the monitoring activities, including a City-approved archaeologist, a Native American monitor of Chumash descent, and a Native American monitor of Salinan descent;
- b. Description of how the monitoring shall occur;
- c. Description of frequency of monitoring (e.g., full time, part time, spot checking);
- d. Description of what resources are expected to be encountered;
- e. Description of circumstances that would result in the halting of work at the project site;
- f. Description of procedures for halting work on the site and notification procedures;
- g. Description of monitoring reporting procedures; and
- h. Specific, detailed protocols for what to do in the event of the discovery of human remains.

Mitigation Measure CUL-2: An archaeological monitor and a representative from the Salinan Tribe of Monterey and San Luis Obispo Counties and the yak tit̓u tit̓u yak tihiini Northern Chumash Tribe shall be present during project-related ground-disturbing activities that have the potential to encounter previously unidentified archaeological resources, as outlined in the AMP prepared to satisfy CUL-1. Archaeological and tribal monitoring may cease at any time if the qualified archaeologist, in coordination with the City's Environmental Coordinator and the tribes, determine that project activities do not have the potential to encounter and/or disturb unknown resources.

Mitigation Measure GEO-1: Prior to issuance of grading permits, the project applicant shall submit to the City for approval, grading and building plans prepared by a professional engineer that incorporate design methods and

engineering techniques that are consistent with the recommendations provided in the Geotechnical Engineering Report prepared by Earth Systems for the project. Recommendations include, but are not limited to:

- a. Utilize deep foundations (i.e., piles) for structure support so that the piles would bear through the upper potentially liquefiable zone and into more dense, non-liquefiable materials at depth.
- b. Ground improvements would include displacing the soil with an auger to the bottom of the liquefiable layers and injecting grout or consolidating gravel into the resulting soil voids, thus densifying the soil; conventional shallow foundations would then be constructed over the ground improvement elements.

A hybrid solution involving over-excavation and reinforcement of the soil and a rigid mat foundation could also be utilized. Mat foundations distribute the structural loads over a wider area of the soil and can be designed to be sufficiently rigid such that the foundation will act as an integral unit in the event of liquefaction. The foundation should be designed to accommodate the shear and bending stresses that could result from the anticipated differential seismic settlement due to liquefaction. A relatively low bearing value is also recommended, as is a design of the foundations to accommodate a span of lost bearing at any point within the foundation.

Mitigation Measure GHG-1: The proposed project shall implement the following GHG-reduction measures, consistent with the “mandatory” measures identified in the City’s CAP Consistency Worksheet:

- a.
 1. The project shall install high efficiency lights (i.e., sodium, light-emitting diode [LED]) in parking lots, streets, and other public areas. (Note: this measure was included per SLOAPCD recommendations and is not a CAP mandatory measure but is a requirement in the recently updated building standards that will take effect on January 1, 2020).
 2. The project shall provide on-site bicycle parking and/or amenities in accordance with the California Green Building Standards Code and related facilities to support long-term use (lockers, or a locked room with standard racks and access limited to bicyclists only). (CAP Measure TL-1)
 3. The project shall incorporate a pedestrian access network that internally links all uses and connects all existing or planned external streets and pedestrian facilities contiguous with the project site. (CAP Measure TL-2)
 4. The project shall be designed to minimize barriers to pedestrian access and interconnectivity. (CAP Measure TL-2)
 5. The project shall incorporate traffic calming improvements as appropriate (e.g., marked crosswalks, count-down signal timers, curb extensions, speed tables, raised crosswalks, median islands, mini-circles, tight corner radii, etc.). (CAP Measure TL-2)
 6. Three percent of construction vehicles and equipment shall be electrically powered or use alternative fuels such as compressed natural gas. (CAP Measure O-1)
 7. Idling of all on and off-road diesel-fueled vehicles shall not be permitted when not in use. Signs shall be posted in the designated queuing areas and or job site to remind drivers and operators of the no idling limitation. (SLOAPCD Diesel Idling Restrictions for Construction Phases).
- b. The following additional GHG-reduction measures shall also be implemented, beyond the “mandatory” measures required by the City’s CAP:
 1. Trees to be planted shall be native and drought tolerant, beyond those required as mitigation for tree removal. (Voluntary CAP Measure T-1)
 2. Install occupancy sensors in hotel guest rooms that reduce energy usage when rooms are not occupied.

3. To the extent available, install energy-efficient (e.g., EnergyStar rated) appliances. (Refer to: <https://www.energystar.gov/products>).
4. To the extent allowed by code, utilize roofing materials that have a high-solar-reflectance index. (<https://www.epa.gov/sites/production/files/2014-06/documents/coolroofscompendium.pdf>).

Mitigation Measure TR-1: Prior to issuance of construction or grading permits, the applicant shall submit for approval by the City of Morro Bay or a qualified transportation engineer designated by the City of Morro Bay, final site plans demonstrating that all proposed access and circulation improvements are consistent with the design recommendations provided in the Transportation Impact Study prepared by CCTC for the project.

Acceptance of Mitigation Measures by Project Applicant:

Applicant

Date

3. To the extent available, install energy-efficient (e.g., EnergyStar rated) appliances. (Refer to: <https://www.energystar.gov/products>).
4. To the extent allowed by code, utilize roofing materials that have a high-solar-reflectance index. (<https://www.epa.gov/sites/production/files/2014-06/documents/coolroofscompendium.pdf>).

Mitigation Measure TR-1: Prior to issuance of construction or grading permits, the applicant shall submit for approval by the City of Morro Bay or a qualified transportation engineer designated by the City of Morro Bay, final site plans demonstrating that all proposed access and circulation improvements are consistent with the design recommendations provided in the Transportation Impact Study prepared by CCTC for the project.

Acceptance of Mitigation Measures by Project Applicant:



Applicant

12/18/19

Date