City of Morro Bay
Community Development Department
955 Shasta Avenue ◆ Morro Bay, Ca 93442
805-772-6261

NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION

The City of Morro Bay Community Development Department has completed the Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed 3300 Panorama Drive, Demolition of Tanks and Associated Structures Project. The Draft IS/MND found the following environmental factors to be less than significant with mitigation incorporated: Aesthetic Resources, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards/Hazardous Materials, Hydrology, Noise, Transportation and Traffic, and Tribal Cultural Resources.

APPLICANT: Rhine LP and Morro94

GENERAL PLAN DESIGNATION: Medium-Density Residential/Environmentally Sensitive Habitat

PROJECT LOCATION: The 10-acre project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay, within the city limits. The project site was previously used by the Department of the Navy for jet fuel storage and distribution, and is within the R-1/PD/ESH (Single-Family Residential/Planned Development/Environmentally Sensitive Habitat [ESH]) zoning district and designated by the General Plan and Coastal Land Use Plan (CLUP) as Medium-Density Residential.

PROJECT DESCRIPTION: Rhine LP and Morro94, LLC (the owners/applicant) propose to demolish and remove two large JP-5 fuel storage tanks (131,600 barrels, approximately 5,527,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 100,000-gallon water tank, and associated pumps and piping from the decommissioned fuel storage site formally known as the DFSP, located at 3300 Panorama Drive in Morro Bay, California.

Site preparation would include installing temporary fencing, installing stormwater protection, and installing a trackout system at the point of entry on Sicily Street. An opening would be cut in the center berm to provide access to the north tank containment. Tanks and pipelines would be inspected and tested for gas, vapor, and residual fluids and would be cleaned, rinsed, and ventilated as needed before being certified clean and gas-free by a Certified Industrial Hygienist. The demolition process would include removing and recycling identified DFSP equipment and facilities, along with handling and disposing of any non-hazardous and/or hazardous waste generated from demolition activities. The containment berms and other modified areas within the DFSP boundaries would remain except as noted. Approximately 50 feet of the berm width would be lowered between the two large fuel tanks for construction traffic, and the berm between the pumps and tanks would be disturbed to access underground pipes. The area between the pumps and tanks would be recontoured back to match the rest of the existing berm. Proposed project activities are designed to mitigate potential adverse impacts to annual grassland, native grassland, and ESH resources from demolition, grading, and traffic. The applicant proposes to use a small excavator to access an underground pipeline within 20 feet of designated ESH, and fill the pipeline with a concrete slurry, seal both ends, and abandon this portion of piping in place. These DFSP facilities were no longer needed by the Department of Defense and were decommissioned in 1996. All tanks and pipelines have been drained, cleaned, and made inert where appropriate. The sources of potential future releases from the facility have been eliminated. Demolition of these components of the DFSP would be conducted in compliance with California Code of Regulations (CCR) Titles 8 & 33, California Health and Safety Code (HSC) and recommended practice for entry, cleaning, and closure of petroleum tanks published by the American Petroleum Institute,

under the supervision of the County of San Luis Obispo (County) Public Health Department, San Luis Obispo County Air Pollution Control District (SLOAPCD), and City of Morro Bay (City).

HAZARDOUS WASTE/SUBSTANCES: The project site is identified as a U.S. Environmental Protection Agency (EPA) Superfund Site (EPA ID: CA2971590029); however, the site is not included on the EPA's National Priorities List, which identifies hazardous waste sites in the United States eligible for long-term remedial action (cleanup) financed under the federal Superfund program. The project site's current Non-National Priorities List (Non-NPL) status is listed as "Federal Facility Site Inspection Review Start Needed". The site was, and is presumed to be, contaminated with total petroleum hydrocarbons (TPH), as a result of the site's previous use a jet fuel storage facility (Envirostor ID: 40970001; Site Code: 200262) (DTSC 2016).

PUBLIC REVIEW PERIOD: Comments on the Draft IS/MND may be received in writing between February 28, 2018 and March 30, 2018. Written comments should be sent to the City of Morro Bay at the following address:

City of Morro Bay
Attn: Nancy Hubbard
955 Shasta Ave.
Morro Bay, CA 93442

AVAILABILITY OF ENVIRONMENTAL DOCUMENTATION: The Draft IS/MND is available for public review during regular business hours at the City of Morro Bay at the address listed above and online at: www.morrobayca.gov/842/Current-Planning-Projects.

City of Morro Bay
COMMUNITY DEVELOPMENT DEPARTMENT
955 SHASTA AVENUE ◆ MORRO BAY, CA 93442
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D R A F T 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

February 16, 2018

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.: UP0-440 and CP0-500

PROJECT TITLE: 3300 Panorama Drive, Demolition of Tanks and Associated Structures

APPLICANT / PROJECT SPONSOR:

Owner:	Applicant/Agent:
Rhine LP and Morro 94, LLC 2304 West Shaw Ave. #102 Fresno, CA 93711 T 559-438-9999	Chris Mathys 2304 West Shaw Ave. #102 Fresno, CA 93711 T 559-438-9999 Mathys@orofinancial.net

PROJECT DESCRIPTION

Rhine LP and Morro94, LLC (owners/the applicant) propose to demolish and remove two aboveground JP-5 jet fuel storage tanks (131,600 barrels, approximately 5,527,000 gallons each), an aboveground 100,000-gallon fire-water tank, and associated pumps and piping from the decommissioned fuel storage site formally known as the Defense Fuel Support Point (DFSP), located at 3300 Panorama Drive in Morro Bay, California. All piping attached to the tanks and pumps, both above and below ground, will also be removed, as well as approximately 1,050 cubic yards of concrete, including shotcrete on the rim and on the inside of the berms forming containment basins for each of the large tanks, a concrete slab at the northern corner of the site, and the concrete ring foundations beneath the tanks. The applicant proposes to

use a small excavator to access an underground pipeline within 20 feet of a designated Environmentally Sensitive Habitat (ESH), and fill the pipeline with a concrete slurry, seal both ends, and abandon this portion of piping in place. These DFSP facilities were no longer needed by the Department of Defense and were decommissioned in 1996. All tanks and pipelines have been drained, cleaned, and made inert where appropriate. Demolition of these components of the DFSP would be conducted in compliance with California Code of Regulations (CCR) Titles 8 & 33, the California Health and Safety Code (HSC), and recommended practice for entry, cleaning, and closure of petroleum tanks published by the American Petroleum Institute, under the supervision of the County of San Luis Obispo Public Health Department, San Luis Obispo County Air Pollution Control District, and City of Morro Bay.

The applicant proposes a primary staging area (for equipment and waiting trucks) to be located between the southern Navy tank and Panorama Drive, and a secondary staging area (for equipment and pump removal) near the paved entrance to the project site, adjacent to Panorama Drive. Grading will be required to create an improved entry and exit to and from the site into the southerly containment basin from Panorama Drive at the head of Sicily Street. Grading will also be necessary to cut a break through the center berm separating the two containment basins to allow truck and equipment access to the northerly tank. Some additional grading will be required to enable removal of pipelines within the berm between the northerly tank and the pump station area. The project is anticipated to require some level of disturbance over approximately 8 acres of the 10.6-acre site. The project is expected to require up to 3 months to complete.

PROJECT LOCATION

The project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay. The project site is located within the R-1/PD/ESH (Single-Family Residential/Planned Development/ Environmentally Sensitive Habitat [ESH]) zoning district and designated by the City of Morro Bay's General Plan and Coastal Land Use Plan (CLUP) as Medium-Density Residential. The ESH overlay is located along an existing drainage in the northwest portion of the project site. The project site is partially located in the Coastal Commission's Appeals Jurisdiction, due to the presence of the ESH.

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 in the environment; these are described in the attached Initial Study and Checklist and have been added to the permit conditions of approval.

City of Morro Bay
COMMUNITY DEVELOPMENT DEPARTMENT
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INITIAL STUDY AND CHECKLIST

I. PROJECT INFORMATION

Project Title: 3300 Panorama Drive, Demolition of Tanks and Associated Structures Project

Project Location: 3300 Panorama Drive (APN 065-038-001)

Case Number: Coastal Development Permit #CP0-500 and Conditional Use Permit #UP0-440

Lead Agency:	City of Morro Bay	Phone:	(805) 772-6211
	955 Shasta Ave.	Email:	nhubbard@morrobayca.gov
	Morro Bay, CA 93442		
	Contact: Nancy Hubbard		
Project Applicant/Agent:	Chris Mathys	Phone:	(559) 438-9999
	Rhine LP	Email:	mathys@orofinancial.net
	2304 West Shaw Ave. #102		
	Fresno, CA 93711		
Project Landowner:	Rhine LP and Morro94, LLC	Phone:	(559) 438-9999
	2304 West Shaw Ave. #102	Email:	
	Fresno, CA 93711		

General Plan Designation: Medium-Density Residential / Environmentally Sensitive Habitat

Zoning Designation: R-1/PD/ESH (Single-Family Residential/Planned Development/Environmentally Sensitive Habitat)

PROJECT LOCATION

The 10-acre project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay, within the city limits (refer to Figures 1 and 2). The project site was previously used by the Department of the Navy for jet fuel storage and distribution, and is within the R-1/PD/ESH (Single-Family Residential/Planned Development/Environmentally Sensitive Habitat [ESH]) zoning district and designated by the General Plan and Coastal Land Use Plan (CLUP) as Medium-Density Residential. The ESH overlay is located along an existing drainage proximate to the northwest property boundary. The project site is partially located in the Coastal Commission's Appeals Jurisdiction, which has jurisdiction over the coastal stream/drainage (ESH area) located within the project site, and 100 feet on either side of the stream corridor. It is surrounded by high-density residential development to the west and south and unincorporated, undeveloped land designated by the County of San Luis Obispo as Agriculture land use to the north and east. The topography at the project site is sloping, with elevation ranging from approximately 80 feet above mean sea level in the southwestern portion of the site to approximately 120 feet above mean sea level in the northern portion of the site.

Figure 1. Project Vicinity

Figure 2. Project Location

Existing structures on the project site include two fuel tanks, one water tank, one pump house, an office building, a garage, multiple sheds, and appurtenant piping and fencing (refer to Figure 2). Before closure in 1991, the Defense Fuel Support Point (DFSP) facility also included an offshore tanker mooring point, 0.5 mile of submerged pipeline, 0.35 mile of underground pipeline within the City of Morro Bay, and a 98-mile pipeline that extended from Morro Bay to Lemoore Naval Air Station in Fresno County. The double-walled steel fuel tanks each hold approximately 131,600 barrels, approximately 5,527,000 gallons each, and are 140 feet in diameter. A staircase ascends the side of each tank to its roof, which has a 6-foot-high railing around its perimeter. The tanks rest on concrete pads surrounded by concrete spill containment berms. The 25-foot-diameter water tank is set between the fuel tanks on a concrete slab at the top of the containment berm and has a 100,000-gallon capacity. The 25-foot by 30-foot pump house is a single-story, side-gabled building with siding and roof in corrugated steel and is located in the southwest portion of the project site. Measuring 25 feet by 30 feet, it has a 2-over-2 steel-frame window on its east and south facades and a sliding door on its east side. A shed-roofed extension, open on the south end, projects from its west side.

Immediately to the east of the pump house is an outdoor area of piping and pumps measuring approximately 60 feet by 35 feet. The single-story cinderblock office building measures 28 feet by 30 feet. An outdoor pump and appurtenant piping is located immediately north of the office building. The corrugated metal garage measures 40 feet by 25 feet. Aerial photography suggests that the garage was built between 1979 and 1986. A west-facing 5-foot by 8-foot storage shed with corrugated metal sides and roof and shallow plain gables stands between the garage and office. The property is bounded by a chain-link fence topped with barbed wire and has previously been used for grazing by goats. Land uses surrounding the project site are identified in Table 1, below.

Table 1. Surrounding Land Uses

Direction from Project Site	Land Use
North	Single Family Residential (R-1/S.1) and Vacant Agricultural land in the County
South	Single-Family Residential (R-1/S.1) and Vacant agricultural land
East	Vacant agricultural land outside City Limits
West	Single-Family Residential (R-1/S.1)

PROJECT BACKGROUND

The City of Morro Bay (City) originally received an application for the 3300 Panorama Drive, Demolition of Tanks and Associated Structures project from Rhine LP and Morro94, LLC (the owners/applicant) on February 22, 2016. The original project proposed removal of three steel tanks and pumps located at 3300 Panorama Drive in Morro Bay, California. The project was expected to require up to 1 month to complete and would require 40 truckloads to remove demolished material, with up to six truck trips per day. The project application was deemed incomplete and was revised through a resubmittal submitted on May 20, 2016, which expanded the project to include the removal of all tanks and piping. An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared based on this revised project description and was discussed at the City Planning Commission Hearing on September 6, 2016. Between Planning Commission review on September 6 and December 6, 2016, the applicant made several changes to the project description, including removing all shotcrete on the berms and the concrete ring foundations beneath the tanks, lengthening the duration of demolition to 3 months, proposing additional grading for underground pipe removal, removing the concrete slab in the northern portion of the project site, revising the estimated number of truck trips to include removal of 50 to 100 loads of additional concrete, additional grading at the entry point at Sicily Street, perimeter air quality monitoring, and a revised truck route to avoid conflicts with the Del Mar Elementary School near Highway 1 and San Jacinto Street. At the Planning Commission hearing on January 3, 2017, a list of public concerns and project deficiencies was generated. Following that hearing, the applicant also arranged for trees to be cut down on the project site that had been

identified for removal in the original Arborist Report (Greenvale Tree Company 2016) prepared for the proposed project. Five Monterey cypress trees (*Cupressus macrocarpa*) and one Myoporum tree were cut to stumps in early February 2017 without a Coastal Development Permit (CDP) and contrary to the City's Major Vegetation Removal, Replacement and Protection Guidelines. In July 2017, the applicant submitted revised project materials to the City, including a new site plan based on an updated site survey. In September 2017, the applicant removed the remaining goats from the property that had been grazing and damaging onsite vegetation and drainage features.

Since the project was last discussed during the January 3, 2017, Planning Commission Hearing, the project description has undergone additional revisions and supporting technical studies have been revised. For this reason, the City has decided to prepare a revised IS/MND to thoroughly evaluate the revised project and potential impacts. The revised project description is provided below and a comparison of changes between the original project evaluated in the previous IS/MND and the revised proposed project is provided in Table 2. The following supporting information and technical studies are considered the most updated versions and are included as appendices to this IS/MND:

- Appendix A: *Demolition Site Plan* (Diversified Project Services International (DPSI), December 5, 2017)

  Demolition Work Plan (Analytical Consulting Group, Inc., December 29, 2017)

  Demolition Plan (Bedford Contracting, Inc., October 2016*)*

  Panorama Gantt Chart (Analytical Consulting Group, Inc., December 14, 2017)
- Appendix B: *Biological Assessment Letter Report* (Terra Verde Environmental Consulting, June 27, 2016)

  Biological Monitoring Plan (Terra Verde Environmental Consulting, August 2016)

  Biological Assessment Letter (Terra Verde Environmental Consulting, October 20, 2016)

  Biological Assessment Letter (Terra Verde Environmental Consulting, November 17, 2016)

  Arborist Report (Greenvale Tree Company, May 18, 2016)

  Arborist Report Addendum (Greenvale Tree Company, December 13, 2016)

  Arborist Report (Greenvale Tree Company, August 14, 2017)
- Appendix C: *Hazardous Waste Contingency Plan* (Bedford Contracting, Inc., August 31, 2016)

  Lead Compliance Plan (Analytical Consulting Group, Inc., January 24, 2017)

  Soil Management and Sampling Plan (Analytical Consulting Group, Inc., February 20, 2017)

  Letters from the Environmental Health Division of the County of San Luis Obispo Public Health Department (County Health Department, March 14, 2017)
- Appendix D: CalEEMod Output Files (updated December 18, 2017)

  Air Monitoring Plan (Rhine LP & Morro94, LLC, December 23, 2016)

  SLOAPCD Project Comments (San Luis Obispo County Air Pollution Control District, April 12, 2016)
- Appendix E: *Construction Noise Analysis* (KM Acoustic Studies, August 22, 2017)
- Appendix F: *Truck Traffic Impact Analysis* (DPSI, November 21, 2016)

PROJECT DESCRIPTION

Site Preparation and Demolition

Rhine LP and Morro94, LLC (the owners/applicant) propose to demolish and remove two large JP-5 fuel storage tanks (131,600 barrels, approximately 5,527,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 100,000-gallon water tank, and associated pumps and piping from the decommissioned fuel storage site formally known as the DFSP, located at 3300 Panorama Drive in Morro Bay, California (refer to Figures 1 and 2). The following existing structures, equipment, and materials are proposed to be removed from the project site:

- two holding tanks (approximately 5,527,000 gallons each);
- one fire water tank (approximately 100,000 gallons);
- pumps and associated piping;
- aboveground and belowground 12-inch-diameter loading lines;
- aboveground and belowground 6-inch-diameter water lines connecting the water tank and the pressure pump;
- approximately six power poles with pole-mounted transformers and wiring;
- aboveground and belowground 6-inch-diameter Lemoore supply line capped at the property line and at driveways;
- aboveground pipelines; and
- approximately 1,050 cubic yards of concrete, including shotcrete on the rim and on the inside of the berms forming containment basins for each of the large tanks, a concrete slab at the northern corner of the site, and the concrete ring foundations beneath the tanks.

The following structures and site improvements would remain in place:

- all three building structures;
- driveways, steps, walkways, asphalt, and concrete in the pump area;
- water supply and storm drain lines; and
- the portion of the 6-inch diameter Lemoore pipeline located adjacent to the ESH area, which would be abandoned in place.

Site preparation would include installing temporary fencing, installing stormwater protection, and installing a trackout system at the point of entry on Sicily Street. An opening would be cut in the center berm to provide access to the north tank containment. Tanks and pipelines would be inspected and tested for gas, vapor, and residual fluids and would be cleaned, rinsed, and ventilated as needed before being certified clean and gas-free by a Certified Industrial Hygienist. The demolition process would include removing and recycling identified DFSP equipment and facilities, along with handling and disposing of any non-hazardous and/or hazardous waste generated from demolition activities. The containment berms and other modified areas within the DFSP boundaries would remain except as noted. Approximately 50 feet of the berm width would be lowered between the two large fuel tanks for construction traffic, and the berm between the pumps and tanks would be disturbed to

access underground pipes. The area between the pumps and tanks would be recontoured back to match the rest of the existing berm. Proposed project activities are designed to mitigate potential adverse impacts to annual grassland, native grassland, and ESH resources from demolition, grading, and traffic. The applicant proposes to use a small excavator to access an underground pipeline within 20 feet of designated ESH, and fill the pipeline with a concrete slurry, seal both ends, and abandon this portion of piping in place. These DFSP facilities were no longer needed by the Department of Defense and were decommissioned in 1996. All tanks and pipelines have been drained, cleaned, and made inert where appropriate. The sources of potential future releases from the facility have been eliminated. Demolition of these components of the DFSP would be conducted in compliance with California Code of Regulations (CCR) Titles 8 & 33, California Health and Safety Code (HSC) and recommended practice for entry, cleaning, and closure of petroleum tanks published by the American Petroleum Institute, under the supervision of the County of San Luis Obispo (County) Public Health Department, San Luis Obispo County Air Pollution Control District (SLOAPCD), and City of Morro Bay (City).

The applicant proposes a primary staging area (for equipment and waiting trucks) to be located between the southern Navy tank and Panorama Drive, and a secondary staging area (for equipment and pump removal) near the entrance to the project site, adjacent to Panorama Drive. Grading will be required to create an improved entry and exit to and from the site into the southerly containment basin from Panorama Drive at the head of Sicily Street. Grading would also be necessary to cut a break through the center berm separating the two containment basins to allow truck and equipment access to the northerly tank and to enable removal of pipelines within the berm between the northerly tank and the pump station area. Ground disturbance would include removal of shotcrete and fill material between the two Navy tanks, and displaced soil would be spread between the existing berm, north to south, to reduce the existing slope for safe vehicle and equipment mobility. Additional soil (approximately 135 cubic yards) would be removed to expose underground pipe to be removed and then replaced between the pump house and the tanks. Soil may be exported from the project site if it is found to be contaminated. The project is anticipated to require some level of disturbance over approximately 8 acres of the 10.6-acre site. The project is expected to require up to 3 months to complete. The proposed demolition site plan is shown on Figure 3 and included in Appendix A.

Equipment

The proposed demolition process would require the use of the following equipment:

- excavators, track mounted, 10K#, 64k# and 80K# - hydraulic cutting shears would be installed and utilized, as required;
- up to three tractor-trailer trucks;
- one non-potable water truck (2,000-gallon capacity);
- one Skidsteer loader;
- one reach lift;
- waste hauling trucks;
- welding/cutting tools/intrinsically safe cutting tools (reciprocating saws) for tank access;
- welding/cutting utility trucks;
- fueling/service truck, as needed;
- dump trucks, as needed; and
- hand tools.

Excavation and Pipeline Removal

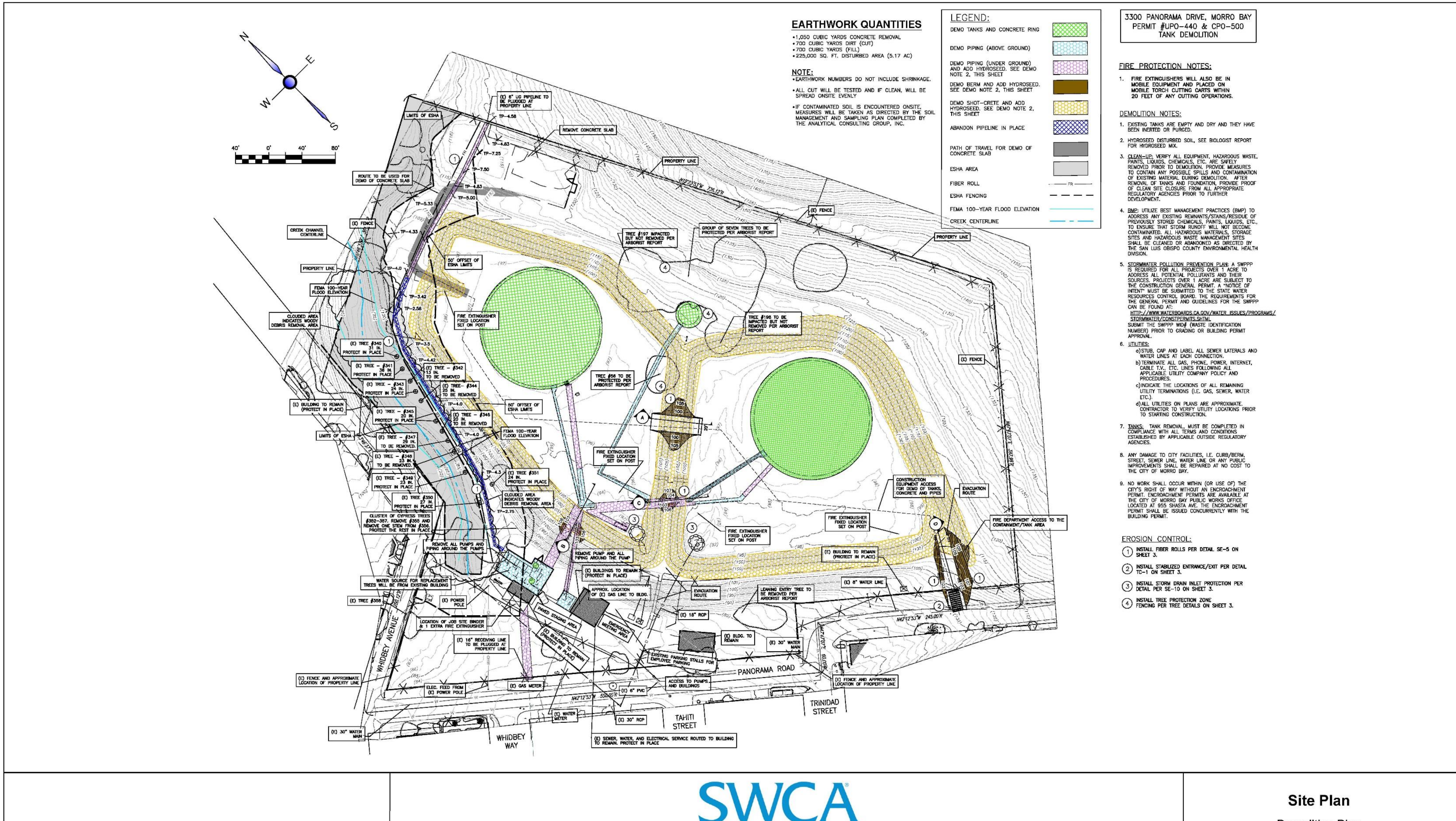
Excavation of soil would be required to expose buried pipelines for removal, remove concrete foundations, and provide vehicle and equipment access to different areas within the project site. A hydraulic excavator and/or rubber-tired loader would be used to excavate, stockpile, and load soil. Pipelines would be excavated to the depth necessary to safely tap, drain, test, certify, cut, and remove them. Pipeline depths may vary; however, the general procedure for excavation would be to excavate a trench above the pipeline. All excavation and trenching activities would be performed in accordance with the California Division of Occupational Safety and Health (OSHA) trenching and excavation regulations (8 CCR 1539–1543). The trench sidewalls would be sloped away from the center of the excavation for access and safety considerations. Sloping would be based on the depth of the trench and type of soil in accordance with OSHA standards. The area of disturbance would be limited to pipeline trenches, the tank foundations, a cut through the central berm, removal of all shotcrete, and the concrete slab in the northeast corner of the project site. Pipeline and foundation trenches would be backfilled with site soils and compacted adequately for safety. Importation of backfill material would not be required. The project site would not be re-graded during this project, other than grading necessary to access the site from the head of Sicily Street and grading necessary to access tanks and pipes between the north tank and the pump area.

The excavated overburden soil would be placed adjacent to the trench no closer than 3 feet from the edge of the slope. The overburden soil would be field-screened or chemically analyzed to determine if hydrocarbon impacts are present. Overburden exhibiting hydrocarbon impacts would be moved to the contaminated soil stockpile. Soils within the trench or below the removed pipelines that are observed by the field monitor to have visual and/or olfactory indications of hydrocarbon impacts would be sampled, documented, and left in place. Grossly impacted soils (i.e., visual, free-flowing non-aqueous phase hydrocarbon, strong hydrocarbon as observed by the field monitor during the piping or structure removal, or volatile organic compound [VOC] emissions exceeding 50 parts per million by volume [ppmv] as hexane) would be removed to prevent further contamination, nuisance odors, and fugitive emissions. The field monitor would determine, based on field observations and measurements, when the grossly impacted material has been removed. Prior to backfill, soil samples would be collected from the base of the excavation to characterize and delineate impacts for future remediation.

In the event that a pipeline cannot be removed, the following procedure would be followed to abandon the pipe in place. The City and the County would be notified of the abandonment. Additionally, a memorandum would be prepared to document the reasons for abandonment, provide details of the pipe and environmental conditions, photographic documentation, and location data. Upon approval from the aforementioned agencies, the abandonment process would proceed as follows: the pipeline would be evacuated and flushed of all contents using the procedures described in the Pre-Demolition Tank and Piping Certification Plan (included in Appendix C); following flushing, the pipeline would be grouted with a cement-bentonite slurry and the excavation backfilled using non-impacted overburden derived from the excavation; and compaction would be completed to achieve a minimum of 90% of the maximum dry density, with moisture content at or above the optimum level as determined by American Society for Testing and Materials (ASTM) Method D-1557.

Due to the close proximity of the 6-inch diameter Lemoore pipeline to the ESH area and tree root zones, the applicant's preferred alternative is to abandon this section in place by capping the ends and filling the pipe with concrete slurry. This method could include accessing the pipeline through a pothole, rinsing the pipe with water, ventilating the pipe, certification of the pipe by a Certified Industrial Hygienist, filling the pipe with cement slurry, and backfilling the pothole. Some soil disturbance would still be necessary to access the pipeline and sample the underlying soil for contaminants. However, if contamination is encountered in soil samples during the abandonment process, it may be necessary to remove the pipeline. Removal would require trenching, pipe removal and disposal, and backfilling of the trench. Both methods would require supervision and monitoring of operations and testing and certification of the pipe by a Certified Industrial Hygienist.

Figure 3. Demolition Site Plan



Source: Diversified Project Services International, 2017.

Transport and Disposal

Excavated and demolished materials would be managed in accordance with applicable regulations and, wherever practical and allowable, would be recycled or reused (goal is ≥95% of all waste materials), including tanks, piping, pumping equipment, poles, and wiring. The proposed demolition contractor, Bedford Demolition and Contracting, is an established recycler. Metal, concrete, and other demolition materials would be recycled through a local, licensed facility. All materials that cannot be recycled or reused would be properly disposed at licensed facilities. An example of a local facility that accepts demolition materials that would be generated by the proposed project is the North County Recycling Center located at 3360 La Cruz Way in Paso Robles, CA, approximately 23 driving miles northeast of the project site.

Prior to final disposition, wastes would be characterized based upon the generator's knowledge (or laboratory analyses, if necessary) to evaluate hazardous characteristics in accordance with applicable regulations. Materials determined to be hazardous would be managed in accordance with California and Federal hazardous waste regulations and disposed of at an appropriate licensed facility. The only hazardous waste anticipated to be generated during demolition activities include non-friable asbestos, lead paint removal waste, lead paint debris, and petroleum-contaminated soil. Domestic trash generated as a result of the project activities would be collected in a designated waste bin intended for landfill disposal. Petroleum-contaminated soil would be handled and disposed of in accordance with federal and State regulations based on the analytical results of waste characterization samples collected. Waste profiles would be generated by the approved disposal facility utilizing characterization samples and generator knowledge. Petroleum-contaminated soil to be disposed offsite at a Class II or III landfill would be loaded from the stockpiles into end-dump trucks using an excavator or a rubber-tired loader and transported to a receiving facility. The designated facilities for non-hazardous petroleum-contaminated soil include:

Waste Management
Kettleman Hills Facility
35251 Old Skyline Road
Kettleman City, CA 93239

Clean Harbors
Buttonwillow Landfill Facility
2500 West Lokern Road
Buttonwillow, CA 93206

Truck Trips and Hauling Route

A total of 131 round-trip truck trips are anticipated to be required to transport demolished and removed materials from the project site to an approved, local receiving facility. Truckloads for metal recycling are estimated based on a maximum trailer size of 8 feet wide by 40 feet long by 8 feet high and a net load of 20 tons. Concrete would be hauled in low-side end dump trailers with a load capacity of approximately 22 net tons. A contingency is added to the number of truck trips to allow for unanticipated load variations. For the DFSP demolition, the following round-trip truck trips are estimated:

- Metals: 50 loads
- Concrete: 75 loads
- Debris: 4 loads
- Domestic trash and miscellaneous debris: 2 loads

Truck traffic would exit the DFSP facility and proceed directly onto Sicily Street and then right on Main Street and enter Highway 1 at Yerba Buena Street. Tahiti Street would provide a secondary route for some employees and trucks removing material from the pump area. Trucks would not be staged on residential streets and would

not be allowed to idle onsite. Loads would be covered prior to exiting the site. A rumble strip is proposed at the access point onsite to minimize mud or dirt leaving the site. The proposed truck route is shown on Figure 4.

Project activities would require two to 10 onsite personnel; therefore, worker trips are conservatively estimated to include 10 round trips per day from Santa Barbara and San Luis Obispo Counties. Workers are anticipated to travel to the site on U.S. Route 101, Highway 1, Yerba Buena Street, Main Street, and Tahiti or Sicily Streets.

Personnel and Logistics

Project activities are expected to require up to 3 months to complete and require two to 10 onsite personnel. The DFSP facility is not manned; therefore, access would be coordinated. There would be two coded security gates, and locked gates, to restrict access to the site.

Resource Protection

Air Quality and Erosion Control

Due to the potential presence of contaminated soil onsite, fugitive dust generated during grading, excavation, and other project activities would be controlled in order to minimize both onsite and offsite impacts. Community exposure to dust generated from potentially impacted soil and transportation of impacted dust and nuisance dust offsite would be minimized through use of various dust control measures including the following:

- Earth-moving or dust-generating activities shall be suspended during periods of high wind or if dust control measures cannot control visible plumes.
- Water shall be misted or sprayed on surface soils while performing grading and/or excavation activities and loading transportation vehicles.
- Excavation activities shall be controlled to minimize the generation of dust.
- Vehicle speed on the site shall be limited to 15 miles per hour or less.
- Drop heights shall be limited during vehicle loading.
- All waste loads shall be tarped before trucks leave the site.
- Vehicle tires shall be cleaned prior to leaving the site.
- Any track-outs shall be cleaned at the end of each workday.
- Exposed soil stockpiles generated as a result of excavating contaminated soils shall be covered with plastic sheeting.
- Covers on storage piles shall be maintained in place at all times in areas not actively involved in soil addition or removal.
- Complaints about odors or dust shall be directed to the onsite representative of Analytical Consulting Group, Inc., who will report complaints and breakdowns to the SLOAPCD within 4 hours of a complaint or event. Equipment or process breakdowns, including the process of minimizing fugitive emissions from the soil excavation or stockpiles shall be reported in writing to the SLOAPCD. Records shall be kept onsite during project activities.
- Soil binder may be used if necessary to stabilize bare soil areas.

Figure 4. Proposed Truck Route

Source: Diversified Project Services International, 2016.

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Truck Route Map
Demolition Plan

In an effort to minimize track-out, 2-inch crushed base gravel and a rumble strip would be placed at the Sicily Street point of site entry for track-out control. Straw waddles would be installed on the downslope side of the entrance, and sand bags would be placed on the downslope side of the entrance along Panorama Drive to catch any potential soil runoff and minimize erosion. Following demolition of the tanks, concrete structures, and piping, the waddles would remain in place as needed, and disturbed areas would be grass-seeded. The applicant proposes to monitor the site daily for excess dirt or mud and implement any required mitigation measures to reduce erosion and avoid sediment runoff into the creek. Mitigation measures pertaining to the minimization of fugitive dust are included in Section 3, Air Quality, and measures pertaining to erosion and runoff control are included in Section 4, Biological Resources, in the Environmental Checklist.

Biological Resources

The majority of the project site is highly disturbed, containing a mixture of non-native, annual grasses and weeds. Fuel tank containment areas are dominated by non-native annual grasses with several ornamental and Monterey cypress (*Hesperocyparis macrocarpa*) trees along with various pipeline components (refer to Appendix B). The smaller metal water tank is set between and upland of the two fuel tank areas and is surrounded by Monterey cypress trees. Operations buildings and a paved entrance are present to the south of the fuel tank containment areas bordering Panorama Drive.

An un-named drainage present along the northwestern perimeter of the property, within the designated ESH area, conveys intermittent flows from the upslope hillside into a culvert located north of the control building and paved parking lot and ultimately into the Pacific Ocean approximately 0.35 mile southwest of the project site. The drainage is mapped as a blue-line stream according to the U.S. Geologic Survey (USGS) topographic maps and is ephemeral in nature. At the northernmost portion of the property, the drainage is characterized as riparian scrub dominated by arroyo willow (*Salix lasiolepis*) with an understory of herbaceous vegetation, including California rose (*Rosa californica*), poison oak (*Toxicodendron diversilobum*), and California blackberry (*Rubus ursinus*). Further south of the riparian scrub, conditions surrounding the drainage are highly disturbed. A linear row of Monterey cypress trees is present along the top of the drainage bank interspersed with ornamental pine trees (*Pinus* sp.) along the westernmost bank. Little to no vegetation is present within understory of the Monterey cypress trees or within the drainage feature at this location. Banks of the un-named drainage and associated riparian vegetation are within the jurisdiction of the California Department of Fish and Wildlife (CDFW), while the bed of the tributary, below the ordinary high water mark, is within the jurisdiction of the U.S. Army Corps of Engineers (USACE) and Regional Water Quality Control Board (RWQCB). No adverse disturbance is proposed within the limits of ESH area for the un-named drainage as a result of project activities. The only work proposed to be performed in the ESH area in connection with the demolition project includes soil sampling using an ATV-mounted hydraulic push rig, and restoration actions such as debris removal within the drainage and tree trimming, removal, and replacement pursuant to the August 2017 Arborist Report. Soil sampling would not cause adverse disturbance to the ESH area. As discussed previously, the portion of the 6-inch diameter Lemoore pipeline located adjacent to the ESH area would be abandoned in place by filling with cement slurry, which would not require work in the ESH area. Heavy equipment will be restricted to top of bank.

So far, six of the trees proposed for removal in the December 13, 2016, Arborist Report Addendum (five Monterey cypress and one Myoporum) were cut to stumps in early February 2017 without a CDP and contrary to the City's Major Vegetation Removal, Replacement and Protection Guidelines. In June 2017, downed trees were logged and removed from the site. A large log (more than 1 foot in diameter and over 4 feet long) is now wedged in the drainage, apparently resulting from the work completed in June. Up to nine additional Monterey cypress trees near the tanks have the potential to be impacted by proximate demolition activities and trimming activities associated with the proposed project (refer to Appendix B). The applicant proposes to install noticeable temporary construction fencing and signage to restrict vehicle and equipment access within and adjacent to the ESH area, mature trees, and associated root zones. The Arborist Report, dated August 14, 2017 (refer to Appendix B), recommends tree trimming and removal of up to seven additional diseased and dying trees (six Monterey cypress and one pine) along the south side of the creek. The project is subject to compliance with the City's Major Vegetation Removal, Replacement and Protection Guidelines, which allow removal of diseased and hazardous

trees without a permit, subject to a report by a certified arborist. Permits would be obtained from regulatory agencies to authorize tree trimming/removal and debris removal within and adjacent to the creek feature. Work would be completed in accordance with measures provided in applicable permits for the protection of sensitive resources. Additionally, removal of trees not diseased or hazardous requires a CDP and replacement planting, either onsite or offsite. Biological monitoring would be conducted during project activities in accordance with *Biological Monitoring Plan 3300 Panorama Drive Fuel Tank Demolition Project, City of Morro Bay, San Luis Obispo County, California* prepared by Terra Verde Environmental Consulting (refer to Appendix B). Mitigation measures would be implemented to avoid and/or minimize potential impacts to biological resources resulting from proposed project activities. Mitigation measures pertaining to the protection of biological resources are included in Section 4, Biological Resources, in the Environmental Checklist.

Cultural Resources

Site workers would be given cultural resources and habitat awareness training by qualified cultural resources specialists prior to commencing ground disturbance onsite. Additionally, a qualified archeologist would observe the work as required by permit conditions. If found, artifacts would be documented, flagged, and left undisturbed. Mitigation measures pertaining to the avoidance and protection of cultural resources are provided in Section 5, Cultural Resources, in the Environmental Checklist.

Hazardous Materials

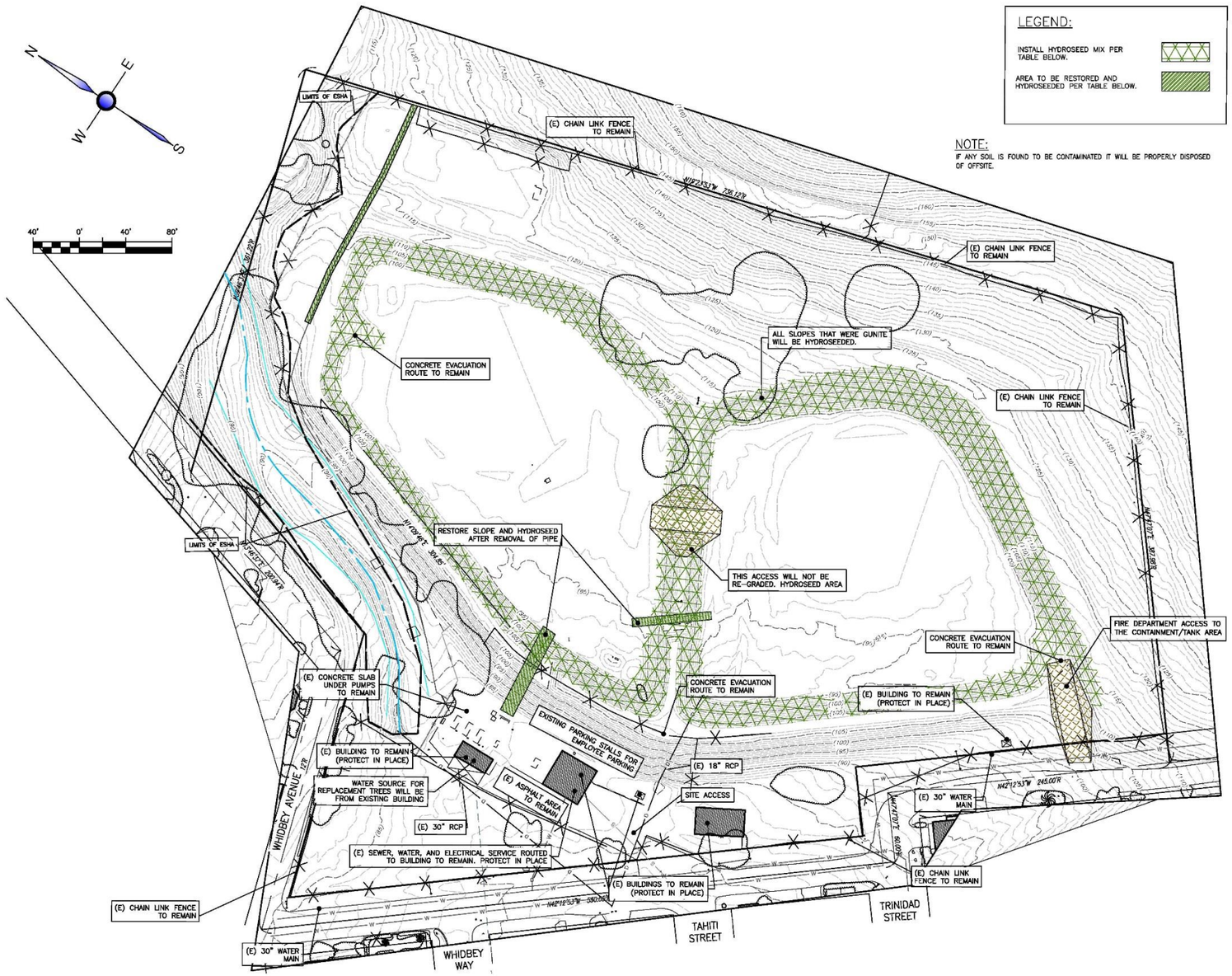
Fuel, lubricants, and other materials used to service equipment during implementation of the proposed project would be stored on a mobile service truck. No fuel or other hazardous materials would be stored onsite. Compressed gases used for welding would be properly secured on the welding truck, on a cylinder cart, or in a lift basket at all times.

Spill prevention during truck loading would be handled by the personnel performing the loading, under the supervision of the onsite supervisor. Loading material into the trucks would be performed carefully to avoid dropping or spilling material or creating significant amounts of dust. The proposed project would be implemented in compliance with the Hazardous Waste Contingency Plan (Bedford Contracting Inc. 2016), the Asbestos Compliance Plan (HMS, Inc. 2016), and the Lead Compliance Plan (Analytical Consulting Group, Inc. 2017) prepared for the DFSP Facility (refer to Appendix C). The purpose of these plans is to protect the safety and welfare of the employees and community in the event of an emergency incident, to provide site-specific health and safety requirements for the protection of employees and subcontractors from hazards related to removal and handling of lead-based paints and coatings during project activities, and to comply with federal and State laws pertaining to hazardous waste generators with respect to preparedness and prevention for emergency events.

Site Cleanup and Restoration

Upon completion of demolition and excavation activities, the disturbed areas would be restored to existing grades (i.e., rough grade) as needed. The proposed post-grading site plan is shown on Figure 5. The disturbed areas would be hydroseeded for erosion control and restoration using a California Department of Transportation (Caltrans)-approved seed mix. Additionally, maintenance activities would be implemented to restore the creek area, such as removing debris behind the drainage grate and removing the large log that fell into the drainage during previous tree removal activities. At this time, there are no known or anticipated specific future development plans for the project site.

Figure 5. Post-Grading Site Plan



Source: Diversified Project Services International, 2017.

SWCA ENVIRONMENTAL CONSULTANTS

Post-Grading Plan
Demolition Plan

Project Changes

A summary of key differences between the original project evaluated in the previous IS/MND and the proposed project evaluated in this IS/MND is provided in Table 2, below.

Table 2. Differences Between 2016 Project Description and Current Project Description

Project Component	2016 IS/MND	Current Project Description
Proposed project duration	1.5-2 months to complete	Up to 3 months to complete
Onsite structures and features to be demolished and/or removed from the project site	• Two jet fuel storage tanks • One water tank • All piping attached to the tanks, pumps, and both exposed/underground piping behind the existing pump structure • Shotcrete (24 yards) located along the center berm between the tanks • A portion of the berm located between the tanks and between the existing pump house and the tanks	In addition to all of the structures previously proposed to be demolished and/or removed, the following additional features would be demolished and/or removed: • The concrete pad and ring foundations located beneath the existing tanks would be demolished and removed from the site. • Shotcrete located on top and inside of the containment berms would be removed from the site.
Imported/exported soil	The project description stated that no soil would be imported to or exported from the project site.	The proposed project would not include importing soil; however, the proposed project may include exporting soil from the project site if existing soils are found to be contaminated.
Tree removal	The project description included removal of up to five Monterey cypress trees and one Myoporum tree	So far, six of the trees proposed for removal as part of the December 13, 2016, Arborist Report Addendum were cut to stumps during spring 2017 and removed from the site in June 2017 (five Monterey cypress and one Myoporum). An Arborist Report dated August 14, 2017, recommends trimming and removal of seven additional diseased and dying trees (six Monterey cypress and one pine) along the south side of the creek.
Underground pipeline removal	The project description included the use of a small excavator to access, expose, and remove an underground pipeline within 20 feet of a designated Environmentally Sensitive Area (ESA).	The applicant's preferred alternative is to abandon this section in place by capping the ends and filling the pipe with concrete slurry. This method could include accessing the pipeline through a pothole, rinsing the pipe with water, ventilating the pipe, certification of the pipe by a Certified Industrial Hygienist, filling the pipe with cement slurry, and backfilling the pothole. However, if contamination is encountered in soil samples during the abandonment process, it may be necessary to remove the pipeline. Removal would require trenching, removing and disposing the

Table 2. Differences Between 2016 Project Description and Current Project Description

Project Component	2016 IS/MND	Current Project Description
		pipe, and backfilling the trench.
Truck trips	The project description stated that approximately 40 round-trip truck loads required, varying from zero to six trucks per day.	Truckloads for metal recycling are estimated based on a maximum trailer size of 8 feet wide by 40 feet long by 8 feet high and a net load of 20 tons. Concrete will be hauled in low-side end dump trailers with a load capacity of approximately 22 net tons. A contingency is added to the number of truck trips to allow for unanticipated load variations. For the DFSP demolition, the following truck round trips are estimated: • Metals: 50 loads • Concrete: 75 loads • Debris: 4 loads • Domestic trash and miscellaneous debris: 2 loads All truck traffic will exit the DFSP facility and proceed directly onto Sicily Street and then right on Main Street and enter Highway 1 at Yerba Buena Street. Tahiti Street would provide a secondary route. Trucks will not be staged on residential streets. Trucks will not be allowed to idle onsite. Loads will be covered prior to exiting the site. Additionally, two to five worker vehicles are anticipated per day that would be staged onsite at the secondary parking area or the primary site location.
Haul routes and site access	The project description stated that there would be two to three trucks entering the project site along Yerba Buena Street to Panorama Drive. For the majority of the project, the contractor, crew, and equipment would enter the site from Highway 1 onto Yerba Buena Street to Main Street, then left onto Sicily Street to the site, with an option to use the intersection at Highway 1 and San Jacinto Street.	Under the proposed project, the proposed truck route would be from Highway 1 to east on Yerba Buena Street, then south onto Main Street. The primary traffic route would be on Sicily Street, where trucks would enter the site at the intersection of Sicily Street and Panorama Drive. The secondary traffic route designated for smaller vehicles used by workers and trucks removing materials from the pump area would be on Tahiti Street, where traffic would enter the secondary parking area at the intersection of Tahiti Street and Panorama Drive. The truck route no longer includes access to Main Street from the San Jacinto Street/Highway 1 intersection.

Table 2. Differences Between 2016 Project Description and Current Project Description

Project Component	2016 IS/MND	Current Project Description
Air quality	Implementation of the proposed project would not result in emissions exceeding thresholds of significance, as identified by the SLOAPCD. The project would require compliance with existing regulations regarding equipment that requires a SLOAPCD permit, and the handling and disposal of materials and soils containing, or potentially containing, asbestos and lead. The project is subject to standard construction practices, including dust control measures required by the Municipal Code and SLOAPCD CEQA Handbook to address short-term air quality impacts related to demolition. All permit conditions are required as notes on the plans and Community Development Department staff will monitor compliance in the normal course of reviewing plans.	The California Emissions Estimator Model (CalEEMod) model has been revised to reflect new project components and resulted in the same finding that implementation of the proposed project would not result in emissions exceeding thresholds of significance, as identified by the SLOAPCD. However, in response to neighborhood concerns about potential air quality impacts, the project now includes perimeter air quality monitoring in addition to the mitigation included. Dust mitigation is not anticipated to change. Additionally, the project scope has been revised to demolish and remove more components increased the number of anticipated truck trips depending on weight load.

Project Entitlements Requested

Approvals for a CDP and Conditional Use Permit (CUP) are required for demolition of the tanks, pumps, and other structures.

Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement)

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

- California Coastal Commission
- San Luis Obispo Air Pollution Control District (SLOAPCD)
- Environmental Health Division of the County of San Luis Obispo Public Health Department (County Health Department)
- California Department of Toxic Substances Control (DTSC)
- California Department of Fish and Wildlife (CDFW)
- Regional Water Quality Control Board (RWQCB)
- U.S. Fish and Wildlife Service (USFWS)

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		11. Mineral Resources
	2. Agricultural Resources	X	12. Noise
X	3. Air Quality		13. Population/Housing
X	4. Biological Resources		14. Public Services
X	5. Cultural Resources		15. Recreation
X	6. Geology/Soils	X	16. Transportation/Circulation
	7. Greenhouse Gas Emissions	X	17. Tribal Cultural Resources
	8. Hazards/Hazardous Materials		18. Utility/Service Systems
X	9. Hydrology/Water Quality		19. Mandatory Findings of Significance
	10. Land Use/Planning		

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 of NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

2-24-18
Date

Nancy Hubbard
Contract Planner

For: Scot Graham
Community Development Director

[X] With Public Hearing

[ ] Without Public Hearing

Previous Document: CASE NO. UP0-440 & CP0-500

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: 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 view of a state scenic highway?		X		
c.	Substantially degrade the existing visual character or quality of the site and its surroundings?			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 City of Morro Bay General Plan and Local Coastal Plan (LCP) contains policies that protect the City's visual resources. The waterfront and Embarcadero are designated as scenic view areas in the City's 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 approximately 0.2 mile west of the project site, is a Caltrans-designated Scenic Highway and All-American Road. Highway 1 scenic vistas include the Pacific Ocean, Morro Rock, and the hillsides and ridgelines to the east of the city.

Existing developed features onsite, including the two large (currently empty) jet fuel tanks, water tank, large berm surrounding the tanks, chain-link fencing, and associated buildings, piping, and related infrastructure, are primarily visible from Panorama Drive, Whidbey Street, Tuscan Avenue, and the nearby residential neighborhood. Views towards the project site, as seen from Highway 1 and Main Street, are generally dominated by existing development, existing white tanks located approximately 600 feet northwest of the project site, and undeveloped hillsides and ridgelines to the north and east of the project site. The existing tanks, which are surrounded by a large, constructed earthen berm, are intermittently visible in the distance above the residential neighborhood, as seen from Highway 1.

Impact Discussion

a., b. The proposed demolition project does not include any new structural development of the site or mass grading. Removal of large structures from the project site would return existing developed views to more natural, undeveloped views. Large equipment, trucks, vehicles, exclusion fencing, staging areas, and other construction materials would be visible during the demolition process, which would occur over a period of approximately 3 months. Based on the relatively short timeframe, location, and nature of the project, and limited visibility from Highway 1, the proposed actions would not have a substantial adverse effect on a scenic vista.

As discussed in the project description, six of the trees proposed for removal as part of the December 13, 2016, Arborist Report Addendum (five Monterey cypress and one Myoporum) were cut to stumps in early February 2017 without a CDP and contrary to the City's Major Vegetation Removal, Replacement and Protection Guidelines. In June 2017, down trees were logged and removed. Four of these trees were located adjacent to the existing jet fuel storage

tanks and two were located along the western edge of the large berm surrounding the northern tank. Pursuant to the Arborist Report, dated August 14, 2017, seven additional diseased and dying trees (six Monterey cypress and one pine) are recommended for removal along the south side of the drainage. While the loss of the trees already removed from the site and the additional trees proposed for removal may be noticed by the public, removal was and is necessary due to interference with tank demolition, their diseased or dead condition, and potential safety hazards. The majority of the trees in the dense stand along the drainage would be protected in place and would maintain the scenic vista, which encompasses the undeveloped ridgelines and valleys to the north and east. While some trees are visible from Highway 1, a State Scenic Highway, due to the location of trees adjacent to the existing tanks and berm, and urban development located between the site and Highway 1, the loss would not substantially damage scenic resources as seen from the highway. As discussed in Section 4, Biological Resources, the applicant would be required to mitigate for the loss of non-diseased, non-hazardous trees by replacement planting at a minimum 2:1 ratio onsite or offsite. Therefore, impacts would be less than significant with mitigation.

c. The project site is located at the northeastern edge of the city limits, and the existing visual character is industrial. The visual character between the project site and Highway 1 is urban (residential and commercial); land to the north, outside of the city limits, consists of undeveloped hillsides, valleys, and ridgelines dominated by grassland habitat, coastal scrub, riparian corridors, and clusters of mature trees. Following implementation of the demolition project, some industrial components would remain onsite, including the switchgear/maintenance shop and operators building near Panorama Drive, the chain-link perimeter fence, and large berm. The more natural-appearing components of the site, including the dense canopy along the northwestern edge of the site, and row of Monterey cypress trees north of the water tank, would also remain. Although the site would retain some features that contribute to its industrial character, and the use of large equipment onsite would impair visual quality in the short term (3 months), removal of the larger structural components would result in a site that is more visually compatible with nearby undeveloped agricultural/open space. Therefore, potential impacts would be less than significant.

d. Construction of the proposed project would not require the use of any temporary lighting. Additionally, implementation of the proposed project would include the removal of existing light poles located along the central berm. No new permanent lighting or sources of glare are proposed. Therefore, the project would not create a new source of substantial light or glare; no impact would occur and mitigation is not required.

Conclusion

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

Mitigation and Monitoring

Implement Mitigation Measure BR-7.

2. AGRICULTURAL RESOURCES: 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. Would the project:	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 R-1/PD/ESH (Single-Family Residential/Planned Development/ Environmentally Sensitive Habitat) zoning district and designated by the City's General Plan and Coastal Land Use Plan (CLUP) as Medium-Density Residential/Environmentally Sensitive Habitat. Surrounding land uses include a residential neighborhood to the northwest, west, and southwest, and undeveloped, unincorporated land designated Agriculture to the east. The perimeter of the project site is fenced. The site previously supported a small herd of goats that provided vegetation and weed management within the site; however, the goats have been removed and the site is no longer used for grazing. No agricultural activities are present within or proximate to the project site. Based on review of the San Luis Obispo County Important Farmland 2014 map (California Department of Conservation 2014), the project site is designated as Urban and Built-up Land.

Impact Discussion

a. Based on the project site's designation as Urban and Built-up Land, implementation of the proposed project would not result in the conversion of Farmland to non-agricultural use. No impact would occur.

b. The project site is zoned for Single-Family Residential/Planned Development and urban development is present to the northwest, west, and southwest. Adjacent land to the east is zoned Agriculture. The project site and surrounding areas do not support active agriculture and are not under a Williamson Act contract or County Agricultural Preserve. The proposed 3-month demolition project does not include any elements that would result in a conflict with adjacent agricultural land, should the property owner decide to implement livestock grazing or other agricultural activities. Therefore, impacts would be less than significant.

c., d. The project site and surrounding areas do not support forestland or timberland; therefore, no impact would occur.

e. Based on the location of the project site within an urban area, relatively short-term project duration, and lack of agricultural production and forest and timberland resources in the vicinity of the project site, the project would not involve any 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. Therefore, impacts would be less than significant.

Conclusion

Implementation of the proposed project would not result in significant impacts to agricultural resources.

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. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?		X		
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?			X	

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
d. Expose sensitive receptors to substantial pollutant concentrations?		X		
e. Create objectionable odors affecting a substantial number of people?			X	

Environmental Setting

The city of Morro Bay is part of the South Central Coast Air Basin, which also includes San Luis Obispo, Santa Barbara, and Ventura Counties. The climate of the basin 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.

The SLOAPCD has developed and updated their CEQA Air Quality Handbook (2012) to evaluate project-specific impacts and help determine if air quality mitigation measures are needed or if potentially significant impacts could result. To evaluate long-term emissions, cumulative effects, and establish countywide programs to reach acceptable air quality levels, SLOAPCD has prepared and adopted a Clean Air Plan.

The County's air quality is measured by multiple ambient air quality monitoring stations, including four SLOAPCD-operated permanent stations, two state-operated permanent stations, two special stations, and one station operated by Tosco Oil Refinery for monitoring sulfur dioxide (SO_2) emissions. San Luis Obispo County is in non-attainment status for ozone (O_3), respirable particulate matter (PM_{10}), and vinyl chloride under the California Air Resource Board (CARB) standards. The county is in attainment status for all other applicable CARB standards. San Luis Obispo County is listed as a county in a National Ambient Air Quality Standards (NAAQS) non-attainment or maintenance area; however, this is only applicable to the eastern portion of San Luis Obispo County. The project corridor is located in the western portion of the county near the ocean and is not included in the NAAQS non-attainment or maintenance area.

SLOAPCD thresholds for determining the significance of impacts for total emissions expected from a project's construction activities are provided in Table 3, below. SLOAPCD has discretion to require mitigation for projects that would not exceed the mitigation thresholds if those projects would result in special impacts, such as the release of diesel particulate matter (DPM) emissions or asbestos near sensitive receptors.

Table 3. APCD Thresholds of Significance for Construction Operations

Pollutant	Threshold		
	Daily	Quarterly Tier 1	Quarterly Tier 2
ROG + NO_x (combined)	137 lbs	2.5 tons	6.3 tons
Diesel Particulate Matter (DPM)	7 lbs	0.13 tons	0.32 tons
Fugitive Particulate Matter (PM_{10}), Dust [2]	--	2.5 tons	--

Notes: ROG = reactive organic gases; NO_x = Nitrogen oxide; lbs = pounds; -- = No threshold established.
[1] Daily and quarterly emission thresholds are based on the California Health and Safety Code and the CARB Carl Moyer Guidelines.
[2] Any project with a grading area greater than 4.0 acres of worked area can exceed the 2.5 ton PM_{10} quarterly threshold.
Source: SLOAPCD 2012.

Increases in ozone pollution and respirable particulate matter in the region are attributed to automobiles and the increase in vehicle miles traveled resulting from increasing population growth in the area. Increased respirable particulate matter has also been attributed to dust from construction, demolition, and grading activities.

Some land uses are considered more sensitive to changes in air quality than others, depending on the population groups and the activities involved. CARB has identified the following typical groups who are most likely to be affected by air pollution (i.e., sensitive receptors): children under 14 years of age, the elderly over 65 years of age, athletes, and people with cardiovascular and chronic respiratory diseases. Sensitive receptors include residences, schools, playgrounds, childcare centers, athletic facilities, long-term health care facilities, rehabilitation centers, convalescent centers, and retirement homes. The project site is located in an industrial area in the city of Morro Bay and is surrounded by residential development and residential sensitive receptors.

Impact Discussion

a. Based on the nature of the demolition project, and compliance with existing regulations related to demolition and construction actions, the project would not be inconsistent with or obstruct implementation of the Clean Air Plan.

b., d. The project site is located adjacent to existing residential development and associated sensitive receptors. Implementation of the proposed project has the potential to generate emissions and fugitive dust through the use of construction equipment, ground disturbance, demolition and excavation activities, hauling trips, and worker trips over approximately 3 months, as described in the project description. The project would not include any operational activities or associated emissions; therefore, only a discussion of demolition and excavation (collectively referred to as construction emissions) is provided below.

Estimated construction air emissions were calculated for the proposed project using the California Emissions Estimator Model (CalEEMod). The results of the CalEEMod are included in Appendix D. The results of the unmitigated estimated construction emission calculations for the proposed project are shown in Table 4, below. It should be noted that the results are based on conservative estimations provided by the applicant and by the CalEEMod defaults; therefore, it is possible that actual project construction emissions may vary based on the finalized design and construction plans. In an effort to conservatively capture worst-case scenario emissions, it was assumed that the maximum number of workers (10) would be travelling to the project site from Santa Barbara,

approximately 110 miles southeast of the project site. Additionally, it was assumed that a total of 131 round trip hauling trips would be required to haul demolished material from the project site to a local receiving recycling facility, which was assumed to be the North County Recycling Center, located at 3360 La Cruz Way in Paso Robles, CA, approximately 23 miles northeast of the project site.

Table 4. CalEEMod Results: Estimated Construction Emissions (Unmitigated)

Pollutant	APCD Threshold Daily (lbs/day)	APCD Threshold Quarterly Tier [1] (tons/ quarter)	APCD Threshold Quarterly Tier [2] (tons/ quarter)	Estimated Construction Emissions (Unmitigated)1	
				Project Maximum Daily Emission [2] (lbs/day)	Project Quarterly Emission (tons/ quarter)
ROG + NOx (combined)	137 lbs	2.5 tons	6.3 tons	16.44	0.13
Diesel Particulate Matter (DPM)	7 lbs	0.13 tons	0.32 tons	1.53	0.01
Carbon monoxide (CO)	--	--	--	17.49	0.14
Fugitive Particulate Matter (PM_{10}), Dust[3]	--	2.5 tons	--	1.75	0.01

Notes: ROG = reactive organic gases; NO_x = nitrogen oxide
[1] Construction emissions are estimated based on information from the project proponent as well as the defaults used by CalEEMod. These are conservative estimations and may vary based on the final design and construction plans for the proposed project.
[2] Showing Maximum Daily Emission for the construction year.
[3] No APCD threshold identified for construction emissions.
[4]Any project with a grading area greater than 4.0 acres of worked area can exceed the 2.5-ton PM_{10} quarterly threshold.
Source: CalEEMod.2016.3.1

Based on the results shown in Table 4, even under the worst-case scenario conditions, unmitigated construction air emissions would be in compliance with SLOAPCD thresholds for all pollutants during the construction (demolition and excavation) phase. Compliance with existing regulations and standard mitigation measures addressing the emission of air pollutants in proximity to sensitive land uses (i.e., residential neighborhood) would mitigate potential impacts to less than significant, as discussed below.

Demolition/Construction Permit Requirements

Implementation of the project may require the use of portable equipment. Portable equipment, 50 horsepower (hp) or greater, may require California statewide portable equipment registration (issued by the CARB) or a SLOAPCD permit. Certain operations, such as degassing and cleaning of petroleum storage tanks, may also require a SLOAPCD permit. As required by mitigation identified below, the applicant would comply with SLOAPCD regulations regarding portable equipment, as necessary.

Petroleum Storage Tank Removal and Degassing

Degassing and cleaning of fuel storage tanks must be done under a SLOAPCD permit for tank degassing and cleaning equipment. In addition, the County of San Luis Obispo Public Health Department (County Health Department), which is a Certified Unified Program Agency, is required to be contacted prior to implementation of the project. The removal of the liquid product, sludge, and vapor components must be performed in a safe, controlled fashion in order to avoid nuisance odors and the uncontrolled release of gaseous hydrocarbons. Vacuum trucks or pumps used to remove sludge and/or hydrocarbon-containing materials must be vented to a SLOAPCD permitted control system to prevent odors and hydrocarbon emissions. At this time, the applicant does not foresee a need for degassing or cleaning, as this appears to have been completed by the Navy at the time the facility was closed. The SLOAPCD concurred that the tanks were cleaned and inspected in 1992; however, additional testing will be required per the letter prepared by the SLOAPCD on April 12, 2016 (refer to Appendix D).

APCD Permitting of Hydrocarbon Contaminated Soil Processes

The project site is listed as a U.S. Environmental Protection Agency Non-National Priorities List Superfund Site (refer to Section 8 Hazards and Hazardous Materials for additional information). Prior to soil disturbance, the applicant is required to obtain a SLOAPCD permit to address proper management of the hydrocarbon-contaminated soil prior to the start of any earthwork, in order to mitigate potential health and environmental hazards related to possible exposure. This permit will include conditions to minimize emissions from any excavation, disposal, or related process. In addition, the air quality impacts from the excavation and haul trips associated with removing the contaminated soil must be evaluated and mitigated if total emissions exceed the SLOAPCD's construction phase thresholds. Based on use of CalEEMod, the demolition project (including worst-case scenario trip conditions) would not exceed daily or quarterly emissions thresholds.

Naturally Occurring Asbestos

Naturally occurring asbestos (NOA) has been identified by the CARB as a toxic air contaminant. Serpentine and ultramafic rocks are very common throughout California and may contain naturally occurring asbestos. The APCD has identified areas throughout the County where NOA may be present (see the SLOAPCD's 2012 CEQA Handbook, Technical Appendix 4.4). The project site is located within a candidate area for NOA. Under the CARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations (93105), prior to any grading or construction activities at the site, the applicant would be required to ensure that a geologic evaluation is conducted to determine if the area disturbed is exempt from the regulation. An exemption request must be filed with the SLOAPCD. If the site is not exempt from the requirements of the regulation, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the SLOAPCD. More information on NOA can be found at http://www.slocleanair.org/rules-regulations/asbestos.php.

Demolition and Asbestos

Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, abatement, and disposal of asbestos-containing material (ACM). ACM could be encountered during the demolition or remodeling of existing structures or the disturbance, demolition, or relocation of above or below ground utility pipes/pipelines (e.g., transite pipes or insulation on pipes). This project would include these activities and may be subject to various regulatory jurisdictions, including the requirements stipulated in the National Emission Standards for Hazardous Air Pollutants (NESHAP) 40 Code of Federal Regulations (CFR) 61, Subpart M –

asbestos NESHAP. These requirements include, but are not limited to: (1) written notification, within at least 10 business days of activities commencing, to the SLOAPCD; (2) asbestos survey conducted by a Certified Asbestos Consultant; and (3) applicable removal and disposal requirements of identified ACM.

The applicant submitted asbestos and lead inspection reports for the storage tanks, pump station, office, control room, and garage buildings (Hazard Management Services 2016a, 2016b). Based on the results of the inspections, which included collection and analysis of samples, no asbestos was detected in the samples collected from the storage tanks and pump station; however, the report notes that gaskets and seals that were not accessible must be assumed to contain asbestos, in addition to potential moisture barrier coatings that may be present on sub-surface pipes. Regarding the office, control room, and garage buildings, the report noted that asbestos was detected in the carpet and glue on the floor tile and mastic, metal roof and siding panel; asbestos is assumed to be present in the metal window frames and electric cable. Lead was detected in the paint of several samples collected onsite. Handling of these materials is subject to existing regulations.

Dust Control Measures

Demolition and construction activities can generate fugitive dust, which could be a nuisance to local residents and businesses in close proximity to the proposed construction site. Projects including grading activities within 1,000 feet of any sensitive receptor, such as the residential neighborhood to the northwest, west, and southwest, shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the SLOAPCD's 20% opacity limit SLOAPCD Rule 401) or prompt nuisance violations SLOAPCD Rule 402).

Construction Phase Idling Limitations

This project is proximate to nearby sensitive receptors (residences to the northwest, west, and southwest), and is therefore required to implement identified mitigation measures in compliance with California and SLOAPCD diesel idling regulations to ensure that public health benefits are realized by reducing toxic risk from diesel emissions.

e. During demolition activities, nearby sensitive receptors may experience offensive odors due to use of equipment, and diesel emissions, as discussed above. As these effects would be short-term (3 months), potential impacts are considered less than significant.

Conclusion

Implementation of the proposed project would not result in emissions exceeding thresholds of significance, as identified by the SLOAPCD. The project would require compliance with existing regulations regarding equipment that requires a SLOAPCD permit, and the handling and disposal of materials and soils containing, or potentially containing, asbestos and lead. The project is subject to standard construction practices, including dust control measures required by the Municipal Code and SLOAPCD CEQA Handbook to address short-term air quality impacts related to demolition. All permit conditions are required as notes on the plans and Community Development Department staff will monitor compliance in the normal course of reviewing plans.

Mitigation and Monitoring

Mitigation Measure AQ-1: No article, machine, equipment or other contrivance, the use of which may cause, increase, eliminate, reduce or control the issuance of air contaminants may be operated or used, unless:

a. A current Permit to Operate or temporary Permit to Operate has been obtained from the Control Officer of the San Luis Obispo County Air Pollution Control District, or
b. The article, machine, equipment or other contrivance has been registered under the Portable Equipment Registration Program (PERP) of the California Air Resources Board, or
c. The article, machine, equipment or other contrivance is designated as not requiring a permit by Rule 201 of the San Luis Obispo County Air Pollution Control District.

Such articles, machines, equipment, or other contrivances that may be employed during this project include, but are not limited to, internal combustion engines of 50 horsepower or greater and equipment utilized in the degassing and cleaning of fuel storage tanks and pipelines.

Monitoring AQ-1: Prior to issuance of any demolition permit by the City of Morro Bay, the applicant shall incorporate this condition as a note on the demolition plan set and shall provide the City Community Development Director with copies of all required Permits to Operate, temporary Permits to Operate, or registrations with the Portable Equipment Registration Program.

Mitigation Measure AQ-2: Petroleum Storage Tank Degassing and Removal, Removal of Hydrocarbon-Contaminated Soil, Removal of Asbestos, and Removal of Lead-Contaminated Materials: Prior to issuance of a demolition permit by the City of Morro Bay, the applicant shall:

a. Provide the City Community Development Director with written evidence that the Environmental Health Division of the County of San Luis Obispo Public Health Department and the San Luis Obispo County Air Pollution Control District have been provided with a complete description of the proposed project, including specific descriptions of potential bio-hazards associated with removal of residual petroleum projects from the fuel tanks and pipelines, removal of hydrocarbon-contaminated soil, disassembly and removal of known or reasonably expected asbestos gaskets and pipe fittings, and removal of lead-containing paint and soil contaminated with lead-containing paint.
b. Provide the City Community Development Director with written responses from the Environmental Health Division of the County of San Luis Obispo Public Health Department and the San Luis Obispo County Air Pollution Control District, documenting provision of any additional information requested by these agencies, as well as any actions, mitigations, conditions, or permits required.

Monitoring AQ-2: Prior to issuance of any demolition permit by the City of Morro Bay, the applicant shall:

a. Incorporate any conditions or requirements imposed by the Environmental Health Division of the County of San Luis Obispo Public Health Department or the San Luis Obispo County Air Pollution Control District as notes on the demolition plan set, and
b. Provide to the City Community Development Director documentation that any permits required from the Environmental Health Division of the County of San Luis Obispo Public Health Department or the San Luis Obispo County Air Pollution Control District have been obtained.

Mitigation Measure AQ-3: APCD Permitting of Hydrocarbon Contaminated Soil Processes. This project will require a San Luis Obispo County Air Pollution Control District permit to address proper management of the hydrocarbon contaminated soil prior to the start of any earthwork. This permit will include conditions to minimize emissions from any excavation, disposal or related process. To the extent feasible, the applicant must contact the San Luis Obispo County Air Pollution Control District Engineering Division at 781-5912 at least 120 days before the start of excavation to begin the permitting process. In addition, the air quality impacts from the excavation and haul trips associated with removing the contaminated soil must be evaluated and mitigated if total emissions exceed the San Luis Obispo County Air Pollution Control District's construction phase thresholds.

Monitoring AQ-3: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-4: Naturally-Occurring Asbestos: Prior to issuance of a demolition permit by the City of Morro Bay, the applicant shall provide the City Community Development Director with written documentation that either:

a. The project has been granted an exemption by the Air Pollution Control Officer of the San Luis Obispo County Air Pollution Control District from the provisions of California Code of Regulations Section 93105, as provided in CCR Section 93105 (b), or
b. An Asbestos Dust Mitigation Plan has been approved by the San Luis Obispo County Air Pollution Control District, in accordance with CCR 93105 (e)(2) and the provisions of such Asbestos Dust Mitigation Plan have been recorded as notes on the demolition plan set.

Monitoring AQ-4: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-5: Demolition/ Asbestos. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, abatement, and disposal of asbestos-containing material. Asbestos-containing material could be encountered during the demolition or remodeling of existing structures or the disturbance, demolition, or relocation of above or below ground utility pipes/pipelines (e.g., transite pipes or insulation on pipes). This project will include these activities and may be subject to various regulatory jurisdictions including the requirements stipulated in the National Emission Standards for Hazardous Air Pollutants 40 CFR 61, Subpart M – asbestos NESHAP. These requirements include, but are not limited to: (1) written notification, within at least 10 business days of activities commencing, to the San Luis Obispo County Air Pollution Control District; (2) asbestos survey conducted by a Certified Asbestos Consultant; and (3) applicable removal and disposal requirements of identified asbestos-containing material. Please contact the San Luis Obispo County Air Pollution Control District Enforcement Division at (805) 781-5912, and also go to http://www.slocleanair.org/rules-regulations/asbestos.php for further information. To obtain a Notification of Demolition and Renovation form go to the "Other Forms" section of http://www.slocleanair.org/rules-regulations/asbestos.php.

Monitoring AQ-5: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-6: Dust Control Measures. Demolition and construction activities can generate fugitive dust, which could be a nuisance to local residents and businesses in close proximity to the

proposed construction site. Since all portions of the project site are located within 1,000 feet of sensitive receptors, the applicant shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the San Luis Obispo County Air Pollution Control District's 20% opacity limit San Luis Obispo County Air Pollution Control District Rule 401) or prompt nuisance violations SLOAPCD Rule 402).

a. Reduce the amount of the disturbed area where possible;
b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the San Luis Obispo County Air Pollution Control 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. Only reclaimed (non-potable) water shall be used for dust control. Please note that since water use is a concern due to drought conditions the contractor or builder shall consider the use of aSan Luis Obispo County Air Pollution Control District-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;
c. All dirt stock pile areas should be sprayed daily and covered with tarps or other dust barriers as needed;
d. Permanent dust control measures identified in the approved project revegetation site cleanup and restoration plans should be implemented as soon as possible, following completion of any soil disturbing activities;
e. 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;
f. 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 San Luis Obispo County Air Pollution Control District;
g. 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;
h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;
i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered in accordance with CVC Section 23114;
j. To prevent "track-out," install and operate a "track-out prevention device" where vehicles enter and exit unpaved ground or roads onto paved streets. ''Track-Out" is defined as sand or soil that adheres to and/or agglomerates on the exterior surfaces of motor vehicles and/or equipment (including tires) that may then fall onto any highway or street as described in California Vehicle Code Section 23113 and California Water Code 13304. The "track-out prevention device" can be any device or combination of devices that is effective at preventing track out, located at the point of intersection of an unpaved area and a paved road. Rumble strips or steel plate devices require periodic cleaning to be effective;
k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers shall be used with reclaimed water used. Roads shall be pre-wetted prior to sweeping;
l. Prior to any ground disturbance, sufficient water or soil stabilizers shall be applied to the area to be disturbed to prevent visible emissions from crossing the property line;
m. Areas to be graded or excavated shall be kept adequately wetted and/or stabilized to prevent visible emissions from crossing the property line;

n. Storage piles shall be kept adequately wetted, treated with a chemical dust suppressant, or covered when material is not being added to or removed from the pile;
o. Equipment shall be washed down before moving from the property onto a paved public road;
p. Visible track-out on the paved public road shall be cleaned using wet sweeping or a HEPA filter equipped vacuum device within twenty-four (24) hours;
q. During site grading and/or excavation activities, if serpentinite material is encountered, the project engineering geologist shall be notified that this material has been encountered;
r. During site excavation for investigation purposes, a water truck shall be available for dust control;
s. All PM_{10} (dust) mitigation measures required should be shown on grading and building plans; and,
t. 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 and reduce visible emissions below the San Luis Obispo County Air Pollution Control District's limit of 20% opacity for greater than 3 minutes in any 60-minute period. 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 San Luis Obispo County Air Pollution Control District Compliance Division prior to the start of any grading, earthwork, or demolition.

Monitoring AQ-6: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-7: Diesel Idling Limitations. This project is in close proximity to nearby sensitive receptors (residences to the northwest, west and south). Projects that will have diesel powered construction activity in close proximity to any sensitive receptor shall implement the following mitigation measures to ensure that public health benefits are realized by reducing toxic risk from diesel emissions: To help reduce sensitive receptor emissions impact of diesel vehicles and equipment used to construct the project the applicant shall implement the following idling control techniques:

a. Idling of diesel engines, whether installed in on-road vehicles or off-road equipment, shall not be permitted.
b. No vehicle fitted with a diesel-powered auxiliary power system (APS) shall use such APS to power any heater, air-conditioner, or other auxiliary equipment for longer than 5 minutes.
c. The use of equipment powered by means other than diesel engines is preferred when possible
d. Signs that indicate that diesel idling is prohibited at the entire demolition site shall be prominently posted and enforced.

Monitoring AQ-7: Active air quality monitoring shall be conducted in accordance with the Air Monitoring Plan (AMP) prepared by Rhine LP & Morro94, LLC, and dated December 23, 2016. Prior to issuance of a demolition permit, however, the AMP shall be:

a. Expanded to include monitoring for asbestos, and
b. Submitted to and approved by the San Luis Obispo Air Pollution Control District.

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 Game 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 Game or U.S. Fish and Wildlife service?		X		
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (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

The applicant submitted a *Biological Assessment Letter Report* (Terra Verde, June 2016) and all subsequent reports prepared by Terra Verde for the proposed project; the results of these reports are incorporated into the discussion and analysis below. During the surveys conducted on February 25 and May 18, 2016, Terra Verde biologists and botanists assessed the property for potential waters and wetlands, special-status plant and wildlife resources, nesting birds, and roosting bats, which, if present, have potential to be impacted by the proposed project (refer to Appendix B). The June 2016 report includes identification and general mapping of all ESH areas on the project site. In February 2017, Terra Verde staff conducted a field survey within the ESH boundary and more specifically mapped the ESH boundary. The results of that survey are shown on the revised site plans for the project prepared by Diversified Project Services International (DPSI) and dated December 2017 (refer to Appendix A and Figure 3).

The majority of the project site is highly disturbed and contains a mixture of non-native annual grasses and weeds. Fuel tank containment areas are dominated by non-native annual grasses with several ornamental and Monterey cypress trees along with various pipeline components. The water tank proposed for removal is surrounded by Monterey cypress trees. An un-named ephemeral drainage located along the northwestern perimeter of the project site conveys flows from the upslope hillside into a culvert located

north of the control building and paved parking lot and ultimately into the Pacific Ocean. The drainage is mapped as a blue-line stream according to the USGS topographic maps. At the northernmost portion of the property, the drainage is characterized as riparian scrub dominated by Arroyo willow (*Salix lasiolepis*) with an understory of herbaceous vegetation, including California rose (*Rosa californica*), poison oak (*Toxicodendron diversilobum*), and California blackberry (*Rubus ursinus*). Further south of the riparian scrub, conditions surrounding the drainage are highly disturbed, likely as a result of previous grazing activities onsite. A linear row of Monterey cypress trees is present along the top of the drainage bank interspersed with ornamental pine trees (*Pinus* sp.) along the westernmost bank. During the biological surveys conducted in 2016, no vegetation was present within the understory of the Monterey cypress trees or within the drainage feature at this location, also likely a result of past grazing.

As discussed previously, six trees proposed for removal as part of the December 13, 2016, Arborist Report Addendum (five Monterey cypress and one Myoporum) were cut to stumps in early February 2017 without a CDP and contrary to the City's Major Vegetation Removal, Replacement and Protection Guidelines. In June 2017, down trees were logged and removed. A large log (more than 1 foot in diameter and over 4 feet long) is now wedged in the streambed, apparently resulting from the work completed in June that included removal of a fallen tree near the stream. Up to nine additional Monterey cypress trees near the tanks have the potential to be impacted by proximate demolition activities and trimming activities associated with the proposed project (refer to Appendix B). The August 2017 Arborist Report recommends trimming and removal of up to seven additional trees near the stream, which are dead or diseased. Permits will be obtained from regulatory agencies to authorize tree trimming/removal and debris removal within and adjacent to the creek feature. Work will be completed in accordance with measures provided in applicable permits for the protection of sensitive resources.

As described previously, a drainage identified as an ESH area is present along the northwest boundary of the project site. Mature trees, grasses, forbs, and shrubs are present. The un-named drainage and the associated riparian corridor (riparian scrub) are designated ESH areas by the City of Morro Bay General Plan and Local Coastal Program (1982, et seq.) and County of San Luis Obispo Estero Area Plan (2009). Within the city limits, the ESH area is mapped as an "Unnamed Creek." The same drainage is mapped as ESH, Coastal Stream within the County of San Luis Obispo. Banks of the un-named creek and associated riparian vegetation are within the jurisdiction of the CDFW, while the bed of the tributary, below the ordinary high water mark, is within the jurisdiction of the USACE and RWQCB. One sensitive wildlife species, California red-legged frog (CRLF) (*Rana draytonii*; federally threatened and CDFW Species of Special Concern), as well as nesting birds protected by the Migratory Bird Treaty Act (MBTA), have potential to occur on the project site. A complete list of species with the potential to occur on the project site and representative site photos are included in Appendix B.

Impact Discussion

a. Based on review of the California Natural Diversity Database (CNDDB), 18 special-status plant species and 17 special-status wildlife species have potential to occur based on occurrences within a 5-mile radius of the project area (Terra Verde 2016). No special-status plant species were discovered during the appropriately timed botanical survey. According to the CNDDB, nine occurrences of CRLF, a federally threatened species and a CDFW Species of Special Concern, have been documented within a 5-mile radius of the project site. The closest CRLF occurrence is at the confluence of two un-named drainages at the northern extent of the property (based on coordinates within the CNDDB). According to the CNDDB record, CRLF were observed in 2000 at this location, where dense scrubby vegetation such as willows, cattails, and bulrushes dominate and water quality is suitable. Breeding sites occur along watercourses with pools that persist long enough for breeding and larval development, and breeding time depends on winter rains but is usually between late November and late April. The project site is located within the current and

historic range of CRLF, and is proximate to U.S. Fish and Wildlife Service (USFWS)-designated Critical Habitat.

Disturbed annual grasslands within the project site are poorly suited for CRLF; however, the un-named creek along the northern site boundary provides suitable forage, sheltering, and dispersal capability for the species. Specifically, the upper portion of the drainage supports riparian scrub, which provides suitable habitat conditions for CRLF and is protected from human-related and other disturbances by permanent fencing. Downstream of the riparian scrub portion of the un-named drainage, habitat conditions are less advantageous for CRLF. Drainage banks are steeply sloped and completely lack vegetative cover. No small mammal burrows, undercut banks, exposed root wads, or other refuge sites were noted. No deep pools (i.e., breeding habitat) were discovered in the survey area. Further, no CRLF were observed during either of the survey efforts.

Although the disturbed interior of the site (annual grasslands) are generally poorly suited for CRLF, the species is capable of dispersing up to 2 miles between aquatic habitats. Based on the CNDDB records coupled with habitat conditions within the riparian scrub portion of the un-named drainage and dispersal capability of this species, there is low potential for CRLF to occur in the project site, specifically in and along the un-named drainage. However, it is considered unlikely that CRLF would occupy the interior of the site (i.e., tank containment areas) due to lack of suitable habitat.

CRLF and other common wildlife species have the potential to be directly impacted by project activities through crushing, trampling, and other construction-related disturbances. To avoid and/or minimize these potential impacts to CRLF and other common wildlife species, mitigation measures are recommended below, including requirements for a pre-construction survey, biological monitoring (as warranted based on the survey), avoidance of both special-status and common wildlife, and protection of the drainage that provides potential habitat for this species.

Ornamental shrubs, Monterey cypress trees, pine trees, and building structures within the project site provide suitable nesting habitat for a variety of raptor and passerine species. Specifically, mature Monterey cypress and pine trees throughout the site offer suitable canopy and structure for nesting raptors including Cooper's hawk (*Accipiter cooperii*), a CDFW Watch List species during nesting, which has been documented within 5 miles of the project site. Numerous passerine species were identified during the survey efforts and one active barn swallow nest was observed within the rafters of the control building during the May 18, 2016, survey; this nest was expected to be fledged by the end of June. Several other inactive nests were observed in the vacant metal building near the site entrance adjacent to Panorama Drive. No roosting bats, or sign thereof, were observed within the vacant building structures, overhangs, or trees on the site. Based on current site conditions and results of the biological surveys, no other special-status wildlife species are expected to occur on the site. Mitigation for potentially nesting birds protected by the MBTA is identified below, including avoidance of the nesting season to the maximum extent feasible. If the activities cannot be timed to avoid the nesting season, a pre-construction survey is required and if nest(s) are present, buffer zone(s) shall be established. To mitigate for the loss of nesting habitat, the applicant has agreed to replace previously removed trees and trees proposed to be removed with in-kind species at a minimum 2:1 ratio either on the project site or offsite if onsite replacement is infeasible. The City's Major Vegetation Removal, Replacement and Protection Guidelines, adopted on July 9, 2007, state that, "Except in the case of an emergency….no tree should be removed during the nesting season, which is February 1 through June 30." The guidelines require replacement for unpermitted tree removal at a ratio of two 15-gallon trees for every tree removed from an area outside identified ESH. Unpermitted tree

removal in an ESH zone requires replacement at a ratio of five 15-gallon trees for every tree removed.

Based on the location of the project, habitat conditions, and analysis presented in the *Biological Assessment Letter Report* (Terra Verde 2016) and subsequent letters and reports prepared by Terra Verde for this project, potentially significant impacts to special-status species would be less than significant with implementation of identified mitigation measures.

b., c. The un-named drainage present along the northwestern portion of the site is mapped ESH, and is within the jurisdiction of CDFW, USACE, and RWQCB. The northern portion of the drainage is comprised of riparian scrub dominated by willow scrub habitat. Lower portions of the drainage are deeply incised and lack of significant vegetation. Impacts to the drainage feature and associated ESH may occur during demolition and removal work via sedimentation, introduction of pollutants, and deposition of fugitive dust. Equipment access and excavation work is likely to temporarily disturb soils in the vicinity of ESH; specifically, pipe removal work north of the control building and near the culvert entrance would be located near the drainage bank. Disturbed soils may be washed into the drainage during the subsequent rain season or directly discharged while exposing underground piping. Equipment operating near ESH has potential to introduce petroleum-based pollutants associated with equipment leaks, spills, or line breaks. Additionally, dismantling and exposing piping could result in inadvertent discharges into the waterway. Lastly, fugitive dust impacts may occur to the un-named drainage and associated vegetation during earthmoving, demolition of shotcrete covered slopes, and concrete removal. Avoidance and mitigation measures are identified below to minimize and/or avoid impacts to ESH as a result of proposed actions.

Based on the location of the project, habitat conditions, and analysis presented in the *Biological Assessment Letter Report* (Terra Verde 2016) and subsequent letters and reports prepared by Terra Verde for this project, potentially significant impacts to ESH would be less than significant with implementation of identified mitigation measures.

d. As noted above, the project site provides habitat for nesting birds. Impacts to nesting birds, including those protected by Fish and Game Code and the MBTA, may occur if demolition and removal, ground disturbance, or vegetation removal occurs during the typical nesting period (February 1 to September 15). (The City specifies a nesting period of February 1 through June 30. See discussion above under subsection a.). Potential direct impacts include nest disruption or abandonment from vegetation clearing or trimming, construction noise, and equipment vibration. Indirect impacts to nesting birds may include loss of nesting and foraging habitats.

Based on the location of the project, habitat conditions, and analysis presented in the *Biological Assessment Letter Report* (Terra Verde 2016) and subsequent letters and reports prepared by Terra Verde for this project, potentially significant impacts to native and migratory species would be less than significant with implementation of identified mitigation measures.

e. The City's LCP includes ESH polices, which are applicable to the project due to the ESH designation along the northwestern property boundary. Relevant policies are discussed below.

Policy 11.02. Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade such areas, and shall maintain the habitats' functional capacity.

As described above (refer to Response b, c), implementation of the project has the potential to result in pollutant discharge within mapped ESH, and mitigation is identified to ensure compliance with this policy.

Policy 11.05. Prior to the issuance of a coastal development permit, all projects on parcels containing environmentally sensitive habitat as depicted on the Land Use Plan map or habitat map included within the LUP and on the adopted U.S. Fish and Wildlife wetland inventory map, or projects on parcels within 250 feet of all designated areas (except wetlands where projects on parcels within 1000 feet is the criterion), or projects having the potential to affect an environmentally sensitive habitat area must be found to be in conformity with the applicable habitat protection policies of the Land Use Plan. All development plans, grading plans, etc., shall show the precise location of the habitat(s) potentially affected by a proposed project. Projects which could adversely impact an environmentally sensitive habitat area shall be subject to adequate environmental impact assessment by a qualified biologist(s). In areas of the City where sensitive habitats are suspected to exist but are not presently mapped or identified in the City's Land Use Plan, projects shall undergo an initial environmental impact assessment to determine whether or not these habitats exist. Where such habitats are found to exist, they shall be included in the City's environmentally sensitive habitat mapping included within the LUP.

The boundaries of the onsite ESH are generally identified in the City's LCP. The Biological Assessments and Monitoring Plan prepared by Terra Verde (refer to Appendix B) include an analysis of the project's potential impacts on sensitive habitats, consistent with this policy. Boundaries of the onsite ESH are shown on the project site plans based on field surveys conducted by Terra Verde in February 2017. The applicant has agreed to avoid any direct adverse impacts to resources within the ESH boundary. Demolition actions within 100 feet of ESH would be limited to the removal of piping and associated infrastructure, including ground disturbance to access subsurface pipeline(s), which could be considered a "restorative" measure, which is an allowed use under Section 30233(c) of the Coastal Act. Mitigation measures are identified below, which would reduce the potential for degradation of the un-named creek/drainage.

Policy 11.06. Buffering setback areas a minimum of 100 feet from sensitive habitat areas shall be required. In some habitat areas setbacks of more than 100 feet shall be required if environmental assessment results in information indicating a greater setback area is necessary for protection. No permanent structures shall be permitted within the setback area except for structures of a minor nature such as fences or at-grade improvements for pedestrian or equestrian trails. Such projects shall be subject to review and comment by the Department of Fish and [Wildlife] prior to commencement of development within a setback area. For other than wetland habitats, if subdivision parcels would render the subdivided parcel unusable for its designated use, the setback area may be adjusted downward only to a point where the designated use is accommodated but in no case is the buffer to be less than 50 feet. The lesser setback shall be established in consultation with the Department of Fish and [Wildlife]. If a setback area is adjusted downward mitigation measures developed in consultation with the Department of Fish and [Wildlife] shall be implemented.

Proposed actions within 100 feet of mapped ESH include: removing pumps and associated piping, abandoning a section of underground pipeline in place, trimming and removal of trees identified in the August 2017 Arborist Report, and using equipment to remove one of the large Navy tanks. No new permanent structures are proposed within 100 feet of mapped ESH, consistent with this policy. Mitigation measures are identified below, which would reduce the potential for degradation of the un-named creek/drainage.

Policy 11.14. A minimum buffer strip along all streams shall be required as follows:

(1) A minimum buffer strip of 100 feet in rural areas;

(2) A minimum buffer strip of 50 feet in urban areas.

If the applicant can demonstrate that the implementation of the minimum buffers on previously subdivided parcels would render the subdivided parcel unusable for its designated use, the buffer may be adjusted downward only to a point where the designated use can be accommodated, but in no case shall the buffer be reduced to less than 50 feet for rural areas and 25 feet for urban areas. Only when all other means to project modifications are found inadequate to provide for both the use and the larger minimum buffer, the lesser setback shall be established in consultation with U.S. Fish and Wildlife and the California Department of Fish and [Wildlife] and shall be accompanied by adequate mitigations. The buffer area shall be measured landward from the landward edge of riparian vegetation or from the top of the bank (e.g., in channelized streams). Maps and supplemental information may be required to determine these boundaries.

Adjustments to the minimum buffer must protect the biological productivity and water quality of the streams. Assessment of impact shall include, but not be limited to the following factors:

(a) Soil type and stability of stream corridors:

(b) How surface water filters into the ground:

(c) Slope of land on either side of the stream; and

(d) Location of the 100 year flood plain boundary.

Where riparian vegetation has been previously removed, except for stream Channelization, the buffer shall allow for the re-establishment of riparian vegetation to its prior extent to the greatest degree possible.

The project site is located at the city limits, and the site is a transition from the dense urban development associated with the residential neighborhood and the undeveloped hillside to the north and east. No new uses or structures are proposed within 50 feet of the un-named creek (and mapped ESH); actions within 50–100 feet of the creek are limited to the demolition and removal of pumps, piping, and tanks and associated equipment use, as well as selected tree trimming and removal. The Navy tanks are located within a depressed area, and are surrounded by a large earthen berm, which would help contain any accidental pollutants from flowing towards the creek. In addition, mitigation is identified below, which would further ensure protection of waters and habitat present along the creek corridor. Therefore, the project appears consistent with the intent of this policy.

Policy 11.15. No structures shall be located within the stream corridor except: public trails located within a buffer when no alternative location is feasible but outside of riparian habitat; necessary water supply projects; flood control projects where no other method for protecting existing structures in the flood plain is feasible and where such protection is necessary for public safety or to protect existing development; and development where the primary function is the improvement of fish and wildlife habitat. Bridges (when support structures are located outside the critical habitat areas) may be permitted when no alternative route/location is feasible. All development shall incorporate the most protective mitigations feasible.

As noted above, the project does not include the construction or placement of structures within the stream corridor except for fencing, which is allowed, and mitigation is identified below to protect the habitat values of the creek and associated ESH. Compliance with existing regulations and identified mitigation measures would adequately protect mapped ESH during and following proposed demolition activities. The demolition actions would generate noise during the use of large equipment; however, the project is anticipated to require approximately 3 months to complete, and would not result in a permanent effect to species potentially present within and proximate to ESH.

Policy 11.16. All permitted development, including dredging, filling, and grading within stream beds and setback buffer areas shall be limited to activities necessary for the construction of uses specified in Policy 11.15. When such activities require removal of riparian plant species, revegetation with local native riparian species shall be required. Projects which would cause the removal of vegetation shall be subject to review and comment by U.S. Fish and Wildlife Service and the Department of Fish and [Wildlife].

Implementation of the demolition project would require the removal of structures and piping within 50–100 feet of the creek, which may require approvals from the USACE, RWQCB, and CDFW if project activities would result in alterations to the un-named drainage, riparian corridor, or have the potential to impact special-status species. The proposed project would require ground disturbance to access underground pipes and infrastructure. Project activities proposed within the ESH area include soil sampling, tree trimming and removal, and removal of debris within the un-named drainage. These activities would not result in adverse impacts to the ESH area. Permits would be obtained from regulatory agencies to authorize tree trimming/removal and debris removal within and adjacent to the creek feature. Work would be completed in accordance with measures provided in applicable permits for the protection of sensitive resources. Heavy equipment will be restricted to top of bank and all project activities within and adjacent to the ESH area would be monitored by a qualified biologist. Mitigation is identified below, which would further ensure protection of waters and habitat present along the creek corridor. Therefore, the project appears consistent with the intent of this policy.

Policy 11.17. The biological productivity of the City's environmentally sensitive habitat areas shall be maintained and, where feasible, restored through maintenance and enhancement of the quantity and quality of Morro and Chorro groundwater basins and through prevention of interference with surface water flow. Stream flows adequate to maintain riparian and fisheries habitat shall be protected.

The project does not include any actions that would adversely affect groundwater recharge or surface water flow. In addition to preparation and implementation of a Stormwater Pollution Prevention Plan (SWPPP), the applicant is required to implement erosion, sedimentation, and spill prevention, clean-up, and contingency plans to ensure protection of surface and subsurface waters. As discussed in Section 8 Hazards/Hazardous Materials, the applicant is required to comply with all RWQCB, County Health Department, and Department of Toxic Substances Control (DTSC) regulations regarding contaminated soils. Compliance with identified mitigation measures and existing regulations would ensure protection of water quantity and quality.

Policy 11.22. The precise location and thus boundary line of Environmentally Sensitive Habitat areas shall be determined based upon a field study paid for by the applicants and performed by the City or City's consultants and approved by City Council and/or their appointed designee prior to the approval of development on the site, including, but not limited to, a division of land, provision of public access, or restoration of the ESH.

The boundaries of the onsite ESH are identified in the City's LCP, and this boundary was further delineated on the project site plan prepared by DPSI, based on data from an onsite survey conducted in February 2017 by Terra Verde.

Based on the discussion above, the project is consistent with the City's General Plan and Local Coastal Program, and would not conflict with any local policies or ordinances protecting biological resources. Impacts would be less than significant.

f. The project site is not subject to any adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan. Impacts would be less than significant.

Conclusion

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

Mitigation and Monitoring

Mitigation Measure BR-1: Prior to issuance of demolition permits, the applicant shall submit documentation verifying designation of a qualified biological monitor for all biological resources measures to ensure compliance with Conditions of Approval and mitigation measures. The monitor shall be responsible for the preparation, submittal, and compliance with a Biological Monitoring Plan. The plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding environmentally sensitive areas; (5) authority to stop work; and (6) action to be taken in the event of non-compliance.

Monitoring BR-1: The City Community Development Department shall verify receipt and compliance with the approved Biological Monitoring Plan. The name and contact information of the project biological monitor shall be listed on the plans submitted for a demolition permit.

Mitigation Measure BR-2: Prior to the initiation of demolition actions, including equipment and materials staging and storage, the biological monitor shall conduct environmental awareness training for all construction personnel. The environmental awareness training shall include discussions of sensitive habitats and animal species in the immediate area. Topics of discussion shall include: general provisions and protections afforded by the Endangered Species Act; measures implemented to protect special-status species; review of the project boundaries and special conditions; the monitor's role in project activities; lines of communications; and procedures to be implemented in the event a special-status species is observed in the work area.

Monitoring BR-2: The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that all project personnel have completed the required training.

Mitigation Measures BR-3: Prior to the initiation of demolition actions, including equipment and materials staging and storage, the applicant's contractors and the biological monitor shall coordinate the placement of project delineation fencing throughout the work areas. The biological monitor shall field fit the placement of the project delineation fencing to minimize impacts to sensitive resources. The project delineation fencing shall remain in place and functional throughout the duration of the project. During construction, no project related work activities shall occur outside of the delineated work area.

Monitoring BR-3: The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that project delineation fencing has been installed and remains in place for the duration of the project. The biological monitor shall determine when the fencing may be removed, in consultation with the City Community Development Department.

Mitigation Measure BR-4: Prior to initiation of demolition actions, including storage and use of equipment and materials within the project site, the following avoidance and mitigation measures shall be implemented minimize and/or avoid impacts to ESH as a result of proposed demolition activities:

a. Limits of Environmentally Sensitive Habitat Area (ESH area) shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESH fencing shall be maintained in good order until removed in accordance with the requirements of paragraph c.
b. No equipment access, excavation, or other land disturbing activities shall occur within the limits of ESH other than approved tree trimming and removal.
c. Equipment access, excavation, and other land disturbing activities within 50 feet of the ESH boundary shall be limited to the minimum required for removal or abandonment of the six-inch pipeline and small amount of Gunite located in this zone, tree trimming and removal of dead and diseased trees, and restoration of the land surface. Upon completion of these activities, brightly colored construction fencing shall be erected a minimum of 50 feet from the ESH boundary and no further access to this area shall be permitted, except as necessary in the event of an emergency evacuation. This fencing shall be maintained in good order for the duration of the project. Upon erection of construction fencing 50 feet from the ESH border, construction fencing along the ESH border itself shall be removed.
d. Appropriate erosion and sediment control measures shall be installed and maintained for soil disturbances which could lead to sedimentation impacts to the un-named tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESH shall be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, or similar method approved by the City of Morro Bay).
e. Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.
f. Any equipment or vehicles operated adjacent to ESH shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.
g. Emergency spill kits shall be present at the site and personnel shall be trained in proper use of the spill kit during all demolition and removal activities. Training documentation shall be provided to the City of Morro Bay.
h. Appropriate amounts of water and/or soil stabilizers shall be used to suppress fugitive dust during demolition and earth disturbing work, consistent with San Luis Obispo Air Pollution Control District standards.
i. Disturbance to ESH shall be prohibited a minimum of 50 feet from the edge of ESH pending full California Environmental Quality Act, Coastal Act, and Local Coastal Program Policy analysis by the City of Morro Bay. In addition, appropriate permits (i.e., California Department of Fish and Wildlife Lake and Streambed Alteration Agreement) shall be obtained prior to work.

Monitoring BR-4: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-5: The following measures are required to avoid and/or minimize potential impacts to sensitive invertebrate, amphibian, piscine, reptilian, and mammalian species that may be present at the proposed project site:

a. A qualified biologist shall survey the project site no more than 48 hours before the start of work activities to determine whether there is evidence of the presence of any of the following sensitive species:

Invertebrates
- Morro shoulderband snail (*Helminthoglypta walkeriana*)

Insects
- sandy beach tiger beetle (Cicindela hirticollis gravida)
- globose dune beetle (*Coelus globosus*)
- Morro 10-Lined june beetle (*Polyphylla* species novae *'morroensis'*)
- 'Morro' Boisduval's blue butterfly (*Plebejus icarioides 'moroensis'*)

Fishes
- coastal rainbow trout (*Oncorhynchus mykiss irideus*)
- tidewater goby (*Eucyclogobius newberryi*)

Amphibians
- California red-legged frog (*Rana draytonii*)

Reptiles
- western pond turtle (E*mys marmorata*)
- Coast horned lizard (*Phrynosoma blainvillii*)
- silvery legless lizard (*Anniella pulchra pulchra*)

Mammals
- Morro Bay kangaroo rat (*Dipodomys heermanni morroensis*)
- big free-tailed bat (*Nyctinomops macrotis*)
- western red bat (*Lasiurus blossevillii*)
- pallid bat (*Antrozous pallidus*)
- fringed myotis (*Myotis thysanodes*)
- Yuma myotis (*Myotis yumanensis*)
- long-legged myotis (*Myotis volans*)
- long-eared myotis (*Myotis evotis*)
- western small-footed myotis (*Myotis ciliolabrum*)
- American badger (*Taxidea taxus*)

b. If sensitive species are detected within the boundaries of the Environmentally Sensitive Habitat Area and out of harm's way, a qualified biologist shall monitor all demolition, grading, and removal activities within 50 feet of suitable habitat.
c. If sensitive species are detected within any of the areas planned for disturbance, the biological monitor shall contact the California Department of Fish and Wildlife (CDFW) and/or the U.S. Fish and Wildlife Service (USFWS) for guidance in formulating a plan as to how to proceed. No work at the site shall commence until a written plan of action has been approved by the CDFW and/or USFWS and by the Community Development Director of the City of Morro Bay.

d. In the event that sensitive species are encountered unexpectedly during the course of project activities, work shall be immediately halted and the biological monitor shall contact the USFWS for guidance in formulating a plan as to how to proceed. No further work at the site shall commence until a written plan of action has been approved by the USFWS and by the Community Development Director of the City of Morro Bay.
e. In the event that non-sensitive wildlife species are encountered during the course of project activities, work shall be immediately halted and such wildlife shall be allowed to leave the area unharmed of their own volition or shall be relocated to a "no-kill" wildlife rescue facility. No further work at the site shall commence until all of the encountered individuals are absent from the project site.
f. No project-related materials and/or equipment shall be allowed within the designated ESH without prior approval of responsible regulatory agencies and amendment of the applicable Coastal Development Permit and Conditional Use Permit by the City of Morro Bay.

Monitoring BR-5: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-6: The following measures are required to avoid and/or minimize potential impacts to nesting birds which may be present at the proposed project site:

a. Unless required to mitigate an immediate physical danger, no tree removal or trimming may be carried out during the period between February 1 and June 30. Tree trimming performed between February 1 and June 30 for the purpose of mitigating an immediate hazard shall be confined to the minimum necessary to alleviate such hazard.
b. No more than one week before the start of any demolition and removal activities, earth disturbance, or vegetation clearance carried out during the period between February 1 and September 15 (inclusive), a qualified biologist shall survey the project site to determine whether any active bird nests are present at the project site and to identify the species of bird occupying such nest(s). The results of such survey shall be delivered, in writing, to the office of the Morro Bay Community Development Director no less than 48 hours prior to commencement of work activity.
c. If active nests occupied by any sensitive species are found, no work shall commence until an appropriate buffer and mitigation plan have been developed in consultation with the City, the California Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service. For purposes of this Mitigation Measure, the following are considered to be sensitive species:

    - brant (*Branta bernicula*)
    - harlequin duck (*Histrionicus histrionicus*)
    - common loon (*Gavia immer*)
    - American white pelican (*Pelecanus erythrorhynchos*)
    - California brown pelican (*Pelecanus occidentalis californicus*)
    - double-crested cormorant (*Phalacrocorax auritus*)
    - least bittern (*Ixobrychus exilus*)
    - osprey (*Pandion haliaetus*)
    - white-tailed kite (*Elanus leucurus*)
    - northern harrier (*Circus cyaneus*)
    - sharp-shinned hawk (*Accipiter striatus*)
    - Cooper's hawk (*Accipiter cooperii*)

- ferruginous hawk (*Buteo regalis*)
- golden eagle (*Aquila chrysaetos*)
- merlin falcon (*Falco columbarius*)
- American peregrine falcon (*Falco peregrinus anatum*)
- prairie falcon (*Falco mexicanus*)
- California black rail (*Laterallus jamaicensus coturniculus*)
- western snowy plover (*Charadrius alexandrinus nivosus*)
- black oystercatcher (*Haematopus bachmani*)
- whimbrel (*Numenius phaeopus*)
- long-billed curlew (*Numenius americanus*)
- marbled godwit (*Limosa fedoa*)
- black turnstone (*Arenaria melanocephala*)
- sanderling (*Calidris alba*)
- short-billed dowitcher (*Limnodromus griseus*)
- Heerman's gull (*Larus heermanni*)
- California gull (*Larus californicus*)
- elegant tern (*Sterna elegans*)
- black Skimmer (*Rhynchops niger*)
- marbled murrelet (*Brachyramphus marmoratus*)
- ancient murrelet (*Synthliboramphus antiqus*)
- Cassin's auklet (*Ptychoramphus aleuticus*)
- rhinocerus auklet (*Cerorhinca monocerata*)
- western burrowing owl (*Athene cunicularia*)
- California spotted owl (*Strix occidentalis occidentalis*)
- Allen's hummingbird (*Selasphorus sasin*)
- olive-sided flycatcher (*Contopus cooperi*)
- willow flycatcher (*Empidonax traillii*)
- loggerhead shrike (*Lanius ludovicianus*)
- purple martin (*Progne subis*)
- oak titmouse (*Baelophus inornatus*)
- wrentit (*Chamaea fasciata*)
- California thrasher (*Toxostoma redivivum*)
- yellow warbler (*Dendroica petechia*)
- large-billed savannah sparrow (*Passerculus sandwichensis rostratus*)
- tri-colored blackbird (*Agelaius tricolor*)

d. If active nests occupied by any non-sensitive species other than raptors are found, a buffer zone 250 feet in radius shall be established around each such active nest. Construction fencing shall be erected around the perimeter of each such buffer zone and signage shall be prominently displayed indicating that no work activity is permitted within the buffer. Construction fencing shall be maintained in place and in good repair and work activity shall remain outside of designated buffer zones until a qualified biologist has determined that the young have fledged and are no longer reliant on parental care.

e. If active nests occupied by any non-sensitive raptor species are found, a buffer zone 500 feet in radius shall be established around each such active nest. Construction fencing shall be erected around the perimeter of each such buffer zone and signage shall be prominently displayed indicating that no work activity is permitted within the buffer. Construction fencing shall be maintained in place and in good repair and work activity shall remain outside of designated buffer

zones until a qualified biologist has determined that the young have fledged and are no longer reliant on parental care.

Monitoring BR-6: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-7: Non-diseased and non-hazardous mature trees removed in conjunction with the demolition project shall be replaced with 5- or 15-gallon trees in compliance with the City's Major Vegetation Removal, Replacement and Protection Guidelines, using in-kind and other species appropriate to the conditions of the replacement planting location at a minimum 2:1 ratio either: (1) on the project site; (2) offsite; or (3) some combination of onsite and offsite planting approved as part of UP0-440 and CP0-500. Newly planted trees onsite shall be maintained until successfully established. In the event that any of the replacement trees should die within 3 years after planting, such trees shall be removed and replaced by the applicant. Watering shall be controlled so only enough is used to initially establish the tree, and reducing to zero over a 3-year period. Once trees have been planted and prior to final inspection, the applicant shall retain a qualified individual (e.g., landscape contractor, arborist, nurseryman, botanist) to prepare a letter stating when the above planting occurred, what was planted and all measures installed to improve the long-term success of these trees. This letter shall be submitted to the City Community Development Department.

Monitoring BR-7: These measures shall be incorporated into a Tree Restoration Plan to be submitted as part of the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, the Arborist Report, and receipt of documentation from the biological monitor confirming compliance.

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 as defined in CEQA Guidelines Section 15064.5?				X
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines Section 15064.5?		X		
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X	
d.	Disturb any human remains, including those interred outside of formal 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 County, and City as well.

A records search and surface survey were conducted for the project (Albion Environmental 2016). Based on the results of the records search, no prior archaeological studies have been conducted within the project site, and seven archaeological studies have been conducted within a 0.25-mile radius. The record search identified no cultural resources within the project area and only identified a single isolated artifact with a 0.25-mile radius. Albion conducted an intensive pedestrian survey of the project site. Throughout the Project Area, ground surface visibility was limited, and varied between completely obscured and 5% visibility. Due in part to heavy vegetation cover, past re-contouring of the landscape, imported fill, and the existing structures located on the subject parcel, visual inspection of the project site revealed no evidence of intact prehistoric or historic-era archaeological deposits. No anthropogenic soils were observed and no evidence of prehistoric shell midden was observed during the field survey. Although field conditions were less than ideal to conduct a pedestrian survey, the field reconnaissance identified two new cultural resources—an American Period ranch and a Cold War era U.S. Navy jet fuel facility.

Due to the extensive landscape modification of the project site during construction of the U.S. Navy jet fuel facility, intact subsurface prehistoric or historic-era archaeological deposits are not likely to exist within the current study area (Albion Environmental 2016). Although evidence of historic-era artifacts were observed during the field survey, at least two of the three shell concentrations are located on or near the tank reservoir berms, and therefore cannot be in situ. Moreover, the remaining artifacts were observed in clearly disturbed locations on top of apparent imported soils, berms, and altered landscapes. Therefore, the project site does not likely contain subsurface archaeological deposits associated with the American Period ranch (Albion Environmental 2016).

DFSP Estero Bay was constructed in 1961. The fuel tanks, water tank, office building, and pump building appear to be part of the original facility. The garage building was added between 1979 and 1986. Based on the historic evaluation of the property (including State Department of Parks and Recreation [DPR] Primary Record, Building, Structure, and Object Record forms completed by Daniel Shoup, Archaeological/Historical Consultants), the DFSP is located in its original location and apparently retains its original facilities. It appears to possess integrity of location, workmanship, feeling, association, and setting. The integrity of design and materials has been compromised by the removal of the mooring dock and pipelines that served the facility, making it unable to fulfil its original purpose as a fuel storage facility (Shoup 2016).

In order to be eligible for the California Register of Historical Resources (CRHR), and considered a historic resource under CEQA, a property must meet one of the CRHR's four criteria of significance. DFSP Estero Bay does not appear eligible under Criterion 1 (Resources that are associated with events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States); although the facility was part of an important historical trend (the development of military infrastructure during the Cold War), it was one of at least eight tank farms and pipeline facilities constructed by the Naval Fuel Office at San Pedro during the early 1960s, and one of hundreds around the country. It does not appear to be eligible under Criterion 2 (Resources that are associated with the lives of persons important to local, California, or national history) because historical research identified no such persons as having been associated with the facility during its period of operation. DFSP Estero Bay does not appear eligible under Criterion 3 (Resources that embody the distinctive characteristics of a type, period, region, or method of construction, or represent the work of a master, or possess high artistic values) because the onsite buildings are not architecturally distinctive, and the double-walled steel fuel storage tanks are among thousands of similar structures constructed in California during the period of significance. The buildings themselves are unlikely to be considered eligible under Criteria 4 (Yield information important to history or prehistory). For these reasons, DFSP

Estero Bay does not appear eligible for the CRHR (Shoup 2016), and the structures are not considered historic resources pursuant to CEQA.

Impact Discussion

a. Based on the discussion above, and information documented in the DPR forms (Shoup 2016), the site does not contain any known built environment historic resources as defined in State CEQA Guidelines Section 15064.5. Therefore, no impact would occur as a result of proposed demolition actions.

b., d. Based on the discussion above, and information documented in the *Phase I Cultural Resource Inventory* (Albion Environmental 2016), no known archaeological resources are present within the project site. In addition, the project would consist of the demolition and removal of above and below ground structures located on and within previously disturbed soils.

While the potential for resource and human remains discovery is low, projects such as this have the risk of unintentionally impacting cultural resources. Therefore, the applicant has agreed to retain a qualified archaeologist to conduct a cultural resource awareness training for construction crews and supervisors prior to commencement of demolition activities. If previously unidentified cultural materials are unearthed, the applicant has agreed to halt work within the area of the find until a qualified archaeologist can evaluate the nature and significance of the find.

New legislation, Assembly Bill (AB) 52, effective July 1, 2015, requires formal consultation with Native American tribes in order to protect tribal cultural resources. Consultation initiation letters were sent to six local tribes with connection to Morro Bay. Of these local tribes, one responded by email, stating that: "I read the letter and I understand that it appears highly unlikely that there are intact cultural resources. But, cultural resources are important even if not intact. I recommend that an archaeologist be present at the time of demolition of the tanks, piping and associated equipment" (Mona Tucker, yak tit^{y}u tit^{y}u Northern Chumash Tribe, June 1, 2016).

c. The project site does not contain any known unique paleontological resources or geologic features identified on city maintained maps. In addition, the site has been significantly modified to support the installation of the tanks and associated infrastructure to be demolished and removed. Therefore, the potential for significant paleontological resource discovery is low. In the event of an unanticipated discovery, the applicant would comply with identified mitigation, including halting work within the area of the find and allowing for evaluation by a paleontologist.

Conclusion

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

Mitigation and Monitoring

Mitigation Measure CR-1: Prior to the initiation of demolition actions, including equipment and materials staging and storage, a qualified archaeologist shall conduct a cultural resource awareness training for construction crews and supervisors. The cultural resource awareness training shall include the following: (1) a description of the kinds of resources that may be found in the area, (2) the importance of cultural resources to the Native American community, (3) a discussion of laws pertaining to significant archaeological and historical sites, and (4) protocols to be used in the event of an unanticipated discovery.

Monitoring CR-1: The City Community Development Department shall verify receipt of documentation from the qualified archaeologist confirming that all project personnel have completed the required training.

Mitigation Measure CR-2: In the event that intact and/or unique archaeological artifacts or historic or paleontological resources are encountered during grading, clearing, grubbing, and/or other demolition activities associated with the proposed project involving ground disturbance, all work in the immediate vicinity of the find shall be stopped immediately, a qualified archaeologist and/or paleontologist, and Native American monitor, shall be notified, and the resource shall be evaluated to ensure the discovery is adequately recorded, evaluated and, if significant, mitigated.

Monitoring CR-2: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance.

Mitigation Measure CR-3: Prior to ground disturbance, the applicant shall retain a qualified archaeologist, defined as an archaeologist who meets the Secretary of the Interior Professional Qualification Standards for archaeology, to prepare and implement a Cultural Resources Monitoring Plan. The plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding cultural resources; (5) authority to stop work; and (6) action to be taken in the event of non-compliance. The archaeological monitor and similarly qualified Native American representative(s) shall be present during ground-disturbing activities. The archaeological monitor shall submit a monitoring report to the City Community Development Department following completion of all required monitoring activities.

Monitoring CR-3: The City Community Development Department shall verify receipt and compliance with the approved Cultural Resources Monitoring Plan. The name and contact information of the project archaeologist shall be listed on the plans submitted for a demolition permit.

6. GEOLOGY /SOILS Would the project:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:			X	
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		

6. GEOLOGY /SOILS Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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 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

Environmental Setting

The site is located in the vicinity of the San Luis Range of the Coast Range Geomorphic Province of California. The Coast Ranges lie between the Pacific Ocean and the Sacramento-San Joaquin Valley and trend northwesterly along the California Coast for approximately 600 miles between Santa Maria and the Oregon border. Locally, the site is located within fill, landslide deposits, alluvial deposits, and Franciscan Complex units.

San Luis Obispo County, including 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. The southeastern portion of the site is located within an area of high landslide risk. Typically, a geotechnical report would be required; however, the project is limited to the demolition and removal of structural elements, does not involve mass grading, and does not include the construction of new structures.

Impact Discussion

a., c., d. The project consists of demolition and grading activities during a 3-month period to enable the removal of subsurface pipelines, and does not include the construction of new structures. Therefore, the demolition project would not expose people or structure to potential adverse effects associated with fault rupture, ground shaking, or liquefaction. Although the project site is located immediately downslope of a high landslide risk area, no actions (such as mass grading or changes to the site topography or drainage patterns) are proposed that would reasonably trigger a landslide. In addition, due to the nature of the project (limited to demolition), the project would not result in on or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse. Therefore, impacts would be less than significant and mitigation measures are not required.

b. The proposed project would result in the disturbance of approximately 8 acres of the 10.6-acre site. Ground disturbance would include the demolition, removal, and recycling of identified DFSP equipment and facilities, along with excavation, handling, and disposal of any non-

hazardous and/or hazardous waste generated from demolition activities. Equipment and facilities identified for removal consists of aboveground structures (e.g., tanks, pipelines, pumps, utilities poles, fencing, shotcrete located on top of and inside the containment berms, and the existing concrete pad and the ring foundations beneath the tanks) and some underground piping. The containment berms and other modified areas within the DFSP boundaries will remain except as noted. Approximately 50 feet of the berm width would be lowered between the two large fuel tanks for construction traffic, and the berm between the pumps and tanks will be disturbed to access underground pipes. No soil would be imported to the project site, and soil would only be exported from the project site if found to be contaminated during excavation and demolition activities. Erosion control measures proposed by the applicant include the use of waddles and sand bags. Following demolition of the tanks, structures, and piping, the waddles would remain in place as needed, and disturbed areas would be grass seeded. At the point of entry, all traffic will access the site on pavement and will cross the proposed rumble strip. Straw waddles will be installed on the downslope side of the entrance, and sand bags will be placed on the downslope side of the entrance along Panorama Drive to catch any potential soil runoff. The applicant proposes to monitor the site daily for excess dirt of mud, and implement any required remediation to avoid sediment runoff into the creek. Potential impacts associated with erosion and loss of top soil would be less than significant based on compliance with City erosion and sedimentation control measures, a RWQCB-approved SWPPP, and implementation of Mitigation Measure BR-4.

e. The proposed project does not include any features that would necessitate wastewater disposal. Septic tanks or alternative wastewater systems are not proposed and will not be used on the site.

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

Implement Mitigation Measure BR-4.

7. 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	

Impact Discussion

In January 2014, the City adopted a Climate Action Plan, which provides a qualitative threshold consistent with AB 32 Scoping Plan measures and goals. As identified in the SLOAPCD's CEQA Handbook (April 2012), if a project is consistent with an adopted Qualified Greenhouse Gas (GHG)

Reduction Strategy (i.e., a Climate Action Plan) that addresses the project's GHG emissions, it can be presumed that the project will not have significant GHG emission impacts and the project would be considered less than significant. This approach is consistent with State CEQA Guidelines Sections 15064(h)11 and 15183.5(b). The City's Climate Action Plan was developed to be consistent with State CEQA Guidelines Section 15183.5 and SLOAPCD's CEQA Handbook to mitigate emissions and climate change impacts, and serves as a Qualified GHG Reduction Strategy for the City.

a., b. In the short-term, the proposed project would result in minor increases in GHG emissions during the demolition process (approximately 86.44 metric tons). Such an increase would not individually contribute to global climate change; however, it would contribute considerably to the cumulative or global emission of GHGs. Standard City Construction Regulations will apply to this project, which include requirements that a minimum 6% of construction vehicles and equipment be electrically-powered or use alternative fuels such as compressed natural gas, and compliance with stringent requirements are identified for diesel equipment, including diesel idling limitations on the project site due to proximity to sensitive resources (refer to Section 3 Air Quality). As the project is limited to demolition activities during a 3-month period, no long-term GHG emissions would result. Therefore, potential impacts would be less than significant.

Conclusion

Implementation of the proposed project would not result in significant impacts related to greenhouse gas emissions.

Mitigation Monitoring

Mitigation measures are not necessary.

8. 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 complied pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or the environment?		X		

8. HAZARDS/HAZARDOUS MATERIALS Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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 for people residing or working in the project area?				X
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			X	
h. Expose people or structures to a significant risk of loss, injury or death involving wild land fires, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wildlands?		X		

Environmental Setting

The project site is identified as a U.S. Environmental Protection Agency (EPA) Superfund Site (EPA ID: CA2971590029); however, the site is not included on the EPA's National Priorities List, which identifies hazardous waste sites in the United States eligible for long-term remedial action (cleanup) financed under the federal Superfund program. The project site's current Non-National Priorities List (Non-NPL) status is listed as "Federal Facility Site Inspection Review Start Needed." The site was, and is presumed to be, contaminated with total petroleum hydrocarbons (TPH) as a result of the site's previous use a jet fuel storage facility (Envirostor ID: 40970001; Site Code: 200262) (DTSC 2016). No liquids or other materials are present within the tanks to be demolished and removed. Based on review of Envirostor, the soil contamination was discovered in August 1981. Based on the *Risk-Based Closure Report* (Fluor Daniel GTI 1996) completed prior to the closure of the facility, hydrocarbons and benzene were identified in both soil and groundwater samples. The report notes that the "distribution of hydrocarbons in the impacted groundwater has been monitored since 1991" and "data from the installation and monitoring of the wells indicates a rapid decrease in dissolved hydrocarbon concentrations downgradient from source areas, and relatively stable dissolved hydrocarbon concentrations near source areas" (Fluor Daniel GTI 1996). The report concluded that the impacts to potential groundwater receptors of hydrocarbons in groundwater migrating from the project site are considered negligible. Based on this report, the DTSC and RWQCB concurred that contamination left at the site does not pose a threat to the public health or the environment. No further action was identified, as no further development was proposed at that time.

The applicant provided a *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016), which was prepared to "protect the safety and welfare of the employees and community in the event of an emergency incident and to comply with federal and state laws pertaining to hazardous waste generators with respect to preparedness and prevention for emergency events." The plan provides guidance in the event of fire, explosion, spill, or release of hazardous waste. In addition to contaminated soil, other potentially hazardous materials onsite include batteries, used oil, florescent bulbs, and thermostats. In addition to this report, the applicant has submitted an Aboveground Hazardous Materials Storage Tank and Piping Closure permit application to the County Health Department, and has received

preliminary approval from the County. Materials containing asbestos and lead, and the potential presence of naturally occurring asbestos, are addressed in Section 3, Air Quality.

Impact Discussion

a. Contaminated soils and materials would be transported offsite to approved receiving facilities during the 3-month project duration, and such transport would be conducted pursuant to the *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) and under the regulation of the SLOAPCD, County Health Department, and DTSC. Based on compliance with existing regulations, potential impacts would be less than significant.

b., c, d. As noted above, TPH jet fuel and benzene contamination is currently present in the site's underlying soils and groundwater. The project site is located within 0.25 mile of the Central Coast Montessori Preschool. All ground-disturbing and demolition activities are subject to existing regulations, including the County's approval of the applicant's Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016), as acknowledged in the County Health Department's letter dated March 14, 2017 (refer to Appendix C). Based on continued review and regulatory oversight by the County, compliance with the approved contingency plan and requirements stipulated in the County's March 14, 2017, letter, and implementation of air quality monitoring and lead and asbestos mitigation measures, potential impacts would be less than significant with mitigation.

e., f. The project site is not located within an airport land use plan or within 2 miles of a public airport. The project site is not located within the vicinity of a private airstrip. No impacts would occur.

g. Based on the location of the project site, construction of the proposed project would not conflict with any regional evacuation or emergency response plan.

h. The project is proposed adjacent to an urban setting, and is not in a high fire risk area. The project site is located within the Medium Fire Hazard Zone (County Safety Element), and would be served by the City Fire Department. Potential fire risk in this urban/wildland transition zone includes accidental ignition sources (i.e., sparks) from equipment. The site is subject to weed abatement requirements of the City Fire Department. In addition to the applicant's submitted *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016), the applicant would comply with standard practices during construction to minimize the potential for incidental fires, including inspection of equipment, maintenance of fire extinguishers throughout the site, and vegetation clearance to reduce fuel load potential. Based on compliance with the submitted contingency plan, and compliance with existing City regulations, the project would not expose people or structures to a significant risk of fire, and impacts would be less than significant.

Conclusion

Potentially significant impacts related to hazards and hazardous materials associated with the proposed project would be less than significant with implementation of mitigation.

Mitigation and Monitoring

Mitigation Measure HM-1: Prior to the initiation of demolition actions, the applicant shall submit all documentation of the County of San Luis Obispo Department of Public Health Department approval of the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and

Contingency Plan for Discovered Hazardous Waste (Bedford Contracting, Inc. 2016). A copy of the County permit and all supporting documentation shall be available for review onsite at all times, and the applicant shall comply with all approved policies and measures identified in the document. The applicant shall comply with all existing regulations protecting public health and safety, as well as all of the following conditions required by the County in the approval letter dated March 14, 2017:

a. The applicant shall schedule with the County of San Luis Obispo Public Health Department and City of Morro Bay Fire Department a pre-demolition safety meeting to ensure all safety measures are in place, and that a pre-demolition safety meeting for workers has been conducted and documented.
b. Inspections shall be scheduled with the County of San Luis Obispo Public Health Department inspector, which will include certification of a safe atmosphere in the tanks and piping before demolition, inspection of piping before removal, and soil sampling beneath removed piping.
c. The applicant shall provide copies of tank and piping atmosphere monitoring documentation to the County of San Luis Obispo Public Health Department, confirming the atmosphere is safe and non-explosive, before demolition.
d. The applicant shall provide copies of all soil sample lab analysis to the County of San Luis Obispo Public Health Department prior to contaminated soil disposal.
e. The applicant shall consult with the County of San Luis Obispo Public Health Department and provide justification for approval before closing any pipeline in place.
f. The applicant shall submit copies of waste disposal manifests, signed by the Treatment, Storage, and Disposal Facility (TSDF), within 45 days after disposal.
g. Post-demolition, the applicant shall submit the following supporting documents to the County of San Luis Obispo Public Health Department:

    1. A soil assessment report from the AGT system removal that complies with all applicable guidance from the California Environmental Protection Agency (CalEPA) and the U.S. Environmental Protection Agency (USEPA), particularly the Department of Toxic Substances (DTSC) Preliminary Environmental Assessment (PEA) Manual;
    2. A Phase 1 Environmental Assessment;
    3. A work plan to perform a Phase 2 Environmental Assessment that includes environmental sampling and soil gas sampling for volatile organic compounds (VOCs) that comply with the DTSC Soil Gas Investigation Advisory, 2012;
    4. A Phase 2 Environmental Assessment Report; and
    5. A Human Health Risk Assessment that complies with all applicable guidance from CalEPA and USEPA.

h. The applicant shall coordinate to determine if a Remediation Action Plan (RAP) is required for the proposed project. A RAP may be required if environmental sampling indicates a potential unacceptable risk to future residents exists.

Monitoring HM-1: The City Community Development Department shall verify receipt of approval documentation from the County of San Luis Obispo Public Health Department, and shall verify compliance with all policies and guidelines identified in the County permit and all supporting documentation.

Mitigation Measure HM-2: Prior to initiation of demolition actions, the applicant shall prepare and submit a Spill Prevention Control and Countermeasure Plan to the City Community Development Department. The plan shall supplement the approved *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) and identify hazardous materials to be used onsite and offsite, and shall identify procedures for storage, distribution, and spill response. Equipment refueling shall be done in non-

sensitive areas and such that spills can be easily and quickly contained and cleaned up without entering any existing stormwater drainage system or creek. The plan shall include procedures in the event of accidents or spills, identification of and contact information for immediate response personnel, and means to limit public access and exposure. Any necessary remedial work shall be done immediately to avoid surface or ground water contamination. The plan shall be implemented by the construction contractor, and verified by the Fire Chief.

Monitoring HM-2: The City Community Development Department shall verify receipt of approval documentation from County of San Luis Obispo Public Health Department, and shall verify compliance with all policies and guidelines identified in the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) in consultation with the County of San Luis Obispo.

9. HYDROLOGY/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?		X		
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
c. Substantially alter the existing drainage pattern on the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off-site?			X	
d. Substantially alter the existing drainage pattern on the site or area, including through the alteration of the course of a stream or substantially increase the rate or amount of surface runoff in a manner, which would result in flooding on- or off-site?			X	
e. 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?			X	
f. Otherwise substantially degrade water quality?		X		
g. Place housing within a 100-year flood hazard area as mapped on a federal flood hazard boundary or flood insurance rate map or other flood hazard delineation map?				X
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
i. Expose people or structures to a significant risk or loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j. Inundation by seiche, tsunami, or mudflow?			X	

Environmental Setting

Surface hydrology follows previously constructed drainage swales and existing topography, and generally flows towards an un-named creek located along the northwestern perimeter of the project site. This drainage conveys flows from the upslope hillside into a culvert located north of the control building and paved parking lot and ultimately into the Pacific Ocean. The drainage is mapped as a blue-line stream according to the USGS topographic maps; no water was present in the drainage during field inspections. A portion of the project site, containing and proximate to the un-named drainage, is located with Federal Emergency Management Agency (FEMA) flood hazard zone AE (100-year flood zone). This area is also assigned a Flood Hazard (FH) designation by the County.

Impact Discussion

a., f. The project proposes demolition actions proximate to an un-named drainage. The use of equipment and the disturbance of contaminated soils and groundwater may result in erosion and down-gradient sedimentation or the accidental release of fuels, oils, or other materials, which may discharge into the un-named drainage. Mitigation is recommended to address these potential impacts. Based on the location of the project and implementation of required erosion control measures, a SWPPP, and the proposed contingency plan, no violations of any water quality standards or waste discharge requirements are expected. Impacts would be less than significant.

b. The proposed project is limited to demolition and would not require the long-term use of City water supplies. Water trucks would be provided for dust suppression during demolition actions. No depletion of groundwater supplies or effects on groundwater recharge would result, and impacts would be less than significant.

c., d. Implementation of the demolition project would not include any adverse modification of existing drainage patterns onsite. The removal of the shotcrete in between the two Navy tanks would not affect surrounding drainage patterns or flows to and from the un-named drainage. As discussed in the project description, upon completion of demolition and excavation activities, the disturbed areas would be stabilized or restored to existing grades, i.e., rough grade, as needed. The disturbed areas would be hydroseeded for erosion control, and restoration and maintenance activities would be implemented to restore the creek area, such as removing debris behind the stream grate and removing a large log that fell into the creek during previous tree removal activities. These maintenance activities would ultimately result in a beneficial effect on the onsite drainage. Therefore, potential impacts would be less than significant.

e. The project is limited to demolition actions, and would not include the creation of new impervious surfaces. The project would not create or contribute runoff beyond existing conditions. Therefore, potential impacts would be less than significant.

g., h. Portions of the project location are within FEMA's 100-year flood hazard area; however, the project is limited to the demolition and removal of existing structures and infrastructure onsite. No new housing, structures, or any other features are proposed within the flood zone. The project would not impede or redirect floodwaters, or increase the base elevation of the existing flood zone. Therefore, no impact would occur.

i. The project does not place structures or people in a high flood hazard area and is not within an area that would be affected by a levee or dam failure. No impact would occur.

j. The project is not proposed in an area subject to inundation by seiche or tsunami, and would not include any new structures that could be exposed to mudflow hazards. 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 with implementation of mitigation.

Mitigation and Monitoring

Implement Mitigation Measures HM-1 and HM-2.

10. 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.	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			X	
c.	Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

Environmental Setting

The project site is located at the northeast corner of the city of Morro Bay. The site was previously used by the Department of the Navy for jet fuel storage and distribution. The site is within the R-1/PD/ESH (Single-Family Residential/Planned Development / Environmentally Sensitive Habitat) zoning district and designated by the General Plan and Coastal Land Use Plan (CLUP) as Medium-Density Residential / Environmentally Sensitive Habitat. The ESH overlay is located along an existing drainage proximate to the northwest property boundary. The project site is partially located in the Coastal Commission's Appeals Jurisdiction, due to the presence of the coastal stream/drainage (ESH). Surrounding uses include residences to the north, west, and south. Undeveloped land is located to the northwest.

Impact Discussion

a. The proposed project includes the demolition, excavation, and removal of existing tanks, pumps, pipelines, and associated infrastructure. The project would not divide an existing community; therefore, no impact would occur.

b. The proposed project would not include any new uses. Implementation of the project would require ground disturbance, potentially creating fugitive dust, which may result in a nuisance affecting adjacent sensitive receptors (residents). Mitigation is recommended to reduce the potential for dust, and subsequent effects (refer to Section 3, Air Quality). A portion of the project site is located within an ESH overlay; no actions would occur within ESH with the exception of

soil sampling and restoration activities discussed in the Project Description; however, demolition and ground disturbance is proposed within 50-100 of the ESH boundary. ESH policy consistency is addressed in Section 4, Biological Resources, and mitigation is presented to mitigate potential impacts to less than significant. The project would require disturbance of soils and potentially groundwater contaminated by the previous use of the site; compliance with existing regulations would address potential land use impacts related to hazardous materials (refer to Section 8 Hazards/Hazardous Materials). Demolition activities would generate noise and groundborne vibration. While such activities are not inconsistent with City Noise Element policies, mitigation has been incorporated to limit public exposure to excessive noise (refer to Section 12, Noise). Based on implementation of recommended mitigation, impacts would be less than significant and no significant land use impacts would occur due to compliance with existing policies and regulations.

c. There are no habitat conservation plans or natural community conservation plans that apply to the project site. No impacts would occur.

Conclusion

Implementation of the proposed project would not result in significant impacts related to land use and planning.

Mitigation and Monitoring

Mitigation measures are not required.

11. 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 project is not proposed 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 fully built up and the City's General Plan does

not provide for mining; therefore, the project will not result in the loss of a known mineral resource of value to the region and impacts would be less than significant.

Conclusion

Implementation of the proposed project would not result in significant impacts to mineral resources.

Mitigation and Monitoring

Mitigation measures are not required.

12. NOISE Would the project:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Expose people to, or generate, noise levels exceeding established standards in the local general plan, coastal plan, noise ordinance or other applicable standards of other agencies?			X	
b.	Expose persons to or generation of excessive groundborne vibration or groundborne noise levels?		X		
c.	Cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X
d.	Cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?		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 expose people residing or working in the project area to excessive noise levels?				X
f.	For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

Environmental Setting

This section is based on a Construction Noise Analysis that was prepared for the proposed project (KM Acoustic Studies 2017), included in Appendix E. Ambient sound levels were measured on January 27, 2017, in order to serve as a reference point to which a comparison can be made with estimated noise levels associated with proposed demolition activities. Ambient levels included noise contributions from all sources of normal neighborhood activities plus noise generated by traffic on local neighborhood streets and to a lesser degree Highway 1. Measured ambient levels were between 48 and 52 a-weighted decibels (dBA) equivalent continuous sound level (L_{eq}). The project site is developed with an abandoned industrial use and is surrounded by sensitive residential noise receptors.

Some planning jurisdictions have guidelines established in order to help evaluate construction noise, with established thresholds defining overall maximum acceptable noise levels (L_{max}) or acceptable time averaged hourly levels ($L_{eq(h)}$) during construction activities. However, the City's General Plan Noise

Element does not specifically address construction related noise nor do any of the City's community noise ordinances that were referenced.

Often used for long range planning purposes, the Community Noise Equivalent Level (CNEL) or Day-Night Average Sound Level (L_{dn}) methodologies would not be good evaluation techniques in this case because either metric is a 24-hour time-averaged exposure level, adjusted with various penalties assigned for evening and or night operations. Since there will not be evening (7:00 p.m.–10:00 p.m.) or night (7:00 p.m.–7:00 a.m.) activities at the site, a more relevant evaluation technique should be used. The Federal Highway Administration (FHWA) and Caltrans use the hourly average noise level ($L_{eq(h)}$), in assessing construction-related noise in their environmental documents. Consistent with those agencies, $L_{eq(h)}$ was used in quantifying estimated hourly noise levels for this project.

Construction noise evaluation can vary considerably in terms of scope and desired outcome and can broadly be categorized as follows:

- No criteria specified;
- Qualitative criteria, "Noise levels shall not cause a disturbance";
- Relative criteria, "Noise levels shall not exceed ambient noise levels by more than x dB";
- Absolute criteria, "Maximum noise levels shall not exceed x dB"; and
- Criteria containing a combination absolute and relative noise level limits.

For this project, because it is in a relatively quiet residential area, and projected to last for up to 3 months, a maximum not-to-exceed level of +25 dBA Leq(h) over baseline, with an average level of up to +20 dBA Leq(h), threshold was utilized for day-to-day operations at the project site over baseline conditions.

Due to the complexity associated with quantifying construction noise at the project site because of all the different types of activities, potential operation of several large and small pieces of equipment at a time, how equipment might be grouped, equipment operating locations within the site with respect to varying distances from sensitive receptor locations, time based usage factors of equipment, existing shielding provided by buildings and berms, varying topography, etc., the FHWA Roadway Construction Noise Model (RCNM) was utilized in this evaluation. The program enables the calculation of construction noise levels in more detail than manual methods while avoiding the need to collect extensive amounts of project-specific input data. Using the RCNM, predicted noise levels can be evaluated at any distance from the project site using specific user inputs.

Impact Discussion

a. 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.

   As described, the tank removal portion of the project would include one excavator operating most of the time. The contractor anticipates using two excavators occasionally and would only have

two heavy equipment operators onsite at a time, so only two machines would be operating occasionally together, with the potential addition of a water truck.

A busy day of the tank removal portion of the project was simulated with the default equipment type being selected in the RCNM with two excavators, two dump trucks, a generator, and a compressor all operating within the site at the same time. The excavators and dump trucks were placed near the tanks, and the stationary equipment was modeled at 50 feet from a residence. The RCNM predicted that an average hourly level of approximately 69 dBA could reasonably be expected under these inputs for the closest receptor. For noise monitoring location #1 (refer to Appendix E), this would mean up to a 20-decibel (dB) increase over ambient levels, which would be well within the 25 dB increase suggested earlier.

This analysis is considered very conservative because it is highly unlikely that both a high-power generator and compressor would ever be operating in unison that close to a residence with all the other things happening at the same within the site. A distance of 50 feet was considered to be the closest distance at which a residence would be located to the project boundary, and thus the most potentially impacted.

Truck traffic would generate up to 131 round trip hauling trips. Periods of active truck trips would alternate with periods of onsite demolition activity. Averaged out over the course of 3 months, hauling trips would have a limited impact on the residential area.

For the concrete pad and soil/demolition debris removal portions of the project, the contractor anticipates using an excavator with a hydraulic breaker ram to bust up the concrete, with two other excavators with thumb attachments to stockpile and loadout trucks. There would also be truck trips generated by this portion of the project to haul materials from the project site, similar to the tank removal portion of the project. This portion of the project is only expected to last approximately 2 weeks.

The RCNM modeling prediction for this portion of the project included two excavators, a hydraulic breaker ram, and two dump trucks. Again, it is highly unlikely that all of this equipment would be grouped closely together and operating at the same time within the project site. Nonetheless, this was considered a conservative analysis and the model predicted roughly 62 dBA L_{eq} at a receptor distance of 200 feet under the above user inputs. As with the tank removal, any number of predictions could be made by changing equipment types and distances to sensitive receptor locations.

No long-term noise generation would occur. To ensure short-term construction noise generated by the proposed project is minimized, mitigation measures including public outreach, time constraints, noise sensitivity training, and use of equipment regulations are incorporated below. The measures outlined below have been evaluated for effectiveness based on the short-term nature of the project, the feasibility, ease of implementation, cost, and reasonableness of the measure. Therefore, project impacts would be less than significant with implementation of the mitigation.

b. The proposed project could result in limited groundborne vibration and noise during the short-term demolition phase (3 months). The loudest activities would include demolition of the existing tanks, which may include the use of metal shears (approximately 85 dB as measured 50 feet from the source) and jackhammers, which can generate up to 89 dB of noise as measured 50 feet from the source (FHWA 2011). Residents proximate to the project site may be adversely affected during the use of such equipment; however, the effects would be short term. To reduce potential

exposure, the applicant has agreed to limit use of shears, saws, and jackhammers to weekdays between 8:00 a.m. and 4:00 p.m. Therefore, potential impacts would be less than significant with implementation of mitigation.

c. Implementation of the project would not result in any new permanent sources of noise. No impact would occur.

d. The project would create temporary increased noise levels in the project vicinity above those existing without the project due to construction activities (refer to a. and b., above). Therefore, potential impacts would be less than significant with implementation of mitigation.

e., f. The proposed project is not located within an airport land use plan or proximate to a private airstrip; no impact would occur.

Conclusion

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

Mitigation and Monitoring

Mitigation Measure N-1: Prior to demolition actions, the applicant shall ensure that the following standard is included on the Demolition Plan, and shall verify compliance during construction and demolition: Use of metal shears, saws, jackhammers, and other equipment that produces sound at a level greater than 60 dB LA_{max} when measured at the exterior wall of any nearby residence shall be limited to Monday through Friday, 8:00 a.m. to 4:00 p.m. Operation of trucks or other vehicles greater than 10,000 pounds in gross weight, either at the project site or on public streets, shall be limited to Monday through Friday, 8:00 a.m. to 5:30 p.m.

Monitoring N-1: The construction contractor shall be responsible for complying with demolition restrictions and notifying the City Community Development Department at least 1 week prior to initiation of demolition activities. The City shall conduct periodic inspections to verify compliance.

Mitigation Measure N-2: In compliance with the recommendations included in the Construction Noise Analysis prepared for the proposed project, the following measures shall be implemented by the applicant and/or contractor to minimize short-term construction noise generated by project activities:

a. Prior to demolition actions, the application shall develop a public outreach program. An effective public information program provides a mechanism for notifying adjacent residents of the project. The public outreach program shall describe what the project is, the proposed duration, daily hours, haul routes, etc. This program would be best accomplished with a postcard or flyer that details activities in a timeline. It should provide a phone number, e-mail address, or other way the public can submit noise concerns or complaints on the informational mailing.
b. The contractor shall provide project level onsite worker training given by the foreman in noise sensitivity and noise-specific issues associated with the project including proper equipment operation.
c. The contractor shall ensure noisy equipment is only used when necessary and turned off when not in use.
d. The contractor shall avoid grouping equipment as much as possible.
e. The contractor shall use modern equipment (Tier 3 or higher) in proper tune to the maximum extent feasible.

f. The contractor shall use factory mufflers.
g. Whenever possible, the contractor shall position stationary noise sources, such as generators and compressors, as far away as possible from noise sensitive areas. If relatively static equipment such as pumps, generators, compressors, etc. must be located in close proximity to sensitive receptors, the contractor shall utilize existing shielding from the large existing berm and or existing structures and support facilities.
h. If necessary, the contractor shall monitor noise levels during construction. If noise complaints are received, the contractor shall provide noise monitoring compliance checks.
i. The contractor shall implement reduced speed limits (15 miles per hour) for trucks travelling to, from, and through the project site.

Monitoring N-2: The construction contractor shall be responsible for complying with these measures and notifying the City Community Development Department at least 1 week prior to initiation of demolition activities. The City Engineer shall conduct periodic inspections to verify compliance.

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

Environmental Setting

The City of Morro Bay has a population of 10,234 based on data from the 2010 Census. The population has remained relatively constant over the last decade, down approximately 1.1% from 10,350 in 2000 (California Department of Finance, Table E-4).

The San Luis Obispo County Council of Governments (SLOCOG) allocates housing production goals for the County and incorporated cities based on their fair share of the region's population and employment, which is outlined in the SLOCOG 2008 Regional Housing Needs Plan. The plan designated a Regional Housing Needs Allocation (RHNA) of 180 of the total 4,885 housing units to the City over the 2007–2014 planning period (SLOCOG 2008). The City's 2009 Housing Element showed the city's capacity to accommodate all 180 allocated units, and a remaining surplus of lands suitable to develop as many as 400 additional units.

Impact Discussion

a. Implementation of the proposed project would have no effect on existing housing and would not displace any people. No impacts would occur as a result of the proposed project.

b. Refer to a., above. No impacts would occur.

c. The project does not include any infrastructure or other growth-inducing elements. The project is limited to demolition of existing industrial structures. No new construction is proposed as part of this project. 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.

14. PUBLIC SERVICES 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:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Fire protection?			X	
b.	Police protection?			X	
c.	Schools?				X
d.	Parks or other recreational facilities?				X
e.	Roads and other transportation infrastructure?			X	
f.	Other public facilities?				X

Environmental Setting

The project site lies within the sphere of influence of the City; therefore, the City provides most of the public services, including fire and police protection. The San Luis Coastal Unified School District operates an elementary school and a high school within the city.

Impact Discussion

a-f. The proposed project would not result in additional demand for public services or utilities. During demolition, there would be a potential demand for fire protection or police services in the unlikely event an incident occurs that requires emergency response. The project would have no effect on schools, parks, or other services.

Potential impacts to street paving and underlying infrastructure along the designated travel route are evaluated in the *Truck Traffic Impact Analysis* (DPSI 2016) included in Appendix F. The applicant has agreed to a video inspection of the proposed traffic route before and after demolition. Any damage to road surfaces must be repaired by the applicant at no cost to the City. Please refer to discussion under Section 16 *Traffic and Circulation*.

Conclusion

The project is not anticipated to result in impacts related to public services. Potential impacts to roads and transportation infrastructure would be less than significant with implementation of mitigation.

Mitigation and Monitoring

Implement Mitigation Measure TR-1.

15. RECREATION Would the project:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	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.	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.

Impact Discussion

a., b. The project is limited to the demolition of existing tanks, pumps, pipelines, and associated infrastructure, and no increase in demand on parks and other recreational facilities is anticipated. No additional recreational facilities are proposed.

Conclusion

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

Mitigation Monitoring

Mitigation measures are not required.

16. TRANSPORTATION/CIRCULATION Would the project:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, street, highway and freeways, pedestrian and bicycle path, and mass transit?				X
b.	Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the country congestion management agency for designated roads or highways?				X
c.	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d.	Substantially increase hazards due to a design feature (e.g., limited sight visibility, sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?		X		
e.	Result in inadequate emergency access?		X		
f.	Conflicts with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities or otherwise decrease the performance or safety of such facilities?				X

Environmental Setting

This section is based on the Demolition Plan, included in Appendix A, and the *Truck Traffic Impact Analysis* (DPSI 2016), included in Appendix F, prepared for the proposed project. The project site is located adjacent to Panorama Drive. As discussed in the project description and the Demolition Plan, truck traffic associated with the project would primarily access the DFSP facility primarily via Sicily Street, Main Street, and Highway 1 at Yerba Buena Street. Trucks would not be staged on residential streets and would not be allowed to idle onsite. Tahiti Street would provide secondary access to the site.

Potential impacts to street paving and underlying infrastructure along the designated travel route are evaluated in the *Truck Traffic Impact Analysis* (DPSI 2016). Two aspects to consider when evaluating condition of the roads are fatigue and aging. Pavement fatigue is caused by the application of loads, which can lead to fatigue failure. The fatigue failure is usually expressed as the breaking up of the pavement. The City's Pavement Management Plan notes that aging of pavement is characterized by the breakdown of aggregates leading to the pavement becoming brittle, which "results in additional cracking from loaded vehicles" (Pavement Management Plan 2011). The City has rated the condition of streets in the city using the Pavement Condition Index (PCI). The PCI is a numerical rating of road segments with zero being the worst and one-hundred the best condition. The pavement fatigue and smoothness of the road are measured with the PCI. The City's Pavement Management Program aims to improve and/or

maintain an average PCI of 70 for all city streets from the current average of 66 (Streets Summit Update to Council 2016).

The streets of interest for the proposed truck route have been rated by the City of Morro Bay using the PCI (refer to Appendix F). Main Street's PCI rating is divided with a PCI rating of 37 (Category IV - Poor) north of Vashon Street and a PCI rating of 88 (Category I – Very Good) south of Vashon Street. Sicily Street has a PCI rating of 84 and Tahiti Street has a PCI rating of 67, both in Category I – Very Good.

Impact Discussion

a., b. Based on the nature of the project, it would not conflict with any applicable plan, ordinance, or policy related to transportation or circulation. No long-term operational trips would be generated. Therefore, no impact would occur.

c. The project would not have any effect on area flight patterns, as no new uses are proposed. No impact would occur.

d., e. The project site would be accessed via existing, public, residential roadways. The project is expected to require approximately 3 months to complete. Over this time, a total of approximately 131 round-trip truck loads would be required, as discussed in the Demolition Plan. Truckloads for metal recycling are estimated based on a maximum trailer size of 8 feet wide by 40 feet long by 8 feet high and a net load of 20 tons. Concrete would be hauled in low-side end dump trailers with a load capacity of approximately 22 net tons. A contingency was added to the number of truck trips to allow for unanticipated load variations. For the DFSP demolition, the following truck round trips are estimated:

- Metals: 50 loads
- Concrete: 75 loads
- Debris: 4 loads
- Domestic trash and miscellaneous debris: 2 loads

Demolition activities would require two to 10 onsite personnel; therefore, worker trips are conservatively estimated to include 10 round trips per day from Santa Barbara and San Luis Obispo Counties. Workers are anticipated to travel to the site on U.S. Route 101, Highway 1, Yerba Buena Street, Main Street, and Sicily or Tahiti Streets.

For the majority of the project, the contractor, crew, and equipment will enter the site from Highway 1 onto Yerba Buena Street to Main Street, and then left onto Sicily Street to the site. A rumble strip is proposed at access point onsite to minimize mud or dirt leaving the site. While this project is short-term, the increased presence of large equipment and haul trucks on roadways currently used by residents may have a significant impact related to hazards and emergency access and evacuation. Based on the site's proximity to a residential neighborhood, implementation of a Construction Staging and Traffic Management Plan is recommended to mitigate potential impacts to less than significant. Therefore, project impacts would be less than significant with implementation of mitigation.

f. The project would not conflict with any adopted plans, policies, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities. No impact would occur.

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

In addition to Mitigation Measure N-2, the following measures shall be implanted to reduce potential impacts related to transportation and circulation associated with the proposed project.

Mitigation Measure TR-1: Prior to initiation of demolition actions, the applicant shall prepare and submit a Construction Staging and Traffic Management Plan for approval by the City Community Development Department. The plan shall be implemented during construction, and shall include, but not be limited to, the following elements:

a. All employees shall be notified of the designated truck route and staging area locations.
b. Vehicle speed on the site shall be limited to 15 miles per hour or less.
c. On-street parking shall not occur during project activities.
d. Vehicle or equipment queuing shall not occur in a manner that would block or restrict on-street traffic.
e. Before and after video inspection of the proposed truck route. Any damage, to City facilities (e.g., curb/berm, street, sewer line, water line) or any public improvements caused by, or arising from, proposed demolition activities shall be repaired by applicant at no cost to the City of Morro Bay.

Monitoring TR-1: The construction contractor shall be responsible for complying with traffic mitigation measures and notifying the City Community Development Department at least 1 week prior to initiation of construction activities. Public Works staff shall conduct periodic inspections to verify compliance.

17. TRIBAL CULTURAL RESOURCES 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:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. 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		

17. TRIBAL CULTURAL RESOURCES 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:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
b. 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 Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.		X		

Environmental Setting

Refer to Section 5, Cultural Resources, for a discussion of the cultural setting in the project area.

Impact Discussion

a., b. Based on the discussion in Section 5, Cultural Resources, and information documented in the *Phase I Cultural Resource Inventory* (Albion Environmental 2016), no known resources listed or eligible for listing in the CRHR, or in a local register of historical resources, or determined by the lead agency to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, are present within the project site. In addition, the project would consist of the demolition and removal of above and below ground structures located on and within previously disturbed soils.

While the potential for resources is low, projects such as this have the risk of unintentionally impacting tribal cultural resources. Therefore, the applicant has agreed to retain a qualified archaeologist to conduct a cultural resource awareness training for construction crews and supervisors prior to commencement of demolition activities. If previously unidentified resources are unearthed, the applicant has agreed to halt work within the area of the find until a qualified archaeologist can evaluate the nature and significance of the find.

Additionally, AB 52, effective July 1, 2015, requires formal consultation with Native American tribes in order to protect tribal cultural resources. Consultation initiation letters were sent to six local tribes with connection to Morro Bay. Of these, one tribe responded by email, stating that: "I read the letter and I understand that it appears highly unlikely that there are intact cultural resources. But, cultural resources are important even if not intact. I recommend that an archaeologist be present at the time of demolition of the tanks, piping and associated equipment" (Mona Tucker, yak tit^{y}u tit^{y}u Northern Chumash Tribe, June 1, 2016). Impacts are considered less than significant with mitigation.

Conclusion

Implementation of the proposed project would not result in significant impacts to archaeological resources.

Mitigation and Monitoring

Implement Mitigation Measures CR-1 and CR-3.

18. UTILITIES & SERVICE SYSTEMS Would the project:		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b.	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c.	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d.	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e.	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
f.	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			X	
g.	Comply with federal, state, and local statutes and regulations related to solid waste?			X	

Environmental Setting

The project site is developed with existing infrastructure, including stormwater drainage, water supply, and sewer service infrastructure. 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. The project will comply with federal, state, and local statutes and regulations related to solid waste disposal, diverting materials from the demolition activities to local, approved receiving recycling facilities as feasible.

Impact Discussion

a. The project would not require connection to existing city wastewater collection and treatment facilities, and would not include an onsite system. Therefore, there would be no impact.

b. The project would not require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities. Existing water supply infrastructure would be left in place on the project site. There are no known future development plans for the project site; therefore, no impact would occur.

c. The proposed project does not require or include the construction of additional stormwater management facilities. Existing stormwater drainage infrastructure would be left in place on the project site. There are no known specific future development plans for the project site; therefore, no impact would occur.

d. The project would use a non-potable water truck during short-term demolition and excavation activities; however, the project would not require operational use of City water supply. There are no known future development plans for the project site; therefore, no impact would occur.

e. The project would not require the use of the City's wastewater treatment facility; therefore, no impact would occur.

f. Based on the short-term (3 months) duration of proposed demolition activities, limited quantity of demolition materials, and high percentage of materials proposed to be recycled (goal is ≥95%), the proposed project's permanent impact on capacity at local receiving recycling and landfill facilities and other hazardous waste-approved facilities would be minimal. Local facilities are expected to be able to meet the additional demand and impacts are considered less than significant.

g. The project would comply with all applicable federal, state, and local 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.

IV. 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, 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. Potential adverse effects to the environment associated with the project include the potential contamination, disturbance, runoff, or sedimentation into an un-named ephemeral drainage, which is designated ESH. Mitigation measures have been proposed to prevent or reduce potential impacts. Refer to 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, Building, and Public Works Divisions), Fire Department.
San Luis Obispo Air Pollution Control District
San Luis Obispo County Environmental Health Services
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 & Map	x	Climate Action Plan

C. Other Sources of Information

x	Field work/Site Visit	x	Ag. Preserve Maps
x	Staff knowledge/ calculations	x	Flood Control Maps
x	Project Plans, December 5, 2017	X	Archaeological maps and reports
x	Applicant project statement/description and submittal/resubmittal letters	x	Soils Maps/Reports
x	Report of AWP Activity Completion (June 30, 1997)	x	Published geological maps
x	Greenvale Tree Company, Arborist Reports: May 18, 2016 / December 13, 2016 Addendum / August 14, 2017	x	Topographic maps
x	Terra Verde Environmental Consulting, Biological Assessment Letter, June 27, 2016 / Biological Monitoring Plan, August, 2016 / Biological Assessment Letter October 20, 2016 / Biological Assessment Letter November 17, 2016 /	x	County of San Luis Obispo Air Pollution Control District, CEQA Air Quality Handbook, April 2012
x	Bedford Contracting Inc., Contingency Plan for Discovered Hazardous Waste, June 2016	x	Federal Emergency Management Agency Flood Insurance Rate Maps, Map Numbers 06079C0811G and 06079C0813G November 16, 2012
x	Albion Environmental, Phase I Cultural Resources Inventory, March 2016	x	California State Water Resources Control Board website, Geotracker, viewed February 1, 2016
x	Department of Parks and Recreation 523 Form, Primary Record prepared by Daniel Shoup, Archaeological/Historical Consultants, June 13, 2016	x	Department of Toxic Substances Control website, Envirostor, viewed July 11, 2016
x	Fluor Daniel GTI, Risk-Based Closure Report, September 23, 1996	x	Geosolutions, Inc., Dust Mitigation Plan, May 18, 2016 / Email re geology of the project site, April 20, 2016
x	Hazard Management Services, Inspection of Storage Tanks and Pump Station for Demolition, Inspection of Office, Control Room, and Garage Buildings for Demolition, May 13, 2016 (Asbestos and	x	DPSI, Truck Traffic Impact Analysis, November 21, 2016

	Lead)		
x	KM Acoustic Studies, Construction Noise Analysis, August 22, 2017	x	Analytical Consulting Group, Inc.: Air Monitoring Report, December 30, 2016 / Demolition Work Plan, December 29, 2017 / Morro94 Panorama Gantt Chart Hazardous Materials Storage Tank System Cleaning /Cutting Application to San Luis Obispo County Health Dept., January 18, 2017

VI. ATTACHMENTS

A – Summary of Mitigation Measures and Applicant's Consent to Incorporate Mitigation into the Project Description.

Attachment A
Mitigation and Monitoring Program

Mitigation Measure AQ-1: No article, machine, equipment or other contrivance, the use of which may cause, increase, eliminate, reduce or control the issuance of air contaminants may be operated or used, unless:

a. A current Permit to Operate or temporary Permit to Operate has been obtained from the Control Officer of the San Luis Obispo County Air Pollution Control District, or
b. The article, machine, equipment or other contrivance has been registered under the Portable Equipment Registration Program (PERP) of the California Air Resources Board, or
c. The article, machine, equipment or other contrivance is designated as not requiring a permit by Rule 201 of the San Luis Obispo County Air Pollution Control District.

Such articles, machines, equipment, or other contrivances that may be employed during this project include, but are not limited to, internal combustion engines of 50 horsepower or greater and equipment utilized in the degassing and cleaning of fuel storage tanks and pipelines.

Monitoring AQ-1: Prior to issuance of any demolition permit by the City of Morro Bay, the applicant shall incorporate this condition as a note on the demolition plan set and shall provide the City Community Development Director with copies of all required Permits to Operate, temporary Permits to Operate, or registrations with the Portable Equipment Registration Program.

Mitigation Measure AQ-2: Petroleum Storage Tank Degassing and Removal, Removal of Hydrocarbon-Contaminated Soil, Removal of Asbestos, and Removal of Lead-Contaminated Materials: Prior to issuance of a demolition permit by the City of Morro Bay, the applicant shall:

a. Provide the City Community Development Director with written evidence that the Environmental Health Division of the County of San Luis Obispo Public Health Department and the San Luis Obispo County Air Pollution Control District have been provided with a complete description of the proposed project, including specific descriptions of potential bio-hazards associated with removal of residual petroleum projects from the fuel tanks and pipelines, removal of hydrocarbon-contaminated soil, disassembly and removal of known or reasonably expected asbestos gaskets and pipe fittings, and removal of lead-containing paint and soil contaminated with lead-containing paint.
b. Provide the City Community Development Director with written responses from the Environmental Health Division of the County of San Luis Obispo Public Health Department and the San Luis Obispo County Air Pollution Control District, documenting provision of any additional information requested by these agencies, as well as any actions, mitigations, conditions, or permits required.

Monitoring AQ-2: Prior to issuance of any demolition permit by the City of Morro Bay, the applicant shall:

a. Incorporate any conditions or requirements imposed by the Environmental Health Division of the County of San Luis Obispo Public Health Department or the San Luis Obispo County Air Pollution Control District as notes on the demolition plan set, and

b. Provide to the City Community Development Director documentation that any permits required from the Environmental Health Division of the County of San Luis Obispo Public Health Department or the San Luis Obispo County Air Pollution Control District have been obtained.

Mitigation Measure AQ-3: APCD Permitting of Hydrocarbon Contaminated Soil Processes. This project will require a San Luis Obispo County Air Pollution Control District permit to address proper management of the hydrocarbon contaminated soil prior to the start of any earthwork. This permit will include conditions to minimize emissions from any excavation, disposal or related process. To the extent feasible, the applicant must contact the San Luis Obispo County Air Pollution Control District Engineering Division at 781-5912 at least 120 days before the start of excavation to begin the permitting process. In addition, the air quality impacts from the excavation and haul trips associated with removing the contaminated soil must be evaluated and mitigated if total emissions exceed the San Luis Obispo County Air Pollution Control District's construction phase thresholds.

Monitoring AQ-3: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-4: Naturally-Occurring Asbestos: Prior to issuance of a demolition permit by the City of Morro Bay, the applicant shall provide the City Community Development Director with written documentation that either:

a. The project has been granted an exemption by the Air Pollution Control Officer of the San Luis Obispo County Air Pollution Control District from the provisions of California Code of Regulations Section 93105, as provided in CCR Section 93105 (b), or
b. An Asbestos Dust Mitigation Plan has been approved by the San Luis Obispo County Air Pollution Control District, in accordance with CCR 93105 (e)(2) and the provisions of such Asbestos Dust Mitigation Plan have been recorded as notes on the demolition plan set.

Monitoring AQ-4: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-5: Demolition/ Asbestos. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, abatement, and disposal of asbestos-containing material. Asbestos-containing material could be encountered during the demolition or remodeling of existing structures or the disturbance, demolition, or relocation of above or below ground utility pipes/pipelines (e.g., transite pipes or insulation on pipes). This project will include these activities and may be subject to various regulatory jurisdictions including the requirements stipulated in the National Emission Standards for Hazardous Air Pollutants 40 CFR 61, Subpart M – asbestos NESHAP. These requirements include, but are not limited to: (1) written notification, within at least 10 business days of activities commencing, to the San Luis Obispo County Air Pollution Control District; (2) asbestos survey conducted by a Certified Asbestos Consultant; and (3) applicable removal and disposal requirements of identified asbestos-containing material. Please contact the San Luis Obispo County Air Pollution Control District Enforcement Division at (805) 781-5912, and also go to http://www.slocleanair.org/rules-regulations/asbestos.php for further information. To obtain a Notification of Demolition and Renovation form go to the "Other Forms" section of http://www.slocleanair.org/rules-regulations/asbestos.php.

Monitoring AQ-5: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-6: Dust Control Measures. Demolition and construction activities can generate fugitive dust, which could be a nuisance to local residents and businesses in close proximity to the proposed construction site. Since all portions of the project site are located within 1,000 feet of sensitive receptors, the applicant shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the San Luis Obispo County Air Pollution Control District's 20% opacity limit San Luis Obispo County Air Pollution Control District Rule 401) or prompt nuisance violations SLOAPCD Rule 402).

a. Reduce the amount of the disturbed area where possible;
b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the San Luis Obispo County Air Pollution Control 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. Only reclaimed (non-potable) water shall be used for dust control. Please note that since water use is a concern due to drought conditions the contractor or builder shall consider the use of aSan Luis Obispo County Air Pollution Control District-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;
c. All dirt stock pile areas should be sprayed daily and covered with tarps or other dust barriers as needed;
d. Permanent dust control measures identified in the approved project revegetation site cleanup and restoration plans should be implemented as soon as possible, following completion of any soil disturbing activities;
e. 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;
f. 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 San Luis Obispo County Air Pollution Control District;
g. 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;
h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;
i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered in accordance with CVC Section 23114;
j. To prevent "track-out," install and operate a "track-out prevention device" where vehicles enter and exit unpaved ground or roads onto paved streets. ''Track-Out" is defined as sand or soil that adheres to and/or agglomerates on the exterior surfaces of motor vehicles and/or equipment (including tires) that may then fall onto any highway or street as described in California Vehicle Code Section 23113 and California Water Code 13304. The "track-out prevention device" can be any device or combination of devices that is effective at preventing track out, located at the point of intersection of an unpaved area and a paved road. Rumble strips or steel plate devices require periodic cleaning to be effective;
k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers shall be used with reclaimed water used. Roads shall be pre-wetted prior to sweeping;

l. Prior to any ground disturbance, sufficient water or soil stabilizers shall be applied to the area to be disturbed to prevent visible emissions from crossing the property line;
m. Areas to be graded or excavated shall be kept adequately wetted and/or stabilized to prevent visible emissions from crossing the property line;
n. Storage piles shall be kept adequately wetted, treated with a chemical dust suppressant, or covered when material is not being added to or removed from the pile;
o. Equipment shall be washed down before moving from the property onto a paved public road;
p. Visible track-out on the paved public road shall be cleaned using wet sweeping or a HEPA filter equipped vacuum device within twenty-four (24) hours;
q. During site grading and/or excavation activities, if serpentinite material is encountered, the project engineering geologist shall be notified that this material has been encountered;
r. During site excavation for investigation purposes, a water truck shall be available for dust control;
s. All PM_{10} (dust) mitigation measures required should be shown on grading and building plans; and,
t. 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 and reduce visible emissions below the San Luis Obispo County Air Pollution Control District's limit of 20% opacity for greater than 3 minutes in any 60-minute period. 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 San Luis Obispo County Air Pollution Control District Compliance Division prior to the start of any grading, earthwork, or demolition.

Monitoring AQ-6: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-7: Diesel Idling Limitations. This project is in close proximity to nearby sensitive receptors (residences to the northwest, west and south). Projects that will have diesel powered construction activity in close proximity to any sensitive receptor shall implement the following mitigation measures to ensure that public health benefits are realized by reducing toxic risk from diesel emissions: To help reduce sensitive receptor emissions impact of diesel vehicles and equipment used to construct the project the applicant shall implement the following idling control techniques:

a. Idling of diesel engines, whether installed in on-road vehicles or off-road equipment, shall not be permitted.
b. No vehicle fitted with a diesel-powered auxiliary power system (APS) shall use such APS to power any heater, air-conditioner, or other auxiliary equipment for longer than 5 minutes.
c. The use of equipment powered by means other than diesel engines is preferred when possible
d. Signs that indicate that diesel idling is prohibited at the entire demolition site shall be prominently posted and enforced.

Monitoring AQ-7: Active air quality monitoring shall be conducted in accordance with the Air Monitoring Plan (AMP) prepared by Rhine LP & Morro94, LLC, and dated December 23, 2016. Prior to issuance of a demolition permit, however, the AMP shall be:

a. Expanded to include monitoring for asbestos, and
b. Submitted to and approved by the San Luis Obispo Air Pollution Control District.

Mitigation Measure BR-1: Prior to issuance of demolition permits, the applicant shall submit documentation verifying designation of a qualified biological monitor for all biological resources

measures to ensure compliance with Conditions of Approval and mitigation measures. The monitor shall be responsible for the preparation, submittal, and compliance with a Biological Monitoring Plan. The plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding environmentally sensitive areas; (5) authority to stop work; and (6) action to be taken in the event of non-compliance.

Monitoring BR-1: The City Community Development Department shall verify receipt and compliance with the approved Biological Monitoring Plan. The name and contact information of the project biological monitor shall be listed on the plans submitted for a demolition permit.

Mitigation Measure BR-2: Prior to the initiation of demolition actions, including equipment and materials staging and storage, the biological monitor shall conduct environmental awareness training for all construction personnel. The environmental awareness training shall include discussions of sensitive habitats and animal species in the immediate area. Topics of discussion shall include: general provisions and protections afforded by the Endangered Species Act; measures implemented to protect special-status species; review of the project boundaries and special conditions; the monitor's role in project activities; lines of communications; and procedures to be implemented in the event a special-status species is observed in the work area.

Monitoring BR-2: The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that all project personnel have completed the required training.

Mitigation Measures BR-3: Prior to the initiation of demolition actions, including equipment and materials staging and storage, the applicant's contractors and the biological monitor shall coordinate the placement of project delineation fencing throughout the work areas. The biological monitor shall field fit the placement of the project delineation fencing to minimize impacts to sensitive resources. The project delineation fencing shall remain in place and functional throughout the duration of the project. During construction, no project related work activities shall occur outside of the delineated work area.

Monitoring BR-3: The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that project delineation fencing has been installed and remains in place for the duration of the project. The biological monitor shall determine when the fencing may be removed, in consultation with the City Community Development Department.

Mitigation Measure BR-4: Prior to initiation of demolition actions, including storage and use of equipment and materials within the project site, the following avoidance and mitigation measures shall be implemented minimize and/or avoid impacts to ESH as a result of proposed demolition activities:

a. Limits of Environmentally Sensitive Habitat Area (ESH area) shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESH fencing shall be maintained in good order until removed in accordance with the requirements of paragraph c.
b. No equipment access, excavation, or other land disturbing activities shall occur within the limits of ESH other than approved tree trimming and removal.
c. Equipment access, excavation, and other land disturbing activities within 50 feet of the ESH boundary shall be limited to the minimum required for removal or abandonment of the six-inch pipeline and small amount of Gunite located in this zone, tree trimming and removal of dead and diseased trees, and restoration of the land surface. Upon completion of these activities, brightly

colored construction fencing shall be erected a minimum of 50 feet from the ESH boundary and no further access to this area shall be permitted, except as necessary in the event of an emergency evacuation. This fencing shall be maintained in good order for the duration of the project. Upon erection of construction fencing 50 feet from the ESH border, construction fencing along the ESH border itself shall be removed.

d. Appropriate erosion and sediment control measures shall be installed and maintained for soil disturbances which could lead to sedimentation impacts to the un-named tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESH shall be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, or similar method approved by the City of Morro Bay).
e. Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.
f. Any equipment or vehicles operated adjacent to ESH shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.
g. Emergency spill kits shall be present at the site and personnel shall be trained in proper use of the spill kit during all demolition and removal activities. Training documentation shall be provided to the City of Morro Bay.
h. Appropriate amounts of water and/or soil stabilizers shall be used to suppress fugitive dust during demolition and earth disturbing work, consistent with San Luis Obispo Air Pollution Control District standards.
i. Disturbance to ESH shall be prohibited a minimum of 50 feet from the edge of ESH pending full California Environmental Quality Act, Coastal Act, and Local Coastal Program Policy analysis by the City of Morro Bay. In addition, appropriate permits (i.e., California Department of Fish and Wildlife Lake and Streambed Alteration Agreement) shall be obtained prior to work.

Monitoring BR-4: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-5: The following measures are required to avoid and/or minimize potential impacts to sensitive invertebrate, amphibian, piscine, reptilian, and mammalian species that may be present at the proposed project site:

a. A qualified biologist shall survey the project site no more than 48 hours before the start of work activities to determine whether there is evidence of the presence of any of the following sensitive species:

<u>Invertebrates</u>

- Morro shoulderband snail (*Helminthoglypta walkeriana*)

<u>Insects</u>

- sandy beach tiger beetle (Cicindela hirticollis gravida)
- globose dune beetle (*Coelus globosus*)
- Morro 10-Lined june beetle (*Polyphylla* species novae *'morroensis'*)
- 'Morro' Boisduval's blue butterfly (*Plebejus icarioides 'moroensis'*)

<u>Fishes</u>

- coastal rainbow trout (*Oncorhynchus mykiss irideus*)

- tidewater goby (*Eucyclogobius newberryi*)

Amphibians

- California red-legged frog (*Rana draytonii*)

Reptiles

- western pond turtle (E*mys marmorata*)
- Coast horned lizard (*Phrynosoma blainvillii*)
- silvery legless lizard (*Anniella pulchra pulchra*)

Mammals

- Morro Bay kangaroo rat (*Dipodomys heermanni morroensis*)
- big free-tailed bat (*Nyctinomops macrotis*)
- western red bat (*Lasiurus blossevillii*)
- pallid bat (*Antrozous pallidus*)
- fringed myotis (*Myotis thysanodes*)
- Yuma myotis (*Myotis yumanensis*)
- long-legged myotis (*Myotis volans*)
- long-eared myotis (*Myotis evotis*)
- western small-footed myotis (*Myotis ciliolabrum*)
- American badger (*Taxidea taxus*)

b. If sensitive species are detected within the boundaries of the Environmentally Sensitive Habitat Area and out of harm's way, a qualified biologist shall monitor all demolition, grading, and removal activities within 50 feet of suitable habitat.
c. If sensitive species are detected within any of the areas planned for disturbance, the biological monitor shall contact the California Department of Fish and Wildlife (CDFW) and/or the U.S. Fish and Wildlife Service (USFWS) for guidance in formulating a plan as to how to proceed. No work at the site shall commence until a written plan of action has been approved by the CDFW and/or USFWS and by the Community Development Director of the City of Morro Bay.
d. In the event that sensitive species are encountered unexpectedly during the course of project activities, work shall be immediately halted and the biological monitor shall contact the USFWS for guidance in formulating a plan as to how to proceed. No further work at the site shall commence until a written plan of action has been approved by the USFWS and by the Community Development Director of the City of Morro Bay.
e. In the event that non-sensitive wildlife species are encountered during the course of project activities, work shall be immediately halted and such wildlife shall be allowed to leave the area unharmed of their own volition or shall be relocated to a "no-kill" wildlife rescue facility. No further work at the site shall commence until all of the encountered individuals are absent from the project site.
f. No project-related materials and/or equipment shall be allowed within the designated ESH without prior approval of responsible regulatory agencies and amendment of the applicable Coastal Development Permit and Conditional Use Permit by the City of Morro Bay.

Monitoring BR-5: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-6: The following measures are required to avoid and/or minimize potential impacts to nesting birds which may be present at the proposed project site:

a. Unless required to mitigate an immediate physical danger, no tree removal or trimming may be carried out during the period between February 1 and June 30. Tree trimming performed between February 1 and June 30 for the purpose of mitigating an immediate hazard shall be confined to the minimum necessary to alleviate such hazard.
b. No more than one week before the start of any demolition and removal activities, earth disturbance, or vegetation clearance carried out during the period between February 1 and September 15 (inclusive), a qualified biologist shall survey the project site to determine whether any active bird nests are present at the project site and to identify the species of bird occupying such nest(s). The results of such survey shall be delivered, in writing, to the office of the Morro Bay Community Development Director no less than 48 hours prior to commencement of work activity.
c. If active nests occupied by any sensitive species are found, no work shall commence until an appropriate buffer and mitigation plan have been developed in consultation with the City, the California Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service. For purposes of this Mitigation Measure, the following are considered to be sensitive species:

- brant (*Branta bernicula*)
- harlequin duck (*Histrionicus histrionicus*)
- common loon (*Gavia immer*)
- American white pelican (*Pelecanus erythrorhynchos*)
- California brown pelican (*Pelecanus occidentalis californicus*)
- double-crested cormorant (*Phalacrocorax auritus*)
- least bittern (*Ixobrychus exilus*)
- osprey (*Pandion haliaetus*)
- white-tailed kite (*Elanus leucurus*)
- northern harrier (*Circus cyaneus*)
- sharp-shinned hawk (*Accipiter striatus*)
- Cooper's hawk (*Accipiter cooperii*)
- ferruginous hawk (*Buteo regalis*)
- golden eagle (*Aquila chrysaetos*)
- merlin falcon (*Falco columbarius*)
- American peregrine falcon (*Falco peregrinus anatum*)
- prairie falcon (*Falco mexicanus*)
- California black rail (*Laterallus jamaicensus coturniculus*)
- western snowy plover (*Charadrius alexandrinus nivosus*)
- black oystercatcher (*Haematopus bachmani*)
- whimbrel (*Numenius phaeopus*)
- long-billed curlew (*Numenius americanus*)
- marbled godwit (*Limosa fedoa*)
- black turnstone (*Arenaria melanocephala*)
- sanderling (*Calidris alba*)
- short-billed dowitcher (*Limnodromus griseus*)
- Heerman's gull (*Larus heermanni*)
- California gull (*Larus californicus*)
- elegant tern (*Sterna elegans*)
- black Skimmer (*Rhynchops niger*)

- marbled murrelet (*Brachyramphus marmoratus*)
- ancient murrelet (*Synthliboramphus antiqus*)
- Cassin's auklet (*Ptychoramphus aleuticus*)
- rhinocerus auklet (*Cerorhinca monocerata*)
- western burrowing owl (*Athene cunicularia*)
- California spotted owl (*Strix occidentalis occidentalis*)
- Allen's hummingbird (*Selasphorus sasin*)
- olive-sided flycatcher (*Contopus cooperi*)
- willow flycatcher (*Empidonax traillii*)
- loggerhead shrike (*Lanius ludovicianus*)
- purple martin (*Progne subis*)
- oak titmouse (*Baelophus inornatus*)
- wrentit (*Chamaea fasciata*)
- California thrasher (*Toxostoma redivivum*)
- yellow warbler (*Dendroica petechia*)
- large-billed savannah sparrow (*Passerculus sandwichensis rostratus*)
- tri-colored blackbird (*Agelaius tricolor*)

d. If active nests occupied by any non-sensitive species other than raptors are found, a buffer zone 250 feet in radius shall be established around each such active nest. Construction fencing shall be erected around the perimeter of each such buffer zone and signage shall be prominently displayed indicating that no work activity is permitted within the buffer. Construction fencing shall be maintained in place and in good repair and work activity shall remain outside of designated buffer zones until a qualified biologist has determined that the young have fledged and are no longer reliant on parental care.

e. If active nests occupied by any non-sensitive raptor species are found, a buffer zone 500 feet in radius shall be established around each such active nest. Construction fencing shall be erected around the perimeter of each such buffer zone and signage shall be prominently displayed indicating that no work activity is permitted within the buffer. Construction fencing shall be maintained in place and in good repair and work activity shall remain outside of designated buffer zones until a qualified biologist has determined that the young have fledged and are no longer reliant on parental care.

Monitoring BR-6: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure BR-7: Non-diseased and non-hazardous mature trees removed in conjunction with the demolition project shall be replaced with 5- or 15-gallon trees in compliance with the City's Major Vegetation Removal, Replacement and Protection Guidelines, using in-kind and other species appropriate to the conditions of the replacement planting location at a minimum 2:1 ratio either: (1) on the project site; (2) offsite; or (3) some combination of onsite and offsite planting approved as part of UP0-440 and CP0-500. Newly planted trees onsite shall be maintained until successfully established. In the event that any of the replacement trees should die within 3 years after planting, such trees shall be removed and replaced by the applicant. Watering shall be controlled so only enough is used to initially establish the tree, and reducing to zero over a 3-year period. Once trees have been planted and prior to final inspection, the applicant shall retain a qualified individual (e.g., landscape contractor, arborist, nurseryman, botanist) to prepare a letter stating when the above planting occurred, what was planted and all measures installed

to improve the long-term success of these trees. This letter shall be submitted to the City Community Development Department.

Monitoring BR-7: These measures shall be incorporated into a Tree Restoration Plan to be submitted as part of the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, the Arborist Report, and receipt of documentation from the biological monitor confirming compliance.

Mitigation Measure CR-1: Prior to the initiation of demolition actions, including equipment and materials staging and storage, a qualified archaeologist shall conduct a cultural resource awareness training for construction crews and supervisors. The cultural resource awareness training shall include the following: (1) a description of the kinds of resources that may be found in the area, (2) the importance of cultural resources to the Native American community, (3) a discussion of laws pertaining to significant archaeological and historical sites, and (4) protocols to be used in the event of an unanticipated discovery.

Monitoring CR-1: The City Community Development Department shall verify receipt of documentation from the qualified archaeologist confirming that all project personnel have completed the required training.

Mitigation Measure CR-2: In the event that intact and/or unique archaeological artifacts or historic or paleontological resources are encountered during grading, clearing, grubbing, and/or other demolition activities associated with the proposed project involving ground disturbance, all work in the immediate vicinity of the find shall be stopped immediately, a qualified archaeologist and/or paleontologist, and Native American monitor, shall be notified, and the resource shall be evaluated to ensure the discovery is adequately recorded, evaluated and, if significant, mitigated.

Monitoring CR-2: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance.

Mitigation Measure CR-3: Prior to ground disturbance, the applicant shall retain a qualified archaeologist, defined as an archaeologist who meets the Secretary of the Interior Professional Qualification Standards for archaeology, to prepare and implement a Cultural Resources Monitoring Plan. The plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding cultural resources; (5) authority to stop work; and (6) action to be taken in the event of non-compliance. The archaeological monitor and similarly qualified Native American representative(s) shall be present during ground-disturbing activities. The archaeological monitor shall submit a monitoring report to the City Community Development Department following completion of all required monitoring activities.

Monitoring CR-3: The City Community Development Department shall verify receipt and compliance with the approved Cultural Resources Monitoring Plan. The name and contact information of the project archaeologist shall be listed on the plans submitted for a demolition permit.

Mitigation Measure HM-1: Prior to the initiation of demolition actions, the applicant shall submit all documentation of the County of San Luis Obispo Department of Public Health Department approval of the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016). A copy of the County permit and all supporting documentation shall be available for review onsite at all times, and the

applicant shall comply with all approved policies and measures identified in the document. The applicant shall comply with all existing regulations protecting public health and safety, as well as all of the following conditions required by the County in the approval letter dated March 14, 2017:

a. The applicant shall schedule with the County of San Luis Obispo Public Health Department and City of Morro Bay Fire Department a pre-demolition safety meeting to ensure all safety measures are in place, and that a pre-demolition safety meeting for workers has been conducted and documented.
b. Inspections shall be scheduled with the County of San Luis Obispo Public Health Department inspector, which will include certification of a safe atmosphere in the tanks and piping before demolition, inspection of piping before removal, and soil sampling beneath removed piping.
c. The applicant shall provide copies of tank and piping atmosphere monitoring documentation to the County of San Luis Obispo Public Health Department, confirming the atmosphere is safe and non-explosive, before demolition.
d. The applicant shall provide copies of all soil sample lab analysis to the County of San Luis Obispo Public Health Department prior to contaminated soil disposal.
e. The applicant shall consult with the County of San Luis Obispo Public Health Department and provide justification for approval before closing any pipeline in place.
f. The applicant shall submit copies of waste disposal manifests, signed by the Treatment, Storage, and Disposal Facility (TSDF), within 45 days after disposal.
g. Post-demolition, the applicant shall submit the following supporting documents to the County of San Luis Obispo Public Health Department:

    1. A soil assessment report from the AGT system removal that complies with all applicable guidance from the California Environmental Protection Agency (CalEPA) and the U.S. Environmental Protection Agency (USEPA), particularly the Department of Toxic Substances (DTSC) Preliminary Environmental Assessment (PEA) Manual;
    2. A Phase 1 Environmental Assessment;
    3. A work plan to perform a Phase 2 Environmental Assessment that includes environmental sampling and soil gas sampling for volatile organic compounds (VOCs) that comply with the DTSC Soil Gas Investigation Advisory, 2012;
    4. A Phase 2 Environmental Assessment Report; and
    5. A Human Health Risk Assessment that complies with all applicable guidance from CalEPA and USEPA.

h. The applicant shall coordinate to determine if a Remediation Action Plan (RAP) is required for the proposed project. A RAP may be required if environmental sampling indicates a potential unacceptable risk to future residents exists.

Monitoring HM-1: The City Community Development Department shall verify receipt of approval documentation from the County of San Luis Obispo Public Health Department, and shall verify compliance with all policies and guidelines identified in the County permit and all supporting documentation.

Mitigation Measure HM-2: Prior to initiation of demolition actions, the applicant shall prepare and submit a Spill Prevention Control and Countermeasure Plan to the City Community Development Department. The plan shall supplement the approved *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) and identify hazardous materials to be used onsite and offsite, and shall identify procedures for storage, distribution, and spill response. Equipment refueling shall be done in non-sensitive areas and such that spills can be easily and quickly contained and cleaned up without entering any existing stormwater drainage system or creek. The plan shall include procedures in the event of

accidents or spills, identification of and contact information for immediate response personnel, and means to limit public access and exposure. Any necessary remedial work shall be done immediately to avoid surface or ground water contamination. The plan shall be implemented by the construction contractor, and verified by the Fire Chief.

Monitoring HM-2: The City Community Development Department shall verify receipt of approval documentation from County of San Luis Obispo Public Health Department, and shall verify compliance with all policies and guidelines identified in the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) in consultation with the County of San Luis Obispo.

Mitigation Measure N-1: Prior to demolition actions, the applicant shall ensure that the following standard is included on the Demolition Plan, and shall verify compliance during construction and demolition: Use of metal shears, saws, jackhammers, and other equipment that produces sound at a level greater than 60 dB LA_{max} when measured at the exterior wall of any nearby residence shall be limited to Monday through Friday, 8:00 a.m. to 4:00 p.m. Operation of trucks or other vehicles greater than 10,000 pounds in gross weight, either at the project site or on public streets, shall be limited to Monday through Friday, 8:00 a.m. to 5:30 p.m.

Monitoring N-1: The construction contractor shall be responsible for complying with demolition restrictions and notifying the City Community Development Department at least 1 week prior to initiation of demolition activities. The City shall conduct periodic inspections to verify compliance.

Mitigation Measure N-2: In compliance with the recommendations included in the Construction Noise Analysis prepared for the proposed project, the following measures shall be implemented by the applicant and/or contractor to minimize short-term construction noise generated by project activities:

a. Prior to demolition actions, the application shall develop a public outreach program. An effective public information program provides a mechanism for notifying adjacent residents of the project. The public outreach program shall describe what the project is, the proposed duration, daily hours, haul routes, etc. This program would be best accomplished with a postcard or flyer that details activities in a timeline. It should provide a phone number, e-mail address, or other way the public can submit noise concerns or complaints on the informational mailing.
b. The contractor shall provide project level onsite worker training given by the foreman in noise sensitivity and noise-specific issues associated with the project including proper equipment operation.
c. The contractor shall ensure noisy equipment is only used when necessary and turned off when not in use.
d. The contractor shall avoid grouping equipment as much as possible.
e. The contractor shall use modern equipment (Tier 3 or higher) in proper tune to the maximum extent feasible.
f. The contractor shall use factory mufflers.
g. Whenever possible, the contractor shall position stationary noise sources, such as generators and compressors, as far away as possible from noise sensitive areas. If relatively static equipment such as pumps, generators, compressors, etc. must be located in close proximity to sensitive receptors, the contractor shall utilize existing shielding from the large existing berm and or existing structures and support facilities.
h. If necessary, the contractor shall monitor noise levels during construction. If noise complaints are received, the contractor shall provide noise monitoring compliance checks.
i. The contractor shall implement reduced speed limits (15 miles per hour) for trucks travelling to, from, and through the project site.

Monitoring N-2: The construction contractor shall be responsible for complying with these measures and notifying the City Community Development Department at least 1 week prior to initiation of demolition activities. The City Engineer shall conduct periodic inspections to verify compliance.

Mitigation Measure TR-1: Prior to initiation of demolition actions, the applicant shall prepare and submit a Construction Staging and Traffic Management Plan for approval by the City Community Development Department. The plan shall be implemented during construction, and shall include, but not be limited to, the following elements:

a. All employees shall be notified of the designated truck route and staging area locations.
b. Vehicle speed on the site shall be limited to 15 miles per hour or less.
c. On-street parking shall not occur during project activities.
d. Vehicle or equipment queuing shall not occur in a manner that would block or restrict on-street traffic.
e. Before and after video inspection of the proposed truck route. Any damage, to City facilities (e.g., curb/berm, street, sewer line, water line) or any public improvements caused by, or arising from, proposed demolition activities shall be repaired by applicant at no cost to the City of Morro Bay.

Monitoring TR-1: The construction contractor shall be responsible for complying with traffic mitigation measures and notifying the City Community Development Department at least 1 week prior to initiation of construction activities. Public Works staff shall conduct periodic inspections to verify compliance.

Acceptance of Mitigation Measures by Project Applicant:

Chris P. Matthys 2/16/2018

Applicant **Date**