City of Morro Bay
COMMUNITY DEVELOPMENT DEPARTMENT
955 SHASTA AVENUE ◆ MORRO BAY, CA 93442
805-772-6261

DRAFT MITIGATED NEGATIVE DECLARATION

CEQA: CALIFORNIA ENVIRONMENTAL QUALITY ACT

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

July 25, 2016

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 CVI Group, LLC c/o Oro Financial of CA, Inc. 2304 West Shaw Ave. #102 Fresno, CA 93711 T 559-438-9999	Chris Mathys Oro Financial of CA, Inc. 2304 West Shaw Ave. #102 Fresno, CA 93711 T 559-438-9999 Mathys@orofinancial.net

PROJECT DESCRIPTION: The applicant proposes to demolish and remove two large holding tanks (approximately 4,350,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 131,600-gallon water tank, all piping attached to the tanks, pumps and both exposed and underground piping behind the pump house building structure, and approximately 24 yards of shot-crete located along a center berm between the two large Navy tanks and the berm between the pump house and tanks. 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. 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 1.5 to 2 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 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 General Light Industrial / Planned Development. 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).

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.

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INITIAL STUDY AND CHECKLIST

I. PROJECT INFORMATION

Project Title: 3300 Panorama Drive, Demolition of Tanks and associated structures

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:	wmcilvaine@morrobayca.gov
	Morro Bay, CA 93442		
	Contact: Whitney McIlvaine		
Project Applicant/Agent:	Chris Mathys	Phone:	(559) 438-9999
	Oro Financial of CA, Inc.	Email:	mathys@orofinancial.net
	2304 West Shaw Ave. #102		
	Fresno, CA 93711		
Project Landowner:	Rhine LP and CVI Group, LLC	Phone:	(559) 438-9999
	2304 West Shaw Ave. #102	Email:	
	Fresno, CA 93711		

General Plan Designation: General Light Industrial / Planned Development / Environmentally Sensitive Habitat

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

PROJECT DESCRIPTION: The applicant proposes to demolish and remove two large holding tanks (approximately 4,350,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 131,600-gallon water tank, all piping attached to the tanks, pumps and both exposed and underground piping behind the pump house building structure, and approximately 24 yards of shot-crete located along a center berm between the two large Navy tanks and the berm between the pump house and tanks (refer to Figure 2). 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. The project is anticipated to require some level of disturbance over approximately 8 acres of the 10.6-acre site.

The tanks will be removed using excavators with shear and grapple attachments. Spotters will be located at needed viewing areas for the safe lowering of the steel tanks. Once the tanks are safely lowered, the excavators and torch crew will continue to reduce the metal into transportable sizes. Once reduced, the material will be loaded into large end dumps and/or roll containers until the site is cleared of metal and debris. The existing

concrete slabs underlying the tanks are proposed to remain in place. The proposed demolition process will require the use of the following equipment: two to three 64,000 to 80,000-pound excavators; one small loader (Bobcat or similar); a water truck for dust and fire suppression (in addition to compliance with City Fire Department requirements); semi-trucks with high side end dumps (up to 80,000 pounds); roll off trucks (up to 80,000 pounds with trailers); and man-lifts, torch cutting, spotters. Ground disturbance would include removal of 12 yards of shot-crete and fill material between the two Navy tanks, and approximately 20 cubic yards of displaced soil would be spread between the existing berm, north to south, to reduce the existing slope for safe vehicle and equipment mobility. An additional approximately 12 yards of soil would be removed to expose underground pipe to be removed and then replaced between the pump house and the tanks. No soil would be imported to or exported from the project site.

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.

The project is expected to require 1.5 to 2 months to complete. Over this time, a total of approximately 40 round-trip truck loads would be required, and construction traffic would vary from 0 to 6 trucks per day. 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. If trucks are unable to make the hard right turn from Highway 1/Yerba Buena Street/Main Street, they may need to enter the Main Street further south (San Jacinto), turn right on Sicily Street, then proceed on the project site. There will be 2-3 trucks entering the project site along Yerba Buena Street to Panorama Drive. A rumble strip is proposed at access points onsite to minimize mud or dirt leaving the site.

The project includes the removal of up to five Monterey cypress trees and one Myoporum tree. Up to nine additional Monterey cypress trees may be impacted by proximate construction activities and trimming. The applicant proposes to install noticeable temporary construction fencing and signage to keep equipment and mobile traffic away from mature trees and associated root zones to remain. The fencing would be placed to ensure the entire canopy area would not be disturbed. Barriers and signs would be placed around the creek area (identified as "Tree Protection Area A"), around Monterey Cypress "Tree 1" and "Tree 2, and around a stand of seven Monterey cypress trees (identified as "Tree Protection Area B") (see Figure 3, provided by the applicant). An existing road/pathway under the group of Monterey cypress trees in "Tree Protection Area B" may be used to access the water tank to be removed. Temporary construction fencing would be placed along the road/pathway to ensure traffic stays on the road/pathway. The remainder of the trees and shrubs near the tank and in the containment area may be affected by the project. No vehicle traffic is proposed with the creek area, identified as Environmentally Sensitive Habitat (ESH) in the City's Local Coastal Plan. Work within 20 feet of ESH, and within "Tree Protection Area A" may include use of a small excavator to access, expose and remove an underground pipeline (see Figure 3, provided by the applicant). Temporary construction fencing will be placed onsite to prohibit traffic within the creek area.

PROJECT LOCATION: The project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay (refer to Figure 1). 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 General Light Industrial / Planned Development. 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).

The project site was originally used by the Navy to store and transport jet fuel to the Naval Air Station in Lemoore, California. During World War II, a network of military fuel supply facilities was established along the West Coast by the Army-Navy Petroleum Board. An entity of the Department of the Interior until 1945, after the war it was transferred to the War Department and renamed the Joint Army-Navy Purchasing Agency. In 1962 it was consolidated into the Defense Supply Agency (now known as the Defense Logistics Agency) as the Defense Fuel Supply Center, with a mandate to manage Department of Defense petroleum requirements. Lemoore Naval Air Station (NAS) was constructed beginning in 1961 about 10 miles west of Lemoore (Fresno County), to support fleet carrier squadrons, train personnel, and provide service and support. In July 1961, apparently in preparation for the opening of Lemoore NAS that August, the Naval Fuel Office allocated $2.7 million to construct a marine terminal at Estero Bay that could store and pump fuel from offshore tankers to Lemoore. The Defense Fuel Support Point (DFSP) Estero Bay was one of several pipeline and storage stations constructed during the period, enabling Naval Supply Depot San Pedro to directly supply eight Naval and Marine Air Stations by the end of 1962. When complete, DFSP Estero Bay included an offshore tanker mooring point; a ½ -mile long, 16-inch submerged pipeline from the mooring point to shore; a 0.35-mile underground pipeline from shore to the tank station itself; two large fuel tanks; a pumping station; and a 98-mile pipeline from Morro Bay to Lemoore NAS.

The volume of fuel delivered to Lemoore NAS via the Estero Bay facility were considerable: 680,000 barrels of jet fuel were provided in 1968 alone. Little physical change to the property occurred between 1972 and the present. The office and pump house were in their current locations by 1972. The corrugated metal garage was added at some point in the early 1980s. DFSP Estero Bay was closed in 1991 as part of the consolidation of defense facilities on the West Coast after the end of the Cold War. In 1992, the offshore mooring buoys, chains, anchors, and undersea pipeline were removed. The Morro Bay to Lemoore pipeline cleared of fuel and filled with pressurized nitrogen, also in 1992. After facility closure, the DFSP Estero Bay site was investigated for potential soil pollution. Jet fuel hydrocarbons were found in groundwater at depths up to 40 feet below grade. After remediation, the site was sold as surplus by the General Services Agency in 2006.

Structures on the property include two fuel tanks, one water tank, pump house, office building, garage, sheds, and appurtenant piping and fencing. Before closure in 1991, the facility also included an offshore tanker mooring point, 0.5 miles of submerged pipeline, 0.35 miles of underground pipeline within the City of Morro Bay, and a 98-mile pipeline from Morro Bay to Lemoore Naval Air Station in Fresno County. The double-walled steel fuel tanks each hold approximately 4,350,000 gallons and are 140' in diameter. A staircase ascends the side of each tank to its roof, which has a 6' high railing around its perimeter. The tanks rest on concrete pads surrounded by concrete spill containment berms. The 25'-diameter water tank is set between the fuel tanks on a concrete slab at the top of the containment berm, and has a 131,600-gallon capacity. The pump house is a single-story, side-gabled building with siding and roof in corrugated steel. Measuring 25'x30', it has a 2-over-2 steel-frame windows 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 60'x35'. The single-story cinder-block office building measures 28'x30'. A row of narrow windows runs just below the roofline on the north and south sides of the building, and aluminum-frame windows meet at the northwest corner. Another aluminum slider is set to the north of the entrance door, which opens onto the west façade. A second door opens near the middle of the east façade. The roof has broad eaves and is covered in asphalt sheeting. An outdoor pump and appurtenant piping is located immediately north of the office building. The corrugated metal garage measures 40'x25' and has shallow plain front gables beneath slightly-projecting eaves. A roll door 8' wide is set below the north gable, while an entrance door with upper light opens onto the center of the south façade. The east and west sides of the building have no openings. Aerial photography suggests that the garage was built between 1979 and 1986. A west-facing 5'x8' storage shed with corrugated metal sides and roof, shallow plain gables stands between the garage and office. The property is bounded by a chain-link fence topped with barbed wire.

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

Project Entitlements Requested: Coastal Development Permit (CDP) and Conditional Use Permit (CUP) approvals 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)
- San Luis Obispo County Environmental Health
- 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)

Figure 1: VICINITY MAP

Figure 2: SITE PLAN

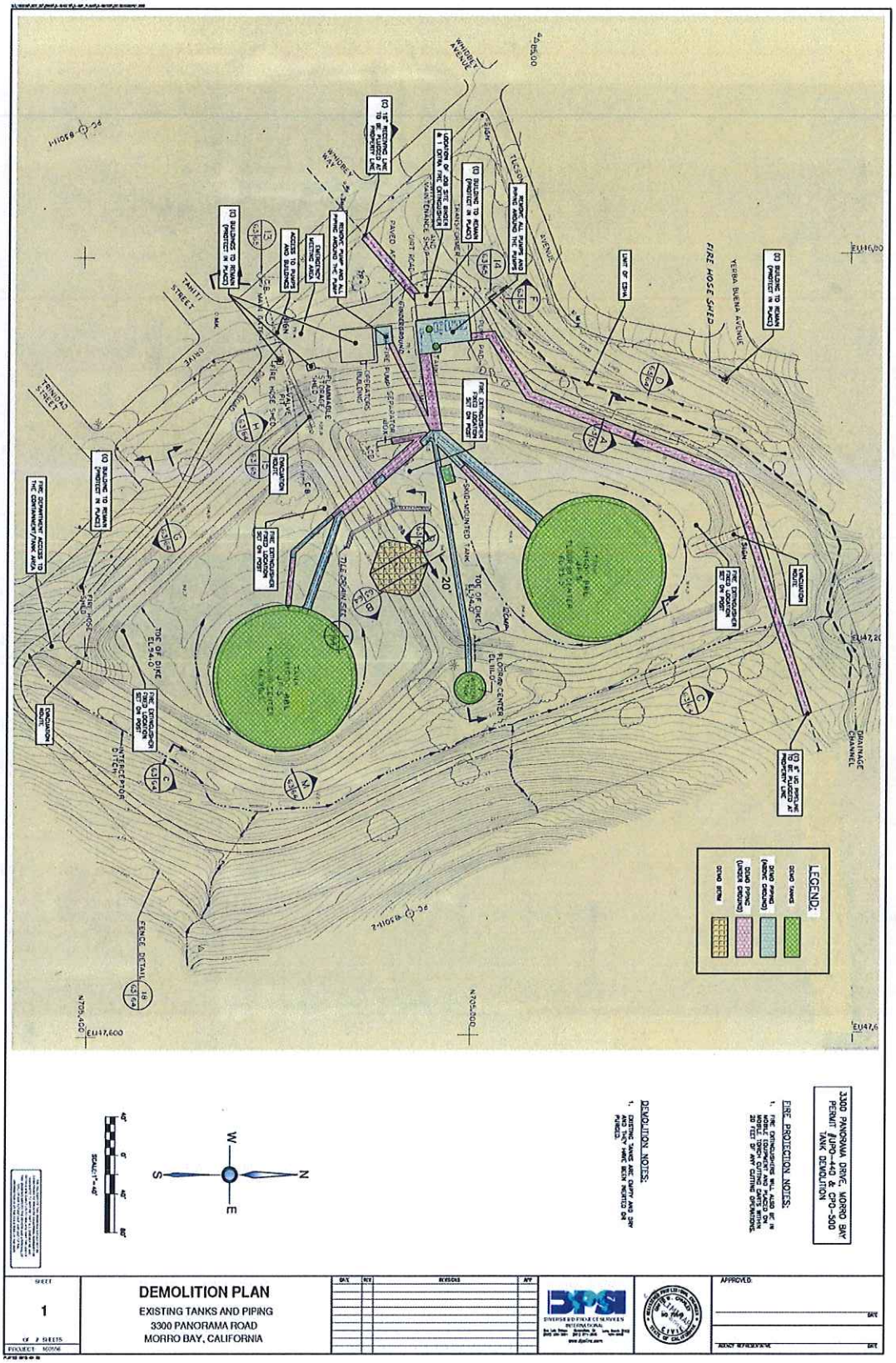
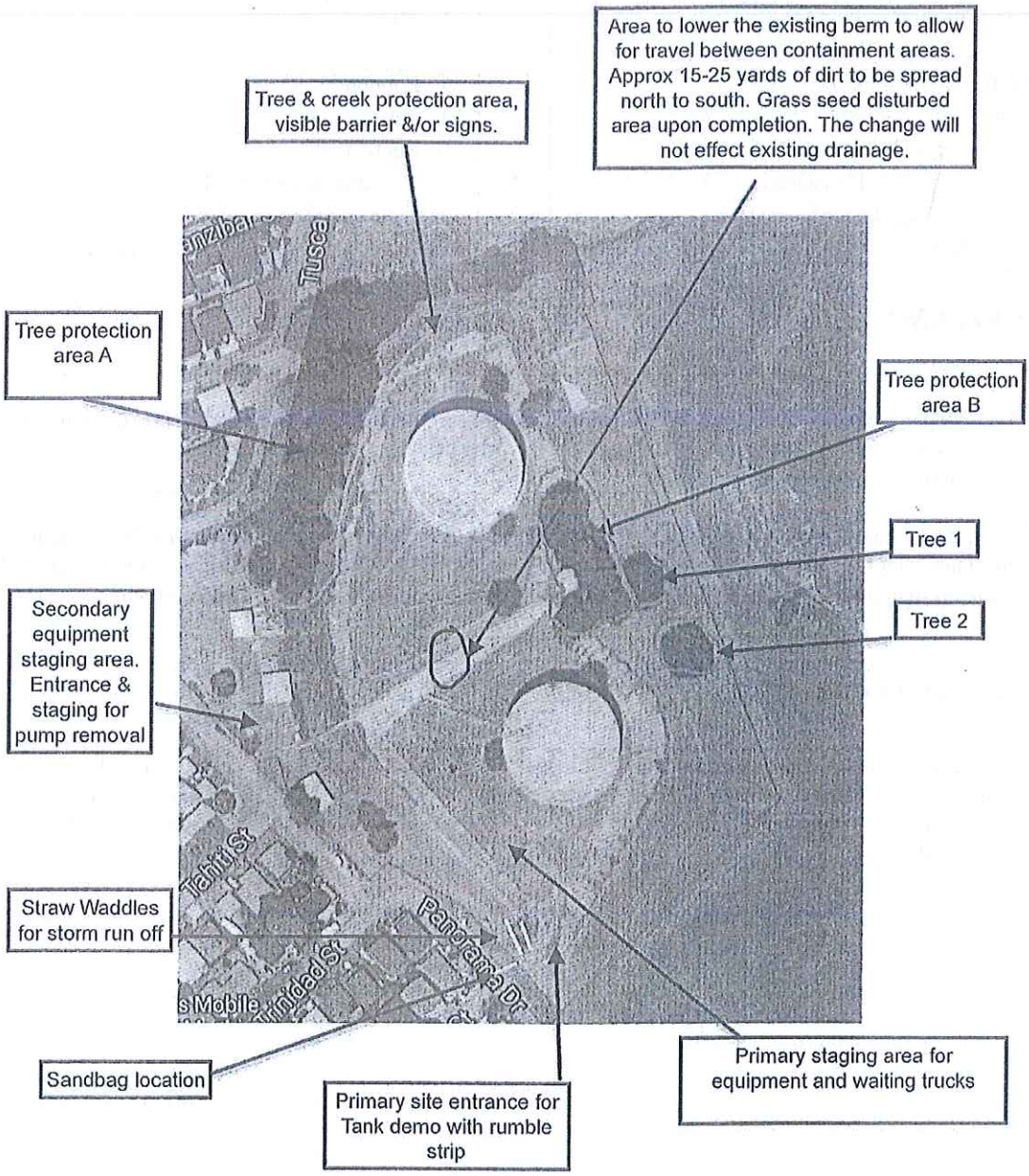


Figure 3: TREE PROTECTION PLAN



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.

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

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.

Whitney McIlvaine
Signature

7.27.16
Date

Whitney McIlvaine
Contract Planner

For: Scot Graham
Community Development Director

[X] With Public Hearing

[ ] Without Public Hearing

Previous Document: N/A

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 off-site as well as on-site, 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 General Plan and Local Coastal Plan contain 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. The Morro Rock, sand spit, 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 California Department of Transportation-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 development onsite, including the two large (currently empty) jet fuel tank, water tank, large berm surrounding the tanks, chain-link fencing, and associated buildings, piping, and related infrastructure, is primarily visible from Panorama Drive, Whidbey Street, Tuscan Avenue, and the nearby residential neighborhood. Views towards the 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 visible above the residential neighborhood, as seen from Highway 1.

Impact Discussion:

a. The proposed demolition project does not include any new structural development of the site or mass grading. Six mature trees are proposed for removal; four of these trees are located adjacent to the existing jet fuel storage tanks and two are located along the western edge of the large berm. The trees proposed for removal do not include the dense riparian and tree canopy located along the northwest edge of the project site, or the row of Monterey cypress trees to the north of the water tank. While the loss of six trees may be noticed by the public, due to the location of these trees adjacent to the existing tanks and berm, and urban development located between the site and Highway 1, the loss would not adversely affect the scenic vista, which encompasses the undeveloped ridgelines and valleys to the north and east. In addition, as discussed in Section 4, the applicant would be required to mitigate for the loss of the Monterey cypress trees by replanting removed trees at a minimum 2:1 ratio.

   Large equipment, trucks, and vehicles would be visible during the demolition process, which will occur over a period of approximately 1.5 to 2 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, and no mitigation is necessary.

b. Implementation of the project would require the removal of up to five Monterey cypress trees and one Myoporum tree. Up to nine additional Monterey cypress trees may be impacted by proximate construction activities and trimming. While these trees are visible from Highway 1, a state Scenic Highway, due to the location of these 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. In addition, as discussed in Section 4, the applicant would be required to mitigate for the loss of the Monterey cypress trees by replanting removed trees at a minimum 2:1 ratio. Therefore, potential impacts would be less than significant.

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. Upon implementation of the demolition project, some industrial components would remain, including the switchgear/maintenance shop and operators building near Panorama Drive, the chain-link perimeter fence, large berm, and concrete steps along the side of the 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 (1.5 to 2 months), the removal of the larger structural components would result in a site that is more visually compatible with nearby urban development and undeveloped agricultural/open space. Therefore, potential impacts would be less than significant.

d. In the short-term, the demolition project may require the use of temporary construction lighting for visibility and worker safety; no new permanent lighting or sources of glare are proposed. The temporary lighting would be visible from Highway 1 and the proximate residential neighborhood. City Municipal Code Section 17.52.080 (Lighting, illuminated signs and glare) requires that:

A. Other sections of this title notwithstanding, no illumination may be directed toward the adjacent residential uses and onto streets. Lighting glare shall be screened from the residences, hotels, streets, and other glare sensitive uses.

B. No direct or reflected glare, whether produced by floodlight, high temperature processes such as combustion or welding, or other processes, so as to be visible from any boundary line of property on which the same is produced shall be permitted. Sky-reflected glare from buildings or portions thereof shall be so controlled by such reasonable means as are practical to the end that the said sky reflected glare will not inconvenience or annoy persons or interfere with the use and enjoyment of property in and about the area where it occurs.

Based on the temporary nature of construction impacts, and compliance with the City Code, these effects would be less than significant.

Conclusion: *Based on the nature and location of the proposed project, and compliance with existing regulations, no significant impacts to aesthetic resources would occur.*

Mitigation and Monitoring: Not Applicable.

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 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 General Light Industrial / Planned Development. 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, and a small herd of goats provide vegetation and weed management within the site. No agricultural activities are present within or proximate to the project site. Based on review of the San Luis Obispo County Important Farmland 2012 map (California Department of Conservation 2015), the project site is designated as Urban and Built-up Land.

Impact Discussion:

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

b. The current zoning for the site is Single-Family Residential/Planned Development, and urban development is present to the northwest, west, and southwest. Adjacent land to the east is zoned Agriculture. No agricultural activities were observed either onsite or in adjacent areas. The project site and surrounding areas are not under a Williamson Act contract or County Agricultural Preserve. The proposed two-month demolition project does not include any elements that would result in a conflict with adjacent agricultural

land, should the property owner, Chevron USA, decide to implement livestock grazing or other agricultural activities. Therefore, impacts would be less than significant.

c-d. No forestland or timberland is present on or in the vicinity of the project site; therefore, no impact would occur.

e. Based on the location of the project within an urban area, short-term duration of the demolition project, and lack of agricultural production 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: *No significant impacts to agricultural resources have been identified.*

Mitigation and Monitoring: Not Applicable.

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

Environmental Setting: The San Luis Obispo County Air Pollution Control District (SLOAPCD) has developed the 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. The APCD has also prepared a Clean Air Plan to evaluate long-term emissions, cumulative effects, and establish countywide programs to reach acceptable air quality levels. The proposed project was reviewed by the APCD (APCD 2016), and their review is incorporated into the analysis below.

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 an existing residential neighborhood, which is considered a sensitive receptor. Based on review by the APCD, which included use of CalEEMod to estimate construction emissions, the APCD concluded that the demolition/construction impacts will likely be less than the APCD's significance thresholds (APCD 2016). 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 California Air Resources Board) or an APCD permit. Certain operations, such as degassing and cleaning of petroleum storage tanks, may also require an APCD permit. As required by mitigation identified below, the applicant would comply with APCD regulations regarding portable equipment, as necessary.

Petroleum Storage Tank Removal and Degassing. Degassing and cleaning of fuel storage tanks must be done under an APCD permit for tank degassing and cleaning equipment. In addition, the San Luis Obispo County Environmental Health Division of the Public 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 District 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 APCD concurred that the tanks were cleaned and inspected in 1992; therefore additional cleaning is not required (APCD, email correspondence, 2016).

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 an APCD 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 APCD's construction phase thresholds. Based on use of CalEEMod, the demolition project (including up to 6 worker round-trips per day, and 40 haul trips) would not exceed daily or quarterly emissions thresholds.

Naturally Occurring Asbestos. Naturally occurring asbestos (NOA) has been identified by the state Air Resources Board 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 APCD's 2012 CEQA Handbook, Technical Appendix 4.4). The project site is located in a candidate area for Naturally Occurring Asbestos (NOA). Under the ARB 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 is 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 APCD. 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 APCD. More information on NOA can be found at slocleanair.org/business/asbestos.php.

Demolition/ 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 will include these activities and may be subject to various regulatory jurisdictions. including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants C40CFR61. Subpart M - asbestos NESHAPl. These requirements include, but are not limited to: 1) written notification, within at least 10 business days of activities commencing, to the APCD, 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 APCD's 20% opacity limit CAPCD Rule 401) or prompt nuisance violations CAPCD 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 local APCD 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, 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 APCD. The project would require compliance with existing regulations regarding equipment that requires an APCD 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 APCD 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: Demolition/Construction Permit Requirements. Portable equipment, 50 horsepower (hp) or greater, may require California statewide portable equipment registration (issued by the California Air Resources Board) or an Air Pollution Control District (APCD) permit. Certain operations, such as degassing and cleaning of petroleum storage tanks, may also require an APCD permit. To minimize potential delays, prior to the start of the project, please contact the APCD Engineering Division at C8051 781-5912 for specific information regarding permitting requirements.

Monitoring AQ-1: 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-2: Petroleum Storage Tank Removal and Degassing. As required, the Certified Unified Program Agency (CUPA) should be contacted prior to removal or degassing of fuel storage tanks. The San Luis Obispo County Environmental Health Division of the Public Health Department is the CUPA for most locations in San Luis Obispo County. You may contact Environmental Health Services at (805) 781-5544 for more information. Degassing and cleaning of fuel storage tanks must be done under an Air Pollution Control District permit for tank degassing and cleaning equipment. 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 District permitted control system to prevent odors and hydrocarbon emissions. For more information concerning permit requirements, please contact the Engineering Division at {805) 781-5912.

Monitoring AQ-2: 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-3: APCD Permitting of Hydrocarbon Contaminated Soil Processes. This project will require an Air Pollution Control District (APCD) 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 APCD 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 APCD'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. Under the ARB 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 project proponent shall 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 APCD. 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 APCD. More information on NOA can be found at slocleanair.org/business/asbestos.php.

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 (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 will include these activities and may be subject to various regulatory jurisdictions including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants C40CFR61 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 APCD, 2) asbestos survey conducted by a Certified Asbestos Consultant, and, 3) applicable removal and disposal requirements of identified ACM. Please contact the APCD Enforcement Division at (805) 781-5912 and also go to slocleanair.org/business/asbestos.php for further information. To obtain a Notification of Demolition and Renovation form go to the "Other Forms" section of: slocleanair.org/business/onlineforms.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. Projects with grading areas that are within 1,000 feet of any sensitive receptor (residences) shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the APCD's 20% opacity limit CAPCD Rule 401) or prompt nuisance violations CAPCD 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 APCD's limit of 20% opacity for greater than 3 minutes in any 60 minute period.

Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that since water use is a concern due to drought conditions the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control. For a list of suppressants, see Section 4.3 of the CEQA Air Quality Handbook;

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 and landscape 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 APCD;
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 or should maintain at least two feet of free board (minimum vertical distance between top of load and top of trailer) 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 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 where feasible. Roads shall be pre-wetted prior to sweeping when feasible;
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. If serpentinite material is encountered during grading or excavation activities and dust control measures are inadequate, the APCD shall be contacted to address the need for active air monitoring at the site;
s. During site excavation for investigation purposes, a water truck shall be available for dust control;
t. All PM10 (dust) mitigation measures required should be shown on grading and building plans; and,
u. 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 APCD'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 APCD 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: Construction Phase 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:

California Diesel Idling Regulations

a. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
   1. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and,
   2. Shall not operate a diesel-fueled auxiliary power system (APS) to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
b. Off-road diesel equipment shall comply with the 5 minute idling restriction identified in Section 2449(d)(2) of the California Air Resources Board's In-Use off-Road Diesel regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and
c. Signs must be posted in the designated queuing areas and job sites to remind drivers and operators of the state's 5 minute idling limit and project site Diesel Idling Restrictions Near Sensitive Receptors.

The specific requirements and exceptions in the regulations can be reviewed at the following web sites: www.arb.ca.gov/msprog/truck-idling/2485.pdf and www.arb.ca.gov/msprog/ordiesel/documents/finalregorder-dec2011.pdf.

Diesel Idling Restrictions Near Sensitive Receptors

In addition to the State required diesel idling requirements, the project applicant shall comply with these more restrictive requirements to minimize impacts to nearby sensitive receptors (residences to the northwest, west and south):

a. Diesel idling within 1,000 feet of sensitive receptors shall not be permitted;
b. Use of alternative fueled equipment is recommended; and
c. Signs that specify the no idling areas must be posted and enforced at the site.

Monitoring AQ-7: 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.

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 project site is developed with the three tanks and piping proposed for demolition, in addition to structures, a large berm, fencing and gates, and associated infrastructure. A drainage identified as an Environmentally Sensitive Habitat Area (ESHA) is present along the northwest boundary of the project site. Mature trees, grasses, forbs, and shrubs are present. The applicant submitted a *Biological Assessment Letter Report* (Terra Verde 2016); the results of this report 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. The report includes identification and mapping of all ESHA on the project site.

The majority of the project site is highly disturbed and contains a mixture of nonnative annual grasses and weeds. Fuel tank containment areas are dominated by nonnative annual grasses with several ornamental and Monterey cypress trees (*Cupressa macrocarpa*) along with various pipeline components. The water tank proposed for removal is surrounded by Monterey cypress trees. An unnamed 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 United States Geologic Survey (USGS) topographic maps; no water was present in the drainage during either of the surveys. 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. No vegetation was present within understory of the Monterey cypress trees or within the drainage feature at this location.

The unnamed tributary and the associated riparian corridor (riparian scrub) are designated ESHA by the City of Morro Bay Local Coastal Program (1982) and County of San Luis Obispo Estero Area Plan (2009). Within the City limits, the ESHA is mapped as an "Unnamed Creek". The same drainage is mapped as ESHA, Coastal Stream within the County of San Luis Obispo. Banks of the unnamed 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 (Corps) and Regional Water Quality Control Board (RWQCB). One sensitive wildlife species, California red-legged frog as well as nesting birds, have potential to occur on the site.

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 California red-legged frog, a Federal Threatened and State Species of Special Concern, have been documented within a five-mile radius of the project site. The closest CRLF occurrence is at the confluence of two unnamed 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 unnamed drainage 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 unnamed 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 two miles between aquatic habitats. Based on the CNDDB records coupled with habitat conditions within the riparian scrub portion of the unnamed drainage and dispersal capability of this species, there is low potential for CRLF to occur in the project site, specifically the unnamed 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 trees 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 five 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 18th 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 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 removed Monterey cypress with in-kind species at a minimum 2:1 ratio.

Based on the location of the project, habitat conditions and analysis presented in the *Biological Assessment Letter Report* (Terra Verde 2016) and incorporated into this discussion, and implementation of identified mitigation measures, potentially significant impacts to special-status species would be mitigated to less than significant.

b-c. The unnamed drainage present along the northwestern portion of the site is mapped ESHA, and is within the jurisdiction of CDFW, Corps, 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 vegetation. Impacts to the drainage feature and associated ESHA 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 ESHA; 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 ESHA 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 unnamed drainage and associated vegetation during earthmoving, demolition of shot-crete covered slopes, concrete foundation removal, and masonry building demolition. Avoidance and mitigation measures are identified below to minimize and/or avoid impacts to ESHA 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 incorporated into this discussion, and implementation of identified mitigation measures, potentially significant impacts to ESHA would be mitigated to less than significant.

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 Migratory Bird Treaty Act (MBTA), may occur if demolition and removal, ground disturbance, or vegetation removal occurs during the typical nesting period (February 1 to September 15). 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 incorporated into this discussion, and implementation of identified mitigation measures, potentially significant impacts to native and migratory species would be mitigated to less than significant.

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

Policy 11.01. Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas. The City shall either prepare a wetlands/estuarine map or, if funding does not permit such preparation, adopt the National Wetland Inventory by U.S. Fish and Wildlife Service dated 1979, as the mapping illustration of the wetland and estuarine areas contained within City boundaries. If the City adopts the National Wetland Inventory Mapping as their LUP wetlands map, then because that map does not precisely delineate the extent of wetland habitats and types, all proposed development located within 1000 feet of the mapped wetland boundaries shall be required to submit additional mapping based on U.S. Fish and Wildlife and Coastal Commission Statewide Interpretive Guidelines done by a qualified biologist. The additional mapping will be submitted for review and approval from U.S. Fish and Wildlife and the California Department of Fish and [Wildlife]. After public agency approval has been obtained, the City shall define buffer areas around the wetland areas. The buffer areas shall be 100 feet around all wetland areas except where biologists identify the need for a greater buffer to protect the overall wetland system or a particular resource. Developments permitted within wetland and/or buffer areas are limited to the uses listed in Section 30233(c) of the Coastal Act.

The boundaries of the onsite ESHA are identified in the *Biological Assessment Letter Report* (Terra Verde 2016) prepared for the project. The applicant has agreed to avoid any direct impacts to resources within the ESHA boundary. Demolition actions within 100 feet of ESHA 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 unnamed creek/drainage.

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 (see response b,c), implementation of the project has the potential to result in pollutant discharge within mapped ESHA, 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 ESHA are identified in the Ctiy's LCP, and this boundary was further delineated in the *Biological Assessment Letter Report* (Terra Verde 2016) prepared for the project. The *Biological Assessment* includes an analysis of the project's potential impacts on sensitive habitats, consistent with this policy.

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 ESHA include: removal of pumps and associated piping, pipeline(s), and use of equipment to remove one of the large Navy tanks. No new permanent structures are proposed within 100 feet of mapped ESHA, consistent with this policy. Mitigation measures are identified below, which would reduce the potential for degradation of the unnamed 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 unnamed creek (and mapped ESHA); actions within 50-100 feet of the creek are limited to the demolition and removal of pumps, piping, and tanks and associated equipment use. 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, and mitigation is identified below to protect the habitat values of the creek and associated ESHA. No vehicle traffic shall be allowed within mapped ESHA, and no new development is proposed on the project site. Compliance with existing regulations and identified mitigation measures would adequately protect mapped ESHA 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 1.5 to 2 months to complete, and would not result in a permanent effect to species potentially present within and proximate to ESHA.

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. This would require ground disturbance to access underground pipes and infrastructure. No riparian species would be removed; however, some vegetation trimming may be necessary to provide suitable access, and it is expected that this vegetation would not be adversely affected by the one-time trimming. No activities would occur within mapped ESHA, and proximate actions 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 interfere with 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 Environmental Health, 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 ESHA are identified in the Ctiy's LCP, and this boundary was further delineated in the *Biological Assessment Letter Report* (Terra Verde 2016) prepared for the project, consistent with this policy.

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: *There are potentially significant impacts to Biological Resources unless mitigation is incorporated.*

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.

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 ESHA as a result of proposed actions:

a. Limits of Environmentally Sensitive Habitat Area (ESHA) shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESHA fencing shall be maintained in good order for the duration of the project.
b. No equipment access, excavation, or other land disturbing activities shall occur within the limits of ESHA.
c. Appropriate erosion and sediment control measures shall be installed and maintained for soil disturbances which could lead to sedimentation impacts to the unnamed tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESHA shall be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, or similar method approved by the City of Morro Bay).
d. Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.
e. Any equipment or vehicles operated adjacent to ESHA shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.
f. 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.
g. 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.
h. If it is determined by the contractor that disturbance to ESHA cannot be avoided, such disturbance shall be prohibited 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: To avoid and/or minimize these potential impacts to California red-legged frog and other common wildlife species, the following measures are required:

a. A qualified biologist shall survey the project site no more than 48-hours before the start of work activities. If California red-legged frog are detected within the unnamed tributary and out of harm's way, a biological monitor shall monitor all demolition and removal activities within 50 feet of suitable habitat. If California red-legged frog is found within any of the areas planned for disturbance, the biological monitor shall contact the U.S. Fish and Wildlife Service (USFWS) for guidance on how to proceed. No work shall occur until receipt of authorization to proceed from the USFWS.
b. Work shall halt if California red-legged frog are discovered during the course of project activities within demolition and removal areas. The biological monitor shall contact USFWS prior to any future work.
c. All common wildlife species encountered during the course of project activities shall be allowed to leave the area unharmed on their own volition.
d. No project-related materials and/or equipment shall be allowed within the designated ESHA area without prior approval from the City and regulatory agencies.

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: To avoid impacts to special-status and nesting bird resources, the following measures are required:

a. Demolition and removal activities, earth disturbance, and vegetation clearing shall be avoided during the typical nesting season (February 1 – September 15) to the extent feasible. If avoiding project activities during this season is not feasible, a qualified biologist shall survey the area within one week prior to activity beginning on the site. If nesting birds are located, they shall be avoided until they have successfully fledged or are no longer reliant on parental care. A buffer zone of 250 feet will be placed around all non-sensitive passerine bird species and 500 feet for all raptor species unless buffer reductions are coordinated with California Department of Fish and Wildlife (CDFW) based on compelling biological and ecological reasoning. Activity will remain outside of buffers until a qualified biologist has determined that the young have fledged or the young are no longer reliant on parental care. If special-status bird species are located, no work will begin until an appropriate buffer is determined by consultation with the City, the local CDFW biologist, and/or the U.S. Fish and Wildlife Service (USFWS).

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: Within five years following the date of issuance of the demolition permit, the applicant shall replace, in-kind at a minimum 2:1 ratio, all mature Monterey cypress trees removed as a result of the development of the project. These newly planted trees shall be maintained until successfully established. Watering shall be controlled so only enough is used to initially establish the tree, and reducing to zero over a three-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, 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 Obispeno 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 of San Luis Obispo, 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 percent 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 were 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, and considered a historic resources under CEQA, a property must meet one of the Register's four criteria of significance. DFSP Estero 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 California Register of Historical Resources (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 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 tityu tityu - 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: *There are potentially significant impacts to Cultural Resources unless mitigation is incorporated.*

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 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.

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	

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 General Plan Safety Element depicts landslide prone areas, flood prone areas, areas of high liquefaction potential, and areas of potential ground shaking. The proposed 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 minor ground disturbance 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 off-site landslide, lateral spreading, subsidence, liquefaction, or collapse. Therefore, impacts would be less than significant and no mitigation measures are necessary.

b. The proposed project would result in the disturbance of an approximately 8-acre area. Ground disturbance would include removal of 12 yards of shot-crete and fill material between the two Navy tanks, and approximately 20 cubic yards of displaced soil would be spread between the existing berm, north to south, to reduce the existing slope for safe vehicle and equipment mobility. An additional approximately 12 yards of soil would be removed to expose underground pipe to be removed and then replaced between the pump house and the tanks. No soil would be imported to or exported from the project site. 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. Based on the applicant's compliance with City erosion and sedimentation control measures and a RWQCB-approved SWPPP, potential impacts related to erosion would be less than significant.

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: *Impacts related to Geology and Soils will have less than significant impact.*

Mitigation Monitoring: Not applicable.

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 of 2014, the City of Morro Bay adopted a Climate Action Plan, which provides a qualitative threshold consistent with AB 32 Scoping Plan measures and goals. As identified in the APCD's CEQA Handbook (April 2012), if a project is consistent with an adopted Qualified GHG Reduction Strategy (i.e. a CAP) 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 CEQA Guidelines Sections 15064(h)11 and 15183.5(b). The City's CAP was developed to be consistent with State CEQA Guidelines Section 15183.5 and APCD's CEQA Handbook to mitigate emissions and climate change impacts, and serves as a Qualified GHG Reduction Strategy for the City of Morro Bay.

a-b. In the short-term, the proposed project would result in minor increases in emission of greenhouse gases 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 six percent 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 prohibition of diesel idling on the project site due to proximity to sensitive resources (refer to Section 3 Air Quality). As the project is limited to demolition, no long-term GHG emissions would result. Therefore, potential impacts would be less than significant.

Conclusion: *Impacts to Greenhouse Gas Emissions unless mitigation is incorporated.*

Mitigation Monitoring: Not applicable.

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		
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 currently included on the U.S. Environmental Protection Agency (EPA) Superfund Non-National Priorities List (Non-NPL) (EPA ID: CA2971590029). 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, and the site was delisted in June 1997. 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 County of San Luis Obispo Environmental Health Services, and has been coordinating closely with this agency in addition to the DTSC.

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 off-site to approved facilities during the 1.5 to 2-month demolition phase, 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 APCD, County Environmental Health Services, and DTSC. Based on compliance with existing regulations, potential impacts would be less than significant.

b-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 activities 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). Based on continued review and regulatory oversight by the County, and compliance with the approved contingency plan, potential impacts would be mitigated to less than significant.

e-f. The project site is not located within an airport land use plan or within two 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 (San Luis Obispo 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 currently maintained by goats for fuel management. 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 regulations, the project would not expose people or structures to a significant risk of fire, and impacts would be less than significant.

Conclusion: *Impacts related to Hazards and Hazardous Materials would be mitigated to less than significant, based on compliance with identified mitigation measures and existing regulations.*

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 Environmental Health Services 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 contingency plan 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.

Monitoring HM-1: The City Community Development Department shall verify receipt of approval documentation from County Environmental Health Services, 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 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 on and off-site, 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 City Engineer.

Monitoring HM-2: The City Community Development Department shall verify receipt of approval documentation from County Environmental Health Services, 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 unnamed ephemeral drainage 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 United States Geologic Survey (USGS) topographic maps; no water was present in the drainage during field inspections. A portion of the project site, containing and proximate to the unnamed 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 unnamed 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 unnamed drainage. Mitigation is recommended to address these potential impacts. Based on the location of the project and implementation of required erosion control measures, 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 modification of existing drainage patterns onsite. The removal of the shot-crete in between the two Navy tanks would not affect surrounding drainage patterns or flows to and from the unnamed 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. The project location is 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: *Impacts related to Hydrology and Water Quality will have less than significant impact upon implementation of identified mitigation measures and compliance with existing regulations.*

Mitigation and Monitoring: Implement 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 General Light Industrial / Planned Development. 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 and removal of existing tanks, pumps, pipelines, and associated infrastructure. The project would not divide an existing community, and 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 ESHA overlay; no actions would occur within ESHA, but demolition and ground disturbance is proposed within 50-100 of the ESHA boundary. ESHA 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 groundbourne vibration. While such activities are consistent with City Noise Element policies, the City will limit public exposure to excessive noise (refer to Section 12 Noise). Based on implementation of recommended mitigation, impacts would be less than significant.

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

Conclusion: *No impacts to Land Use and Planning have been identified.*

Mitigation and Monitoring: Not applicable.

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 the County of San Luis Obispo.

Impact Discussion:

a.,b. The project is not proposed 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 area 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 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: *No impacts to Mineral Resources have been identified.*

Mitigation and Monitoring: Not applicable.

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: The proposed project is located proximate to existing residences, which are considered a noise sensitive land use. The City Noise Element states that residential land uses in areas with exterior noise levels above 60 decibels (dBA) may only be permitted after implementation of noise protective mitigation measures in compliance with the Noise Element. Mitigation measures are also required if interior noise levels exceed 45 dBA.

Impact Discussion:

a. Construction activities associated with the proposed project would generate increased noise levels due to the use of heavy construction equipment and vehicles. Development of the proposed project would likely expose surrounding areas to noise levels that exceed those established in the City Noise Element for stationary uses. This effect would be short-term, and would be limited to daytime hours pursuant to city policy. No noticeable long-term noise generation would occur. Therefore, potential impacts would be less than significant.

b. The proposed project would result in some groundborne vibration and noise during the short-term demolition phase (1.5 to 2 months). The loudest activities will include demolition of the existing tanks, which may include the use of metal shears (approximately 85 decibels as measured 50 feet from the source) and jack-hammers, which can generate up to 89 decibels of noise as measured 50 feet from the source (FHWA 2011). Residents in proximity to the site may be adversely affected during the use of such equipment; however, the effects would be short-term. As proposed, the project is consistent with city noise standards specific to construction. To reduce potential exposure, the applicant has agreed to limit use of

shears, saws, and jack-hammers to weekdays between 8:00 a.m. and 4:00 p.m. Based on implementation of this measure, potential impacts would be less than significant.

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 in noise levels in the project vicinity above those existing without the project due to construction activities (refer to a. and b., above). However, in general, potential increased would not differ from those typically associated with similar development projects, and activities would be conducted in compliance with existing city policy. Therefore, potential impacts would be reduced to less than significant.

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: *Impacts related to Noise would be mitigated to less than significant, based on compliance with identified mitigation measures and existing regulations.*

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, and jack-hammers shall be limited to Monday through Friday, 8:00 a.m. to 4:00 p.m. only.

Monitoring N-1: The construction contractor shall be responsible for complying with demolition restrictions and notifying the City Community Development Department at least one 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 percent 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 of Morro Bay 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 project would have no effect on existing housing, and would not displace any people. No impacts would result.

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

c. The project does not include any infrastructure or other growth-inducing elements; no impacts would occur.

Conclusion: No i*mpacts related to Population and Housing have been identified.*

Mitigation and Monitoring: Not applicable.

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 of Morro Bay; therefore the City of Morro Bay 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.

Conclusion: *No impacts related to Public Services have been identified.*

Mitigation and Monitoring: Not applicable.

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: *No impacts related to Recreation facilities have been identified.*

Mitigation Monitoring: Not applicable.

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:

The project site is located adjacent to Panorama Drive. During demolition, equipment, trucks, and other vehicles would access the project site from Panorama Drive and proximate roadways, as described further below.

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 1.5 to 2 months to complete. Over this time, a total of approximately 40 round-trip truck loads would be required, and construction traffic would vary from 0 to 6 trucks per day. 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. If trucks are unable to make the hard right turn from Highway 1/Yerba Buena Street/Main Street, they may need to enter the Main Street further south (San Jacinto), turn right on Sicily Street, then proceed on the project site. There will be 2-3 trucks entering the project site along Yerba Buena Street to Panorama Drive. A rumble strip is proposed at access points 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. Therefore, 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.

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: *Based on implementation of identified mitigation, potential Transportation and Circulation impacts would be less than significant.*

Mitigation and Monitoring:

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. Description of construction activities, including equipment lists and project schedule, including estimated start and end dates and working hours;
b. Name of on-site construction manager;
c. Identification of the work area, truck route(s), and staging areas in relation to cross streets, including all distances and dimensions;
d. Traffic control plan, including: identification of partial or full road closures and on-street parking, staging, and queuing; all temporary traffic control devices including signs and delineators; use of construction staff to manage or direct traffic; measures to reduce truck and equipment queuing on City streets; and safety measures for vehicles, pedestrians, bicyclists, and construction workers.

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

17. 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 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 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; therefore, no impact would occur.

c. The proposed project does not require or include the construction of additional stormwater management facilities. Therefore, there would be no impact.

d. The project does not require the use of city water supply; therefore, no impact would occur.

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

f. The proposed project's impact on capacity at Cold Canyon Landfill and other hazardous waste-approved facilities would be minimal. The landfill is expected to be able to meet the additional demand and impacts would be less than significant.

g. The project would comply with all applicable federal, state, and local statutes and regulations related to solid waste; impacts would be less than significant.

Conclusion: *Impacts related to Utilities and Service Systems will have less than significant impact.*

Mitigation and Monitoring: Not applicable.

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 unnamed ephemeral drainage, which is designated ESHA. Mitigation measures have been proposed to prevent or reduce potential impacts. Refer to Sections 4 (Biological Resources), 6 (Geology and Soils), and 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, July 5, 2016	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 Report, May 18, 2016	x	Topographic maps
x	Terra Verde Environmental Consulting, Biological Assessment Letter, June 27, 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
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		

VI. ATTACHMENTS

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

Attachment A
Mitigation and Monitoring Program

AIR QUALITY

Mitigation Measure AQ-1: Demolition/Construction Permit Requirements. Portable equipment, 50 horsepower (hp) or greater, may require California statewide portable equipment registration (issued by the California Air Resources Board) or an Air Pollution Control District (APCD) permit. Certain operations, such as degassing and cleaning of petroleum storage tanks, may also require an APCD permit. To minimize potential delays, prior to the start of the project, please contact the APCD Engineering Division at C8051 781-5912 for specific information regarding permitting requirements.

Monitoring AQ-1: 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-2: Petroleum Storage Tank Removal and Degassing. As required, the Certified Unified Program Agency (CUPA) should be contacted prior to removal or degassing of fuel storage tanks. The San Luis Obispo County Environmental Health Division of the Public Health Department is the CUPA for most locations in San Luis Obispo County. You may contact Environmental Health Services at (805) 781-5544 for more information. Degassing and cleaning of fuel storage tanks must be done under an Air Pollution Control District permit for tank degassing and cleaning equipment. 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 District permitted control system to prevent odors and hydrocarbon emissions. For more information concerning permit requirements, please contact the Engineering Division at {805) 781-5912.

Monitoring AQ-2: 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-3: APCD Permitting of Hydrocarbon Contaminated Soil Processes. This project will require an Air Pollution Control District (APCD) 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 APCD 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 APCD'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. Under the ARB 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 project proponent shall 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 APCD. 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 APCD. More information on NOA can be found at slocleanair.org/business/asbestos.php.

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 (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 will include these activities and may be subject to various regulatory jurisdictions including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants C40CFR61 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 APCD, 2) asbestos survey conducted by a Certified Asbestos Consultant, and, 3) applicable removal and disposal requirements of identified ACM. Please contact the APCD Enforcement Division at (805) 781-5912 and also go to slocleanair.org/business/asbestos.php for further information. To obtain a Notification of Demolition and Renovation form go to the "Other Forms" section of: slocleanair.org/business/onlineforms.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. Projects with grading areas that are within 1,000 feet of any sensitive receptor (residences) shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the APCD's 20% opacity limit CAPCD Rule 401) or prompt nuisance violations CAPCD 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 APCD's limit of 20% opacity for greater than 3 minutes in any 60 minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that since water use is a concern due to drought conditions the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control. For a list of suppressants, see Section 4.3 of the CEQA Air Quality Handbook;
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 and landscape 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 APCD;

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 or should maintain at least two feet of free board (minimum vertical distance between top of load and top of trailer) 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 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 where feasible. Roads shall be pre-wetted prior to sweeping when feasible;
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. If serpentinite material is encountered during grading or excavation activities and dust control measures are inadequate, the APCD shall be contacted to address the need for active air monitoring at the site;
s. During site excavation for investigation purposes, a water truck shall be available for dust control;
t. All PM10 (dust) mitigation measures required should be shown on grading and building plans; and,
u. 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 APCD'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 APCD 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: Construction Phase 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:

California Diesel Idling Regulations

a. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
    1. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and,
    2. Shall not operate a diesel-fueled auxiliary power system (APS) to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
b. Off-road diesel equipment shall comply with the 5 minute idling restriction identified in Section 2449(d)(2) of the California Air Resources Board's In-Use off-Road Diesel regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and
c. Signs must be posted in the designated queuing areas and job sites to remind drivers and operators of the state's 5 minute idling limit and project site Diesel Idling Restrictions Near Sensitive Receptors.

The specific requirements and exceptions in the regulations can be reviewed at the following web sites: www.arb.ca.gov/msprog/truck-idling/2485.pdf and www.arb.ca.gov/msprog/ordiesel/documents/finalregorder-dec2011.pdf.

Diesel Idling Restrictions Near Sensitive Receptors

In addition to the State required diesel idling requirements, the project applicant shall comply with these more restrictive requirements to minimize impacts to nearby sensitive receptors (residences to the northwest, west and south):

a. Diesel idling within 1,000 feet of sensitive receptors shall not be permitted;
b. Use of alternative fueled equipment is recommended; and
c. Signs that specify the no idling areas must be posted and enforced at the site.

Monitoring AQ-7: 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.

BIOLOGICAL RESOURCES

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.

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 ESHA as a result of proposed actions:

a. Limits of Environmentally Sensitive Habitat Area (ESHA) shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESHA fencing shall be maintained in good order for the duration of the project.
b. No equipment access, excavation, or other land disturbing activities shall occur within the limits of ESHA.
c. Appropriate erosion and sediment control measures shall be installed and maintained for soil disturbances which could lead to sedimentation impacts to the unnamed tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESHA shall be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, or similar method approved by the City of Morro Bay).
d. Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.
e. Any equipment or vehicles operated adjacent to ESHA shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.
f. 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.

g. 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.
h. If it is determined by the contractor that disturbance to ESHA cannot be avoided, such disturbance shall be prohibited 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: To avoid and/or minimize these potential impacts to California red-legged frog and other common wildlife species, the following measures are required:

a. A qualified biologist shall survey the project site no more than 48-hours before the start of work activities. If California red-legged frog are detected within the unnamed tributary and out of harm's way, a biological monitor shall monitor all demolition and removal activities within 50 feet of suitable habitat. If California red-legged frog is found within any of the areas planned for disturbance, the biological monitor shall contact the U.S. Fish and Wildlife Service (USFWS) for guidance on how to proceed. No work shall occur until receipt of authorization to proceed from the USFWS.
b. Work shall halt if California red-legged frog are discovered during the course of project activities within demolition and removal areas. The biological monitor shall contact USFWS prior to any future work.
c. All common wildlife species encountered during the course of project activities shall be allowed to leave the area unharmed on their own volition.
d. No project-related materials and/or equipment shall be allowed within the designated ESHA area without prior approval from the City and regulatory agencies.

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: To avoid impacts to special-status and nesting bird resources, the following measures are required:

a. Demolition and removal activities, earth disturbance, and vegetation clearing shall be avoided during the typical nesting season (February 1 – September 15) to the extent feasible. If avoiding project activities during this season is not feasible, a qualified biologist shall survey the area within one week prior to activity beginning on the site. If nesting birds are located, they shall be avoided until they have successfully fledged or are no longer reliant on parental care. A buffer zone of 250 feet will be placed around all non-sensitive passerine bird species and 500 feet for all raptor species unless buffer reductions are coordinated with California Department of Fish and Wildlife (CDFW) based on compelling biological and ecological reasoning. Activity will remain outside of buffers until a qualified biologist has determined that the young have fledged or the young are no longer reliant on parental care. If special-status bird species are located, no work will begin until an appropriate buffer is determined by consultation with the City, the local CDFW biologist, and/or the U.S. Fish and Wildlife Service (USFWS).

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: Within five years following the date of issuance of the demolition permit, the applicant shall replace, in-kind at a minimum 2:1 ratio, all mature Monterey cypress trees removed as a result of the development of the project. These newly planted trees shall be maintained until successfully established. Watering shall be controlled so only enough is used to initially establish the tree, and reducing to zero over a three-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, and receipt of documentation from the biological monitor confirming compliance.

CULTURAL RESOURCES

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 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.

HAZARDS/HAZARDOUS MATERIALS

Mitigation Measure HM-1: Prior to the initiation of demolition actions, the applicant shall submit all documentation of the County of San Luis Obispo Environmental Health Services 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 contingency plan 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.

Monitoring HM-1: The City Community Development Department shall verify receipt of approval documentation from County Environmental Health Services, 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 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 on and off-site, 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 City Engineer.

Monitoring HM-2: The City Community Development Department shall verify receipt of approval documentation from County Environmental Health Services, 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.

NOISE

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, and jack-hammers shall be limited to Monday through Friday, 8:00 a.m. to 4:00 p.m. only.

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

TRANSPORTATION/CIRCULATION

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. Description of construction activities, including equipment lists and project schedule, including estimated start and end dates and working hours;
b. Name of on-site construction manager;
c. Identification of the work area, truck route(s), and staging areas in relation to cross streets, including all distances and dimensions;
d. Traffic control plan, including: identification of partial or full road closures and on-street parking, staging, and queuing; all temporary traffic control devices including signs and delineators; use of construction staff to manage or direct traffic; measures to reduce truck and equipment queuing on City streets; and safety measures for vehicles, pedestrians, bicyclists, and construction workers.

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

Acceptance of Mitigation Measures by Project Applicant:

_____ 7/27/16

Applicant **Date**