VIII. COASTAL AGRICULTURE

A. INTRODUCTION

The Chorro and Morro Valleys, within and adjacent to the City, have either in the past or are presently supporting some agricultural activity. The City, however, contains a relatively small area devoted to this interim use. The City has no local coastal planning authority over lands outside its corporate limits, but does have strong interest in resource protection and land use planning for this area. Doubling the agricultural land use projected by the City waster management study[1] would only result in a 7% increase in water demand, but other coastal resources may be adversely affected by activities in the unincorporated County area (i.e., soils erosion, contamination of streams and ground water supplies with fertilizers and pesticides, etc.). Decisions and policies regarding agricultural lands outside the City limits but within the coastal zone will be addressed by the County of San Luis Obispo's Local Coastal Program.

The Chorro Valley runs southeast of the City toward the City of San Luis Obispo. Flanked by the chain of volcanic plugs know as the Morros to the south and by the San Bernardo Mountains to the north, the valley floor is traversed by Chorro Creek which empties into the Morro Bay estuary below Morro Bay State Park. The elevation of the valley floor ranges from sea level to 200 feet nd averages a half mile in width. The San Bernardo Creek and San Luisito Creek tributaries also contain lowlands which are cultivated.

Morro Valley, traversed by Morro Creek which empties to the sea just north of Morro rock, runs a northeast course inland towards the Atascadero area. The Coastal Zone Boundary cuts across the valley about 4.5 miles away from the City. Lying between the San Bernardo and Morro y Cayucos Mountains, the morro and Little Morro Creek bottomlands at the confluence of the two creeks are about a half mile wide. The elevation of the valley floor within the coastal zone ranges from 50 to 350 feet, and the adjacent hills rise abruptly into steep rolling slopes.

The City cannot readily attest to the condition of the lands in its regional environs, because site specific evaluations have not been made of its agricultural capabilities. It would be presumptuous and misleading for anyone to assume conditions which favor long-term agricultural use in this area at least on any comprehensive basis.

1Brown and Caldwell Consulting Engineers, 1981

B. COASTAL ACT POLICIES

The Coastal Act contains a comprehensive set of policies advocating the preservation of agricultural lands. These policies are to be used to guide the development and implementation of local government's coastal programs. One of the coastal Act's most specific policies revolves around the preservation of "prime" agricultural lands. Agricultural lands defined as "prime" under the coastal Ct are those which meet one or more of the following criteria:

"(1) All land which qualifies as Class I or Class II in the Soil Conservation Service and use capability classifications."

Soils maps are prepared by the Soil Conservation Service of the U.S. Department of Agriculture are the result of reconnaissance types of surveys. A soil type of less than 5 acres is not included on the map. The mapping is done on a scale of 1" = 2000'. Thus, the soils maps are not refined micro-surveys of a particular property. This becomes very significant when these maps are used for categorizing a small area. The mapping is done largely by the examination of aerial photos. Field checks and laboratory analysis is minimal. This practice works reasonably well in areas with substantially the same soil in considerable volume. In small land areas with mixed soil types, the method breaks down. Frequently phases of the soil type are not identified and even errors made in classifying the particular soil type. The Storie index assigned to a soil type is on the basis of the best rating and does not consider the micro variability.

The Land Use Capability classification of the Soil Conservation Service is also painted with broad strokes. Productivity may vary widely among soils within one capability class. There are eight classes and four sub-classes. Class I soils have few limitations that restrict their use. Class II soils permit some limitations such as slight to moderate salinity or alkalinity, wetness that can be corrected by drainage, and so forth. Class III soils have somewhat more severe cropping limitations. Soils with a high susceptibility to erosion is an example. class IV soils simply have more of the same types of limitations for farming. Capability classes V to VIII are considered to be not suitable for cultivation.

From the practical application of this rating system, a field may have a small portion in Class I with the balance Class III. In this case the entire area would be treated as Class III since the farming practices would be dictated by the bulk area.

"(2) Land which qualifies for a rating of 80 through 100 in the Storie Index Rating."

The Storie Index is a composite of four factors. Factor A is the character of the physical profile. There are nine groups of these and numerous sub-groups. Each of these sub-groups, in nearly all cases, has a range in the percentage rating. Judgement must be exercised to determining which percentage should be applied for a specific parcel of land. Factor B is the rating on the basis of the surface texture of the soil. Here there are five major classifications with numerous sub-groups. And, again, there is a range in the rating. For example, coarse sandy loam may range in this rating from 70 to 90 percent. Factor C is the rating of the land on slope. There are ten slope classes ranging from 'nearly level' to 'steep'. All but one of these classes has a range in the percentage rating. Land with a slope of 3 to 8 percent has a range of 95 to 100 percent if called 'gently sloping' but the range is 85 to 100 percent if called

'undulating'. such a difference does not show on the generalized soil map or in the generalized Storie Index for a soil type or series. Thus part of a property may have a very different rating from another part even though the soil map classifies the land in one category. Finally, there is Factor X which relates to those soil conditions affecting productivity other than A, B, or C. There are six major items with numerous sub-groups that each have ranges in the percentage ratings. Some of these ranges are quite wide. for example, under "alkali, slightly affected", the range is 60 to 95 percent.

The ratings selected for each of the four Factors is multiplied to arrive at the Storie Index. This multiplicative process can have a severe effect on the Index. Thus a soil could be 100 percent for three factors but if the fourth factor is 60 percent, then the Storie Index would be 60. At best the Storie Index can only be considered as an approximate guide to productivity.

"(3) Land which supports livestock used for the production of food and fiber and which as an annual carrying equivalent to at least one animal per acre as defined by the U.S. Department of Agriculture (U.S.D.A.)."

"(4) Land planted with fruit-or-nut bearing trees, vines, bushes, or crops which have a non-bearing period of less than five years and which will normally return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than $200 and acre."

"(5) Land which has returned from the production of unprocessed agricultural plant products an annual gross value of not less than $200 per acre fro there of the previous five years."

*NOTE: AB321, Hannigan (two year bill) includes deletion of the $200 gross value criteria as a definition of prime agricultural land.

Of all the crops grown in San Luis Obispo County, according to the 1980 report of the Agricultural Commissioner, only wheat, barley and safflower failed to yield an average of $200 per acre.

This has been the normal pattern for recent years. Thus this criterion effectively states that if you have grown any other crop, the land is 'prime agricultural land'.

The criterion could certainly be said to ignore economic reality. For most row crops and investment of from $500 to $5000 per acre in operating costs is incurred before anything is harvested. On a commercial vegetable farm the depreciation cost for machinery and irrigation equipment amounts to $200 per acre. The inference is that this criterion was interjected to retain a particular scenic character of the land without the acquisition of a scenic easement. It perpetuates subsistence farming. Furthermore, this criterion can be evaded by simply not arming the land for three years.

Sec. 30241. "The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the areas of agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following:

(a) By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.

(b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses and where the conversion of the lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development.

(c) By permitting the conversion of agricultural land surrounded by urban uses where the conversion of the land would be consistent with Section 30250.

(d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.

(e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality.

(f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of prime agricultural lands."

Sec. 30242. "All other lands suitable for agricultural use shall not be converted to non-agricultural uses unless (1) continued or renewed agricultural use is not feasible, or (2) such conversion would preserve prime agricultural land or concentrate development consistent with Section 30250. Any such permitted conversion shall be compatible with continued agricultural use on surrounding lands."

Sect. 30250(a). "New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels."

C. INTERIM AGRICULTURAL AREAS/URBAN RESERVE DESCRIPTION, ANALYSIS AND ISSUES

1. North Morro Highlands

Discussion related to this portion of the community and its environs centers on an analysis of the properties known as the Nagano (80 acres), the Cabrillo (35 acres), and the Cabrillo-VRM (110 acres). Approximately 43 acres of the Cabrillo-VRM property is within the currently

city limits, the remainder and other adjacent properties are in the unincorporated County territory. These properties were selected for discussion because specific site analyses have been performed,[1] and due to their adjacency. (See Figure 19). A summary of the site analysis is as follows:

-Based on an individual analysis, none of the properties has been found to have a Storie Index of 80 percent of more (see discussion of Storie Index rating system in c chapter section), and would not qualify under this criterion as "prime agricultural land."

-The Cabrillo and Cabrillo-V.R.M. properties are Land Use Capability Class III or worse even when irrigated.

-The Nagano property is a marginal Class II when irrigated.

[1] Report by Dr. C. W. Vrooman, B.S.A., M.S.A., PH.D., A.S.A., and Dr. C. Dean Piper, Had, Soil Science Department, California State Polytechnic University, San Luis Obispo

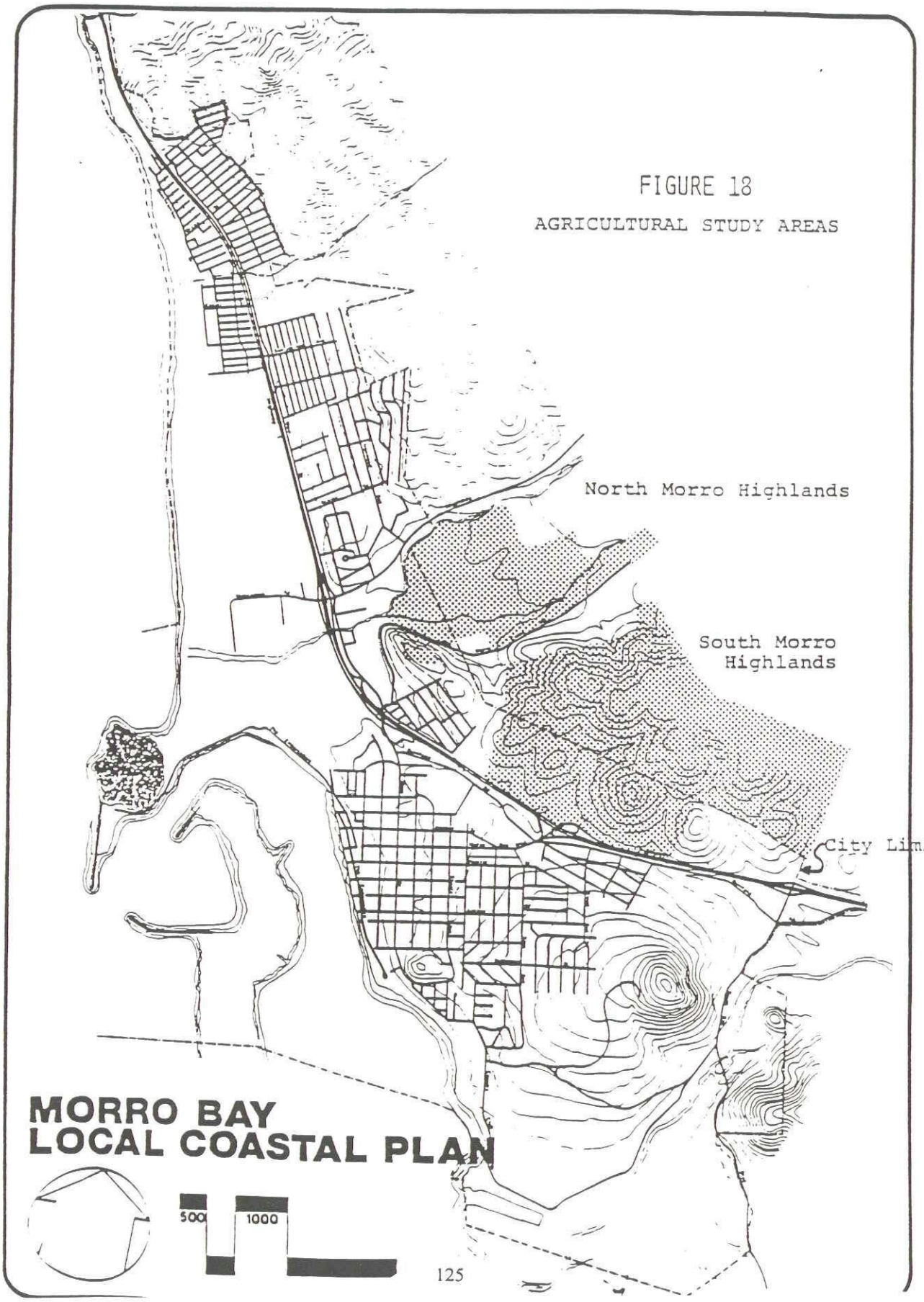
FIGURE 18
AGRICULTURAL STUDY AREAS
North Morro Highlands
South Morro Highlands
City Limits
MORRO BAY
LOCAL COASTAL PLAN
500
1000

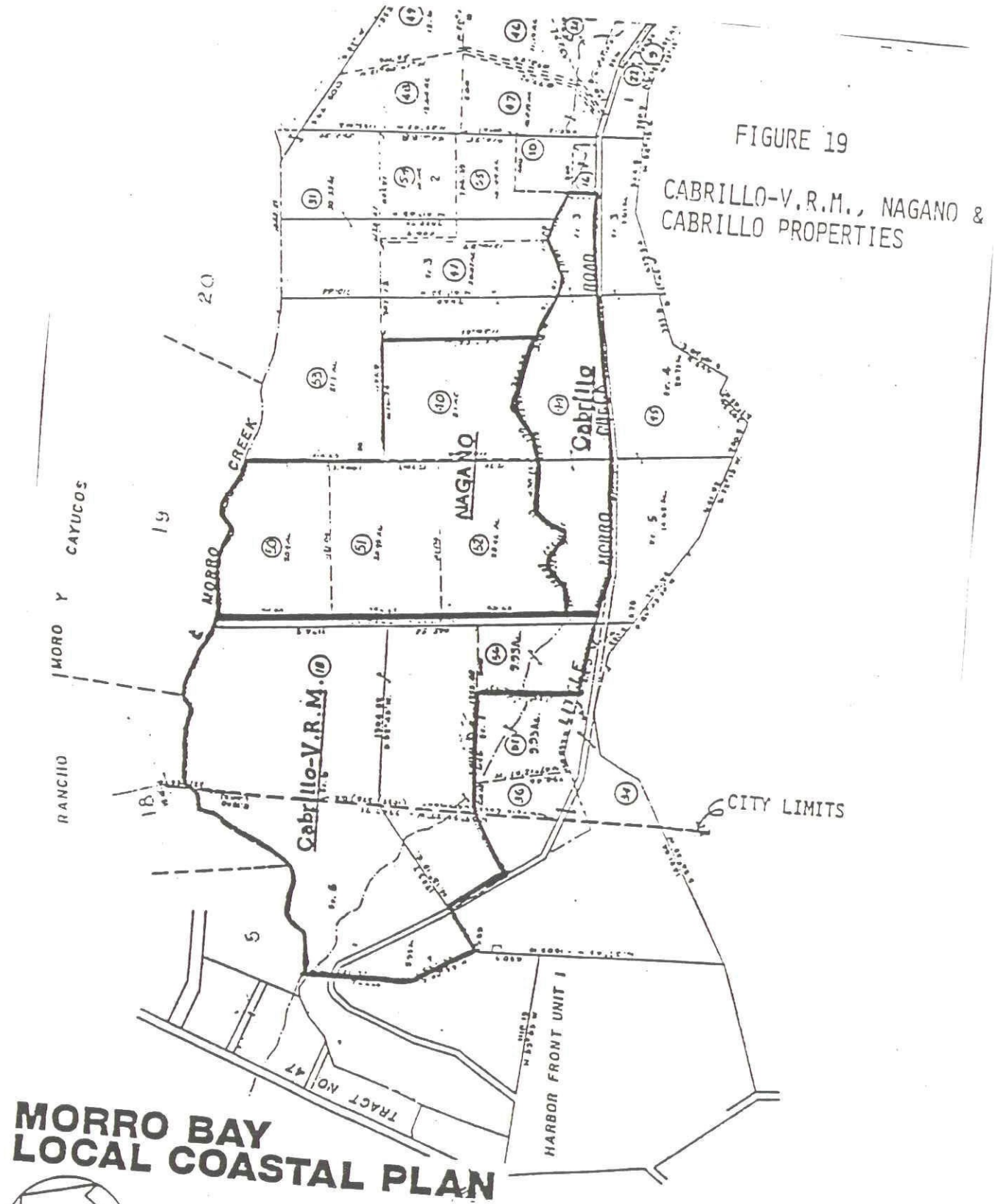
FIGURE 19
CABRILLO-V.R.M., NAGANO & CABRILLO PROPERTIES
MORRO BAY
LOCAL COASTAL PLAN
CITY LIMITS
CREEK
MORRO
NAGANO
Cabrillo
Cabrillo-V.R.M.
HARBOR FRONT UNIT I
TRACT NO. 47
RANCHO MORRO Y CAYUCOS
20
19
18
5

-All the properties are class III or worse when no irrigated.

-While all of the properties have produced more than $200 of unprocessed agricultural product in three of the past five years, neither singly nor in combination do they create a viable commercial agricultural unit.

-None of the properties has a grazing capacity of one animal unit per acre.

-There are no fruit or nut orchards on any of the properties.

Related to the Land Use Capability classification it is noticed that Cropley clay has a slope range of 0 to 2 percent in order to achieve a Class II rating when irrigated. The area soil map indicates that the southerly slough area on the Cabrillo-V.R.M. property is Cropley clay. Obviously this area has slopes in excess of 2 percent. While the bottom of the slough is level and meets the slope requirements, it is totally waterlogged by winter rains and is not cultivated. The fact is that most of this slough area is not suitable for cultivation and is not cultivated. In reality it is waste land for all practical purposes and not Class II or III that slavish adherence to the generalized soil map would indicate.

The Land Use Capability rating for the Lodo soil is Class VIII-e.The slough areas fall into Class IV or lower as does the area southerly to Little Morro Creek. The gravelly soils are class III at best. The overall rating for the bottomland of the property is Class III land use capability when irrigated.

The Storie Index for the Cabrillo-V.R.M. property is highly variable. The maximum rating for the very best of the soil, called Salinas silty clay loam, is s77 percent. Some 10 acres westerly of Little Morro Creek Road is Lodo clay with a Storie Index of 4 percent. Two portions mapped as Cropley clay have an index of 60 percent maximum for 8 to 10 acres. About 10 to 15 acres of the mapped Salinas silty clay loam have an erosion pavement and are gravelly. A northerly drainage slough does not appear on the soil map. It actually has cattails growing in two spots. The 3 or 4 acres between Little Morro creek road and the creek itself have slopes far in excess of the maximum allowed for Salinas silty clay loam. The overall Storie Index for the property is certainly below 50 percent and none of the property achieve an Index of 80 percent.

Much of the Cabrillo-V.R.M. land is heavily infested with garden centipedes. This pest reduces the yield of most crops and makes some totally uneconomic. This must be considered in assessing the land for viable agriculture.

The Nagano property is the best soil of any of the three ownerships. It has the least proportion of waste land of the three subjects. Outside of the creek areas, little of the Nagano land has slopes in excess of 5 percent which could drop the rating to Class III even when irrigated.

The results of micro-study illustrate the limitations of the use of the S.C.S soil surveys for land use planning decisions. The micro-survey of this property was undertaken as it was the most likely area to meet the Storie Index and Land Use Capability criteria for 'prime agricultural land'. It fails on the Storie Index and barely gets by on capability when waste land is ignored. If the S.C.S. designation had not been investigated, the Storie Index would have been 90 percent and the Land Use Capability considered Class I when irrigated. The micro-soil analysis revealed the following:

1. The Storie Index for the property is from 40 to 50 percent.

2. The soil is not a Merimel silty clay loam as shown on the S.C.S. soil map. It is a Capay silty clay.

3. In some areas the salts level is sufficiently high as to reduce the yield of some crops by as much as 20 percent.

4. Under irrigation the best possible rating of the usable cropland is Class II.

For the Cabrillo property the soil is mapped as Salinas silty clay loam. Under optimum conditions for this soil the highest Storie Index is 77 percent. In actuality this soil is anything but optimum for the series by reasons of slopes and stoniness. Thus the Storie Index is substantially below the top rating of 77 percent.

By reason of the limitations on cropping resulting from the character of the soil and its topography the Land Use Capability Rating is Class III.

Next must be considered the viability of a row crop operation on these properties. None of the properties either singly or in combination create an economically viable commercial agricultural unit. First, the total cultivated acreage is too small. to utilize economically the machinery required for a commercial vegetable operation requires 350 acres of double cropped land according to the University of California Study. While it is not necessary that the 350 acres be contiguous, it is necessary that the land is in reasonably close proximity. Thus an Arroyo Grande operator could not efficiently add this acreage to his unit.

Single cropping of vegetable land is a very short run enterprise. Plant diseases and pests quickly concentrate to soon make sure an operation uneconomic. Thus the present use of the land for sugar peas is a very short lived operation. These operations may be likened to the 'cut and burn' agriculture of tropical regions. It is a case of mine the soil and move on. The tenant farmers that are raising this crop have little permanence. This crop may last little longer than the flower seed crops in the Los Osos Valley.

A second feature of the subject properties, either singly or in combination, affecting the economic viability, is the size and shape of fields. The land is cut up by drainageways and sloughs which result in increased operating costs. More land is used for headlands and internal access roads. Point rows and the cost of distributing water through the irrigation system are increased by reason o the shape of the fields. These added costs are insidious. Every operation from plowing through harvest requires 2 to 5 percent more labor time and machine time. The amount of waste land is increased by as much as 10 percent.

In a commercial vegetable crop operation, some 93 percent of the gross receipts are eaten up by operating costs. Only some 7 percent is available for a return to capital and the operator's labor and management. For example, a 320 acre truck crop operation in the Arroyo Grande valley budgets a $1,300,000 gross receipts. But the operating expenses are $1,200,000 leaving only $100,000 for return to capital and the operator. Obviously interest on capital alone eats up this surplus. (Unpublished data California Polytechnic University, S.L.O.). How does this operation continue to exist? Mostly by living off capital -- not meeting depreciation, deferring maintenance, and increasing indebtedness. The operator is gambling on the "big year" to pull out of the hole.

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The land is presently used for cattle grazing during at least a portion of the year. There are a few springs which have obviously supplied stockwater but no irrigation potential seems to exist. There are no irrigation wells and prospects for finding any major quantities are dim.

The vegetation consists of annual grasses such as rye grass and wild oats in association with some broadleaf weeds including mustards and purpose starthistle. THis vegetation is dependent upon rainfall for the water necessary for growth and would normally provide some green feed during January through April with some dried feed necessary. Since 8-10 acres of this type of land would normally be required to support one animal unit for one year (Animal Unit Year -AUY) the maximum anticipated carrying capacity would be 63 cows in a cow-calf operation where one animal unit is taken to be one cow with calf at side.

[1] Howard Rhoads, Consulting Agronomist and R. T. Wooley, CEG. (1981)

Due to the factors cited, including shallowness of the soil, the lack of water except for rain, the steepness of slope, and potential for erosion, there is little possibility that this land will ever move into a "prime agricultural land" category.

The southern two-thirds of the site is geologically feasible for general development. Engineering problems will be normal but solutions to mitigate conditions of expansive soils, bedrock at shallow depth, and potential instability may require higher than normal costs. The instability problems in the soil overburden of the northern one-third of the property are severe and will require further site-intensive investigation. Development of individual water wells on site may not be possible, and individual subsurface waste disposal units will to be satisfactory. Seismic hazards will be limited to low and low-moderate shaking with no expected group rupture, liquefaction, or seismic settlement.

3. Agricultural Issues

Observers have historically noted the steady attrition of intensive agriculture in much of this area of the central coast, with the land lying fallow or put to other uses. Quite often the casual observer attributes this change to the pressure of other uses, rather than the correct cause. In this coastal area the commercial farm operation has become uneconomic before the changes in land uses have occurred. No logical reason exists for a successful and economically viable farm operation to cease and sell the land in small parcels. The asset, land, does not become less valuable over time and if the operation is economically viable, the return is competitive with other investments of capital and labor.

Some may depict change in land uses as a short term fluctuation in the economy or other local factors. This evaluation avoids a more complex analysis of the criteria for a successful agricultural area. At a minimum, the conditions which would permit viable agricultural operations would include: "prime" lands, larger operating units (necessitated by mechanized production Methods); available labor force; agricultural processing facilities in close proximity; transportation services; agricultural equipment/ machinery sales and service in close proximity. None of these conditions exist in Morro Bay or its environs.

Some critics from inside the Agricultural industry view the major problem of the past 60 years or more to be too much production, not too little. It is well known that farmers have been subsidized not to grow crops. In this County, the agricultural output is many times that of the

prior decades. This evidence can be found in the reports of the county Agricultural commissioner. The land Use Element of the current County General Plan indicates that the acres of irrigated cropland in the county increased 25 percent from 1968 to 1977. The non-irrigated cropland increased 26 percent during the same period of time. While the gorss acreage of urban and suburban land increased by just over 15,000 acres from 1968 to 1977, the cropland, irrigated and dry farm, increased 83,000 acres. The 1980 report of the Agricultural Commissioner indicates that the value of agricultural production in the county increased from $59,470,000 in 1971 to $159,933,000 in 1980. Even when the effect of price rise is removed form this comparison, it is apparent that production has increased much more rapidly than population.

4. Urban Reserve Area and Rural Boundary Considerations

The issues surrounding the location of urban/rural boundaries in the Morro Bay area have historically been complex and conflicting. The semantics of different agencies' definitions of "urban reserve", "urban service lines" , "sphere of influence", etc., that are used to describe boundaries between urban and rural areas further confuse the issues.

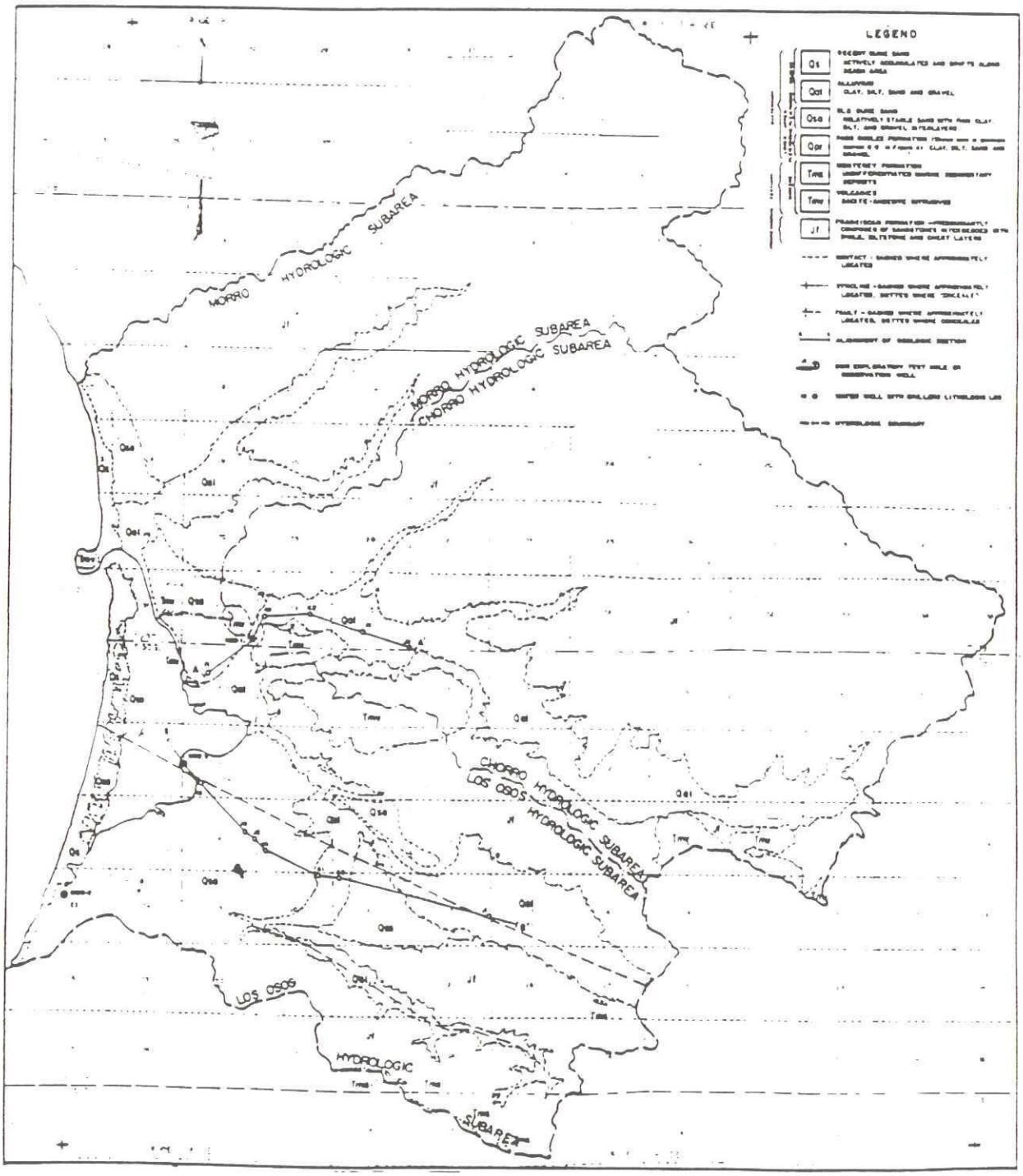
(a) Morro, Chorro and Los Osos Watersheds

The State Legislature in their action to define the coastal zone boundary for some 1,100 miles of California coastline, generally drew the line 1,000 yards inland or to the first public roadway. In five specific areas the coastal boundary was extended further inland to define a larger resource management/protection area; and such is the situation in the Morro Bay and South Bay area. Considerations for th Morro and Chorro watersheds directly interrelate with the city's planning issues and efforts. It is also noted that the Los Osos watersheds directly interrelate with the City's planning issues and efforts. It is also noted that the Los osos watershed is the tributary to the southern portion of the bay and wetland area, which indirectly relates to a resource which the City administers. Establishment of the coastal zone boundary would further confirm that logical planning and management areas are not restricted arbitrarily to a political boundary. Figure 20 shows the location of the watersheds.

Morro Bay's primary interest lies with land use and facilities planning for the Morro and Chorro watershed, since policies for these areas directly affect City resources. Beyond the natural environmental factors which tie this area together. There are found to be social and economic interdependencies. Morro Bay serves as one employment base, most of the high school pupils from the watershed areas attend school in Morro Bay, and City recreation services are presently extended to watershed residents. Most of the watershed is even linked by the Morro Bay telephone prefix.

While cities have not traditionally been involved in rural planning, it is incumbent upon Morro Bay to abandon convention and assert itself in the planning for these two critical watershed areas. Population in the unincorporated rural ares of the county are anticipated to increase at 3.1 percent per year (much faster than Morro Bay's historic growth rate), thereby placing additional direct and indirect demands on the City of Morro Bay. Therefore, the Morro and Chorro watershed, extending some seven miles outward from the present City limits, would form the distant most logical and functional planning area for the City of Morro Bay although not directly addressed in this Land Use Plan.

FIGURE 20
MORRO, CHORRO AND LOS OSOS
HYDROLOGIC SUBAREAS



(b) Groundwater/Basin Management

As discussed in Chapter V, "Public Works and Locating and Planning New Development", Morro Bay's ongoing water management activities involve several system improvement options which relate to the fringe areas. In order to respond to current and future obligations for municipal water services, and the priorities of the Coastal Act, the city will be required to implement certain management activities which may or may not occur within its corporate boundaries. An example of these activities might include well pump relocation for more efficient production and groundwater recharge using surplus stream flow, run-off, and other water sources.

Beyond municipal water production, the city has a vital interest in protection and enhancement of the larger morro and Chorro groundwater basins. Previous efforts to develop a multi-jurisdiction basin management program/study for the Morro watershed have not succeeded, but it is apparent that there is an inter-relationship between water and basin management, and environmental considerations for erosion and sedimentation control.

(c) County Planning Activities

San Luis Obispo County in a separate, but corollary effort, has been developing an updated General Plan Land Use Element and a Local Coastal Program Land Use Plan for what is titled as their "Estero" Planning Area. The need exists to coordinate the activities among agencies for the purpose of developing compatible land use policies, thereby allowing the projection and planning for future urban and a service needs.

D. AGRICULTURAL POLICIES

Notwithstanding the foregoing discussion of agricultural suitability of specific sites, the City has attempted to meet the Coastal Act through the following policies. By necessity, the City policies listed in this section addresses more than the coastal zone area contained within the corporate limits of Morro Bay.

Policy 6.01 The City, and the City/County through cooperative review and permitting arrangements, shall maintain the maximum amount of "prime" agricultural land (as defined in Section 30113 of the Coastal Act and as identified through consultation with the U.S.D.A. Soils Conservation Service) in agricultural production to assure the protection of the areas' agricultural economy. The City shall join with the county in a cooperative planning management to assure that conflicts shall be minimized between City and County agricultural and urban land uses through all of the following:

(a) By joint planning efforts to establish stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.

(b) By limiting conversions of agricultural lands around the periphery of the city to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses and where the conversion of the lands would complete a logical and viable

neighborhood and contribute to the establishment of a stable limit to urban development.

(c) By permitting the conversion of agricultural lands surrounded by urban uses where the conversion of the land would be consistent with PRC Section 30250.

(d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.

(e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality.

(f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural ands shall not diminish the productivity of prime agricultural lands.

Policy 6.02 The City shall implement the following standards, or implement the standards in cooperation with the County in a City/County review process:

(a) Notification for the purposes of comment of any division of land, permit activity, or grading in the Morro and Chorro watershed (as contained in the coastal Zone boundary) to the city for review and recommendations.

(b) City/County use of "Best Management Practices" to control agricultural practices that would result in sedimentation, contamination of the basins, or misuse of water resources.

(c) City/County Water Basin management Planning in cooperation with other affected agencies.

(d) Implementation of City Water Management Plans activities and facilities where it involves unincorporated lands; and, County limitation for further land development which intensifies use of groundwater resources in the Morro and Chorro Basins until a comprehensive water management plan is adopted by the City and joint groundwater management programs have been formulated.

(e) Locate new residential, commercial, or industrial development within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, provide that land divisions, other than leases for agricultural uses, outside existing in developed areas shall be permitted only where 50 percent of the usable in the area have been

developed and the created parcels would be no smaller than the average size of surrounding parcels.

Policy 6.03 All non-prime land within the City of Morro Bay suitable for agricultural use shall not be converted to non-agricultural uses unless (1) continued or renewed agricultural use is not feasible, or (2) such conversion would preserve prime agricultural land or concentrate development consistent with Public Resources Code Section 30250. Any such permitted conversion shall be compatible with continued agricultural use on surrounding lands."

Policy 6.04 All non-agricultural development permitted on non-prime agricultural lands shall preserve the maximum amount o of lands in agricultural use. In approving any land divisions or non-agricultural use, all of the following findings shall be made by the City:

(1) Continued or renewed agricultural use is not feasible without the proposed division and/or supplemental non-agricultural use;

(2) The proposed division and/or use will allow for and support the continued use of the site as a productive agricultural unit, would contribute to long term agricultural viability and would preserve all agricultural lands;

(3) The proposed division and/or use will result in no adverse effect upon the continuance or establishment of agricultural uses on the undeveloped portion of the property or on surrounding or nearby properties.

(4) Buffer areas are provided between agricultural and non-agricultural uses;

(5) Adequate water supply, sewage disposal and other public services are available to service the proposed development after provision has been made for the continuance of existing agricultural operations and future operations which may require water needs exceeding the present needs.

(6) The proposed division and/or use will not adversely impact environmentally sensitive areas, scenic resources or the rural character of the site, where applicable. Where new non-agricultural developments are permitted on lands in or previously in agricultural production, sensitive habitats shall be protected, restored and enhanced as a condition of development approval.

Policy 6.05 Where continued agricultural use is not feasible without some supplemental non-agricultural use, priority shall be given to public recreational uses, visitor-serving recreational and visitor-serving commercial use. All division and/or non-agricultural development on non-prim agricultural lands shall require a City-approved development plan showing how the proposed division or development would affect the subject property. In reviewing a proposed

development pan and determining the density of permitted use, the City shall require the following conditions:

(1) Development shall be clustered to retain the maximum amount of agricultural land in agricultural production or available for agricultural use. No more than 2% of the gross acreage of the property shall be converted to non-agricultural uses (including roads and public works). Residential density shall not exceed one dwelling unit per 20 acres. The remaining acreage shall be left in agricultural production and/or open space if agricultural uses are found to be infeasible. Development shall be located close to existing roads and shall be sited to minimize impacts on scenic resources, wildlife habitat and streams and adjacent agricultural operations.

(2) Prime agricultural land, as defined in Policy 6.01 shall not be removed from production unless consistent with PRC Section 30241.

(3) Land divisions or development proposals shall include a means of permanently securing the remaining acreage in agricultural use, such as agricultural preserves, open space easements, or granting of development rights. Covenants not to further divide shall also be executed and recorded prior to issuance of development permits.

(4) The creation of a homeowners' or other organization or the submission of agricultural management plans shall be required to provide for continued agricultural use of agricultural lands and their availability either on a lease or purchase basis. such organizations or plans shall also provide for the maintenance of water or road systems.

(5) Agricultural lands supplemented by development shall be accompanied by covenants or other suitable recorded mechanisms to ensure the maintenance of buffers.

Policy 6.06 The City shall participate in the efforts of the coastal Conservancy or other public or private agencies to implement agricultural enhancement programs. These programs may include but are not limited to:

(1) Coastal Conservancy purchase of development rights or fee interest in agricultural lands.

(2) Agriculture preservation fees from new development.

(3) Transfer of lands to public or non-profit agencies which will lease back for agriculture, retain life estates for current owners, operate "agriculture parks", community farms, or experimental agricultural stations.

(4) Assistance programs (water subsidies, recycling methods, fencing and other buffers, low-cost agricultural loans.)

(5) Reduction in City tax assessments based on use and lack of need for urban services and removal of in-lieu fees (i.e., Parks and Recreation) where partial site development occurs and agricultural land is maintained.

Policy 6.07 The City's Urban/ Reserve and Urban Services Line shall be drawn as follows: include all area within the City limits but exclude the Cabrillo property and the portion of the Williams property which is outside of the approximately 38 acre area adjacent to Highway One and designated for commercial and open area uses.

Policy 6.08 The City shall implement the following revisions to its LUP land use map to preserve and protect the long term productivity of agricultural lands within and adjacent to the community:

(1) Designate the Cabrillo property for agricultural land use with a minimum allowable parcel size of 40 acres.

(2) Permitted uses on prime and non-prime agricultural lands shall be agricultural use for cultivation of crops or grazing of livestock and non-residential development accessory to agricultural operations. The following uses shall be conditionally allowed:

a. One single family residence
b. Farm labor quarters
c. Public coastal accessways
d. Greenhouse and nurseries

Conditional uses can be permitted on prime lands where it is demonstrated through City findings that no alternative building site exists except on the prime agricultural lands, that the least amount of prime land possible is converted and that use will not conflict with surrounding agricultural lands and uses.

Policy 6.09 The City shall amend its General Plan Land Use Element LU-49 and all applicable ordinances, policies and maps to designate a portion of the Williams property within the city limits for "district commercial" use, including a new shopping center. The total area to be designated for such use shall be thirteen (13) gross acres generally located adjacent to Highway 1 and Morro Bay Boulevard. The citing of such use shall be in accordance with a precise development plan consistent with the General Plan Land Use Element and relevant Coastal Act and especially Chapter 3 policies. Nothing contained herein shall be construed to permit any residential development on the Williams property.