

# Notice of Completion & Environmental Document Transmittal

Mail to: State Clearinghouse, P. O. Box 3044, Sacramento, CA 95812-3044 (916) 445-0613  
For Hand Delivery/Street Address: 1400 Tenth Street, Sacramento, CA 95814

SCH # \_\_\_\_\_

## Project Title: DRC2018-00155 Koenig Conditional Use Permit

Lead Agency: County of San Luis Obispo Contact Person: Eric Hughes  
Mailing Address: 976 Osos Street, Room 300 Phone: (805)781-1591  
City: San Luis Obispo Zip: 93408-2040 County: San Luis Obispo

## Project Location: County: San Luis Obispo City/Nearest Community: City of Arroyo Grande

Cross Streets: Huasna Road xs. Santa Domingo Road Zip Code: 93420

Lat. / Long.: 35° 08' 06.1" N/ 120° 30' 18.4" W Total Acres: 56.5

Assessor's Parcel No.: 047-091-005 Section: \_\_\_\_\_ Twp.: \_\_\_\_\_ Range: \_\_\_\_\_ Base: \_\_\_\_\_

Within 2 Miles: State Hwy #: \_\_\_\_\_ Waterways: Tar Spring Creek, Arroyo Grande Creek,  
Airports: \_\_\_\_\_ Railways: \_\_\_\_\_ Schools: Lucia Mar Unified School District.

## Document Type:

CEQA:  NOP  Draft EIR NEPA:  NOI Other:  Joint Document  
 Early Cons  Supplement/Subsequent EIR  EA  Final Document  
 Neg Dec  (Prior SCH No.) \_\_\_\_\_  Draft EIS  Other \_\_\_\_\_  
 Mit Neg Dec  Other \_\_\_\_\_  FONSI

## Local Action Type:

General Plan Update  Specific Plan  Rezone  Annexation  
 General Plan Amendment  Master Plan  Prezone  Redevelopment  
 General Plan Element  Planned Unit Development  Use Permit  Coastal Permit  
 Community Plan  Site Plan  Land Division (Subdivision, etc.)  Other \_\_\_\_\_

## Development Type:

Residential: Units \_\_\_\_\_ Acres \_\_\_\_\_  Water Facilities: Type \_\_\_\_\_ MGD \_\_\_\_\_  
 Office: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_  Transportation: Type \_\_\_\_\_  
 Commercial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_  Mining: Mineral \_\_\_\_\_  
 Industrial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_  Power: Type \_\_\_\_\_ MW \_\_\_\_\_  
 Educational \_\_\_\_\_  Waste Treatment: Type \_\_\_\_\_ MGD \_\_\_\_\_  
 Recreational \_\_\_\_\_  Hazardous Waste: Type \_\_\_\_\_  
 Other: Cannabis Activities

## Project Issues Discussed in Document:

Aesthetic/Visual  Fiscal  Recreation/Parks  Vegetation  
 Agricultural Land  Flood Plain/Flooding  Schools/Universities  Water Quality  
 Air Quality  Forest Land/Fire Hazard  Septic Systems  Water Supply/Groundwater  
 Archeological/Historical  Geologic/Seismic  Sewer Capacity  Wetland/Riparian  
 Biological Resources  Minerals  Soil Erosion/Compaction/Grading  Wildlife  
 Coastal Zone  Noise  Solid Waste  Growth Inducing  
 Drainage/Absorption  Population/Housing Balance  Toxic/Hazardous  Land Use  
 Economic/Jobs  Public Services/Facilities  Traffic/Circulation  Cumulative Effects  
 Other Energy

## Present Land Use/Zoning/General Plan Designation:

Agriculture

Project Description: *(please use a separate page if necessary)*

See Attached

## Reviewing Agencies Checklist

Lead Agencies may recommend State Clearinghouse distribution by marking agencies below with an "X".  
If you have already sent your document to the agency please denote that with an "S".

<input checked="" type="checkbox"/> Air Resources Board	<input type="checkbox"/> Office of Emergency Services
<input type="checkbox"/> Boating & Waterways, Department of	<input type="checkbox"/> Office of Historic Preservation
<input type="checkbox"/> California Highway Patrol	<input type="checkbox"/> Office of Public School Construction
<input type="checkbox"/> CalFire	<input type="checkbox"/> Parks & Recreation
<input type="checkbox"/> Caltrans District # <u>5</u>	<input type="checkbox"/> Pesticide Regulation, Department of
<input type="checkbox"/> Caltrans Division of Aeronautics	<input type="checkbox"/> Public Utilities Commission
<input type="checkbox"/> Caltrans Planning (Headquarters)	<input checked="" type="checkbox"/> Regional WQCB # <u>3</u>
<input type="checkbox"/> Central Valley Flood Protection Board	<input type="checkbox"/> Resources Agency
<input type="checkbox"/> Coachella Valley Mountains Conservancy	<input type="checkbox"/> S.F. Bay Conservation & Development Commission
<input type="checkbox"/> Coastal Commission	<input type="checkbox"/> San Gabriel & Lower L.A. Rivers and Mtns Conservancy
<input type="checkbox"/> Colorado River Board	<input type="checkbox"/> San Joaquin River Conservancy
<input type="checkbox"/> Conservation, Department of	<input type="checkbox"/> Santa Monica Mountains Conservancy
<input type="checkbox"/> Corrections, Department of	<input type="checkbox"/> State Lands Commission
<input type="checkbox"/> Delta Protection Commission	<input type="checkbox"/> SWRCB: Clean Water Grants
<input type="checkbox"/> Education, Department of	<input type="checkbox"/> SWRCB: Water Quality
<input type="checkbox"/> Energy Commission	<input type="checkbox"/> SWRCB: Water Rights
<input checked="" type="checkbox"/> Fish & Game Region # <u>4</u>	<input type="checkbox"/> Tahoe Regional Planning Agency
<input checked="" type="checkbox"/> Food & Agriculture, Department of	<input type="checkbox"/> Toxic Substances Control, Department of
<input type="checkbox"/> General Services, Department of	<input type="checkbox"/> Water Resources, Department of
<input type="checkbox"/> Health Services, Department of	<input type="checkbox"/> Other _____
<input type="checkbox"/> Housing & Community Development	<input type="checkbox"/> Other _____
<input type="checkbox"/> Integrated Waste Management Board	
<input type="checkbox"/> Native American Heritage Commission	

---

### Local Public Review Period (to be filled in by lead agency)

Starting Date April 27, 2020 Ending Date May 28, 2020

---

### Lead Agency (Complete if applicable):

Consulting Firm: SWCA Environmental Consultants Applicant: \_\_\_\_\_  
Address: 1422 Monterey Street, B200 Address: \_\_\_\_\_  
City/State/Zip: San Luis Obispo, CA 93405 City/State/Zip: \_\_\_\_\_  
Contact: Brandi Cummings Phone: \_\_\_\_\_  
Phone: 805-543-7095 x6818

---

Signature of Lead Agency Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Authority cited: Section 21083, Public Resources Code. Reference: Section 21161, Public Resources Code.

## Attachment 1 – Notice of Completion

### Project Description

A request by **Krista Koenig** for a Conditional Use Permit (DRC2018-00155) to allow for the phased development of multiple cannabis activities on a 56.5-acre parcel. Phase 1 would include the establishment of three acres of outdoor cannabis cultivation, 4,800 square feet of modular trailers for ancillary cannabis processing, a 960 square-foot modular trailer for a non-storefront dispensary service and additional processing, the relocation of two existing 5,000 gallon water tanks, the installation of one new 5,000 gallon water tank, and site improvements including security equipment, fencing, driveway improvements, parking areas, and installation of a restroom and septic system. Phase 2 would include one 33,600 square foot greenhouse to support 22,000 square feet of mixed-light/indoor cultivation, one 8,200 square-foot greenhouse for a commercial cannabis nursery, and a 960 square foot modular trailer for non-volatile manufacturing activities. The project would result in approximately 5.5 acres of site disturbance including less than 50 cubic yards of earthwork (combined cut and fill). The project site is located within the Agriculture land use designation at 3919 Huasna Road, approximately five miles northeast of the city of Arroyo Grande in the San Luis Bay Inland Sub Area South of the South County Planning Area.

The project location and vicinity are shown in Figures 1 and 2; project components are summarized in Table 1. The proposed cannabis facilities will be located near the southern end of the 56.5-acre parcel and will include installation of additional security measures; all proposed project components would occur within a 7-foot-high chain-link fence which would be lined with mesh fabric to provide screening of the cannabis activities.

**Table 1. Project Summary**

Phase	Use	Structure Type	No. of Structures	Total Area	Total Cannabis Canopy
Phase I	Outdoor Cannabis Cultivation	n/a	n/a	3 acres (130,680 sf)	3 acres (130,680 sf)
	Ancillary Cannabis Processing	Modular Trailer	5	4,800 sf	4,800 sf
	Non-storefront Dispensary and Additional Processing	Modular Trailer	1	960 sf	n/a
Phase II	Indoor Cannabis Cultivation	New Greenhouses	1	33,600 sf	22,000 sf
	Commercial Nursery		1	8,200 sf	8,200 sf
	Manufacturing	Modular Trailer	1	960 sf	n/a
<b>Total:</b>			<b>9</b>	<b>4.1 acres 179,200 sf</b>	<b>165,680 sf</b>

The outdoor cultivation area would be harvested from mid to late June through early November, and indoor cultivation and harvest would occur year-round. Processing would occur within eight modular trailers and consist of trimming, drying, and curing of the product prior to sending offsite. To prevent nuisance odors from being detected offsite, the proposed outdoor cultivation area would be located a minimum of 300 feet from the property lines of the site and public right-of-way in accordance with County of San Luis Obispo (County) Land Use Ordinance (LUO) 22.40.050.D.3.b. In addition, each of the proposed greenhouses and the proposed processing building would be equipped with carbon scrubbers in accordance with LUO 22.40.050.D.8.

A portion of the property is located within the Santa Maria River Valley – Arroyo Grande 3-012.02 Groundwater Basin (split in 2019 from the Santa Maria Valley Groundwater Basin), which is not currently listed as an impacted (Level of Severity III) basin. The project would be served by an existing well onsite, however, a new 5,000-gallon water storage tank would be constructed, and the two existing 5,000-gallon storage tanks would be relocated. The project would result in approximately 3.47-acre-feet of water demand annually.

The subject property is not currently under a Williamson Act contract.

The project facilities would operate 7 days a week between 7:00 a.m. and 9:00 p.m. and would employ up to 20 full-time regular employees and part-time seasonal employees. Based on the Traffic Study for the project prepared by Orosz Engineering Group, Inc. (2019), the project would generate approximately 33 average daily trips, with one trip generated during the p.m. peak hours. The project would not be located within a road improvement fee area.

The project's electricity needs would be met by existing overhead powerlines and two existing meters serviced by the Pacific Gas & Electric Company (PG&E). The project's estimated annual energy use would be 4,598,000 kWh.

**Baseline Conditions.** The property is currently utilized for a residence, approximately four acres of crop production, horse training and boarding, and approximately a half-acre of cannabis cultivation registered under the County's Emergency Cannabis Ordinance. Surrounding land uses include active agricultural crops, Monterey Mushrooms - a mushroom cultivation farm, Layne Laboratories – a mice and rat breeding and processing facility and scattered rural residences (Figure 3).

**Ordinance Modification:** The project request includes a modification from the parking provisions set forth in LUO Section 22.18.050. The type of use that is most similar to the proposed indoor cannabis cultivation and commercial nursery is "*Nursery Specialties*" with a parking requirement of one parking space per 500 sf of floor area. Cannabis processing is assumed to generate a parking demand comparable to "*Ag Processing*" which requires one parking space per 1,000 square feet of use area. Cannabis manufacturing is most closely related to "*Manufacturing and Processing*" with a parking requirement of 1 parking space per 500 square feet of active use area. The non-storefront dispensary use is considered a *Mail Order & Vending* land use, which requires one parking space per 1,000 square feet of use area. By applying these standards, the project requires a total of 91 parking spaces as summarized in Table 2. The applicant is proposing a total of 14 parking spaces including one ADA accessible space.

**Table 2. Summary of Parking Requirements**

Use	Parking Standard	Floor Area	Required Number Of Spaces
Indoor Cannabis Cultivation	1:500	33,600 sf	67
Ancillary Processing	1:1,000	4,800 sf	5
Commercial Nursery	1:500	8,200 sf	16
Non-storefront Dispensary	1:1000	960 sf	1
Non-Volatile Manufacturing	1:500	960 sf	2
<b>Total:</b>			<b>91</b>

The project proposes 14 designated parking spaces (including Americans with Disabilities Act [ADA] compliant spaces), and additional room for parking is available adjacent to the greenhouses. Up to 20 employees could be on-site at any time during the day during peak harvest times; therefore, the 14 proposed designated spaces, along with the additional parking areas, would be sufficient to meet the parking demands of the project.