COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING & BUILDING

Initial Study – Environmental Checklist

PLN-2039
04/2019

Project Title & No.: G & A Industries, LLC Conditional Use Permit ED21-129 (DRC2019-00165)

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED: The proposed project could have a "Potentially Significant Impact" for environmental factors checked below. Please refer to the attached pages for discussion on mitigation measures or project revisions to either reduce these impacts to less than significant levels or require further study.

☐ Aesthetics	☒ Greenhouse Gas Emissions	☐ Public Services
☐ Agriculture & Forestry Resources	☒ Hazards & Hazardous Materials	☐ Recreation
☐ Air Quality	☐ Hydrology & Water Quality	☐ Transportation
☐ Biological Resources	☐ Land Use & Planning	☐ Tribal Cultural Resources
☐ Cultural Resources	☐ Mineral Resources	☐ Utilities & Service Systems
☒ Energy	☒ Noise	☐ Wildfire
☐ Geology & Soils	☐ Population & Housing	☒ Mandatory Findings of Significance

DETERMINATION:

On the basis of this initial evaluation, the Environmental Coordinator finds that:

☐ The proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☒ 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.

☐ The proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT (EIR) is required.

☐ The proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact 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 EIR is required, but it must analyze only the effects that remain to be addressed.

☐ Although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Eric Tolle			1/10/2023
Prepared by (Print)	Signature		Date
Eric Hughes			1/27/2023
Reviewed by (Print)	Signature	Principal Environmental Specialist	Date

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Project Environmental Analysis

The County's environmental review process incorporates all the requirements for completing the Initial Study as required by the California Environmental Quality Act (CEQA) and the CEQA Guidelines. The Initial Study includes staff's on-site inspection of the project site and surroundings and a detailed review of the information in the file for the project. In addition, available background information is reviewed for each project. Relevant information regarding soil types and characteristics, geologic information, significant vegetation and/or wildlife resources, water availability, wastewater disposal services, existing land uses and surrounding land use categories and other information relevant to the environmental review process are evaluated for each project. Exhibit A includes the references used, as well as the agencies or groups that were contacted as a part of the Initial Study. The County Planning Department uses the checklist to summarize the results of the research accomplished during the initial environmental review of the project.

Persons, agencies or organizations interested in obtaining more information regarding the environmental review process for a project should contact the County of San Luis Obispo Planning Department, 976 Osos Street, Rm. 300, San Luis Obispo, CA, 93408-2040 or call (805) 781-5600.

A. Project

DESCRIPTION: Hearing to consider a request by **G & A Industries, LLC** for a Conditional Use Permit (DRC2019-00165) to establish up to 11,128 square feet of indoor cannabis cultivation canopy, 2,646 square feet of ancillary nursery canopy, 1,662 square feet of commercial processing, 883 square feet of manufacturing for on-site and off-site cannabis product, 358 square feet of manufacturing storage, 410 square feet of non-storefront dispensary, 187 square feet of distribution, and 112 square feet of storage and ancillary transport within an existing approximately 27,117 square foot two-story warehouse building. Additional improvements include security fencing, equipment, and access. The project includes a request for an ordinance modification to reduce the required number of off-street parking spaces from 39 to 12. The project does not propose new ground disturbance as it will occur in an existing building located on a 2.82-acre property located at 320 Marquita Avenue within the community of Templeton . The project site is within the Industrial land use category in the Salinas River Subarea of the North County Planning Area.

The proposed cannabis project is located within a 51,980 square foot multi-tenant warehouse building approved under DRC2019-00164, and the project would operate entirely within a tenant space located on the southern part of the property. Access to the site would be via Marquita Avenue. As conditioned under the separate entitlement, development of the site includes the reconstruction of the existing curb, gutter, sidewalk, and driveway to conform with the County's current Public Improvement Standards. All operations would occur between the hours of 10:00 A.M. and 6:00 P.M. throughout the week. The project would employ a total of five (5) full-time employees, and no seasonal staff are anticipated. Ten (10) 9-foot by 18-foot standard and two (2) accessible (ADA) parking spaces would be provided for the project. Table 1 provides a summary of the project components. In addition, Figures 1 through 6 include the vicinity map, aerial map, site plan, floor plans, and elevations.

Cannabis would be cultivated within six (6) rooms, totaling 13,910 square feet in size, with up to 11,128 square feet of indoor cultivation canopy. The total walkway area is equal and limited to 25% of the indoor cultivation canopy area. The ancillary nursery would be 3,307 square feet with a canopy area of up to 2,646 square feet. The total walkway area is also equal to 25% of the ancillary nursery canopy area. The indoor cultivation and ancillary nursery plants would be planted within small pots located on raised benches. As each cultivation

room is planted at different times, the staggered grow cycles would result in a harvest once every two weeks. The indoor cultivation and ancillary nursery operations would occur Monday through Friday.

Commercial processing is proposed within an approximately 1,662 square foot area within three rooms on the second floor of the proposed building. Product grown on-site and/or off-site would be dried, cured, and trimmed within this area, and the process would occur over a period of four (4) days once every two weeks following harvest. Once dried and trimmed, the cannabis product would be packaged for off-site sale or manufactured on-site.

Non-volatile manufacturing of cannabis products grown on-site and off-site is proposed within an 883 square foot area on the first floor of the proposed building. Non-volatile manufacturing will include the use of a carbon dioxide (CO2) extraction process. This activity includes an additional 358 square foot storage area that would be used to store the oils and products infused with oils that are produced through the manufacturing stage. The final cannabis products include vapors, tinctures, topical creams, and similar products. Manufacturing operations would occur on Monday through Saturday.

A non-storefront dispensary is proposed within a 410 square foot space on the first floor of the proposed building. Dispensary operations would include packaging, labeling, and exit packaging. All sold products would be delivered daily by one driver Monday through Sunday between the hours of 10:00 A.M. and 6:00 P.M.

Ancillary transport is also proposed and would consist of transporting raw cannabis products grown on-site to and from other State-licensed cannabis facilities on Mondays through Saturdays. A 187 square foot room on the first floor of the proposed building would be dedicated to storage of product for distribution. Ancillary transport activities will occur Monday through Saturday.

The facility will be equipped with odor control devices such as a closed-loop odor control system, including activated carbon scrubbers, fans, and ozone generators, to eliminate any nuisance odors from being detected offsite. Odor control devices are proposed for the indoor cultivation rooms, processing areas, and manufacturing areas.

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Table 1 – Project Scope Summary

Use	Total SF	Canopy SF	Floor
Non-Storefront Dispensary	410	n/a	1
Cannabis Storage	112	n/a	1
Distribution	187	n/a	1
Manufacturing	883	n/a	1
Manufacturing Storage	358	n/a	1
Security Office	70	n/a	1
General Storage	196	n/a	1
(2) ADA Bathrooms	140	n/a	1
Elevator Room	37	n/a	1
Elevator	100	n/a	1
Elevator	100	n/a	2
Shower Room	58	n/a	2
(3) Bathrooms	165	n/a	2
(2) Locker Rooms	290	n/a	2
Breakroom	200	n/a	2
Administrative Office	74	n/a	2
Irrigation & Pesticide/Fertilizer Storage	790	n/a	2
Indoor Cultivation #1	2,330	1,864	2
Indoor Cultivation #2	2,330	1,864	2
Indoor Cultivation #3	2,330	1,864	2
Indoor Cultivation #4	2,330	1,864	2
Indoor Cultivation #5	2,229	1,783	2
Indoor Cultivation #6	2,361	1,889	2
Total Indoor Cultivation	**13,910**	**11,128**	**2**
Ancillary Nursery #1	161	129	2
Ancillary Nursery #2	575	460	2
Ancillary Nursery #3	645	516	2
Ancillary Nursery #4	660	528	2
Ancillary Nursery #5	1,266	1,013	2
Total Ancillary Nursery	**3,307**	**2,646**	2
CommercialProcessing - Trimming/Packaging	502	n/a	2
Commercial Processing - Drying #1	580	n/a	2
Commercial Processing - Drying #2	580	n/a	2
Total Commercial Processing	**1,662**	**n/a**	2
Total Circulation Area	**4,068**	**n/a**	
Total Project Building Area*	**27,117**	**up to 13,774**	

*Includes hallways and staircases

The proposed project would be enclosed by six-foot-high chain-link security fencing on the site perimeter, or similar fencing required by the County of San Luis Obispo Sheriff's Office. In addition, a retractable six-foot-high chain-link gate with privacy slats will be installed on the interior of the lot to separate and screen the loading and unloading of cannabis products during operations. Exterior and interior cameras would also be mounted at key locations throughout the property. The proposed security measures shall be conditioned to require the review and approval of the County of San Luis Obispo Sheriff's Office.

The project's water use would be served by the Templeton Community Services District (TCSD). As proposed, the daily water demand is estimated at approximately 1.45-acre-feet-per-year, or 1,300 gallons per day, which is under the 3,250 gallons per day allocated for this lease space by the TCSD. A verification of water and sewer availability was issued on February 22, 2022, by the TCSD. The proposed cultivation is anticipated to produce minimal wastewater with 80% of all water recycled and reused for water plants. The project's energy use would be served by an existing Pacific Gas and Electric Company (PG&E) connection, and energy demand is estimated to be 4,921,824 kilowatt-hours (kWh) annually. Waste that is compostable would be composted on-site and disposed of by the business as a compost feedstock or in another organic waste method. Non-compostable solid waste would be temporarily stored prior to being transported to a solid waste facility, incinerator, or other facility.

Details regarding proposed operations and routine maintenance are provided in the Operations Plan, which is incorporated by reference and available for review at the Department of Planning and Building, 970 Osos Street, Suite 200, San Luis Obispo.

Baseline Conditions:

Prior development on site included buildings and storage structures for the operation of a lumber storage yard. The Planning Commission approved a Conditional Use Permit (DRC2019-00164) on May 28, 2020, that allowed for the construction of three (3) industrial shell buildings and on-site parking and circulation. This approval included the determination that the proposed warehouse development is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) General Rule Exemption. The prior development was demolished, and the site is currently being graded in preparation of the construction for the warehouse development. The project (DRC2019-00165) would operate from the warehouse building previously approved under the separate land use permit (DRC2019-00164).

Ordinance Modification:

Land Use Ordinance (LUO) Section 22.18.050.C provides the required parking ratios for each land use. Based on the proposed cannabis operations, 39 off-street parking spaces are required. Per Section 22.18.020.H, the applicant is requesting a modification from the parking requirements to reduce the number of required spaces to 12. The parking modification may be granted provided the review authority makes the required findings outlined in Section 22.18.020.H.2. Up to 5 full-time employees could be on-site at any time; therefore, the 12 proposed parking spaces would be sufficient to meet the parking demands of the project.

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Figure 1 Vicinity Map

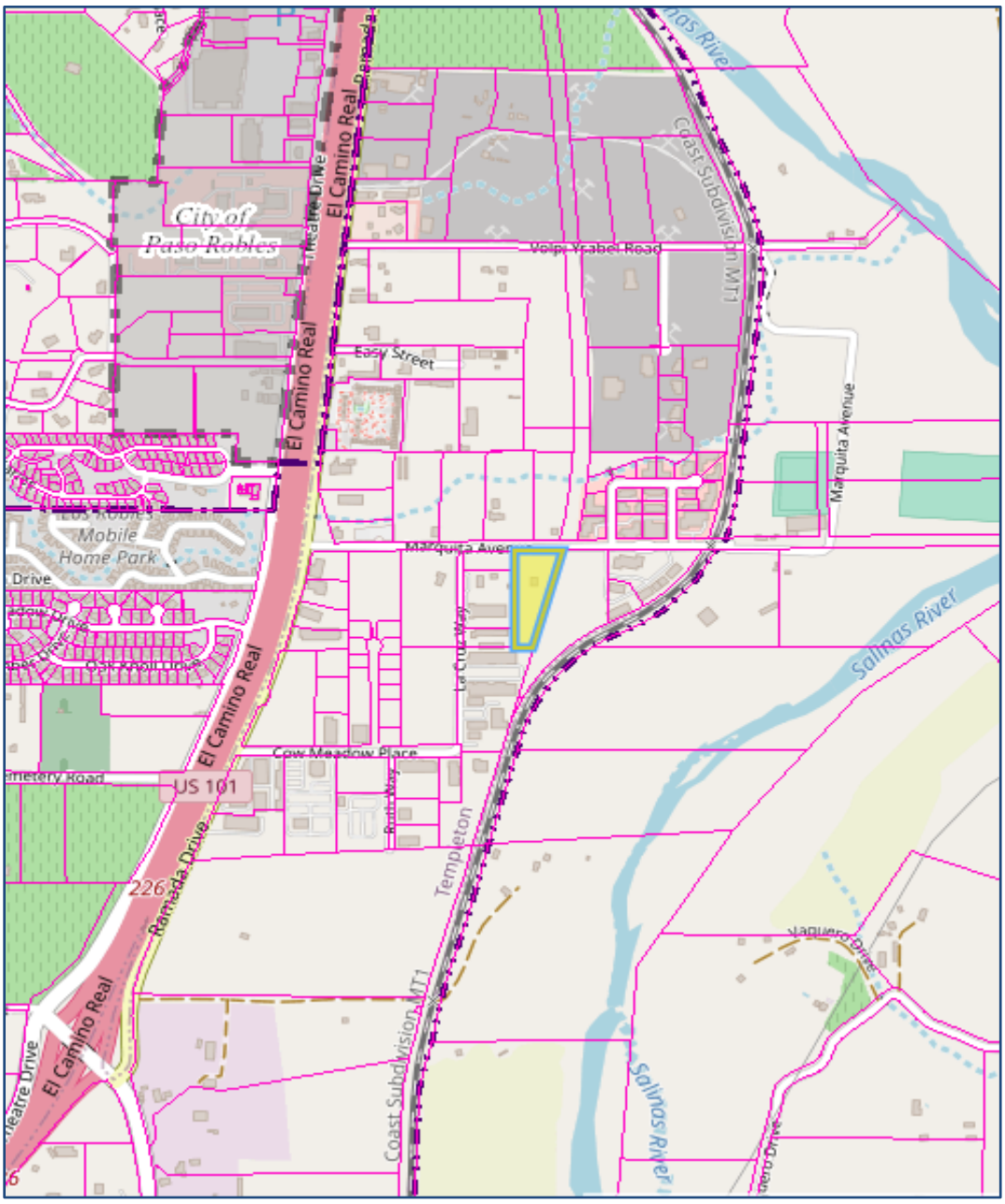

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Figure 2 Project Site

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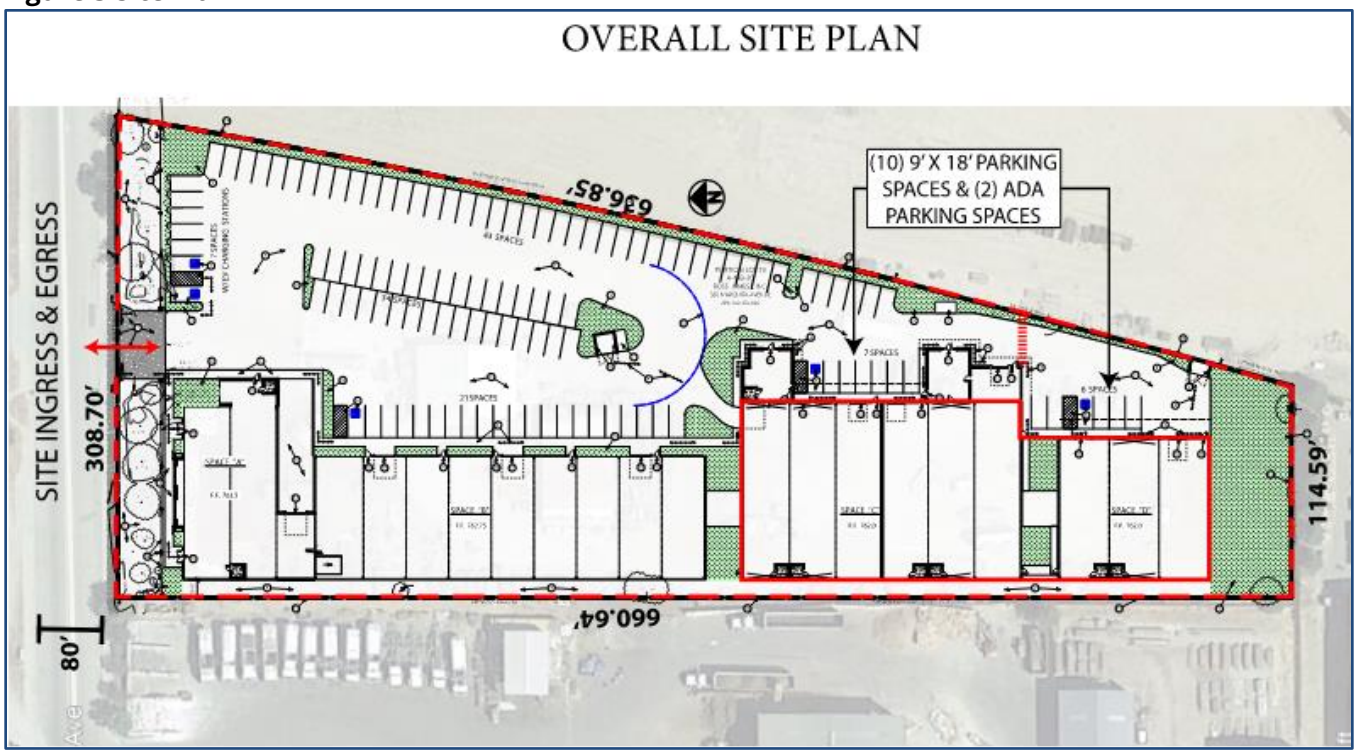
Figure 3 Site Plan



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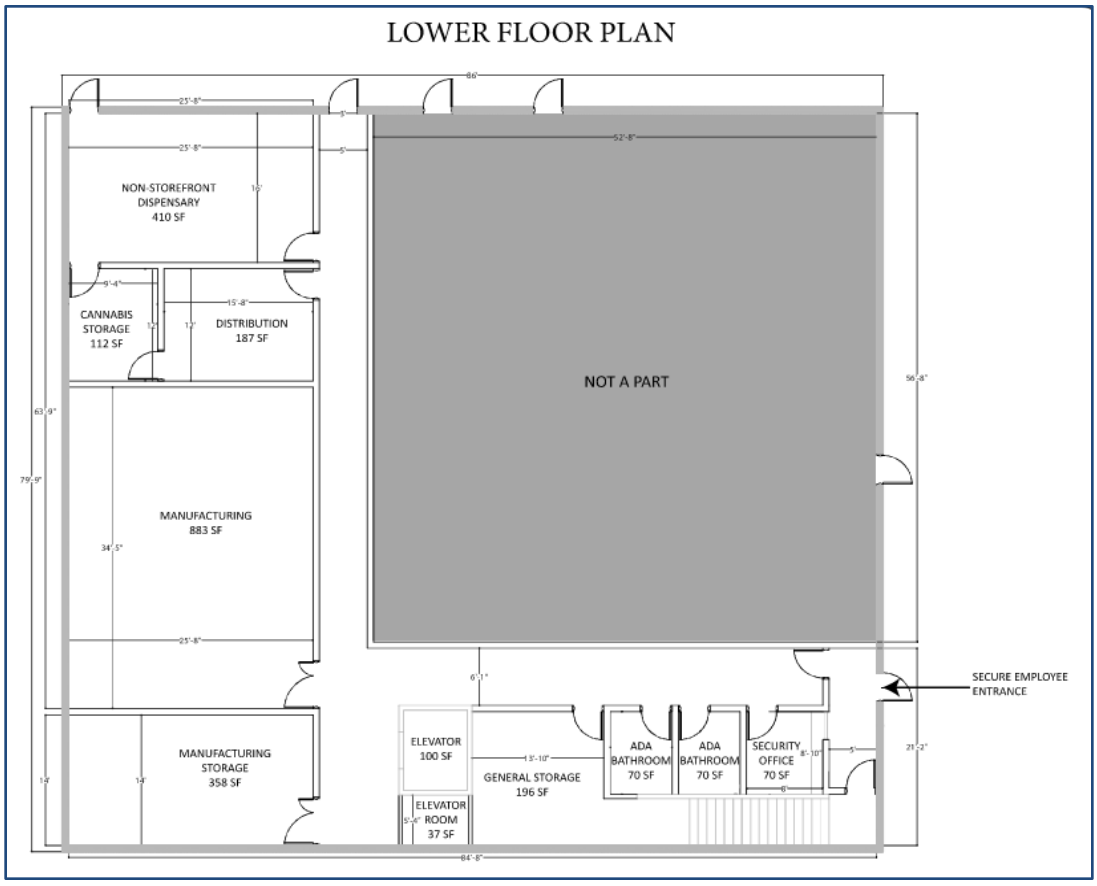
Figures 4 & 5 Floor Plans



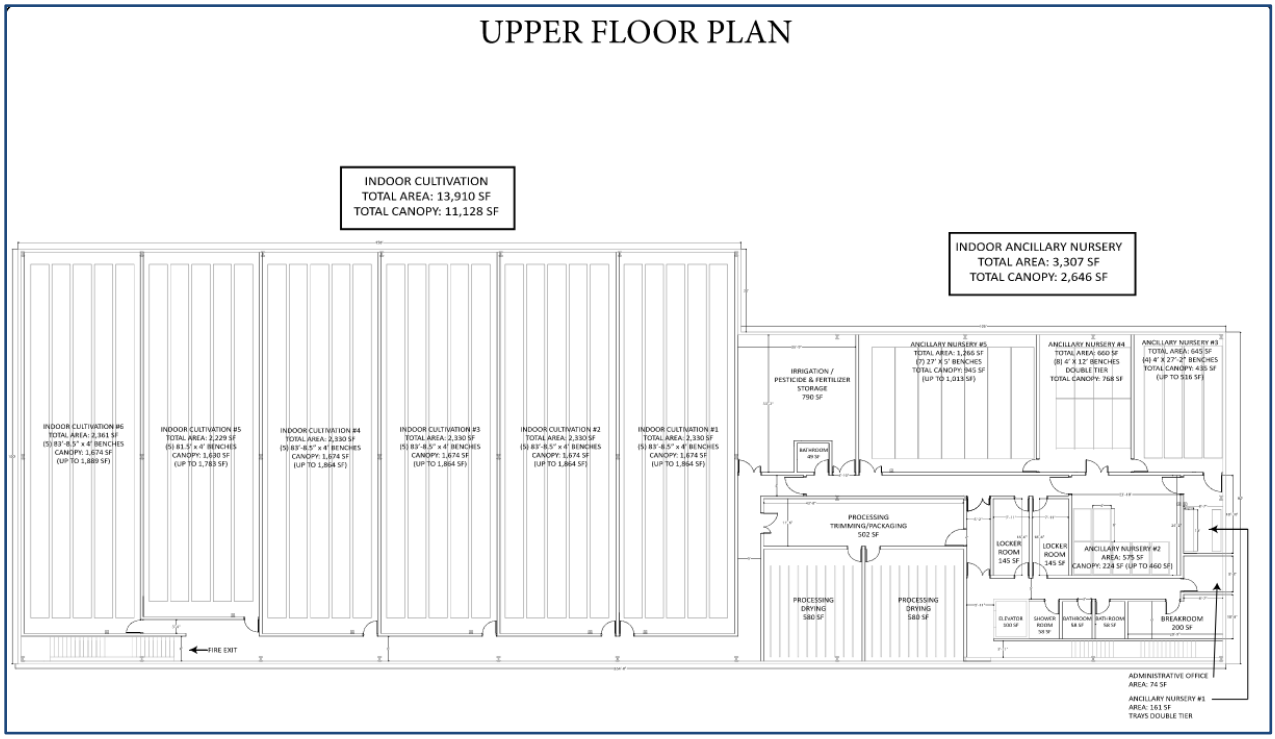


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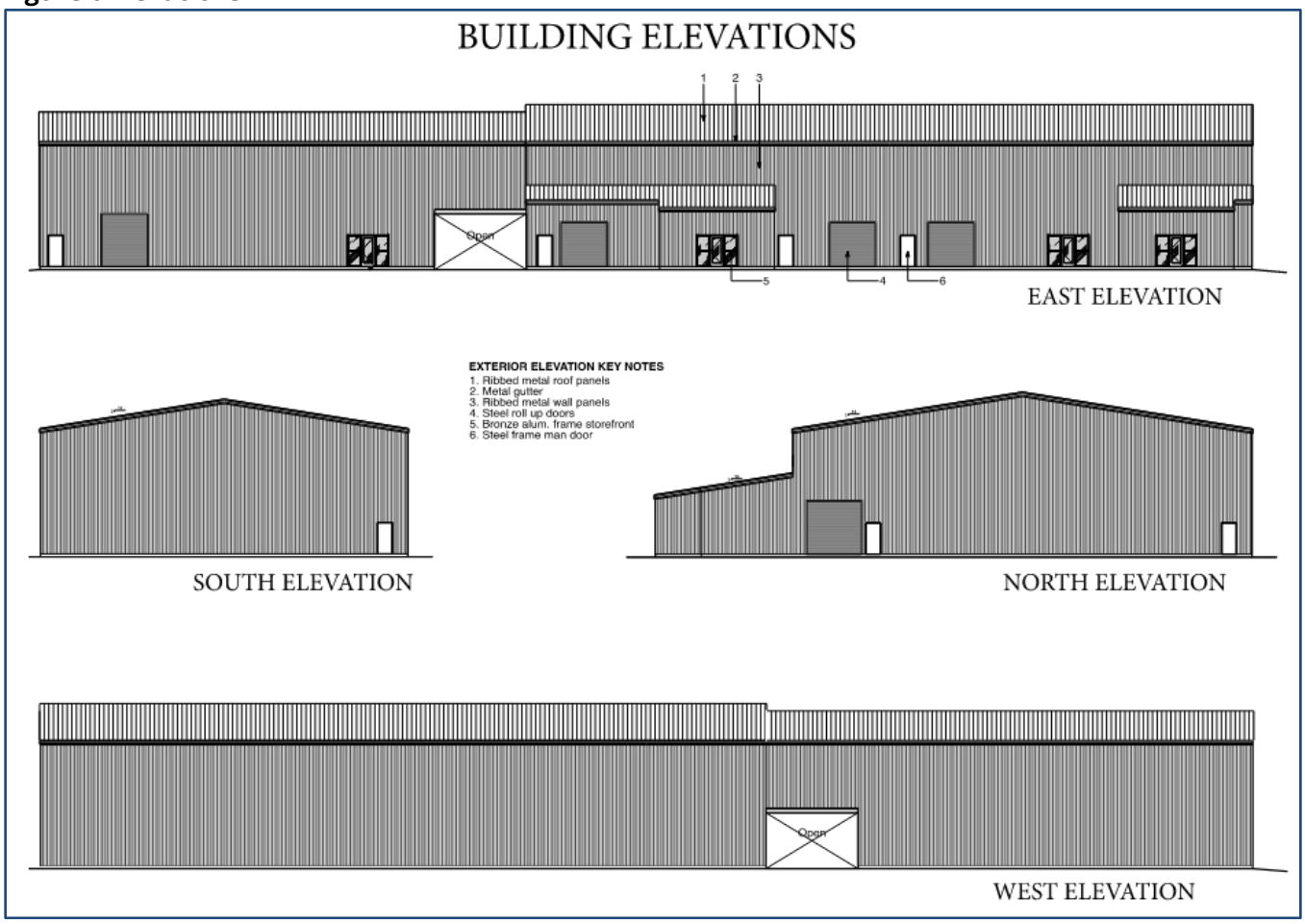
Figure 6 Elevations



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ASSESSOR PARCEL NUMBER(S): 040-153-026

Latitude: 35º N 34' 25.91157" N **Longitude:** 120º 41' 32.96635" W **SUPERVISORIAL DISTRICT #** 1

B. Existing Setting

Plan Area: North County **Subarea:** Salinas River **Community:** Templeton

Land Use Category: Industrial

Combining Designation: None

Parcel Size: 2.82 acres

Topography: Nearly level

Vegetation: Ornamental landscaping

Existing Uses: Industrial warehouse

Surrounding Land Use Categories and Uses:

North: Industrial; concrete and stone suppliers

East: Industrial; vacant / overflow parking lot

South: Industrial; HVAC and electric suppliers

West: Industrial; building materials suppliers

C. Environmental Analysis

The Initital Study Checklist provides detailed information about the environmental impacts of the proposed project and mitigation measures to lessen the impacts.

I. AESTHETICS

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

Setting

CEQA establishes that it is the policy of the state to take all action necessary to provide people of the state "with… enjoyment of aesthetic, natural, scenic and historic environmental qualities" (Public Resources Code Section 21001(b)).

A scenic vista is generally defined as a high-quality view displaying good aesthetic and compositional values that can be seen from public viewpoints. Some scenic vistas are officially or informally designated by public agencies or other organizations. A substantial adverse effect on a scenic vista would occur if the project would significantly degrade the scenic landscape as viewed from public roads or other public areas. A proposed project's potential effect on a scenic vista is largely dependent upon the degree to which it would complement or contrast with the natural setting, the degree to which it would be noticeable in the existing environment, and whether it detracts from or complements the scenic vista.

California's Scenic Highway Program was created by the State Legislature in 1963 with the intention of protecting and enhancing the natural scenic beauty of California highways and adjacent corridors. There are

several officially designated state scenic highways and several eligible state scenic highways within the County. State Route 1 is an Officially Designated State Scenic Highway and All-American Road from the City of San Luis Obispo to the northern San Luis Obispo County boundary. A portion of Nacimiento Lake Drive is an Officially Designated County Scenic Highway. Portions of Highway 101, Highway 46, Highway 41, Highway 166, and Highway 33 are also classified as Eligible State Scenic Highways – Not Officially Designated.

The County of San Luis Obispo Inland Land Use Ordinance (LUO) establishes regulations for exterior lighting (LUO Section 22.10.060), height limitations for each land use category (LUO Section 22.10.090), scenic highway corridor standards (LUO Section 22.10.095), and other visual resource protection policies. These regulations are intended to help the County achieve its Strategic Growth Principles of preserving scenic natural beauty and fostering distinctive, attractive communities with a strong sense of place as set forth in the County Land Use Element.

The LUO also maps portions of the Salinas River Highway Corridor, the San Luis Obispo Highway Corridor, and the South County Highway Corridor to comply with County highway corridor design standards. These standards include but are not limited to setbacks from highway rights-of-way, guidelines for development along ridgelines, limitations on graded slopes, protection of landmark features, and standards for building height and color (LUO Section 22.10.095).

The County of San Luis Obispo LUO defines a Sensitive Resource Area (SRA) combining designation that applies to areas having high environmental quality and special ecological or educational significance. These designated areas are considered visual resources by the County and the LUO establishes specific standards for projects located within these areas. These standards include but are not limited to set back distances from public viewpoints, prohibition of development that silhouettes against the sky, grading slope limitations, set back distances from significant rock outcrops, design standards including height limitations and color palette, and landscaping plan requirements.

In addition to policies set forth in the LUO, the County Conservation and Open Space Element (COSE) provides guidelines for the appropriate placement of development so that the natural landscape continues to be the dominant view in rural parts of the county and to ensure the visual character contributes to a robust sense of place in urban areas. The COSE provides a number of goals and policies to protect the visual character and identity of the county while protecting private property rights, such as the identification and protection of community separators (rural-appearing land located between separate, identifiable communities and towns), designation of scenic corridors along public roads and highways throughout the county, retaining existing access to scenic vista points, and setting the standard that new development in urban and village areas shall be consistent with the local character, identify, and sense of place.

The project site is located at 320 Marquita Road in the community of Templeton and is immediately surrounded by an industrial area. The site has relatively flat topography and is currently under construction with multi-tenant warehouse development, consistent with other nearby commercial services and industrial uses. The cannabis project would operate within a tenant space of the approved shell building. Properties to the immediate north, east, south, and west of the project site are industrial parcels with commercial service and industrial uses such as wineries, concrete and lumber suppliers, and vehicle repair services.

Per the COSE, the project site is not located in a designated scenic area. There are no unique geological or physical features located on-site. Table VR-2 of the Conservation and Open Space Element provides a list of Suggested Scenic Corridors; none of the roadways in the vicinity of the project site are listed on Table VR-2. Existing sources of lighting in the vicinity of the project site include lighting from commercial and industrial uses and vehicles traveling along Marquita Avenue.

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State law sets forth general environmental protection measures for cannabis cultivation in Title 3, Division 8, Chapter 1 Article 4 of the California Code of Regulations. Section 8304 (c) states: All outdoor lighting used for security purposes shall be shielded and downward facing and directed onto the source parcel and away from roadways and adjacent parcels. Section 8304 (g) states: mixed-light license types of all tiers and sizes shall ensure that lights used for cultivation are shielded from sunset to sunrise to avoid nighttime glare.

Discussion

(a) *Have a substantial adverse effect on a scenic vista?*

For the purposes of determining significance under CEQA, a scenic vista is defined as a viewpoint that provides expansive views of a highly valued landscape for the benefit of the general public. The project is not located within an identified SRA or Highway Corridor, and is accessed by Marquita Avenue, which serves as the primary public vantage for viewing the site.

The project site is not considered a scenic vista because it does not offer expansive views of highly valued landscape and is not officially or unofficially designated as a scenic vista. Therefore, the project would not result in a substantial adverse effect on a scenic vista, and *no impacts* would occur.

(b) *Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?*

The project site is not located along, nor visible from, a designated state scenic highway or eligible state scenic highway (Caltrans State Scenic Highway Program, 2021). Marquita Avenue is not a Suggested Scenic Corridor identified in Table VR-2 of the COSE. Highway 101, located approximately 0.3 mile west of the project site, is listed on Table VR-2. However, the project would not be visible from that highway due to the substantial distance. Therefore, the project would not result in substantial damage to scenic resources within a state scenic highway. In addition, the site does not contain any scenic resources such as rock outcroppings, or historic buildings. Therefore, *no impact* would occur.

(c) *In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?*

The project site is located in the community of Templeton within an Industrial land use category and is surrounded by other commercial service and industrial uses. The site is currently developed with an existing 51,980 square foot multi-tenant warehouse building. The project involves the operation of a cannabis business that includes indoor cannabis cultivation, ancillary nursery, ancillary processing, manufacturing, storage, non-storefront dispensary, distribution, and ancillary transport within an approximately 27,117-square-foot space within the existing warehouse. The project is required to satisfy all applicable zoning and other regulations governing scenic quality for the area, including the Templeton Community Design Plan. Therefore, impacts to the visual character and quality of the area would be *less than significant.*

(d) *Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?*

Existing sources of light in the project vicinity include exterior lighting from the existing building and, surrounding businesses. The project would operate within a tenant space of an existing warehouse building and introduce new sources of light for the project's operational characteristics and required

security measures. As proposed, windows located in the cultivation areas will be equipped with black-out features at night to eliminate light pollution, and exterior motion-detected security lighting shall be positioned downwards and shielded to reduce light pollution and spillover in accordance with California Code of Regulations Sections 8304(c) & 8304(g). In addition, LUO Section 22.10.060 prohibits light or glare which is transmitted or reflected in a concentration or intensity that is detrimental or harmful to persons, or that interferes with the use of surrounding properties or streets. This section also requires that light shielding be used for outdoor lighting on new projects. Therefore, any lighting-related impacts from the indoor cultivation areas and exterior security lighting would be *less than significant.*

Conclusion

No significant aesthetic impacts would occur, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

II. AGRICULTURE AND FORESTRY RESOURCES

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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 Dept. 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 Protocols adopted by the California Air Resources Board. Would the project:				
(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?	☐	☐	☐	☒
(b)	Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒
(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))?	☐	☐	☐	☒
(d)	Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
(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?	☐	☐	☐	☒

Setting

The County of San Luis Obispo supports a unique, diverse, and valuable agricultural industry that can be attributed to its Mediterranean climate, fertile soils, and sufficient water supply. Wine grapes are regularly the top agricultural crop in the county. Top value agricultural products in the County also include fruit and nuts, vegetables, field crops, nursery products, and animals. The County of San Luis Obispo Agriculture Element

includes policies, goals, objectives, and other requirements that apply to lands designated in the Agriculture land use category. In addition to the Agriculture Element, in accordance with Sections 2272 and 2279 of the California Food and Agriculture Code, the County Agricultural Commissioner releases an annual report on the condition, acreage, production, pest management, and value of agricultural products within the county. The most recent annual crop report can be found here: https://www.slocounty.ca.gov/Departments/Agriculture-Weights-and-Measures/All-Forms-Documents/Information/Crop-Report.aspx.

The California Department of Conservation (CDOC) Farmland Mapping and Monitoring Program (FMMP) produces maps and statistical data used for analyzing impacts on California's agricultural resources. Agricultural land is rated according to soil quality and current land use. For environmental review purposes under CEQA, the FMMP categories of Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, and Grazing Land are considered "agricultural land." Other non-agricultural designations include Urban and Built-up Land, Other Land, and Water.

Chapter 6 of the County COSE identifies resource management goals, policies, and strategies to protect agricultural soils from conversion to urban and residential uses. Important Agricultural Soils within the County are identified in Table SL-2 of the COSE and Policy SL 3.1 states that proposed conversion of agricultural lands to non-agricultural uses shall be evaluated using the applicable policies in the COSE and Agricultural Element.

The Land Conservation Act of 1965, commonly referred to as the Williamson Act, enables local governments to enter contracts with private landowners for the purpose of restricting specific parcels of land to agriculture or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value. The project site is located within the Industrial land use category and is not subject to a Williamson Act contract.

According to Public Resources Code Section 12220(g), forest land is defined as land that can support 10% native tree cover of any species, including hardwoods, under natural conditions, and that allows for management of one or more forest resources, including timber, aesthetics, fish and wildlife, biodiversity, water quality, recreation, and other public benefits. Timberland is defined as land, other than land owned by the federal government and land designated by the board as experimental forest land, which is available for, and capable of, growing a crop of trees of a commercial species used to produce lumber and other forest products, including Christmas trees. The project site does not contain any forest land and does not support any timberland activities.

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Discussion

(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?

The proposed project will occur in an existing warehouse building located in an Industrial zoned land use category. The project involves the operation of a cannabis business that includes indoor cannabis cultivation, ancillary nursery, ancillary processing, manufacturing, storage, non-storefront dispensary, distribution, and ancillary transport within a lease space of the approved industrial development. Therefore, the project does not result in the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use. Therefore, *no impact* would occur to Farmland.

(b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?

The project does not conflict with zoning for agricultural use or a Williamson Act contract because the site is not zoned for agricultural use and is not under a Williamson Act contract. Therefore*, no impact would occur.*

(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))?

The project does not conflict with existing zoning for, or cause rezoning of, forest land or timberland zoned Timberland Production because the site does not contain land zoned for forest land or timberland. Therefore, *no impact* would occur.

(d) Result in the loss of forest land or conversion of forest land to non-forest use?

The project would not result in the loss of forest land or the conversion of forest land to non-forest use because the site does not include any forest land as defined in Public Resources Code section 12220(g). Therefore, *no impact* would occur.

(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?

The project is not located on or in close proximity to Farmland or forest land. The project would operate from within a lease space of an approved industrial development and does not involve changes to the existing environment that could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use. Therefore*, no impact* would occur.

Conclusion

No impacts to agriculture and forestry resources would occur, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

III. AIR QUALITY

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

Setting

Regulatory Agencies and Standards

San Luis Obispo County is part of the South Central Coast Air Basin, (SCCAB) which also includes Santa Barbara and Ventura Counties. Air quality within the SCCAB is regulated by several jurisdictions including the U.S. Environmental Protection Agency (EPA), California Air Resources Board (ARB), and the San Luis Obispo County Air Pollution Control District (SLOAPCD). Each of these jurisdictions develops rules, regulations, and policies to attain the goals or directives imposed upon them through legislation. The California ARB is the agency responsible for coordination and oversight of state and local air pollution control programs in California and for implementing the California Clean Air Act (CCAA) of 1988. The State Department of Public Health established California Ambient Air Quality Standards (CAAQS) in 1962 to define the maximum amount of a pollutant (averaged over a specified period of time) that can be present without any harmful effects on people or the environment. The California ARB adopted the CAAQS developed by the Department of Public Health in 1969, which had established CAAQS for 10 criteria pollutants: particulate matter (PM_{10} and $PM_{2.5}$), ozone (O_3), nitrogen dioxide (NO_2), sulfate, carbon monoxide (CO), sulfur dioxide (SO_2), visibility reducing particles, lead (Pb), hydrogen sulfide (H_2S), and vinyl chloride.

The Federal Clean Air Act (FCAA) later required the U.S. EPA to establish National Ambient Air Quality Standards (NAAQS) for pollutants considered harmful to public health and the environment, and also set deadlines for their attainment. The U.S. EPA has established NAAQS for six criteria pollutants (all of which are also regulated by CAAQS): CO, lead, NO_2, ozone, PM_{10} and $PM_{2.5}$, and SO_2.

California law continues to mandate compliance with CAAQS, which are often more stringent than national standards. However, California law does not require that CAAQS be met by specified dates as is the case with NAAQS. Rather, it requires incremental progress toward attainment. The SLOAPCD is the agency primarily

responsible for ensuring that NAAQS and CAAQS are not exceeded and that air quality conditions within the county are maintained.

San Luis Obispo County Clean Air Plan

The SLOAPCD's San Luis Obispo County 2001 Clean Air Plan (CAP) is a comprehensive planning document intended to evaluate long-term emissions and cumulative effects and provide guidance to the SLOAPCD and other local agencies on how to attain and maintain the state standards for ozone and PM_{10}. The CAP presents a detailed description of the sources and pollutants which impact the jurisdiction's attainment of state standards, future air quality impacts to be expected under current growth trends, and an appropriate control strategy for reducing ozone precursor emissions, thereby improving air quality. In order to be considered consistent with the San Luis Obispo County CAP, a project must be consistent with the land use planning and transportation control measures and strategies outlined in the CAP.

The County is currently designated as a non-attainment area for ozone and PM_{10} under state ambient air quality standards. Construction and operation of the project would result in emissions of ozone precursors including reactive organic gasses (ROG) and nitrous oxides (NO_X) as well as fugitive dust emissions (PM_{10}).

SLOAPCD Criteria Pollutant Thresholds

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

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

As proposed, the project would operate from within a lease space of the industrial building development. Project-related constructional impacts would be short-term and are limited to tenant improvements of the lease space. Any anticipated disturbance to the site would be minimal and limited to the installation of required security measures (i.e., security fencing, gates, etc.).

Operational impacts are focused primarily on the indirect emissions (i.e., motor vehicles) associated with residential, commercial, and industrial development. Certain types of projects can also include components that generate direct emissions, such as power plants, gasoline stations, dry cleaners, and refineries (source emissions). Table 1-1 of the APCD's CEQA Handbook provides screening criteria based on the size of different types of projects that would normally generate sufficient motor vehicle trips that would cause an exceedance of the operational thresholds of significance for ozone precursors. A project consisting of 99 single family residences generating 970 average daily vehicle trips would be expected to exceed the 25 lbs/day operational threshold for ozone precursors.

General screening criteria is used by the SLOAPCD to determine the type and scope of air quality assessment required for a particular project (Table 1-1 in the APCD's CEQA Air Quality Handbook). These criteria are based on project size in an urban setting and are designed to identify those projects with the potential to exceed the APCD's significance thresholds. A more refined analysis of air quality impacts specific to a given project is

necessary for projects that exceed the screening criteria below or are within 10% of exceeding the screening criteria.

Air Quality Monitoring

The county's air quality is measured by a total of 10 ambient air quality monitoring stations, and pollutant levels are measured continuously and averaged each hour, 24 hours a day. The significance of a given pollutant can be evaluated by comparing its atmospheric concentration to state and federal air quality standards. These standards represent allowable atmospheric containment concentrations at which the public health and welfare are protected and include a factor of safety. The SLOAPCD prepares an Annual Air Quality Report detailing information on air quality monitoring and pollutant trends in the county. The most recent Annual Air Quality Report can be found here:

https://storage.googleapis.com/slocleanair-org/images/cms/upload/files/2017aqrt-FINAL2.pdf.

In the County of San Luis Obispo, ozone and fine particulates (particulate matter of 10 microns in diameter or smaller; PM_{10}) are the pollutants of main concern, since exceedances of state health-based standards for these pollutants are experienced in some areas of the county. Under federal standards, the county has non-attainment status for ozone in eastern San Luis Obispo County.

Naturally Occurring Asbestos

Naturally Occurring Asbestos (NOA) is identified as a toxic air contaminant by the California Air Resources Board (CARB). Serpentine and other ultramafic rocks are fairly common throughout the county and may contain NOA. If these areas are disturbed during construction, NOA-containing particles can be released into the air and have an adverse impact on local air quality and human health. The project site is not located within an area where the APCD has identified as having the potential for NOA.

Sensitive Receptors

Sensitive receptors are people that have an increased sensitivity to air pollution or environmental contaminants, such as the elderly, children, people with asthma or other respiratory illnesses, and others who are at a heightened risk of negative health outcomes due to exposure to air pollution. Some land uses are considered more sensitive to changes in air quality than others, due to the population that occupies the uses and the activities involved. Sensitive receptor locations include schools, parks and playgrounds, day care centers, nursing homes, hospitals, and residences.

Developmental Burning

As of February 25, 2000, the APCD prohibits developmental burning of vegetative material within San Luis Obispo County. However, under certain circumstances where no technically feasible alternatives are available, limited developmental burning under restrictions may be allowed. Any such exception must complete the following prior to any burning: APCD approval; payment of fee to APCD based on the size of the project; and issuance of a burn permit by the APCD and the local fire department authority. As a part of APCD approval, the applicant shall furnish them with the study of technical feasibility (which includes costs and other constraints) at the time of application.

Discussion

(a) Conflict with or obstruct implementation of the applicable air quality plan?

The applicable air quality plan is the SLOAPCD CAP (SLOAPCD 2002). In order to be considered consistent with the CAP, a project must be consistent with the land use planning and transportation control measures and strategies outlined in the CAP (SLOAPCD 2012). Adopted land use planning strategies include, but are not limited to, planning compact communities with higher densities, providing for mixed land use, and balancing jobs and housing. The project does not include development of retail or commercial uses that would be open to the public; therefore, land use planning strategies such as mixed-use development and planning compact communities are generally not applicable. The project proposes to employ a maximum of five (5) employees, which would not result in a significant increase in employees, and therefore, would not significantly affect the local area's job and housing balance.

Adopted transportation control measures include, but are not limited to, a voluntary commute options program, local and regional transit system improvements, bikeway enhancements, and telecommuting programs. The voluntary commute options program targets employers in the County with more than 20 employees. Since the project would employ a maximum of five (5) employees, this program would not generally be applicable. The project would also not conflict with regional transit system improvements and bikeway enhancements. Project employees would generally be performing manual tasks such as planting, harvesting, and monitoring the irrigation equipment. Therefore, the project would not be a feasible candidate for participation in a telecommuting program.

Therefore, since the project would not conflict with or obstruct implementation of the CAP, impacts would be *less than significant.*

(b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?

Construction-related impacts

The SLOAPCD developed and updated their San Luis Obispo County 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 Handbook includes screening criteria for project impacts (Table 2). According to the Handbook, a project with grading in excess of 4.0 acres and/or a project that will move 1,200 cubic yards of earth per day can exceed the construction thresholds for diesel particulate matter (PM_{10}) and ozone precursors (ROG + NOx) outlined in Table 2. Construction-related emissions would exceed general thresholds triggering construction-related mitigation for fugitive particulate matter and would be significant unless mitigated.

Based on the project description, construction-related impacts would be limited to required tenant improvements of the lease space for the cannabis operations. Grading is not proposed as part of this project, and any anticipated site improvements would involve minimal site disturbance for the installation of required security measures such as fencing and gates. This would result in the creation of minimal construction dust, as well as short-term criteria air pollutant emissions from both construction equipment and construction worker vehicles. Construction-related impacts would not exceed thresholds outlined in Table 2. Therefore, impacts would be *less than significant.*

Table 2 – Estimated Construction-Related Emissions

Pollutant	Threshold[1]		
	Daily	Quarterly Tier 1	Quarterly Tier 2
Reactive Organic Gases (ROG) + Nitrogen Oxide (NO_x) (combined)	137 lbs	2.5 tons	6.3 tons
Diesel Particulate Matter ($DPM_{2.5}$)	7 lbs	0.13 tons	0.32 tons
Fugitive Particulate Matter (PM_{10})	---	2.5 tons[2]	---

Notes:
1. Daily and quarterly emission thresholds are based on the California Health & Safety Code and the CARB Carl Moyer Guidelines.
2. Any project with a grading area greater than 4.0 acres of worked area can exceed 2.5-ton PM_{10} quarterly threshold.

Operational impacts.

During operations, the project has the potential to generate criteria pollutants (ozone precursors and fine particulates), primarily from new vehicle trips. According to the 2012 SLOAPCD CEQA Handbook, a project that generates fewer than 99 average daily motor vehicle trips will generate emissions that fall below the threshold of significance for ozone precursors. Based on the trip generation rates for the cannabis activities applied by the applicant's traffic consultant (Orosz Engineering Group, August 2020), the project is expected to generate a total of 25 average daily trips (ADT) with three (3) PM peak hour trips (PHT). The industrial development was originally intended for warehouse use, which is calculated to generate a total of 40 ADT with four (4) PM PHT. The proposed change in use for the lease space would result in 15 fewer ADT and one (1) less PM PHT and generate fewer than 99 trips. Therefore, impacts related to exceedance of federal, state, or APCD ambient air quality standards due to operational activities would be *less than significant* and less than cumulatively considerable.

(c) Expose sensitive receptors to substantial pollutant concentrations?

Sensitive receptors are people who have an increased sensitivity to air pollution or environmental contaminants. Sensitive receptor locations include schools, parks and playgrounds, day care centers, nursing homes, hospitals, and residential dwelling unit(s). The nearest offsite sensitive receptors to the site include a proposed residence on a parcel located approximately 0.25 mile west and existing residences on parcels located approximately 0.35 mile east, past Highway 101.

As proposed, construction-related impacts would be limited to required tenant improvements of the lease space for the cannabis operations. Grading is not proposed as part of this project, and any anticipated site improvements would involve minimal site disturbance for the installation of required security measures such as fencing and gates. As discussed in subsection (b), the project would not result in substantial pollutant exposure from construction or operational activity. According to the California Air Resources Board's (ARB) Community Health Perspective Handbook, temporary activities do not typically result in particulate matter emissions concentrations that would cause a significant health risk effect (ARB, 2005). Therefore, the project would not expose sensitive receptors to substantial pollutant concentrations and impacts would be less than significant.

According to the SLOAPCD CEQA Air Quality Handbook, naturally occurring asbestos (NOA) has been identified as a toxic air contaminant by the ARB. Under the ARB Air Toxics Control Measure (ATCM) for

Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities a geologic evaluation should be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site, 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. Based on the APCD online map of potential NOA occurrence, the project site does not lie in the area where a geologic study for the presence of NOA is required (ARB, 2000; County of San Luis Obispo Online Land Use Viewer). Therefore, impacts would be *less than significant*.

(d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?

The project is an indoor cannabis operation that includes cannabis cultivation canopy, ancillary nursery, ancillary processing, manufacturing for on-site and off-site cannabis products, manufacturing storage, a non-storefront dispensary, distribution, and storage and ancillary transport. These activities often produce potentially objectionable odors during the flowering, harvest, processing, and storage phases of the proposed operations and could disperse through the air and be detected by surrounding receptors. The operation of the project would contain nuisance odors within the enclosed building and would mitigate the odors before they are released. The project building would incorporate an air scrubbing system with carbon filtration to eliminate cannabis odors from being detected offsite. Therefore, potential odor-related impacts would be *less than significant*.

Conclusion

The project is consistent with the SLOAPCD's Clean Air Plan and would not exceed thresholds for construction-related and operational emissions. The project would not result in cumulatively considerable emissions of any criteria pollutant for which the County is in non-attainment and would not expose sensitive receptors to substantial pollutant concentrations or result in other emissions adversely affecting a substantial number of people. Therefore, potential impacts to air quality would be less than significant and no mitigation measures are necessary.

Mitigation

No mitigation measures are necessary.

Sources

See Exhibit A.

IV. BIOLOGICAL RESOURCES

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the project:					
(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?	☐	☐	☐	☒
(b)	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	☒
(c)	Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
(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?	☐	☐	☐	☒
(e)	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒
(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?	☐	☐	☐	☒

Initial Study – Environmental Checklist

Setting

Federal and State Endangered Species Acts

The Federal Endangered Species Act of 1973 (FESA) provides legislation to protect federally listed plant and animal species. The California Endangered Species Act of 1984 (CESA) ensures legal protection for plants listed as rare or endangered, and wildlife species formally listed as endangered or threatened, and also maintains a list of California Species of Special Concern (SSC). SSC status is assigned to species that have limited distribution, declining populations, diminishing habitat, or unusual scientific, recreational, or educational value. Under state law, the CDFW has the authority to review projects for their potential to impact special-status species and their habitats.

Migratory Bird Treaty Act

The Migratory Bird Treaty Act (MBTA) protects all migratory birds, including their eggs, nests, and feathers. The MBTA was originally drafted to put an end to the commercial trade in bird feathers, popular in the latter part of the 1800s. The MBTA is enforced by the U.S. Fish and Wildlife Service (USFWS), and potential impacts to species protected under the MBTA are evaluated by the USFWS in consultation with other federal agencies and are required to be evaluated under CEQA.

Clean Water Act and State Porter Cologne Water Quality Control Act

The U.S. Army Corps of Engineers (USACE) regulates discharges of dredged or fill material into waters of the United States. These waters include wetland and non-wetland water bodies that meet specific criteria. USACE jurisdiction regulates almost all work in, over, and under waters listed as "navigable waters of the U.S." that results in a discharge of dredged or fill material within USACE regulatory jurisdiction, pursuant to Section 404 of the Clean Water Act (CWA). Under Section 404, USACE regulates traditional navigable waters, wetlands adjacent to traditional navigable waters, relatively permanent non-navigable tributaries that have a continuous flow at least seasonally (typically 3 months), and wetlands that directly abut relatively permanent tributaries.

The State Water Resources Control Board (SWRCB) and nine (9) Regional Water Quality Control Boards (RWQCBs) regulate discharges of fill and dredged material in California, under Section 401 of the CWA and the State Porter-Cologne Water Quality Control Act, through the State Water Quality Certification Program. State Water Quality Certification is necessary for all projects that require a USACE permit, or fall under other federal jurisdiction, and have the potential to impact waters of the State. Based on the U.S. Fish and Wildlife Service National Wetlands Inventory, the project site does not support wetlands, riparian, or deep-water habitats (USFWS 2019).

California Fish and Game Code

California Fish and Game Code Sections 3511, 4700, 5050 and 5515 identify a Fully Protected Species (FPS) classification to identify and provide additional protection to those wildlife species that were rare or faced possible extinction. FPS may not be taken or possessed at any time and no licenses or permits may be issued for their take except for collecting these species for scientific research, for relocation of the bird species for the protection of livestock, or if they are a covered species whose conservation and management is provided for in a Natural Community Conservation Plan (NCCP).

County of San Luis Obispo General Plan and Conservation and Open Space Element

The intent of the goals, policies, and implementation strategies in the COSE is to identify and protect biological resources that are a critical component of the county's environmental, social, and economic well-

being. Biological resources include major ecosystems; threatened, rare, and endangered species and their habitats; native trees and vegetation; creeks and riparian areas; wetlands; fisheries; and marine resources. Individual species, habitat areas, ecosystems and migration patterns must be considered together in order to sustain biological resources. The COSE identifies Critical Habitat areas for sensitive species including California condor, California red legged frog, vernal pool fairy shrimp, La Graciosa thistle, Morro Bay kangaroo rat, Morro shoulderband snail, tiger salamander, and western snowy plover. The COSE also identifies features of particular importance to wildlife for movement corridors such as riparian corridors, shorelines of the coast and bay, and ridgelines. The COSE identifies several key goals pertaining to biological resources within the county:

- **Goal BR 1:** Native habitat and biodiversity will be protected, restored, and enhanced.
- **Goal BR 2:** Threatened, rare, endangered, and sensitive species will be protected.
- **Goal BR 3:** Maintain the acreage of native woodlands, forests, and trees at 2008 levels.
- **Goal BR 4:** The natural structure and function of streams and riparian habitat will be protected and restored.
- **Goal BR 5:** Wetlands will be preserved, enhanced, and restored.
- **Goal BR 6:** The County's fisheries and aquatic habitats will be preserved and improved.
- **Goal BR 7:** Significant marine resources will be protected.

The project site is currently developed and does not provide habitat for Critical Habitat species.

Oak Woodland Ordinance

The County of San Luis Obispo Oak Woodland Ordinance was adopted in April 2017 to regulate the clearcutting of oak woodlands. This ordinance applies to sites located outside of Urban or Village areas within the inland portions of the county (not within the Coastal Zone). "Clear-cutting" is defined as the removal of one acre or more of contiguous trees within an oak woodland from a site or portion of a site for any reason, including harvesting of wood, or to enable the conversion of land to other land uses. "Oak woodland" includes the following species: blue oak (Quercus douglasii), coast live oak (Quercus agrifolia), interior live oak (Quercus wislizeni), valley oak (Quercus labata), and California black oak (Quercus kelloggii). The ordinance applies to clear-cutting of oak woodland only and does not apply to the removal of other species of trees, individual oak trees (except for Heritage Oaks), or the thinning, tree trimming, or removal of oak woodland trees that are diseased, dead, or creating a hazardous condition. Heritage oaks are any individual oak species, as defined in the Oak Woodland Ordinance, of 48 inches diameter at breast height (dbh) or greater, separated from all Stands and Oak Woodlands by at least 500 feet. Minor Use Permit approval is required to remove any Heritage Oak. The project site does not support oak woodland or Heritage Oaks.

The project site is a developed parcel within the community of Templeton. The site currently has existing development, and the project will occupy a portion of an approximately 51,980 square-foot warehouse.

Sensitive Resource Area Designations

The County of San Luis Obispo Land Use Ordinance (LUO) Sensitive Resource Area (SRA) combining designation applies to areas of the County with special environmental qualities, or areas containing unique or sensitive endangered vegetation or habitat resources. The combining designation standards established in the LUO require that proposed uses be designed with consideration of the identified sensitive resources and the need for their protection. The project site is not within a SRA combining designation.

Discussion

(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?*

Prior development on site included buildings and storage structures for the operation of a lumber storage yard. This development has since been demolished, and the site was graded and developed with a new warehouse. Since the site is already developed and the project would operate within an existing tenant space, the project site does not have the potential to support habitat for 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. Therefore, the project would not result in substantial adverse effects to special-status species and *no impacts* would occur.

(b) *Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?*

There are no mapped blue link creeks and no riparian vegetation or other sensitive natural communities within or immediately adjacent to the proposed area of disturbance. The closest blue line stream is the Salinas River, which is approximately 1,200 feet to the southeast. This is a substantial distance from the project site, and there is intervening topography and vegetation that creates additional buffer. Also, the project will not result in grading or site disturbance except for the installation of security fencing in an area that is already developed. Therefore, the project would not result in impacts to riparian habitat or other sensitive natural communities, and *no impacts* would occur.

(c) *Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?*

The project site does not support state or federally protected wetlands or other jurisdictional areas, and there are not federally protected wetlands or other jurisdictional areas immediately adjacent to the project site. Therefore, the project would not result in an adverse effect on state or federally protected wetlands, and *no impacts* would occur.

(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?*

Based on the California Essential Habitat Connectivity Project, the project site is not located in an identified Essential Connectivity Area. The project site does not support habitat features conducive to migratory wildlife species such as riparian corridors, shorelines, or ridgelines. Additionally, the project will utilize existing infrastructure. Therefore, the project would not interfere with the movement of resident or migratory fish or wildlife species or wildlife nursery sites, and *no impacts* would occur.

(e) *Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?*

The project would not conflict with any local policies or ordinances protecting biological resources. The site has been previously developed as a lumber storage yard, and the new warehouse development will include the planting of ornamental landscaping along the street frontage. The

project would not adversely affect sensitive habitats or resources identified in the COSE or native tree species protected under the County Oak Woodland Ordinance. The project is not located within an SRA designated for protection of unique or sensitive endangered vegetation or habitat resources. The proposed area of disturbance does not support sensitive resources that are protected by local policies and plans. Therefore, the project would not result in a conflict with local policies or ordinances protecting biological resources and *no impacts* would occur.

(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?

The project is not located within an area under an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan. Therefore, the project would not conflict with the provisions of any applicable habitat or natural community conservation plans and *no impacts* would occur.

Conclusion

The project site does not support suitable habitat for sensitive plant or wildlife species, wetlands, riparian habitat, or other sensitive biological resources. The project will utilize existing infrastructure and will not result in new or substantial site disturbance. The project would not conflict with local plans or policies for protection of biological resources. Therefore, no impacts to biological resources would occur and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

V. CULTURAL RESOURCES

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

Setting

San Luis Obispo County possesses a rich and diverse cultural heritage and therefore has a wealth of historic and prehistoric resources, including sites and buildings associated with Native American inhabitation, Spanish missionaries, and immigrant settlers.

As defined by CEQA, a historical resource includes:

1. A resource listed in or determined to be eligible for listing in the California Register of Historical Resources (CRHR).
2. Any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant or significant. The architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural records of California may be considered a historical resource, provided the lead agency's determination is supported by substantial evidence.

The County of San Luis Obispo LUO Historic Site (H) combining designation is applied to areas of the county to recognize the importance of archeological and historic sites and/or structures important to local, state, or national history. Standards are included regarding minimum parcel size and permit processing requirements for parcels with an established structure and Historic Site combining designation. For example, all new structures and uses within an H combining designation require Minor Use Permit approval, and applications for such projects are required to include a description of measures proposed to protect the historic resource identified by the Land Use Element (LUO 22.14.080).

San Luis Obispo County was historically occupied by two Native American tribes: the northernmost subdivision of the Chumash, the Obispeño (after Mission San Luis Obispo de Tolosa), and the Salinan. However, the precise location of the boundary between the Chumashan-speaking Obispeño Chumash and their northern neighbors, the Hokan-speaking Playanos Salinan, is not known, as those boundaries may have changed over time.

The COSE identifies and maps anticipated culturally sensitive areas and historic resources within the county and establishes goals, policies, and implementation strategies to identify and protect areas, sites, and

buildings having architectural, historical, Native American, or cultural significance. Based on the COSE, the project is not located in a designated Archaeological Sensitive Area or Historic Site.

Pursuant to LUO Section 22.10.040, if archaeological resources are unearthed or discovered during any construction activities, work in the area shall halt until they can be examined by a qualified archaeologist and appropriate recommendations made. State law sets forth general environmental protection measures for cannabis cultivation in Title 3, Division 8, Chapter 1 Article 4 of the California Code of Regulations. Section 8304(d) requires the project to immediately halt cultivation activities and implement section 7050.5 of the Health and Safety Code if human remains are discovered.

Discussion

(a) Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?

The project site does not contain, nor is located near, any historic resources identified in the National Register of Historic Places or California Register of Historic Resources. The project site is not under the Historic Site (H) combining designation and would not, following redevelopment, contain structures of historic age (i.e., 50 years or older) that could be potentially significant as a historical resource. Therefore, the project would not result in an adverse change in the significance of a historical resource, and *no impacts* would occur.

(b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?

Based on the COSE, the project site is not located within a designated Archaeological Sensitive Area. The project includes the operation of a cannabis business within a portion of an existing industrial warehouse development. The only ground disturbance would be for the installation of security fencing to a site that has been previously disturbed during its original development and redevelopment. In the unlikely event resources are uncovered during project construction activities, implementation of LUO Section 22.10.040 (Archaeological Resources Discovery) would be required. This section requires that, in the event archaeological resources are encountered during project construction, construction activities cease, and the County Planning Department shall be notified of the discovery. The project will be required to comply with existing requirements in LUO Section 22.10.040 and impacts to archaeological resources would be *less than significant*.

(c) Disturb any human remains, including those interred outside of dedicated cemeteries?

Based on the existing conditions, buried human remains are not expected to be present in the project area. However, in the unlikely event resources are uncovered during project construction activities, implementation of LUO Section 22.10.040 (Archaeological Resources Discovery) would be required. This section requires that, in the event archaeological resources are encountered during project construction, construction activities cease, and the County Planning Department shall be notified of the discovery. If the discovery includes human remains, the County Coroner shall also to be notified. In addition, State law also sets forth general environmental protection measures for cannabis cultivation in Title 3, Division 8, Chapter 1 Article 4 of the California Code of Regulations. Section 8304(d) requires the project to immediately halt cultivation activities and implement section 7050.5 of the Health and Safety Code if human remains are discovered. The project will be required to comply with the existing regulations prescribed in the State of California Health and Safety Code Section 7050.5 and impacts to human remains would be *less than significant*.

Initial Study – Environmental Checklist

Conclusion

No archaeological or historical resources are known to occur within or adjacent to the project site. In the event unanticipated sensitive archaeological resources or human remains are discovered during project construction activities, adherence with County LUO standards and State Health and Safety Code procedures would reduce potential impacts to less than significant. No mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

VI. ENERGY

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

Setting

Pacific Gas & Electric Company (PG&E) is the primary electricity provider for urban and rural communities within the County of San Luis Obispo. Approximately 33% of electricity provided by PG&E is sourced from renewable resources and an additional 45% is sourced from GHG-free resources (PG&E, 2017).

PG&E offers two programs through which consumers may purchase electricity from renewable sources: the Solar Choice program and the Regional Renewable Choice program. Under the Solar Choice program, a customer remains on their existing electric rate plan and pays a modest additional fee on a per kWh basis for clean solar power. The fee depends on the type of service, rate plan and enrollment level. Customers may choose to have 50% or 100% of their monthly electricity usage to be generated via solar projects. The Regional Renewable Choice program enables customers to subscribe to renewable energy from a specific community-based project within PG&E's service territory. The Regional Renewable Choice program allows a customer to purchase between 25% and 100% of their annual usage from renewable sources.

The Southern California Gas Company (SoCalGas) is the primary provider of natural gas for urban and rural communities with the County of San Luis Obispo. SoCalGas has committed to replacing 20% of its traditional natural gas supply with renewable natural gas by 2030 (Sempra, 2019).

Local Energy Plans and Policies

The Conservation and Open Space Element (COSE) of the San Luis Obispo General Plan establishes goals and policies that aim to reduce vehicle miles traveled, conserve water, increase energy efficiency and the use of renewable energy, and reduce GHG emissions. The COSE provides the basis and direction for the development of the County's EnergyWise Plan (EWP), which outlines in greater detail the County's strategy to reduce government and community wide GHG emissions through a number of goals, measures, and actions, including energy efficiency and development and use of renewable energy resources.

In 2010, the EWP established a goal to reduce community wide GHG emissions to 15% below 2006 baseline levels by 2020. Two of the six community-wide goals identified to accomplish this were to "address future energy needs through increased conservation and efficiency in all sectors" and "increase the production of renewable energy from small-scale and commercial-scale renewable energy installations to account for 10% of local energy use by 2020." In addition, the County has published an EnergyWise Plan 2016 Update to

summarize progress toward implementing measures established in the EWP and outline overall trends in energy use and emissions since the baseline year of the EWP inventory (2006).

The goals and policies in the COSE and EWP address the 2005 GHG emissions reduction targets for California (Executive Order S-03-05) issued by California's Governor in 2005. The targets include:

- By 2010 reduce GHG emissions to 2000 levels;
- By 2020, reduce GHG emissions to 1990 levels;
- By 2050, reduce GHG emissions to 80% below 1990 levels.

The County LUO includes a Renewable Energy Area combining designation to encourage and support the development of local renewable energy resources, conserving energy resources and decreasing reliance on environmentally costly energy sources. This designation is intended to identify areas of the county where renewable energy production is favorable and establish procedures to streamline the environmental review and processing of land use permits for solar electric facilities. The LUO establishes criteria for project eligibility, required application content for solar electric facilities proposed within this designation, permit requirements, and development standards (LUO 22.14.100). The project site is not located in a Renewable Energy Area combining designation.

State Building Code Requirements

The California Building Code (CBC) contains standards that regulate the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building or other improvement to real property. The CBC includes mandatory green building standards for residential and nonresidential structures, the most recent version of which are referred to as the *2019 Building Energy Efficiency Standards*. These standards focus on four key areas: smart residential photovoltaic systems, updated thermal envelope standards (preventing heat transfer from the interior to the exterior and vice versa), residential and nonresidential ventilation requirements, and non-residential lighting requirements.

Vehicle Fuel Economy Standards

In October 2012, the U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHSTA), on behalf of the Department of Transportation, issued final rules to further reduce GHG emissions and improve corporate average fuel economy (CAFE) standards for light duty vehicles for model years 2017 and beyond. NHTSA's CAFE standards have been enacted under the Energy Policy and Conservation Act since 1978. This national program requires automobile manufacturers to build a single light-duty national fleet that meets all requirements under both federal programs and the standards of California and other states. This program would increase fuel economy to the equivalent of 54.5 miles per gallon (mpg) limiting vehicle emissions to 163 grams of carbon dioxide (CO2) per mile for the fleet of cars and light-duty trucks by the model year 2025.

In January 2017, EPA Administrator Gina McCarthy signed a Final Determination to maintain the current GHG emissions standards for the model year 2022-2025 vehicles. However, on March 15, 2017, EPA Administrator Scott Pruitt and Department of Transportation Secretary Elaine Chao announced that EPA intends to reconsider the Final Determination. On April 2, 2018, EPA Administrator Scott Pruitt officially withdrew the January 2017 Final Determination, citing information that suggests that these current standards may be too stringent due to changes in key assumptions since the January 2017 Determination. According to the EPA,

these key assumptions include gasoline prices and overly optimistic consumer acceptance of advanced technology vehicles. The April 2nd notice is not EPA's final agency action, and the EPA intends to initiate rulemaking to adopt new standards. Until that rulemaking has been completed, the current standards remain in effect. (EPA 2017, EPA 2018).

As part California's overall approach to reducing pollution from all vehicles, the CARB has established standards for clean gasoline and diesel fuels and fuel economies of new vehicles. CARB has also put in place innovative programs to drive the development of low-carbon, renewable, and alternative fuels such as their Low Carbon Fuel Standard (LCFS) Program pursuant to California Assembly Bill (AB) 32 and the Governor's Executive Order S-01-07.

In January 2012, CARB approved the Advanced Clean Cars Program which combines the control of GHG emissions and criteria air pollutants, as well as requirements for greater numbers of zero-emission vehicles, into a single package of standards for vehicle model years 2017 through 2025. The new rules strengthen the GHG standard for 2017 models and beyond. This will be achieved through existing technologies, the use of stronger and lighter materials, and more efficient drivetrains and engines. The program's zero-emission vehicle regulation requires a battery, fuel cell, and/or plug-in hybrid electric vehicles to account for up to 15 percent of California's new vehicle sales by 2025. The program also includes a clean fuels outlet regulation designed to support the commercialization of zero-emission hydrogen fuel cell vehicles planned by vehicle manufacturers by 2015 by requiring increased numbers of hydrogen fueling stations throughout the state. The number of stations will grow as vehicle manufacturers sell more fuel cell vehicles. By 2025, when the rules will be fully implemented, the statewide fleet of new cars and light trucks will emit 34 percent fewer global warming gases and 75 percent fewer smog-forming emissions than the statewide fleet in 2016 (CARB 2016).

All self-propelled off-road diesel vehicles 25 horsepower (hp) or greater used in California and most two-engine vehicles (except on-road two-engine sweepers) are subject to the CARB's Regulation for In-Use Off-Road Diesel Fueled Fleets (Off-Road regulation). This includes vehicles that are rented or leased (rental or leased fleets). The overall purpose of the Off-Road regulation is to reduce emissions of oxides of nitrogen (NOx) and particulate matter (PM) from off-road diesel vehicles operating within California through the implementation of standards including, but not limited to, limits on idling, reporting and labeling of off-road vehicles, limitations on use of old engines, and performance requirements.

Energy Use in Cannabis Operations

The California Department of Food and Agriculture (CDFA) Code of Regulations includes renewable energy requirements for indoor mixed-light cannabis cultivation operations. Beginning in 2023 all indoor mixed-light licensees must provide evidence of carbon offsets if the licensee's average weighted GHG emission intensity is greater than the local utility provider's GHG emission intensity. As such, for cultivators within San Luis Obispo County, if a cultivator's mixed-light energy use is supplied by resources with a lesser GHG-emission intensity than PG&E's GHG-emission intensity (currently approximately 85%), they would be required to acquire carbon offsets to account for the difference (California Code of Regulations [CCR] Section 8305).

The total energy demand of a cannabis operation depends heavily on the type of cultivation, manufacturing, location of the project, and the types of equipment required. Outdoor cultivation involves minimal equipment and has relatively low energy demands, while indoor cultivation involves more equipment that tends to have much higher energy demands (e.g., high-intensity light fixtures, climate control systems) (County of Santa Barbara 2017). Specific energy uses in indoor grow operations include high-intensity lighting, dehumidification to remove water vapor and avoid mold formation, space heating or cooling during non-illuminated periods and drying processes, preheating of irrigation water, generation of carbon dioxide (CO_2) from fossil fuel combustion, and ventilation and air conditioning to remove waste heat. Reliance on

equipment can vary widely as a result of factors such as plant spacing, layout, and the surrounding climate of a given facility (CDFA 2017).

Comparatively, non-cultivation cannabis operations, such as distribution or retail sales, tend to involve typical commercial equipment and processes that may require minor to moderate amounts of power. These non-cultivation activities are subject to the CBC and *2019 Building Energy Efficiency Standards,* and therefore do not typically result in wasteful or inefficient energy use. Activities and processes related to commercial cannabis do not typically require the demand for natural gas supplies, and it is assumed that such activities would represent a nominal portion of the county's total annual natural gas demand (County of Santa Barbara 2017).

Depending on the site and type of activities, cannabis operations may range in measures that promote the conservation of energy resources. For instance, several current operators are known to engage in practices that promote energy conservation and reduce overall energy demands using high-efficiency lighting or through generation and use of solar energy. However, many other operations within the County have been observed to engage in activities that are highly inefficient and may result in the wasteful use of energy resources. Such operations may include the use of old equipment, highly inefficient light systems (e.g., incandescent bulbs), reliance on multiple diesel generators, and other similar inefficiencies (County of Santa Barbara 2017).

Discussion

(a) Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?

See analysis under Section VI(b) below.

(b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?

This analysis evaluates the use of energy resources (e.g., fuel and electricity) associated with construction activities, as well as operation and maintenance of the project. For construction, the analysis considers whether construction activities would use large amounts of fuels or energy, and whether they would be used in a wasteful manner. For energy used during operations, the analysis identifies energy use that would occur with implementation of the project to determine whether large amounts would be used and whether they would be used in a wasteful manner.

Project-related construction includes tenant improvements to an existing warehouse development. Minimal site disturbance is anticipated for the installation of security fencing and equipment.

Construction-related Impacts

Construction would require the use of fossil fuels (primarily gas, diesel, and motor oil) for construction equipment and vehicle travel. The precise amount of construction-related energy consumption is uncertain. However, construction would not require a large amount of fuel or energy usage because of the limited extent and nature of the proposed improvements and the minimal number of construction vehicles and equipment, worker trips, and truck trips that would be required for a project of this small scale. State and federal regulations currently in place require fuel-efficient, low emissions equipment and vehicles and prohibit wasteful activities, such as diesel idling. Construction contractors, in an effort to ensure cost efficiency, would not be expected to engage in wasteful or unnecessary energy and fuel practices. Therefore, project construction would not include activities that would result in the use of large amounts of fuel and energy in a wasteful manner. Energy

consumption during construction would not conflict with a state or local plan for renewable energy; construction period impacts would be less than significant.

Operational Impacts

Electricity and Natural Gas Use

Based on an analysis of cannabis cultivation operations throughout the county, it is assumed that cannabis cultivation projects typically use an insignificant amount of natural gas. Natural gas use is typically associated with cooking appliances and space heating. Cooking appliances are not proposed as a part of the project, and all proposed space heating units would run on electricity. Accordingly, this assessment of impacts is based on electricity use. The project's operational electricity use would be met by PG&E service.

The project would be subject to the CBC 2019 Building Energy Efficiency Standards, which include mandatory energy efficiency standards. Proposed indoor cannabis cultivation activities would result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during operation if it utilizes significantly more energy (greater than 20%) than a generic commercial building of the same size. Based on the California Energy Commission Report prepared by Itron, Inc. (March 2006), a generic commercial building utilizes 21.25 kWh per square foot (kWh/sf) annually (13.63 kWh from electricity and 7.62 kWh from natural gas). Therefore, a project that generates more than 25.5 kWh per square foot per year of energy demand is considered to have energy use that is wasteful, inefficient and unnecessary.

To determine whether a project has the potential to exceed this threshold, the County applies energy consumption rates from the County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form (County of Santa Barbara 2018). This calculation form contains formulas for estimating electricity use of cannabis operations. The form assumes that indoor cultivation and ancillary nursery use 200 kWh/sf/year, manufacturing use 17 kWh/sf/year, and storage for distribution use 6 kWh/sf/year. Remaining areas for the proposed dispensary, administrative offices, restrooms, and circulation are assumed to use 21.25 kWh/sf/year.

The proposed project includes 11,128 square feet of indoor cannabis cultivation canopy, 2,646 square feet of ancillary nursery canopy, 1,662 square feet of commercial processing, 883 square feet of manufacturing for on-site and off-site cannabis product, 358 square feet of manufacturing storage, 410 square feet of non-storefront dispensary, 187 square feet of distribution, and 112 square feet of storage and ancillary transport within an existing approximately 27,117 square foot space. The remaining 8,248 square feet in the tenant space would be for the proposed dispensary, administrative offices, restrooms, and circulation.

A preliminary estimate of the project's energy demand, based on the energy consumption rates from the County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form (County of Santa Barbara 2018) is provided in Table 3.

Table 3 – Project Operational Energy Use

Project Component	Size (sf)	Rate (kWh/sf/year)	Projected Energy (kWh/year)
Generic Commercial Building of Comparable Size	27,117	21.25	576,236

Cumulative Project Activities			3,356,734
Indoor Cultivation and Ancillary Nursery	15,667	200	3,132,200
Manufacturing/Distribution/ Processing	2,732	17	46,444
Storage for Distribution and Manufacturing	470	6	2,820
Remaining Square Footage	8,248	21.25	175,270
Percent In Excess of Generic Commercial Building			**583%**

Based on the California Energy Commission Report, a typical non-cannabis commercial tenant space of 27,117 square feet would use about 576,236 kWh/year (21.25 kWh/sf x 40,000 square feet), or 691,483 kWh/year when adding 20%. Based on the energy consumption rates above, the proposed project's cultivation activities would use 483% more energy than a generic non-cannabis commercial tenant space of the same size, or 385% when compared to a generic commercial space plus 20%. In addition, an energy demand analysis was prepared for the project, and energy use is anticipated to be 4,921,824 kWh/year, which is approximately 754% more energy than a generic commercial tenant space of the same size, or 611% when compared to a generic commercial space of the same size plus 20%. This amount of energy use would potentially be wasteful and inefficient when compared to similar sized buildings implementing energy efficiency measures and would require mitigation.

Mitigation Measures ENG-1 and ENG-2 are recommended which would reduce the project's individual and cumulative impacts associated with wasteful and inefficient energy use to a less than significant level through the preparation and implementation of an Energy Conservation Plan which would identify measures to be incorporated into the project to reduce or offset project energy demand that exceeds the demand associated with a typical commercial building of comparable floor area. ENG-1 requires the applicant to implement one or more of the measures identified in the Energy Conservation Plan until the project's energy demand is reduced and/or offset to within 20% of the energy use of a typical commercial tenant space of the same size (691,483 kWh/year). This may be accomplished by enrollment in one of PG&E's renewable energy programs such as Solar Choice and Regional Renewable Choice. Under the Solar Choice Program, a customer may purchase electricity from a pool of solar generating projects within the PG&E service area. A customer may enroll by phone or by way of the internet. As of the date of this MND, there are a total of six dedicated solar generation facilities in this program with a combined generating capacity of 50.25 megawatts, plus one additional 1.5 MW facility under development.

Under the Regional Renewable Program, a customer may purchase up to 100% of energy demand from a specific renewable energy provider within the PG&E service area. As of the date of this MND, there are five renewable energy providers within the PG&E service area. As with the Solar Choice Program, a customer may enroll by phone or by the internet.

The applicant may also choose to pursue other strategies identified in the Energy Conservation Plan such as the retrofit of existing structures with energy saving features, sourcing project energy from other renewable/sustainable energy sources, or other strategies or programs that effectively reduce or offset energy use and/or increase the project utilization of sustainable, GHG-free energy sources.

Therefore, upon implementation of identified mitigation measures, project impacts associated with energy use would be reduced to a less than significant level and would be less than cumulatively considerable.

Fuel Use

Ongoing operation of the project would result in fuel use associated with employee motor vehicle trips and deliveries. The project would employ up to 5 full time employees. All vehicles used by employees and deliveries during operation would be subject to applicable state and federal fuel economy standards and State-mandated smog inspections.

All vehicles used by employees and deliveries during operation would be subject to applicable state and federal fuel economy standards and State-mandated smog inspections. Based on adherence to applicable state and federal vehicle fuel regulations and the size and scope of proposed activities, project fuel use would not result in a potentially significant environmental impact and would not be wasteful, inefficient, or unnecessary.

Therefore, potential impacts associated with potentially significant environmental impacts due to wasteful, inefficient, or unnecessary consumption of energy resources and potential conflict with state or local plans regarding renewable energy or energy efficiency would be *less than significant with mitigation incorporated.*

Conclusion

The project would result in a potentially significant energy demand during long-term operations and would potentially conflict with state or local renewable energy or energy efficiency plans.

To mitigate potential operational impacts associated with energy use and GHG emissions, the project will be required to implement a package of measures that would reduce or offset the project's energy demand to within 20% of the energy demand of a similarly sized generic non-cannabis commercial building (= 576,236 kWh/year x 1.2 = 691,483 kWh/year) and offset GHG emissions to under 690 $MMTCO_2e$. Mitigation Measures ENG-1 and ENG-2 would reduce the project's environmental impact from wasteful and inefficient energy use to *less than significant with mitigation*.

In addition, State law also sets forth general environmental protection measures for cannabis cultivation in Title 3, Division 8, Chapter 1 Article 4 of the California Code of Regulations. Section 8305 relating to Renewable Energy Requirements:

Beginning January 1, 2023, all indoor, tier 2 mixed-light license types of all sizes, and nurseries using indoor or tier 2 mixed-light techniques, shall ensure that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by their local utility provider pursuant to the California Renewables Portfolio Standard Program, division 1, part 1, chapter 2.3, article 16 (commencing with section 399.11) of the Public Utilities Code.

Compliance with the provisions of Code of Regulations together with recommended mitigation measures ENG-1 and ENG-2 will reduce potential impacts to less than significant.

Mitigation

ENG-1 Prior to issuance of building permits, the applicant shall provide to the Department of Planning and Building for review and approval, an Energy Conservation Plan with a package of measures that, when implemented, would reduce or offset the project's energy demand to within 20% of the demand

associated with a generic commercial building of the same size. The Energy Conservation Plan shall include the following:

a. A detailed inventory of energy demand prepared by a Certified Energy Analyst. The inventory shall include an estimate of total energy demand from all sources associated with all proposed cannabis cultivation activities including, but not limited to, lighting, odor management, processing, manufacturing, and climate control equipment. The quantification of demand associated with electricity shall be expressed in total kilowatt hours (kWh) per year; demand associated with natural gas shall be converted to kWh per year.

b. A program for providing a reduction or offset of all energy demand that is 20% or more than a generic commercial building of the same size. In this case, the estimated reduction or offset would be at least: 3,356,734kWhr/year – 691,483 kWh = 2,665,251 kWhr/year; and the amount of energy not otherwise reduced or offset must not exceed 691,483 kWh. Such a program (or programs) may include, but is not limited to, the following:

    i. Evidence that the project will permanently source project energy demands from renewable energy sources (i.e. solar, wind, hydro). This can include purchasing the project's energy demand from a clean energy source by enrolling PG&E's Solar Choice program or Regional Renewable Choice program or other comparable public or private program.

    ii. Evidence documenting the permanent retrofit or elimination of equipment, buildings, facilities, processes, or other energy saving strategies to provide a net reduction in electricity demand and/or GHG emissions. Such measures may include, but is not limited to, the following:

        1. Participating in an annual energy audit.
        2. Upgrading and maintaining efficient heating/ cooling/ dehumidification systems.
        3. Implement energy efficient lighting, specifically light-emitting diode (LED) over high-intensity discharge (HID) or high-pressure sodium (HPS) lighting.
        4. Implementing automated lighting systems.
        5. Utilizing natural light when possible.
        6. Utilizing an efficient circulation system.
        7. Ensuring that energy use is below or in-line with industry benchmarks.
        8. Implementing phase-out plans for the replacement of inefficient equipment.
        9. Adopting all or some elements of CalGreen Tier 1 and 2 measures to increase energy efficiency in greenhouses.

    iii. Construction of a qualified renewable energy source such as wind, solar photovoltaics, biomass, etc., as part of the project. [Note: Inclusion of a renewable energy source shall also be included in the project description and may be subject to environmental review.]

iv. Any combination of the above or other qualifying strategies or programs that would achieve a reduction or offset of the project energy demand that is 20% or more above a generic commercial building of the same size.

ENG-2 At time of quarterly monitoring inspection, the applicant shall provide to the Department of Planning and Building for review, a current energy use statement from the service provider (e.g. PG&E) that documents energy use to date for the year. The applicant shall demonstrate continued compliance with ENG-1 and ENG-2 (e.g. providing a current PG&E statement or contract showing continuous enrollment in the Solar Choice program or Regional Renewable Choice program).

Sources

See Exhibit A.

VII. GEOLOGY AND SOILS

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the project:					
(a)	Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:	☐	☐	☒	☐
	(i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	☐	☐	☒	☐
	(ii) Strong seismic ground shaking?	☐	☐	☒	☐
	(iii) Seismic-related ground failure, including liquefaction?	☐	☐	☒	☐
	(iv) Landslides?	☐	☐	☒	☐
(b)	Result in substantial soil erosion or the loss of topsoil?	☐	☐	☒	☐
(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?	☐	☐	☒	☐
(d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	☐	☐	☐	☒
(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?	☐	☐	☐	☒

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		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
(f)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒

Setting

The Alquist-Priolo Earthquake Fault Zoning Act (Alquist-Priolo Act) is a California state law that was developed to regulate development near active faults and mitigate the surface fault rupture potential and other hazards. The Act identifies active earthquake fault zones and restricts the construction of habitable structures over known active or potentially active faults. San Luis Obispo County is located in a geologically complex and seismically active region. The Safety Element of the County of San Luis Obispo General Plan identifies three active faults that traverse through the County and that are currently zoned under the State of California Alquist-Priolo Fault Zoning Act: the San Andreas, the Hosgri-San Simeon, and the Los Osos. The San Andreas Fault zone is located along the eastern border of San Luis Obispo County and has a length of over 600 miles. The Hosgri-San Simeon fault system generally consists of two fault zones: the Hosgri fault zone that is mapped off of the San Luis Obispo County coast; and the San Simeon fault zone, which appears to be associated with the Hosgri, and comes onshore near the pier at San Simeon Point, Lastly, the Los Osos Fault zone has been mapped generally in an east/west orientation along the northern flank of the Irish Hills.

The County's Safety Element also identifies 17 other faults that are considered potentially active or have uncertain fault activity in the County. The Safety Element establishes policies that require new development to be located away from active and potentially active faults. The element also requires that the County enforce applicable building codes relating to seismic design of structures and require design professionals to evaluate the potential for liquefaction or seismic settlement to impact structures in accordance with the Uniform Building Code.

Ground shaking refers to the motion that occurs in response to local and regional earthquakes. Ground shaking can endanger life and safety due to damage or collapse of structures or lifeline facilities. The California Building Code (CBC) currently requires structures to be designed to resist a minimum seismic force resulting from ground motion.

Liquefaction is the sudden loss of soil strength due to a rapid increase in soil pore water pressures resulting from ground shaking during an earthquake. Liquefaction potential increases with earthquake magnitude and ground shaking duration. Low-lying areas adjacent to creeks, rivers, beaches, and estuaries underlain by unconsolidated alluvial soil are most likely to be vulnerable to liquefaction. The CBC requires the assessment of liquefaction in the design of all structures. The project is located in an area with moderate potential for liquefaction.

Landslides and slope instability can occur as a result of wet weather, weak soils, improper grading, improper drainage, steep slopes, adverse geologic structure, earthquakes, or a combination of these factors. Despite current codes and policies that discourage development in areas of known landslide activity or high risk of landslide, there is a considerable amount of development that is being impacted by landslide activity in the County each year. The County Safety Element identifies several policies to reduce risk from landslides and slope instability. These policies include the requirement for slope stability evaluations for development in areas of moderate or high landslide risk, and restrictions on new development in areas of known landslide

activity unless development plans indicate that the hazard can be reduced to a less than significant level prior to beginning development. The project is located in an area with low potential for landslides.

Shrink/swell potential is the extent to which the soil shrinks as it dries out or swells when it gets wet. Extent of shrinking and swelling is influenced by the amount and kind of clay in the soil. Shrinking and swelling of soils can cause damage to building foundations, roads, and other structures. A high shrink/swell potential indicates a hazard to maintenance of structures built in, on, or with material having this rating. Moderate and low ratings lessen the hazard accordingly.

The County LUO identifies a Geologic Study Area (GSA) combining designation for areas where geologic and soil conditions could present new developments and/or their occupants with potential hazards to life and property. All land use permit applicants located within a GSA are required to include a report prepared by a certified engineering geologist and/or registered civil/soils engineer as appropriate, with the exception of construction of one single-story single-family residence, agricultural uses not involving a building, agricultural accessory structures, and alterations or additions to any structure which does not exceed 50% of the assessed value of the structure. In addition, all uses within a GSA are subject to special standards regarding grading and distance from an active fault within an Earthquake Fault Zone (LUO 22.14.070).

Paleontological resources are fossilized remains of ancient environments, including fossilized bone, shell, and plant parts; impressions of plant, insect, or animal parts preserved in stone; and preserved tracks of insects and animals. Paleontological resources are considered nonrenewable resources under state and federal law. Paleontological sensitivity is defined as the potential for a geologic unit to produce scientifically significant fossils, as determined by rock type, past history of the rock unit in producing fossil materials, and fossil sites that have been recorded in the unit. Paleontological resources are generally found below ground surface in sedimentary rock units. The boundaries of the sedimentary rock unit are used to define the limits of paleontological sensitivity in a given region.

In the County, the Coastal Franciscan domain generally lies along the mountains and hills associated with the Santa Lucia Range. Fossils recorded from the Coastal Franciscan formation include trace fossils (preserved tracks or other signs of the behaviors of animals), mollusks, and marine reptiles. Nonmarine or continental deposits are more likely to contain vertebrate fossil sites. Occasionally vertebrate marine fossils such as whale, porpoise, seal, or sea lion can be found in marine rock units such as the Miocene Monterey Formation and the Pliocene Sisquoc Formations known to occur throughout Central and Southern California. Vertebrate fossils of continental material are usually rare, sporadic, and localized.

The County COSE identifies a policy for the protection of paleontological resources from the effects of development by avoiding disturbance where feasible. Paleontological sensitivity is defined as the potential for a geologic unit to produce scientifically significant fossils.

The following relates to the project's geologic aspects or conditions:

Topography: Nearly level

Within County's Geologic Study Area?: No

Landslide Risk Potential: Low

Liquefaction Potential: Moderate

Nearby potentially active faults?: Rinconada Fault

Distance? Approximately 0.2 mile to the west and approximately one (1) mile to the east

Area known to contain serpentine or ultramafic rock or soils?: No

Other notable geologic features? None

Geology and Soils: The project site is not located within the Geologic Study Area designation and is not within a high liquefaction area. The site's potential for liquefaction hazards are moderate. The project site is not located in an Alquist Priolo Fault Zone, and no active fault lines cross the project site. Additionally, there are no notable geologic features on the project site, including serpentine or ultramafic rocks/soils.

Discussion

(a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:

(a-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 Special Publication 42.

The project is not located within or near an earthquake fault as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map, and no active fault lines cross the project site. Additionally, the project is subject to professional construction and engineering standards for the required tenant improvements of the lease space in the existing industrial building. Therefore, the project would not likely cause substantial adverse effects from the rupture of a known earthquake fault, and potential impacts would be *less than significant*.

(a-ii) Strong seismic ground shaking?

Based on the County Safety Element Fault Hazards Map, the nearest potentially active fault lines (the Rinconada Fault) to the project site are located approximately 0.2 mile to the west and one (1) mile to the east. Additionally, San Luis Obispo County is located in a seismically active region and there is always a potential for seismic ground shaking. The project would be required to comply with the California Building Code (CBC) and other applicable standards to ensure the effects of a potential seismic event would be minimized through compliance with current engineering practices and techniques. The project does not include unique components that would be particularly sensitive to seismic ground shaking or result in an increased risk of injury or damage as a result of ground shaking. Implementation of the project would not expose people or structures to significant increased risks associated with seismic ground shaking; therefore, impacts would be *less than significant*.

(a-iii) Seismic-related ground failure, including liquefaction?

Based on the County Safety Element Liquefaction Hazards Map, the project site is located in an area with moderate potential for liquefaction and is not within the Geologic Study Area designation. The project does not propose new structures and would operate from within a lease space of an existing industrial building. Therefore, the project would not directly or indirectly cause potential substantial adverse effects involving seismic-related ground failure, including liquefaction or exacerbate any existing hazards. Potential impacts would be *less than significant.*

(a-iv) Landslides?

The site's potential for landslides is low and the site's topography is nearly level. The project would not exacerbate any existing hazards related to landslides; impacts would be *less than significant.*

(b) Result in substantial soil erosion or the loss of topsoil?

The project would operate within a lease space of an existing industrial building, and no new structures are proposed. Therefore, the project would not result in site disturbance or substantial soil erosion or the loss of topsoil; therefore, *no impacts* would occur.

(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?

Landslides typically occur in areas with steep slopes or in areas containing escarpments. Based on the Landslide Hazards Map provided in the County Safety Element, the project site is not located within an area with slopes susceptible to local failure. Based on the County Safety Element and USGS data, the project is not located in an area of historical or current land subsidence (USGS 2019). Based on the County Safety Element Liquefaction Hazards Map, the project site is located in an area with moderate potential for liquefaction risk. The project would be required to comply with CBC seismic requirements to address potential seismic-related ground failure including lateral spread. Therefore, impacts related to on- or off-site landslides, lateral spreading, subsidence, liquefaction, or collapse would be *less than significant.*

(d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?

The soils associated with the project site are consistent with Lockwood channery loam. This soil type is not considered expansive as defined by Table 18-1-B of the Uniform Building Code. *No impact* would occur.

(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?

The applicant received a water and sewer verification letter from Templeton CSD confirming that the community service district is willing and able to provide sewer services for the project. Therefore, the project will not involve the use of onsite waste disposal systems, and no impacts from the use of septic tanks or alternative wastewater disposal systems are expected. Therefore, *no impacts* would occur.

(f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

There are no unique geologic features on-site. The geologic unit that underlies the project site is the Paso Robles Formation. Since the project site is located in an area previously disturbed by industrial use and the proposed project construction and operations do not involve ground disturbing activities that have the potential to go beyond a depth of five feet, it is unlikely that the project would directly or indirectly result in the destruction of this geologic formation. Therefore, no impacts will occur.

Initial Study – Environmental Checklist

Conclusion

The project site is not within the GSA combining designation or an area of high risk of landslide, liquefaction, subsidence, or other unstable geologic conditions. The project would be required to comply with CBC and standard LUO requirements which have been developed to properly safeguard against seismic and geologic hazards. Therefore, potential impacts related to geology and soils would be less than significant and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

VIII. GREENHOUSE GAS EMISSIONS

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

Setting

Greenhouse gases (GHGs) are any gases that absorb infrared radiation in the atmosphere. The primary GHGs that are emitted into the atmosphere as a result of human activities are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and fluorinated gases. These are most commonly emitted through the burning of fossil fuels (oil, natural gas, and coal), agricultural practices, decay of organic waste in landfills, and a variety of other chemical reactions and industrial processes (e.g., the manufacturing of cement). CO2 is the most abundant GHG and is estimated to represent approximately 80–90% of the principal GHGs that are currently affecting the earth's climate. According to the California Air Resources Board (CARB), transportation (vehicle exhaust), electricity generation, and commercial and residential fuel use are primary sources of GHGs in the state.

In October 2008, CARB published the Climate Change Proposed Scoping Plan, which is the state's plan to achieve GHG reductions in California required by Assembly Bill (AB) 32. The Scoping Plan included CARB recommended GHG reductions for each emissions sector of the state's GHG inventory. The largest proposed GHG reduction recommendations were associated with improving emissions standards for light-duty vehicles, implementing the Low Carbon Fuel Standard program, implementation of energy efficiency measures in buildings and appliances, the widespread development of combined heat and power systems, and developing a renewable portfolio standard for electricity production.

California's GHG reduction goals are summarized by the following legislation and executive orders (EO):

- Reduce GHG emissions to 1990 levels by 2020 (goal established by EO S-3-05 [2005] and codified by AB 32 [2006]);
- Reduce GHG emissions to 40% below 1990 levels by 2030 (required by Senate Bill (SB) 32 [2016]);
- Achieve statewide carbon neutrality goal by 2045 and maintain net negative emissions thereafter (goal established by EO B-55-18 [2018]);
- Reduce GHG emissions to 80% below 1990 levels by 2050 (goal established by EO S-3-05 [2005]).

AB 32 required CARB to develop a Scoping Plan with 5-year updates that describe the approach California will take to achieve these GHG reduction goals. The initial Scoping Plan was first approved by CARB on December 11, 2008, and the first update was approved by CARB on May 22, 2014. This update looked past 2020 to set mid-term goals (2030–2035) toward reaching the 2050 goals. The most recent update released by CARB is the 2017 Climate Change Scoping Plan, which was released in November 2017. The 2017 Climate Change Scoping

Plan incorporates strategies for achieving the 2030 GHG-reduction target established in SB 32. The 2022 Scoping Plan update will chart a path for California to achieve the 2045 carbon neutral goal specified in EO B-55-18.

When assessing the significance of potential impacts for CEQA compliance, an individual project's GHG emissions will generally not result in direct significant impacts because the climate change issue is global in nature. However, an individual project could be found to contribute to a potentially significant cumulative impact. Projects that have GHG emissions above the noted thresholds may be considered cumulatively considerable and require mitigation. Accordingly, in March 2012, the San Luis Obispo County Air Pollution Control District (SLOCAPCD) approved thresholds for GHG impacts which were incorporated into their 2012 CEQA Air Quality Handbook. The Handbook recommended applying a 1,150 metric ton of CO2 equivalent (MTCO2e) per year bright-line threshold and an efficiency threshold of 4.9 MTCO2e/year per service population for commercial and residential projects and included a list of general land uses and estimated sizes or capacities of uses expected to exceed the bright-line threshold. According to SLOCAPCD, these thresholds were based on a 'gap analysis' and were used for CEQA compliance evaluations to demonstrate consistency with the state's GHG emission reduction goals associated with AB 32 and the 2008 Climate Change Scoping Plan which have a target year of 2020. However, in 2015, the California Supreme Court issued an opinion in the case of Center for Biological Diversity vs. California Department of Fish and Wildlife ("Newhall Ranch") that determined that AB 32 based thresholds derived from a gap analysis are invalid for projects with a planning horizon beyond 2020. Since the bright-line and service population GHG thresholds in the Handbook are AB 32 based, and project horizons are now beyond 2020, SLOCAPCD no longer recommends the use of these thresholds in CEQA evaluations. Instead, the following threshold options are recommended for consideration by the lead agency:

- Consistency with a Qualified Climate Action Plan: CAPs conforming to CEQA Guidelines § 15183 and 15183.5 would be qualified and eligible for project streamlining under CEQA.

  The County of San Luis Obispo Energy Wise Plan (EWP), adopted in 2011, serves as the County's GHG reduction strategy. The GHG-reducing policy provisions contained in the EWP were prepared for the purpose of complying with the requirements of AB 32 and achieving the goals of the AB 32 Scoping Plan, which have a horizon year of 2020. Therefore, the EWP is not considered a qualified GHG reduction strategy for assessing the significance of GHG emissions generated by projects with a horizon year beyond 2020.

- No-net Increase: The 2017 Scoping Plan states that no-net increase in GHG emissions relative to baseline conditions "is an appropriate overall objective for new development" consistent with the Court's direction provided by the Newhall Ranch case. Although a desirable goal, the application of this threshold may not be appropriate for a small project where it can be clearly shown that it will not generate significant GHG emissions (i.e., de minimus: too trivial or minor to merit consideration).

- Lead Agency Adopted Defensible GHG CEQA Thresholds: SB 32 based local bright-line and operational efficiency thresholds can be established by evaluating local emission sectors in a jurisdiction's GHG inventory relative to statewide sector inventories and the state's GHG reduction target of 40% below 1990 levels. This approach is found in earlier drafts of SMAQMD's SB 32 threshold work and the AEP Climate Change Committee may provide guidance on a similar approach.

  Under this approach, a lead agency may establish SB 32-based local operational thresholds. As discussed above, SB 32 requires the state to reduce GHG levels by 40% below 1990 levels by the year 2030. According to the California Greenhouse Gas Emissions for 2000 to 2019, Trends of Emissions

and Other Indicators published by the California Air Resources Board, emissions of GHG statewide in 2019 were 418.2 million MTCO2e, which was 12.8 million MTCO2e below the 2020 GHG target of 431 million MTCO2e established by AB 32. At the local level, an update of the County's EWP prepared in 2016 revealed that overall GHG emissions in San Luis Obispo County decreased by approximately 7% between 2006 and 2013, or about one-half of the year 2020 target of reducing greenhouse gas emissions by 15% relative to the 2006 baseline. Therefore, application of the 1,150 MTCO2e/year bright-line and 4.9 MTCO2e/year per service population thresholds in San Luis Obispo County, together with other local and State-wide efforts to reduce GHG emissions, proved to be an effective approach for achieving the reduction targets set forth by AB 32 for the year 2020. It should be noted that the bright-line and service population thresholds were based on the assumption that a project with the potential to emit less than one of these thresholds would result in impacts that are less than significant and less than cumulatively considerable and would be consistent with state and local GHG reduction goals.

Since SB 32 requires the state to reduce GHG levels by 40% below 1990 levels by the year 2030, the application of interim SB 32-based working thresholds that are 40% below the 1,150 MTCO2e/year bright-line threshold (1,150 x 0.6 = 690 MTCO2e) and 40% below the 4.9 MTCO2e/year per service population threshold (4.9 x 0.6 = 2.94 MTCO2e) would be expected to produce comparable GHG reductions "in the spirit of" the targets established by SB 32. Therefore, for the purpose of evaluating the significance of GHG emissions for a project after 2020, emissions estimated to be less than 690 MTCO2e per year or 2.94 MTCO2e/year per service population are considered de minimus (too trivial or minor to merit consideration) and will have a less than significant impact that is less than cumulatively considerable and consistent with state and local GHG reduction goals.

Discussion

(a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

Energy inefficiency contributes to higher GHG emissions and would conflict with state and local plans for energy efficiency, including the policies of the COSE, the EWP goals, and the 2001 SLOAPCD CAP. The California Energy Emissions Model (CalEEMod) was used to determine the approximate GHG emissions per square foot associated with construction and operation of the proposed project based on an energy use factor of 200 kWh/sf per year for the indoor cultivation and ancillary nursery and 21.25 kWh/sf for the remaining activities. These emission factors were then multiplied by the total floor area associated with each cannabis activity to estimate the project's construction-related and annual operational carbon dioxide equivalent emissions in metric tons (MTCO2e; Table 4).

Table 4 - Projected Project GHG Emissions Without Mitigation

Project Component	Quantity	Emissions Rate (Annual $MTCO_2e$/sf)		Estimated Projected Annual CO_2 Emissions (MT/year)
		Construction[1]	Operation	
Indoor cultivation and indoor ancillary nursery	17,217 sf	0.0022	0.062[1]	1,105.33
Remaining floor area for the cannabis operation	9,900 sf	0.0022	0.0116[2]	113.69
Net Change (Increase)				**1219.02**

Notes:

1. Total operational emissions based on an energy use factor of 200 kWhr/sq.ft./year and energy provided by Pacific Gas and Electric Co.
2. Total operational emissions based on an energy use factor of 21.25 kWhr/sq.ft./year and energy provided by Pacific Gas and Electric Co.

Sources: County of San Luis Obispo Department of Planning and Building, 2020, CalEEMod version 2016.3.2

Table 5 provides an estimate of GHG emissions that accounts for the reduction/offset of estimated energy demand associated with mitigation measure ENG-1 in Section VI. Energy. This measure requires the project to reduce or offset estimated energy demand to within 20% of the demand associated with a typical commercial building of comparable floor area, which in this case is 691,483 kWhr/year.

Table 5 - Projected Project GHG Emissions With Mitigation

Project Component	Quantity	Emissions Rate (Annual $MTCO_2e$/sf)		Estimated Projected Annual CO_2 Emissions (MT/year) With Mitigation Measure ENG-1
		Construction[1]	Operation	
Indoor cultivation and indoor ancillary nursery	17,217 sf	0.0022	0.062[1]	237.59
Remaining floor area for the cannabis operation	9,900 sf	0.0022	0.0116[2]	113.68
Net Change (Increase)				**351.28**

Notes:

1. Total operational emissions based on an energy use factor of 200 kWhr/sf/year and energy provided by Pacific Gas and Electric Co.
2. Total operational emissions based on an energy use factor of 21.25 kWhr/sf/year and energy provided by Pacific Gas and Electric Co.

Sources: County of San Luis Obispo Department of Planning and Building, 2020, CalEEMod version 2016.3.2

As shown in Table 5, project related GHG emissions after the application of mitigation measure ENG-1 will fall below the interim working GHG threshold of 690 MTCO2e per year. Accordingly, project impacts associated with GHG emissions are considered less than significant with mitigation, less than cumulatively considerable and consistent with the GHG reduction goals of SB32. Moreover, project-related GHG emissions are largely associated with the production of electricity and all electrical utilities in California will be subject to ongoing State-mandated GHG reduction requirements. Therefore, potential impacts associated with GHG emissions and applicable plans and policies adopted for the purpose of reducing GHG emissions would be *less than significant with mitigation*.

(b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

As discussed in the setting above, the 2017 Climate Change Scoping Plan provides strategies for meeting the mid-term 2030 greenhouse gas reduction target set by Senate Bill (SB) 32. The 2017 Climate Change Scoping Plan also identifies how the State can substantially advance toward the 2050

greenhouse gas reduction target of Executive Order S-3-05, which consists of reducing greenhouse gas emissions to 80% below 1990 levels. The recommendations cover the key sectors, including energy and industry; transportation; natural and working lands; waste management; and water. The recommended measures in the 2017 Scoping Plan are broad policy and regulatory initiatives that will be implemented at the State level and do not relate to the construction and operation of individual projects. Although project construction and operation may be affected by some of the State level regulations and policies that will be implemented, the project would not impede the State developing or implementing the greenhouse gas reduction measures identified in the Scoping Plan. Therefore, the project would not conflict with AB 32 or the 2017 Climate Change Scoping Plan.

Additionally, the County Energy Wise Plan (EWP) identifies ways in which the community and County government can reduce GHG emissions from their various sources. Looking at the four key sectors of energy, waste, transportation, and land use, the EWP incorporates best practices to provide a blueprint for achieving GHG emissions reductions in the unincorporated towns and rural areas of San Luis Obispo County by 15% below the baseline year of 2006 by the year 2020. The EWP includes an Implementation Program that provides a strategy for actions with specific measures and steps to achieve the identified GHG reduction targets. The project includes mitigation measures to use energy efficient systems and offset the use of energy from fossil fuels through programs such as PG&E's Solar Choice program or Regional Renewable Choice program or other comparable public or private program. These measures will reduce the estimated GHG emissions to almost half of the interim working GHG threshold of 690 MTCO2e . Therefore, the project would not conflict with the County Energy Wise Plan, and impacts are c*onsidered less than significant* and *less than cumulatively considerable with mitigation*.

Conclusion

With mitigation, potential impacts related to GHG emissions would be *less than significant and less than cumulatively considerable* and consistent with plans adopted to reduce GHG emissions.

Mitigation

Implement ENG-1 and ENG-2.

Sources

See Exhibit A.

IX. HAZARDS AND HAZARDOUS MATERIALS

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

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Setting

The Hazardous Waste and Substances Site (Cortese) List is a planning document used by the State, local agencies, and developers to comply with CEQA requirements related to the disclosure of information about the location of hazardous materials release sites. Government Code section 65962.5 requires the California EPA to develop at least annually an updated Cortese List. To comply with Government Code Section 65962.5, the following databases/lists were checked in January 2023 for potential hazardous waste or substances occurring at the project site:

- List of Hazardous Waste and Substances sites from Department of Toxic Substances Control (DTSC) EnviroStor database.
- List of Leaking Underground Storage Tank Sites by County and Fiscal Year from the State Water Resources Control Board Water Board GeoTracker database.
- List of solid waste disposal sites identified by State Water Resources Control Board with waste constituents above hazardous waste levels outside the waste management unit.
- List of "active" Cease and Desist Orders (CDO) and Cleanup and Abatement Orders (CAO) from Water Board.
- List of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code, identified by DTSC.

The remaining data regarding facilities or sites identified as meeting the "Cortese List" requirements can be located on the CalEPA website: https://calepa.ca.gov/sitecleanup/corteselist/.

The project site is not located within close proximity to any site included on the Cortese List, EnviroStor database, or GeoTracker database. The database consultation concluded that the project site is not located in an area of known hazardous material contamination.

Per LUO Section 22.40.050(C), all applications for cannabis cultivation must include a list of all pesticides, fertilizers, and any other hazardous materials expected to be used, along with a storage and hazard response plan.

The County allows non-volatile cannabis manufacturing. Per LUO Section 22.40.070.D.6, cannabis manufacturing operations shall comply with applicable Building Codes, Fire Codes, Engineering Codes and Cal-OSHA standards, California Building Code, California Electrical Code, California Mechanical Code, California Occupational Health and Safety Regulations, California Plumbing Code, California Energy Code, California Existing Building Code, California Green Building Standards Code, California Fire Code, California Health and Safety Code, National Fire Protection Association Standards, San Luis Obispo County Code and any fire and life safety requirements established by the Board or their designee. Additionally, and per 22.40.070.D.7, the applicant shall have a registered professional engineer or a Certified Industrial Hygienist provide a statement to certify that the proposed manufacturing facility complies with the referenced codes and standards.

The California Code of Regulations, Title 4, Division 19, Department of Cannabis Control, contains regulations governing all cannabis activities. This includes regulatory language, measures, and safety protocols for the use, storage, and safety of potentially hazardous materials, such as pesticides, fertilizers, and cannabis extraction chemicals.

The California Health and Safety Code provides regulations pertaining to the abatement of fire related hazards and requires that local jurisdictions enforce the California Building Code, which provides standards for fire

resistive building and roofing materials, and other fire-related construction methods. The County Safety Element provides a Fire Hazard Zones Map that indicates unincorporated areas in the County within moderate, high, and very high fire hazard severity zones. According to the San Luis Obispo County Fire Hazard Severity Zone map, the project site is not within a fire hazard severity zone. The project is located within a Local Responsibility Area, i.e., the Templeton Fire Department, and based on the County's response time map, it will take approximately 0 to 5 minutes to respond to a call regarding fire or life safety (San Luis Obispo County Online Land Use View, 2020).

The County also has adopted general emergency plans for multiple potential natural disasters, including the Local Hazard Mitigation Plan, County Emergency Operations Plan, Earthquake Plan, Dam and Levee Failure Plan, Hazardous Materials Response Plan, County Recovery Plan, and the Tsunami Response Plan.

The project is not within the Airport Review area and no schools are located within a quarter mile of the project site.

Discussion

(a) *Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?*

Construction-related impacts: Construction activities may involve the use of oils, fuels, and solvents. Most of the construction activities will occur within the existing facility or in the parking lot. Additionally, the improvements are mainly tenant improvements, and substantial site grading and heavy equipment is not required. In the event of a leak or spill, persons, soil, and vegetation down-slope from the site may be affected. The use, storage, and transport of hazardous materials is regulated by DTSC (22 Cal. Code of Regulations Section 66001, et seq.). The use of hazardous materials on the project site for construction and maintenance is required to be in compliance with local, state, and federal regulations. In addition, compliance with best management practices (BMPs) for the use and storage of hazardous materials would also address impacts. These BMPs may include, but are not limited to, the following:

- Determining whether a product constitutes a hazardous material in accordance with federal and state regulations;
- Properly characterizing the physical properties, reactivity, fire and explosion hazards of the various materials;
- Using storage containers that are appropriate for the quantity and characteristics of the materials;
- Properly labeling of containers and maintaining a complete and up to date inventory;
- Ongoing inspection and maintenance of containers in good condition; and
- Proper storage of incompatible, ignitable and/or reactive wastes.

Due to the fact that most of the construction includes tenant improvements within the interior of the existing structure, and with implementation of the BMPs, any potential construction-related impacts would be *less than significant*.

Operational impacts: The project includes the storage and use of pesticides and fertilizers. Per Section 22.40.050.C.3, all applications for cannabis cultivation must include a list of all pesticides, fertilizers, and any other hazardous materials expected to be used along with a hazardous response

plan. A complete list of the products is included in the project application In addition, all approved cannabis cultivation operations employing the use of pesticides must obtain the appropriate pesticide use permitting from the Department of Agriculture / Weights and Measures. All pesticides and fertilizers would be stored in a designated and secure area. The project will be conditioned to conduct all cannabis activities in compliance with the approved Operations Plan, as well as all required County and State laws and regulations.

The project proposes non-volatile cannabis manufacturing as allowed by LUO Section 22.40.070 and the Department of Cannabis Control. A description of proposed products in the manufacturing process, storage protocol, and hazard plan are provided in the project application. Manufacturing of non-volatile cannabis products does not include the use of hazardous materials or volatile chemicals. However, non-volatile manufacturing to extract cannabis can include the use of pressurized cylinders that contain gasses used as solvents, such as carbon dioxide (CO2). CO2 and other solvents used to manufacture cannabis are not considered hazardous materials. CO2 is typically transported in pressurized refillable tanks. In a fire or if heated, a pressure increase will occur, and the container may burst or explode. Transport, storage, and use of CO2 and any other non-volatile manufacturing solvent or ingredient is subject to applicable local, state, and federal standards, such as those set forth by County Environmental Health, Air Pollution Control District, Templeton Fire District, the California Department of Public Health and Department of Cannabis Control, and other various local and state regulations. The project is also required to comply with all California Building and Health and Safety Codes for equipment and manufacturing. Additionally, the LUO requires a Certified Industrial Hygienist to certify the manufacturing facility and operations. The project will be conditioned to comply with the relevant provisions of local, state, and federal laws with respect to the use and storage of any hazardous materials, solvents, or chemicals used in the manufacturing operations. Additionally, the project will be conditioned to have a Certified Industrial Hygienist certify the manufacturing facility and operations. With the implementation of existing regulations, impacts would be *less than significant*.

(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?

Oils, gasoline, lubricants, fuels, and other potentially hazardous substances would be used and temporarily stored onsite during construction activities. While it is not anticipated that these materials will be stored outside and subject to the outside environment, it is unknown; therefore, a spill or leak of these materials under accident conditions during construction activities could create a potentially significant hazard to the surrounding environment. Mitigation measures HAZ-1 and HAZ-2 have been recommended to reduce potential impacts associated with upset or accident conditions during project construction.

Proposed outdoor and indoor cultivation activities would include the use and storage of pesticides and fertilizers on-site. Manufacturing activities would include the use and storage of CO2 and other non-volatile solvents on-site. These materials are not considered highly toxic or hazardous but could result in a hazard if upset or spilled under accident conditions. Storage, refilling, use, and dispensing of these materials would occur inside the building, and handling procedures would be required to be conducted in accordance with applicable regulations from County Environmental Health, Air Pollution Control District, Templeton Fire District, the Department of Cannabis Control, and other various local and state regulations. The project is also required to comply with all California Building and Health and Safety Codes for equipment and manufacturing. Additionally, the LUO requires a Certified Industrial Hygienist to certify the manufacturing facility and operations. The project will be conditioned to comply with the relevant provisions of local, state, and federal laws with respect to the use and storage of any hazardous materials, solvents, or chemicals used in the manufacturing operations. Additionally, the project will be conditioned to have a Certified Industrial Hygienist certify the manufacturing facility and operations, which includes an assessment hazard reduction assessment.

With the implementation of HAZ-2 and compliance with relevant codes and standards, potential impacts associated with hazards to the public or the environment through reasonably foreseeable upset or accident conditions would be *less than significant with mitigation*.

(c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

There are no schools within one-quarter mile of the project site. Therefore, *no impact* would occur.

(d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?

The project site is not found on the 'Cortese List' (which is a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5). Therefore, *no impact* would occur.

(e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?

The project is not located in an Airport Review area. Therefore, *no impact* would occur.

(f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

The project is not expected to conflict with any regional emergency response or evacuation plan. The project would not change existing circulation patterns, would not generate substantial new traffic, and would not affect emergency response routes. Refer to Section XVII, *Transportation*, for further discussion of emergency access and project traffic. As such, impacts would be *less than significant*.

(g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?

According to the San Luis Obispo County Fire Hazard Severity Zone map, the project site is not within a fire hazard severity zone. The project is located within a Local Responsibility Area and based on the County's response time map, it will take approximately 0 to 5 minutes to respond to a call regarding fire or life safety (San Luis Obispo County Online Land Use View, 2020). The project would be required to comply with the California Fire Code and County Code (Title 16 Fire Prevention). The project is required to comply with and will be conditioned to meet all standards. Further, the project would not exacerbate existing hazards related to wildland fires, as it is located in an urban area would not construct habitable structures that would expose additional people to risk of harm. Impacts would be *less than significant.*

Conclusion

The project is required to comply with Federal, State, and County Ordinances and the Templeton Community Services District's requirements for fire service, which would reduce potential impacts from hazardous materials. However, an accidental spill of hazardous materials during construction could adversely impact the surrounding environment. Implementation of mitigation measures HAZ-1 and HAZ-2 would mitigate the potential for leaks and spills during project construction.

Mitigation

HAZ-1 **Equipment Maintenance and Refueling.** During all construction activities, the cleaning, refueling, and maintenance of equipment and vehicles shall occur only within designated staging areas. The staging areas shall conform to all Best Management Practices applicable to attaining zero discharge of stormwater runoff. At a minimum, all equipment and vehicles shall be checked and maintained on a daily basis to ensure proper operation and to avoid potential leaks or spills.

HAZ-2 **Spill Response Protocol.** During all construction and operational activities, all project-related spills of hazardous materials, pesticides, fertilizers, and manufacturing solvents shall be cleaned up immediately. Appropriate spill prevention and cleanup materials shall be onsite at all times.

Sources

See Exhibit A.

X. HYDROLOGY AND WATER QUALITY

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

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WATER QUALITY - The Regional Water Quality Control Board's Water Quality Control Plan for the Central Coast Basin (RWQCB, 2019) describes how the quality of surface water and groundwater in the Central Coast Region should be managed to provide the highest water quality reasonably possible. The RWQCB implements the Basin Plan by issuing and enforcing waste discharge requirements to individuals, communities, or businesses whose discharges can affect water quality. Project applicants must meet these requirements by either obtaining a State Waste Discharge permit for discharges to land or a National Pollutant Discharge Elimination System (NPDES) permit for discharge to surface water.

DRAINAGE – The following relates to the project's drainage aspects:

Within the 100-year Flood Hazard designation? No

Closest creek? Unnamed drainage

Distance? On-site, approximately 110 feet from the cultivation footprint

Soil drainage characteristics: Well-drained

The topography of the site is nearly level to gently sloping with an average slope of less than 10%. General project site topography directs runoff to the east into the unnamed riverine swales that bisect the northern and southern portions of the property. The proposed areas of disturbance will generally be sited on level areas on the central and northern portions of the project site. As described in the NRCS Soil Survey, the soil surface has moderate erodibility.

The site is in a drainage review area. The Land Use Ordinance (Sec. 22.52.110) includes a provision to prepare and submit (at the time of application for construction permits) a drainage plan to minimize potential drainage impacts. This plan will need to address measures such as: constructing on-site retention or detention basins or installing surface water flow dissipaters. The drainage plan would also need to show that the increased surface runoff would have no more impacts than that caused by historic flows.

On October 17, 2017, the State Water Resources Control Board adopted the Cannabis Cultivation Policy (Cannabis Policy) and the Statewide Cannabis General Order WQ 2017-0023-DWQ (Cannabis General Order) for General Waste Discharge Requirements and Waiver of Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities. The Cannabis Policy and Cannabis General Order include requirements to reduce impacts of waste discharges and surface water diversions associated with cannabis cultivation. The Order requires submittal of a Site Management Plan describing BMPs to protect water quality and may also require a Site Erosion and Sediment Control Plan, Disturbed Area Stabilization Plan, and/or Nitrogen Management Plan, depending on size and site characteristics of the operation. All outdoor commercial cultivation operations that disturb an area equal to or greater than 2,000 square feet of soil are required to enroll. Compliance with the Cannabis General Order is a standard condition of approval for all cannabis permits.

SEDIMENTATION AND EROSION – Soil type, area of disturbance, and slopes are key aspects to analyzing potential sedimentation and erosion issues. The project's soil types and descriptions are listed in the previous Agricultural Resources section under "Setting." As described in the NRCS Soil Survey, the project's soil erodibility is as follows:

Soil erodibility: Moderate

A sedimentation and erosion control plan is required for all construction and grading projects (LUO Sec. 22.52.120) to minimize impacts. When required, the plan is prepared by a civil engineer to address both

temporary and long-term sedimentation and erosion impacts. Projects involving more than one acre of disturbance are subject to the preparation of a Storm Water Pollution Prevention Plan (SWPPP), which focuses on controlling storm water runoff. The Regional Water Quality Control Board is responsible for monitoring this program.

WATER DEMAND/SUPPLY –The project site is located in the Salinas Valley Groundwater Basin, Atascadero Subbasin which has not been assigned a Level of Severity (LOS) according to the US EPA Office of Water/California Department of Water Resources. The TCSD has issued verification of available water per expected demand of this project. The TCSD draws water from underground aquifers within the Atascadero Subbasin and the Salinas River. The project site was previously used as a lumber yard before the construction of the warehouse, and the previous water supply of the lumber yard is unknown.

Discussion

(a) *Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?*

The project involves tenant improvements within an existing structure that is situated within a developed lot. The only exterior improvements will be for security fencing and equipment. Construction of the project would not result in impacts to water quality as a result of project construction.

All potentially hazardous materials proposed to be used on-site would be stored, refilled, and dispensed on-site in full compliance with applicable regulations from County Environmental Health, Air Pollution Control District, Templeton Fire District, the Department of Cannabis Control, and other various local and state regulations. All pesticides would be registered and regulated by federal and state government codes, with the County Agricultural Commissioner being the primary local regulator.

Also, all cannabis cultivation projects are required to provide proof of enrollment in or exemption from the applicable State Water Resources Control Board (SWRCB) or Regional Water Quality Control Board (RWQCB) program for water quality protection (Cal. Code of Regs. tit.3 §8102(o)). Per the letter from the Templeton Community Services District, the project is not allowed to discharge irrigation runoff or other wastewater discharge from cannabis activities without the appropriate discharge permit from the SWRCB or RWQCB. Project compliance with the relevant codes and standards would reduce project impacts on water quality. Therefore, the project's impacts on water quality would be *less than significant*.

(b) *Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?*

Based on the water demand estimate prepared by the applicant, the project would result in a water demand of approximately 1.45 acre-feet per year. Table 6 below provides and overview of the water use.

Table 6 – Annual Water Demand Estimate

Use	Rate	Gross Demand (gallons/year)	Gross Demand (AFY)
Indoor Cultivation: 10,000 SF	10,000 SF canopy area x 0.1 gal/SF/day x 365 days	365,000	1.12

Indoor Nursery: 2,452	2,452 SF canopy area x 0.1 gal/SF/day x 365 days	89,498	0.27
Manufacturing	800 SF canopy area x 0.1 gal/SF/day x 365 days	292	0.001
Potable Water	5 Employees x 10 gal/capita/day	18,250	0.056
Total New Water Demand			1.45

The project's water use would be served by the TCSD. As proposed, the daily water demand is estimated at approximately 1.45-acre-feet-per-year, or 1,300 gallons per day, which is under the 3,250 gallons per day allocated for this lease space by the TCSD. A verification of water and sewer availability was issued on February 22, 2022, by the TCSD. It should be noted that the applicant assumed 10,000 square feet of indoor cultivation canopy for determining water use, but their project description states the canopy will be 11,128 square feet. This difference could result in the additional use of approximately 0.12 acre feet per year for indoor cultivation. This would increase the total estimated water use to 1.57 acre feet per year, or 1,437 gallons per day, which is still less than the 3,250 gallons per day allocated for this lease space by the TCSD Additionally, the proposed cultivation is anticipated to produce minimal wastewater with 80% of all water recycled and reused for water plants. This will help decrease the overall amount of water used for cultivation. The project will be conditioned to meter their water and stay within the estimated amount, not to exceed 1.57 acre feet of water per year.

As discussed in the Setting, the project site is within the Salinas Valley Basin, Atascadero Subbasin, a non-LOS basin, and will be serviced with water via TCSD, which obtains water from this basin. The project site is not located within a groundwater basin designated by Bulletin 118 of the Department of Water Resources and has not been assigned a Level of Severity by the Resource Management System (RMS). Under the RMS, a groundwater basin that has not been assigned a Level of Severity is not in a state of overdraft and is presumed to be capable of meeting water demand over at least the next 15 years. The project site is not subject to a water use offset requirement. Therefore, impacts related to available surface or groundwater would be *less than significant.*

In compliance with LUO Section 22.40.050.E.3, the project will be conditioned to apply best management practices (BMPs) for water conservation to maintain water use at or below the water analysis projections as described in the applicant's Water Management Plan, and water use shall not exceed 1.57 acre feet per year. Such BMPs include, but are not limited to, the following:

- The use of drip irrigation systems and mulch to conserve water and soil moisture;
- Ongoing monitoring and maintenance of the water supply system;
- Installation of float valves on tanks to prevent tanks from overflowing;
- Installation of rainwater catchment systems to reduce demand on groundwater.

The conditions of approval will also require the project to participate in the County's ongoing cannabis monitoring program to ensure compliance with all conditions of approval and other relevant regulations.

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(c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:

(c-i) Result in substantial erosion or siltation on- or off-site?

The project does not involve clearing and grubbing of the land, nor does it involve excavation or earth moving activities. Therefore, the project will not result in erosion or siltation on or off site, and there are *no impact*.

(c-ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?

The project does not propose to create new impervious surface, and does not propose to alter the existing site conditions other than install security fencing and equipment. Therefore, *no impacts* will occur.

(c-iii) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?

The project does not propose to create new impervious surface, and does not propose or require alteration to the stormwater drainage systems. All construction activities will be temporary and occur primarily inside the building. All ongoing cannabis operations will occur inside the existing structure and there will no be outside storage of chemicals, fertilizers, pesticides, solvents, etc. Therefore, the project will not contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff, and *no impacts* will occur.

(c-iv) Impede or redirect flood flows?

The project is upslope and approximately 1,200 feet northwest of the Salinas River. The project is not within a 100-year Flood Hazard Area. The project involves operations inside an existing structure and no work is proposed within or near a stream. Public Works is not requiring the applicant to submit complete drainage plans and a drainage report for review because the project is entirely indoors. Therefore, *no impacts* will occur.

(d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

The proposed project is not located within the 100-year floodplain. The project would, therefore, not expose people to risks from flooding, nor would the project impede or redirect flood flows. The project site is not located in a dam inundation area and is not subject to flooding risks from dam failure. The project site is located inland from the coast and is not subject to tsunami hazards, nor is it located near any impounded bodies of water that could present hazards from seiches. *No impacts* would occur.

(e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

As described in the Setting above, the project site is within the Salinas Valley Basin, Atascadero Subbasin, a non-LOS basin, and will be serviced with water via the TCSD. The project site is not located within a groundwater basin designated by Bulletin 118 of the Department of Water Resources and has not been assigned a Level of Severity by the Resource Management System (RMS). Therefore, a

groundwater management plan has not been prepared for the basin. The project is required to comply with relevant permitting of the RWQCB. There would be *no impacts* associated with conflict or obstruction of a water quality control plan or sustainable groundwater management plan.

Conclusion

Potential impacts to groundwater would be less than significant with implementation an adherence to existing regulations, including using no more than the estimated water demand and monitoring water use. The project would not result in impacts associated water quality and hydrology. In addition, State law also sets forth general environmental protection measures for cannabis cultivation in Title 3, Division 8, Chapter 1 Article 4 of the California Code of Regulations. Section 8304 (a) and (b) require compliance with section 13149 of the Water Code as implemented by the State Water Resources Control Board, Regional Water Quality Control Boards, or California Department of Fish and Wildlife, and compliance with any conditions requested by the California Department of Fish and Wildlife or the State Water Resources Control Board under section 26060.1(b)(1) of the Business and Professions Code. These measures require the applicant to use the amount of wat water demand offset documented by the Water Conservation Plan, and quarterly monitoring and inspection.

Mitigation

None are necessary.

Sources

See Exhibit A.

XI. LAND USE AND PLANNING

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

Setting

The LUO was established to guide and manage the future growth in the County in accordance with the General Plan, to regulate land use in a manner that will encourage and support orderly development and beneficial use of lands, to minimize adverse effects on the public resulting from inappropriate creation, location, use or design of buildings or land uses, and to protect and enhance significant natural, historic, archaeological, and scenic resources within the county. The LUO is the primary tool used by the County to carry out the goals, objectives, and policies of the County General Plan.

The County Land Use Element (LUE) provides policies and standards for the management of growth and development in each unincorporated community and rural areas of the county and serves as a reference point and guide for future land use planning studies throughout the county. The LUE identifies strategic grown principles to define and focus the county's pro-active planning approach and balance environmental, economic, and social equity concerns. Each strategic growth principle correlates with a set of policies and implementation strategies that define how land will be used and resources protected. The LUE also defines each of the 14 land use designations and identifies standards for land uses based on the designation they are located within. The project is located within the Industrial land use category and is immediately surrounded by other parcels designated as Industrial.

The Inland Area LUE also contains the area plans of each of the four inland planning areas: Carrizo, North County, San Luis Obispo, and South County. The area plans establish policies and programs for land use, circulation, public facilities, services, and resources that apply "areawide", in rural areas, and in unincorporated urban areas within each planning area. Part three of the LUE contains each of the 13 inland community and village plans, which contain goals, policies, programs, and related background information for the County's unincorporated inland urban and village areas. The project is located in the Salinas River Subarea of the North County Planning Area and is within the community of Templeton.

Cannabis activities consisting of indoor cultivation, ancillary nursery, ancillary processing, manufacturing, non-storefront dispensary, distribution, storage, and ancillary transport can be permitted in the Industrial land use category with a Conditional Use Permit approval. The purpose of the Industrial land use category is: (1) to identify areas suited to industrial activities that will not adversely affect adjacent areas of other uses; (2) to provide opportunities for the concentration of industrial uses to enable efficient use of transportation; (3) to protect adjacent land uses from harmful influences, as well as to prevent the intrusion of incompatible

uses into industrial areas; and (4) where the Industrial category is located outside of urban or village reserve lines, it is intended to reserve appropriately located areas for industrial uses requiring large areas of land, nearby transportation or energy facilities, or related activities compatible with agricultural and other rural uses.

Discussion

(a) Physically divide an established community?

The site is located within a developed area and the project does not propose elements or components that would physically divide an established community. The project would be consistent with the general level and type of industrial development within the project vicinity, and would not create, close, or impede any existing public or private roads, or create barriers to movement or accessibility within the community. Therefore, the proposed project would not physically divide an established community, and *no impacts* would occur.

(b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

The project site is surrounded by industrial uses. The proposed project was reviewed for consistency with policy and/or regulatory documents relating to the environment and appropriate land use (e.g., County LUO, General Plan, 2001 CAP, etc.). Referrals were sent to outside agencies to review for policy consistencies. The project was found to be consistent with these documents (refer also to Exhibit A on reference documents used).

The project would be required to adhere to all regulations and development standards as listed in the County LUO Chapters 22.94, 22.40, and other applicable sections. This includes the receipt of all necessary permits, submittal of plans, adherence to application requirements, and limitations on use and cultivation.

The project would be required to implement Mitigation Measures ENG-1 and ENG-2, HAZ-1 and HAZ-2, and N-1 to mitigate potential impacts associated with Energy, Greenhouse Gas Emissions, Hazards and Hazardous Materials, and Noise, which is consistent with the identified plans and policies intended to avoid or mitigate adverse environmental effects. Upon implementation of the identified mitigation measures, the project would not conflict with other local policies or regulations adopted for the purpose of avoiding or mitigating environmental effects; therefore, impacts would be *less than significant with mitigation*.

Conclusion

The project would be consistent with local and regional land use designations, plans, and policies and would not divide an established community. With implementation of mitigation measures relating to air quality, energy, hazards and hazardous materials, and greenhouse gas emissions, impacts to land use and planning would be less than significant.

Mitigation

None are necessary.

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Sources

See Exhibit A.

XII. MINERAL RESOURCES

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the project:					
(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?	☐	☐	☐	☒
(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?	☐	☐	☐	☒

Setting

The California Surface Mining and Reclamation Act of 1975 (SMARA) requires that the State Geologist classify land into mineral resource zones (MRZ) according to the known or inferred mineral potential of the land (Public Resources Code Sections 2710–2796).

The three MRZs used in the SMARA classification-designation process in the San Luis Obispo-Santa Barbara Production-Consumption Region are defined below (California Geological Survey 2011a):

- **MRZ-1:** Areas where available geologic information indicates that little likelihood exists for the presence of significant mineral resources.
- **MRZ-2:** Areas where adequate information indicates that significant mineral deposits are present, or where it is judged that a high likelihood for their presence exists. This zone shall be applied to known mineral deposits or where well-developed lines of reasoning, based upon economic-geologic principles and adequate data, demonstrate that the likelihood for occurrence of significant mineral deposits is high.
- **MRZ-3:** Areas containing known or inferred aggregate resources of undetermined significance.

The County Land Use Ordinance provides regulations for development in delineated Energy and Extractive Resource Areas (EX) and Extractive Resource Areas (EX1). The EX combining designation is used to identify areas of the county where:

1. Mineral or petroleum extraction occurs or is proposed to occur;
2. The state geologist has designated a mineral resource area of statewide or regional significance pursuant to Public Resources Code Sections 2710 et seq. (SMARA); and,
3. Major public utility electric generation facilities exist or are proposed.

The purpose of this combining designation is to protect significant resource extraction and energy production areas identified by the County LUE from encroachment by incompatible land uses that could hinder resource

extraction or energy production operations, or land uses that would be adversely affected by extraction or energy production.

Discussion

(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?

The project is not located within a designated mineral resource zone or within an Extractive Resource Area combining designation. There are no known mineral resources in the project area; therefore, *no impacts* would occur.

(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?

The San Luis Obispo County Mineral Designation Maps indicate the site is not located in a Mining Disclosure Zone or Energy/Extractive Area. Therefore, the project would not result in the preclusion of mineral resource availability and *no impacts* would occur.

Conclusion

The project site is not located within an area of known mineral resources. No impacts to mineral resources would occur and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XIII. NOISE

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the project result in:					
(a)	Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☒	☐	☐
(b)	Generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☒	☐
(c)	For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Setting

The San Luis Obispo County Noise Element of the General Plan provides a policy framework for addressing potential noise impacts in the planning process. The purpose of the Noise Element is to minimize future noise conflicts. The Noise Element identifies the major noise sources in the county (highways and freeways, primary arterial roadways and major local streets, railroad operations, aircraft and airport operations, local industrial facilities, and other stationary sources) and includes goals, policies, and implementation programs to reduce future noise impacts. Among the most significant polices of the Noise Element are numerical noise standards that limit noise exposure within noise-sensitive land uses, and performance standards for new commercial and industrial uses that might adversely impact noise-sensitive land uses.

Noise sensitive uses that have been identified by the County include the following:

- Residential development, except temporary dwellings
- Schools – preschool to secondary, college and university, specialized education, and training
- Health care services (e.g., hospitals, clinics, etc.)
- Nursing and personal care
- Churches
- Public assembly and entertainment
- Libraries and museums
- Hotels and motels

- Bed and breakfast facilities
- Outdoor sports and recreation
- Offices

All sound levels referred to in the Noise Element are expressed in A-weighted decibels (dB). A-weighting de-emphasizes the very low and very high frequencies of sound in a manner similar to the human ear.

The existing ambient noise environment is characterized by commercial service and industrial activities on surrounding industrial parcels, traffic on the surrounding streets and Highway 101, which is located approximately 0.25 west of the project site, and noise from occasional trains travelling along the Union Pacific Railroad (UPRR) approximately 250 feet to the southeast. The site is immediately surrounded by other commercial service and industrial businesses. Noise-sensitive land uses typically include residences, schools, nursing homes, and parks. The project site is approximately 0.25 mile west of a parcel with a proposed residence and approximately 0.35 mile east, past Highway 101, of parcels with existing residences. The site is not located within an Airport Review Area.

LUO Section 22.10.120 establishes maximum allowed noise levels for both daytime (7 a.m. to 10 p.m.) and nighttime (10 p.m. to 7 a.m.) hours. The maximum allowed exterior hourly noise level is 50 dB for the daytime hours and 45 dB for the nighttime hours

The Noise Element of the County's General Plan includes projections for future noise levels from known stationary- and vehicle-generated noise sources. Based on the Noise Element's projected future noise generation from known stationary- and vehicle-generated noise sources, the project is within an acceptable threshold area. However, the project site is currently located within the 60 dB noise contour due to the UPRR and the 50 dB noise radius from the Union Asphalt Plan.

The project is subject to the County's standards for exterior noise provided in LUO Section 22.10.120. Section 22.10.120.B sets forth standards that apply to sensitive land uses that include (but are not limited to) residences, as shown in Table 7.

Table 7 – Maximum Allowed Exterior Noise Level Standards

Sound Levels	Daytime 7:00 a.m. to 10:00 p.m.	Nighttime[1] 10:00 p.m. to 7:00 a.m.
Hourly Equivalent Sound Level (L_{eq}, dB)	50	45
Maximum Level, dB	70	65

1. Applies only to uses that operate or are occupied during nighttime hours.

Discussion

(a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

Temporary (Construction Related) Noise. The County LUO noise standards are subject to a range of exceptions, including noise sources associated with construction, provided such activities do not take place before 7:00 a.m. or after 9:00 p.m. on weekdays, or before 8:00 a.m. or after 5:00 p.m. on Saturday or Sunday. Noise associated with agricultural land uses (as listed in Section 22.06.030), traffic on public roadways, railroad line operations, and aircraft in flight are also exempt.

Project construction for the required tenant improvements would result in a temporary increase in noise levels associated with construction activities, equipment, and vehicle trips. The use of construction machinery would also be a source of noise, although construction-related noise impacts would be temporary and localized. County regulations (LUO Section 22.10.120.A) limit the hours of construction to daytime hours between 7:00 a.m. and 9:00 p.m. weekdays, and from 8:00 a.m. to 5:00 p.m. on weekends.

The LUO requires that construction activities be conducted during daytime hours to be able to utilize County construction noise exception standards and that construction equipment be equipped with appropriate mufflers recommended by the manufacturer. Compliance with these standards would ensure short-term construction noise would *be less than significant*.

Operational Impacts: The project is not expected to generate loud noises or conflict with the surrounding uses. The project proposes the use of climate controls (heating, ventilation, and air conditioning systems (HVAC) including evaporative through-wall coolers, and dehumidifiers) and odor control systems, including carbon scrubbers, which would result in new sources of stationary noise during operation. When operating concurrently, noise associated with the use of wall- or roof-mounted HVAC and odor mitigation equipment associated with the project would be expected to generate noise levels of approximately 70 to 86 dB based on equipment specifications for commercial HVAC and odor control systems seen for other cannabis projects. Assuming a worst-case scenario, mechanical equipment would be expected to generate noise levels of approximately 86 dBA at 25 feet from the source. In a "free field" noise environment (no reflections, etc.) noise dissipates about 6 dB with doubling of distance from the source (OSHA Technical Manual, Section III, Chapter 5). As proposed, the existing building and potential equipment is less than approximately 20 feet from the nearest property line, which at a minimum, would result in maximum noise levels of approximately 86 dB at the nearest property line. The resulting noise is expected to exceed the maximum allowable nighttime level (65 dB) and the nighttime average hourly equivalent noise level (45dB).

The project is located within an industrial and commercial area that consists of processing operations, machinery, and mechanical equipment from surrounding businesses. Noise generated by vehicular traffic on Marquita Avenue would be comparable to background noise levels generated by surrounding industrial operations and existing vehicular traffic. Overall, noise generated by the project would be consistent with other activities in the area. However, the project is already within the 50 dB noise radius of the Union Asphalt Batch Plant and 60 dB noise contour of the UPRR. Any additional noise from the project in excess of current noise levels could result in the potential for noise impacts, including cumulative impacts. Therefore, implementation of N-1 will require the project to demonstrate sufficient insulation or other buffer methods so that noise associated with the HVAC does not exceed 45 dB at the property lines. With the implementation of N-1, potential noise impacts will be *less significant with mitigation*.

(b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?

The project does not propose substantial grading/earthmoving activities, pile driving, or other high impact activities that would generate substantial groundborne noise or groundborne vibration during construction. Construction equipment used for the tenant improvements has the potential to generate minor groundborne noise and/or vibration, but these activities would be limited in duration and are not likely to be perceptible from adjacent areas. LUO Section 22.10.120.A limits the hours of construction to daytime hours between 7:00 a.m. and 9:00 p.m. weekdays, and from 8:00 a.m. to 5:00 p.m. on weekends. The project does not propose a use that would generate long-term operational

groundborne noise or vibration. Therefore, impacts related to exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels would be *less than significant*.

(c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

The project is not located within an Airport Review designation or in any of the airports identified noise contours or located beneath any designated Aircraft Flight Paths. Due to the proximity of the site away from the Airport, the project would not subject workers to excessive aviation related noise levels. Therefore, aviation-related noise impacts are not applicable, and *no impact* would occur.

Conclusion

No significant noise impacts are anticipated, and no mitigation measures are necessary.

Mitigation

N-1 **HVAC Noise Buffer**. At time of application for construction permits, the applicant shall demonstrate sufficient insulation or other buffer methods, including the use of specific HVAC equipment, so that noise associated with the HVAC does not exceed 45 dBA at the property lines. Prior to final inspection or occupancy, the applicant shall demonstrate implementation and compliance with this measure.

Sources

See Exhibit A.

XIV. POPULATION AND HOUSING

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

Setting

The County of San Luis Obispo General Plan Housing Element recognizes the difficulty for residents to find suitable and affordable housing within San Luis Obispo County. The Housing Element includes an analysis of

vacant and underutilized land located in urban areas that is suitable for residential development and considers zoning provisions and development standards to encourage development of these areas. Consistent with State housing element laws, these areas are categorized into potential sites for very low- and low-income households, moderate-income households, and above moderate-income households.

The County's Inclusionary Housing Ordinance requires the provision of new affordable housing in conjunction with both residential and nonresidential development and subdivisions. In its efforts to provide for affordable housing, the County currently administers the Home Investment Partnerships (HOME) program and the Community Development Block Grant (CDBG) program, which provides limited financing to projects relating to affordable housing throughout the county.

The project site is characterized by commercial service and industrial activities on surrounding industrial parcels. The nearest residences include a proposed residence located approximately 0.25 mile to the east and existing residences located approximately 0.35 mile to the west.

Discussion

(a) *Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?*

The project does not include the construction of new homes or businesses or the extension or establishment of roads, utilities, or other infrastructure that would induce development and population growth in new areas. The project is expected to employ five (5) full-time employees. This increase in employment opportunities is not anticipated to result in an indirect increase in population, as it is minimal and anticipated that the employees would be residents of San Luis Obispo County. The project would not generate a substantial number of new employment opportunities that would encourage population growth in the area. Therefore, the project would not directly or indirectly induce substantial growth and *no impacts* would occur.

(b) *Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?*

The project would not displace existing housing or necessitate the construction of replacement housing elsewhere; therefore, *no impacts* would occur.

Conclusion

The project would not result in a need for a significant amount of new housing and would not displace existing housing. The project would be conditioned to provide payment of the housing impact fee for commercial projects. No significant population/housing impacts are anticipated, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XV. PUBLIC SERVICES

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
(a)	Would the project result in 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 public services:	☐	☐	☒	☐
	Fire protection?	☐	☐	☒	☐
	Police protection?	☐	☐	☒	☐
	Schools?	☐	☐	☐	☒
	Parks?	☐	☐	☐	☒
	Other public facilities?	☐	☐	☐	☒

Setting

Fire protection services in unincorporated San Luis Obispo County are provided by the California Department of Forestry and Fire Protection (CAL FIRE), which has been under contract with the County of San Luis Obispo to provide full-service fire protection since 1930. Approximately 180 full-time state employees operate the County Fire Department, supplemented by as many as 100 state seasonal fire fighters, 300 County paid-call and reserve fire fighters, and 120 state inmate fire fighters. CAL FIRE responds to emergencies and other requests for assistance, plans for and takes action to prevent emergencies and to reduce their impact, coordinates regional emergency response efforts, and provides public education and training in local communities. CAL FIRE has 24 fire stations located throughout the County. The project site is located within a Local Responsibility Area and will be served by the Templeton Community Service District (Templeton Fire & Emergency Services). Emergency response time is anticipated to be within five (5) minutes.

Police protection and emergency services in the unincorporated portions of the County are provided by the San Luis Obispo County Sheriff's Office. The Sheriff's Office Patrol Division responds to calls for service, conducts proactive law enforcement activities, and performs initial investigations of crimes. Patrol personnel are deployed from three stations throughout the county, the Coast Station in Los Osos, the North Station in Templeton, and the South Station in Oceano. The nearest Sheriff's station is the North Station in Templeton, which is located approximately 1.1 miles from the project site.

San Luis Obispo County has a total of 12 school districts that currently enroll approximately 34,000 students in over 75 schools. The project site is located within the Templeton Unified School District and San Luis Obispo Joint Community College District.

Within the County's unincorporated areas, there are currently 23 parks, three golf courses, four trails/staging areas, and eight Special Areas that include natural areas, coastal access, and historic facilities currently operated and maintained by the County.

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

Discussion

(a) *Would the project result in 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 public services:*

Fire protection?

The project would be required to comply with all fire safety rules and regulations including the California Fire Code and Public Resources Code prior to issuance of building permits for the tenant improvements. Based on the limited nature of development proposed, the project would not result in a significant increase in demand for fire protection services. The project would be served by Templeton Fire Services, an existing fire protection service, and would not result in the need for new or altered fire protection services or facilities. In addition, the project would be subject to development impact fees to offset the project's contribution to demand for fire protection services. Therefore, impacts would be *less than significant*.

Police protection?

The project site is in the existing service range for the County Sheriff's Office. Construction on-site would not normally require services from the Sheriff's Office, except in cases of trespassing, theft, and/or vandalism. The project also includes a detailed Security Plan that must be reviewed and approved by the Sheriff's Office. Incorporation of security measures and techniques would serve to reduce the need for police/sheriff enforcement. Based on the limited scope, the project would not result in the provision of, or need for, new or physically altered police/sheriff protection or law enforcement services. Therefore, this impact would be *less than significant*.

Schools? Parks? Other public facilities?

As discussed in Section XIV, Population and Housing, the project does not include the construction of any housing or habitable structures and would not induce a substantial increase in population growth. As such, the project would not generate new demand for schooling, parks, or other governmental facilities. Therefore, *no impacts* would occur.

Initial Study – Environmental Checklist

Conclusion

No significant public service impacts would occur, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XVI. RECREATION

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
(a)	Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
(b)	Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒

Setting

The County of San Luis Obispo Parks and Recreation Element (Recreation Element) establishes goals, policies, and implementation measures for the management, renovation, and expansion of existing, and the development of new, parks and recreation facilities in order to meet existing and projected needs and to assure an equitable distribution of parks throughout the County.

Public facilities fees, Quimby fees, and developer conditions are several ways the County currently funds public parks and recreational facilities. Public facility fees are collected upon construction of new residential units and currently provide funding for new community-serving recreation facilities. Quimby Fees are collected when new residential lots are created and can be used to expand, acquire, rehabilitate, or develop community-serving parks. Finally, a discretionary permit issued by the County may condition a project to provide land, amenities, or facilities consistent with the Recreation Element.

The County Bikeways Plan identifies and prioritizes bikeway facilities throughout the unincorporated area of the county, including bikeways, parking, connections with public transportation, educational programs, and funding. The Bikeways Plan is updated every five (5) years and was last updated in 2016. The plan identifies goals, policies, and procedures geared towards realizing significant bicycle use as a key component of the transportation options for San Luis Obispo County residents. The plan also includes descriptions of bikeway design and improvement standards, an inventory of the current bicycle circulation network, and a list of current and future bikeway projects within the County.

The project site is located approximately 0.3 mile east of the Juan Bautista de Anza National Historic Trail.

Discussion

(a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

As discussed in Section XIV, Population and Housing, the project is not a residential project or large-scale employer and would not result in a population increase. Therefore, the project would not 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. There would be *no impact.*

(b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

The project does not include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment. Implementation of the project would not require the construction or expansion of recreational facilities; therefore, *no impacts* would occur.

Conclusion

No significant recreation impacts are anticipated, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XVII. TRANSPORTATION

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the project:					
(a)	Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☐	☐	☒	☐
(b)	Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?	☐	☐	☒	☐
(c)	Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☒	☐
(d)	Result in inadequate emergency access?	☐	☐	☒	☐

Setting

The County Department of Public Works maintains updated traffic count data for all County-maintained roadways. In addition, Traffic Circulation Studies have been conducted within several community areas using traffic models to reasonably simulate current traffic flow patterns and forecast future travel demands and traffic flow patterns. These community Traffic Circulation Studies include the South County Circulation Study, Los Osos Circulation Study, Templeton Circulation Study, San Miguel Circulation Study, Avila Circulation Study, and North Coast Circulation Study. The California Department of Transportation (Caltrans) maintains annual traffic data on state highways and interchanges within the County. The site is accessed off of Marquita Avenue, a County-maintained collector road, and is within the Templeton Area C Road Improvement Fee (RIF) Area.

In 2013, Senate Bill 743 was signed into law with the intent to "more appropriately balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions" and required the Governor's Office of Planning and Research (OPR) to identify new metrics for identifying and mitigating transportation impacts within CEQA. As a result, in December 2018, the California Natural Resources Agency certified and adopted updates to the State CEQA Guidelines. The revisions included new requirements related to the implementation of Senate Bill 743 and identified vehicle miles traveled (VMT) per capita, VMT per employee, and net VMT as new metrics for transportation analysis under CEQA (as detailed in Section 15064.3 [b]). The County of San Luis Obispo has developed a Vehicle Miles Traveled (VMT) Program (Transportation Impact Analysis Guidelines; Rincon, October 2020 & VMT Thresholds Study; GHD, March 2021). The program provides interim operating thresholds and includes a screening tool for evaluating VMT impacts.

The San Luis Obispo Council of Governments (SLOCOG) holds several key roles in transportation planning within the county. As the Regional Transportation Planning Agency (RTPA), SLOCOG is responsible for

conducting a comprehensive, coordinated transportation program, preparation of a Regional Transportation Plan (RTP), programming of state funds for transportation projects, and the administration and allocation of transportation development act funds required by state statutes. The 2019 RTP, adopted June 5, 2019, is a long-term blueprint of San Luis Obispo County's transportation system. The plan identifies and analyzes transportation needs of the region and creates a framework for project priorities. SLOCOG represents and works with the County as well as the Cities within the county in facilitating the development of the RTP.

The County Department of Public Works establishes bicycle paths and lanes in coordination with the RTP, which outlines how the region can establish an extensive bikeway network. County bikeway facilities are funded by state grants, local general funds, and developer contributions. The RTP also establishes goals and recommendations to develop, promote, and invest in the public transit systems, rail systems, air services, harbor improvements, and commodity movements within the county in order to meet the needs of transit-dependent individuals and encourage the increasing use of alternative modes by all travelers that choose public transportation. Local transit systems are presently in operation in the cities of Morro Bay and San Luis Obispo, and South County services are offered to Grover Beach, Arroyo Grande, Pismo Beach, and Oceano. Dial-a-ride systems provide intra-community transit in Morro Bay, Atascadero, and Los Osos. Inter-urban systems operate between the City of San Luis Obispo and South County, Los Osos, and the North Coast.

The County's Framework for Planning (Inland), includes the Land Use and Circulation Elements of the County's General Plan. The Framework establishes goals and strategies to meet pedestrian circulation needs by providing usable and attractive sidewalks, pathways, and trails to establish maximum access and connectivity between land use designations.

Discussion

(a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?

The project includes up to 11,128 square feet of indoor cannabis cultivation canopy, up to 2,646 square feet of ancillary nursery canopy, 1,662 square feet of commercial processing, 883 square feet of manufacturing for on-site and off-site cannabis product, 358 square feet of manufacturing storage, 410 square feet of non-storefront dispensary, 187 square feet of distribution, and 112 square feet of storage and ancillary transport within an approximately 27,117 square foot existing warehouse development. A trip generation study (Orosz, 2020) was prepared for the project, and compared the number of trips anticipated for the approved warehouse use (under DRC2019-00164) and the proposed project (DRC2019-00165). Results show that the proposed cannabis activities will generate up to 25 average daily trips and three (3) PM peak hour trips, which is fewer trips compared to the approved existing warehouse use. In addition, the project is located within the Templeton Area C RIF Area and is conditioned to pay RIF to mitigate cumulative development impacts if the trips anticipated for this project exceeds those estimated for the warehouse use under DRC2019-00164. Public Works will review the project at the time of construction permit application to determine the applicable fees.

The project would not involve construction or operation activities that would adversely affect the circulation system, including public transit, bikeways, pedestrian, or roadway facilities, or conflict with a program, plan, ordinance, or policy addressing these facilities. Therefore, with the implementation of existing regulations, impacts would be *less than significant.*

(b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?

According to the results of the trip generation study (Orosz, 2020), the project would result in up to 25 average daily trips with three (3) PM peak hour trips, which is fewer trips compared to the approved existing warehouse use. The small number of added daily trips would not significantly increase VMT. Based on the screening criteria of 110 trips per day, the project would not result in a substantial increase in VMT that would conflict or be inconsistent with State CEQA Guidelines Section 15074.3(b) and impacts would be *less than significant*.

(c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

The project would operate within a tenant space of an existing industrial development and does not propose any features or incompatible uses that would delay, disrupt, or result in unsafe conditions. Therefore, the project would not substantially increase hazards due to a geometric design feature or incompatible use, and impacts would be *less than significant.*

(d) Result in inadequate emergency access?

The project would operate within a tenant space of an existing industrial development that is directly accessible from Marquita Avenue. Fire and emergency services for the site are provided by TCSD. In addition, the project is required to comply with all fire safety rules and regulations including the California Fire Code prior to issuance of construction permits. Therefore, impacts related to emergency access would be *less than significant.*

Conclusion

No significant transportation impacts are anticipated, and no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XVIII. TRIBAL CULTURAL RESOURCES

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

Setting

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

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

2) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of California Public Resources Code Section 5024.1. In applying these criteria for the purposes of this paragraph, the lead agency shall consider the significance of the resource to a California Native American Tribe.

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

Potential for the presence or regular activities of the Native American increases within 300 feet from the top of bank of a "blue-line stream" indicated on a USGS 7.5-minute topographic quadrangle map. The project site does not include riparian corridors and is not located within 300 feet from the top of bank of a blue-line stream. On July 18, 2019, in accordance with AB 52 Cultural Resources, outreach to the Native American tribal groups, including the Northern Chumash, Salinan Tribe of Monterey and San Luis Obispo Counties, Xolon Salinan Tribe, and yak tityu tityu – Northern Chumash Tribe, was conducted by the County. No formal consultation or requirements were requested by the tribes.

Discussion

(a) *Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:*

(a-i) *Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?*

As discussed in Section V., Cultural Resources, the project site does not contain any known tribal cultural resources that have been listed or been found eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1. Potential impacts associated with the inadvertent discovery of tribal cultural resources would be subject to LUO Section 22.10.040 (Archaeological Resources), which requires that in the event resources are encountered during project construction, construction activities shall cease, and the County Planning and Building Department shall be notified of the discovery so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and the disposition of artifacts may be accomplished in accordance with state and federal law. Project construction is limited to tenant improvements and minor site improvements such as security fencing. Grading and excavation are not proposed as part of the project. Therefore, impacts related to a substantial adverse change in the significance of tribal cultural resources would be *less than significant.*

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

The project site does not contain any resources determined by the County to be a potentially significant tribal cultural resource. Impacts associated with potential inadvertent discovery would be minimized through compliance with existing standards and regulations in LUO Section 22.10.040. Therefore, potential impacts would be *less than significant.*

Conclusion

Pursuant to County LUO Section 22.10.040, if during any future construction work, tribal cultural resources are unearthed, the County Department of Planning and Building shall be notified, work in the area shall halt until these materials can be examined by a qualified archaeologist and consulting tribes, and appropriate recommendations shall be made. No significant impacts to tribal and cultural resources are expected to occur. Therefore, no mitigation measures are necessary.

Mitigation

None are necessary.

Sources

See Exhibit A.

XIX. UTILITIES AND SERVICE SYSTEMS

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

Setting

The County Public Works Department provides water and wastewater services for specific County Service Areas (CSAs) that are managed through issuance of water/wastewater "will serve" letters. The Department of Public Works currently maintains CSAs for the communities of Nipomo, Oak Shores, Cayucos, Avila Beach, Shandon, the San Luis Obispo County Club, and Santa Margarita. Other unincorporated areas in the County rely on on-site wells and individual wastewater systems or community services districts (CSDs). Regulatory standards and design criteria for onsite wastewater treatment systems are provided by the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems (California OWTS Policy). For the project site, water and wastewater services are provided by the Templeton CSD.

Initial Study – Environmental Checklist

Per the County's Stormwater Program, the Department of Public Works is responsible for ensuring that new construction sites implement best management practices during construction, and that site plans incorporate appropriate post-construction stormwater runoff controls. Construction sites that disturb 1.0 acre or more must obtain coverage under the SWRCB's Construction General Permit. Pacific Gas & Electric Company (PG&E) is the primary electricity provider and both PG&E and Southern California Gas Company provide natural gas services for urban and rural communities within the County of San Luis Obispo.

There are three landfills in San Luis Obispo County: Cold Canyon Landfill, located near the City of San Luis Obispo, Chicago Grade Landfill, located near the community of Templeton, and Paso Robles Landfill, located east of the City of Paso Robles. The project site is located approximately 7 miles from Chicago Grade Landfill and will be serviced by Mid-State Solid Waste & Recycling

Discussion

(a) *Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?*

Wastewater – The project has received verification from the TCSD for wastewater (sewer) utility service. No dedicated on-site wastewater treatment facility is required therefore no impact can be expected as a result.

Water – The project received verification from the TCSD for water utility service. No dedicated on-site water facility is required therefore *no impact* as a result.

Stormwater – The project does not include the construction or expansion of stormwater facilities. Therefore, no impact would occur.

Electric Power and Natural Gas – The project anticipates an annual energy demand of 4,921,824 kWh/year and would be served by an existing PG&E connection. No expanded electrical facilities other than what can be accommodated on site are anticipated, and impacts would be *less than significant*.

Telecommunications – The project does not include the construction or expansion of telecommunications facilities. Therefore, *no impact* would occur.

(b) *Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?*

Five water units at 300 gallons per day has been deemed required and available to meet water demand for this project by TCSD. Therefore, there is enough water to serve the site and impacts would be *less than significant*.

(c) *Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?*

Seven sewer units at 176 gallons per day has been deemed required and available to meet wastewater demand for this project by TCSD. Therefore, there is enough wastewater capcaity to serve the site and impacts would be *less than significant*.

(d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?

The nearest landfill to the site is the Chicago Grade Landfill, located approximately 7 miles to the south in the community of Templeton. This landfill has a remaining permitted capacity of 6,022,396 cubic yards and can accept 500 tons per day (CalRecycle, 2019). Solid waste generated during construction and operation of the project would not be a substantial amount and would represent a small fraction of the daily permitted tonnage of this facility.

All compostable cannabis waste would be mixed with other compostable waste and be disposed of by a compost feedstock or in another organic waste method. Non-compostable waste would be delivered to a permitted solid waste facility, incinerator, or other facility with approved from the State's Health Department or disposed of by Mid-State Solid Waste. Therefore, the project would not generate solid waste in excess of local standards, or the capacity of the local infrastructure and impacts would be *less than significant.*

(e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?

The project would not result in a substantial increase in waste generation during project construction or operation. Construction waste disposal would comply with Federal, State, and local management and reduction statutes and regulations related to solid waste. Therefore, potential impacts would be *less than significant.*

Conclusion

Impacts to utilities and service systems are expected to be *less than significant.*

Mitigation

None are necessary.

Sources

See Exhibit A.

XX. WILDFIRE

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

Setting

In Central California, the fire season usually extends from roughly May through October, however, recent events indicate that wildfire behavior, frequency, and duration of the fire season are changing in California. Fire Hazard Severity Zones (FHSZ) are defined by the California Department of Forestry and Fire Protection (CALFIRE) based on the presence of fire-prone vegetation, climate, topography, assets at risk (e.g., high population centers), and a fire protection agency's ability to provide service to the area (CAL FIRE 2007). FHSZs throughout the County have been designated as "Very High," "High," or "Moderate." In San Luis Obispo County, most of the area that has been designated as a "Very High Fire Hazard Severity Zone" is located in the Santa Lucia Mountains, which extend parallel to the coast along the entire length of San Luis Obispo County. The Moderate Hazard designation does not mean the area cannot experience a damaging fire; rather, it indicates that the probability is reduced, generally because the number of days a year that the area has "fire weather" is less than in high or very high fire severity zones. The project site is not located within a moderate, high, or very high fire hazard severity zone.

The County Emergency Operations Plan (EOP) addresses several overall policy and coordination functions related to emergency management. The EOP includes the following components:

- Identifies the departments and agencies designated to perform response and recovery activities and specifies tasks they must accomplish;
- Outlines the integration of assistance that is available to local jurisdictions during disaster situations that generate emergency response and recovery needs beyond what the local jurisdiction can satisfy;
- Specifies the direction, control, and communications procedures and systems that will be relied upon to alert, notify, recall, and dispatch emergency response personnel, alert the public, protect residents and property, and request aid/support from other jurisdictions and/or the federal government;
- Identifies key continuity of government operations; and
- Describes the overall logistical support process for planned operations.

Topography influences wildland fire to such an extent that slope conditions can often become a critical wildland fire factor. Conditions such as speed and direction of dominant wind patterns, the length and steepness of slopes, direction of exposure, and/or overall ruggedness of terrain influence the potential intensity and behavior of wildland fires and/or the rates at which they may spread (Barros et al. 2013).

The County of San Luis Obispo Safety Element establishes goals, policies, and programs to reduce the threat to life, structures, and the environment caused by fire. Policy S-13 identifies that new development should be carefully located, with special attention given to fuel management in higher fire risk areas, and that new development in fire hazard areas should be configured to minimize the potential for added danger. Implementation strategies for this policy include identifying high risk areas, the development and implementation of mitigation efforts to reduce the threat of fire, requiring fire resistant material to be used for building construction in fire hazard areas, and encouraging applicants applying for subdivisions in fire hazard areas to cluster development to allow for a wildfire protection zone.

The California Fire Code provides minimum standards for many aspects of fire prevention and suppression activities. These standards include provisions for emergency vehicle access, water supply, fire protection systems, and the use of fire-resistant building materials.

The County has prepared an Emergency Operations Plan (EOP) to outline the emergency measures that are essential for protecting the public health and safety. These measures include, but are not limited to, public alert and notifications, emergency public information, and protective actions. The EOP also addresses policy and coordination related to emergency management.

The County Safety Element provides a Fire Hazard Zones Map that indicates unincorporated areas in the County within moderate, high, and very high fire hazard severity zones. According to the San Luis Obispo County Fire Hazard Severity Zone map, the project site is not within a fire hazard severity zone. The project is located within a Local Responsibility Area and based on the County's response time map, it will take approximately 0 to 5 minutes to respond to a call regarding fire or life safety (San Luis Obispo County Online Land Use View, 2022).

Initial Study – Environmental Checklist

Discussion

(a) Substantially impair an adopted emergency response plan or emergency evacuation plan?

As discussed in Section IX, Hazards and Hazardous Materials, the project is not expected to conflict with any regional emergency response or evacuation plan because the project is proposed within a tenant space of an approved industrial development. The project would not change existing circulation patterns, generate substantial new traffic, or affect emergency response routes. Refer to Section XVII, Transportation, for further discussion of emergency access and project traffic. Impacts would be *less than significant.*

(b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?

Wildfire risk is dependent upon existing environmental conditions, including but not limited to the amount of vegetation present, topography, and climate. The project site will include ornamental landscaping along the street frontage, has nearly level topography, is a developed parcel within the community of Templeton, and is surrounded by other commercial service and industrial uses.

The cannabis project would operate in an enclosed building and is not within a fire severity zone. The project would be required to be built in compliance with applicable fire standards, including provisions for emergency access and fire water supply, which would reduce the potential hazard of wildfires. Therefore, the project components would not exacerbate fire risks and impacts would be *less than significant.*

(c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?

The project would operate within a tenant space within an approved industrial development and would be served by existing utility connections. Therefore, the project components would not exacerbate fire risk or result in significant temporary or ongoing impacts to the environment, and impacts would be *less than significant.*

(d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?

As designed, the project would be entirely located on flat, unvegetated areas and would be required to meet County standards for drainage and stormwater. None of the operations would be located on slopes. Therefore, the project would not expose people or structures to significant risks such as flooding or landslides, as a result of runoff or post-fire instability. Therefore, the project would not exacerbate any existing hazards, and impacts would be *less than significant.*

Conclusion

The project would not substantially impair an emergency response plan or require the installation of new infrastructure that may exacerbate fire risk or result in temporary ongoing impacts to the environment. The project would not include any design elements that would expose people or structures to significant risk as a result of runoff, post-fire instability, or drainage changes. Therefore, potential impacts associated with wildfire would be less than significant.

Initial Study – Environmental Checklist

Mitigation

None are necessary.

Sources

See Exhibit A.

XXI. MANDATORY FINDINGS OF SIGNIFICANCE

		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
(a)	Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☐	☒
(b)	Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the 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)?	☐	☒	☐	☐
(c)	Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☒	☐

Discussion

(a) *Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?*

As discussed in Section IV, Biological Resources, the project would not substantially degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. The project site is already developed and does not have the potential to support habitat for 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. Additionally, the project site does not support any riparian corridors. Therefore, the project would not result in substantial adverse effects to special-status species and *no impacts* would occur.

(b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the 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)?

The State CEQA Guidelines define cumulative impacts as "two or more individual effects that, when considered together, are considerable or which compound or increase other environmental impacts." Section 15355 of the CEQA Guidelines further states that individual effects can be various changes related to a single project or the change involved in a number of other closely related past, present, and reasonably foreseeable future projects. The discussion of cumulative impacts must reflect the severity of the impacts as well as the likelihood of their occurrence. However, the discussion need not be as detailed as the discussion of environmental impacts attributable to the project alone. Furthermore, the discussion should remain practical and reasonable in considering other projects and related cumulatively considerable impacts. Furthermore, per State CEQA Guidelines, Section 15130 (a) (1), an EIR should not discuss impacts which do not result in part from the project evaluated in the EIR. The State CEQA Guidelines allow for the use of two different methods to determine the scope of projects for the cumulative impact analysis:

- List Method - A list of past, present, and probable future projects producing related or cumulative impacts, including, if necessary, those projects outside the control of the agency (Section 15130).
- General Plan Projection Method - A summary of projections contained in an adopted General Plan or related planning document, or in a prior environmental document which has been adopted or certified, which described or evaluated regional or area-wide conditions contributing to the cumulative impact (CEQA Guidelines §15130).

This MND examines cumulative effects using both the List Method and the General Plan Projection method to evaluate the cumulative environmental effects of the project within the context of other reasonably foreseeable cannabis projects and regional growth projections.

Existing and Reasonably Foreseeable Projects

Table 8 provides a summary of the total number of cannabis activities for which the County has either approved or has received an application as of January 2023. As shown on Table 9, the County has received applications for a total of 60 cultivation sites (including indoor and outdoor) with a total maximum canopy of 210 acres (worst-case scenario). Under the County's cannabis regulations (LUO Sections 22.40. et seq. and CZLUO Section 22.80 et seq.), the number of cultivation sites allowed within the unincorporated county is limited to 141, and each site may have a maximum of 3 acres of outdoor canopy and 22,000 square feet (0.5 acres) of indoor canopy. Therefore, if 141 cultivation sites are ultimately approved, the maximum total cannabis canopy allowable in the unincorporated county will be 493.5 acres (141 sites x 3.5 acres of canopy per site = 493.5 acres). It should be noted that no new cannabis cultivation applications have been received since 2021, and it is not anticipated that new applications will be received in the near future due to the complex regulations and timeframe to approve projects, limited areas where cannabis cultivation is allowed, low wholesale prices, and high costs to become operational.

Table 8 - Summary of Cannabis Activities for Unincorporated San Luis Obispo County[1]

Proposed Cannabis Activity Type	Total Number of Proposed Cannabis Activities[1,2]	Total Proposed Canopy (acres)	Approved Activities
Indoor Cultivation and Indoor Nursery	60	30	27
Outdoor Cultivation		180	
Ancillary Nursery	60	28.3	27
Processing	11	-	-
Manufacturing	15	-	6
Non-Storefront Dispensary	20	-	15
Commercial Distribution	9	-	4
Commercial Transport	4	-	1
Testing Laboratory	1	-	1
Total	**180**	**238.3**	**81**

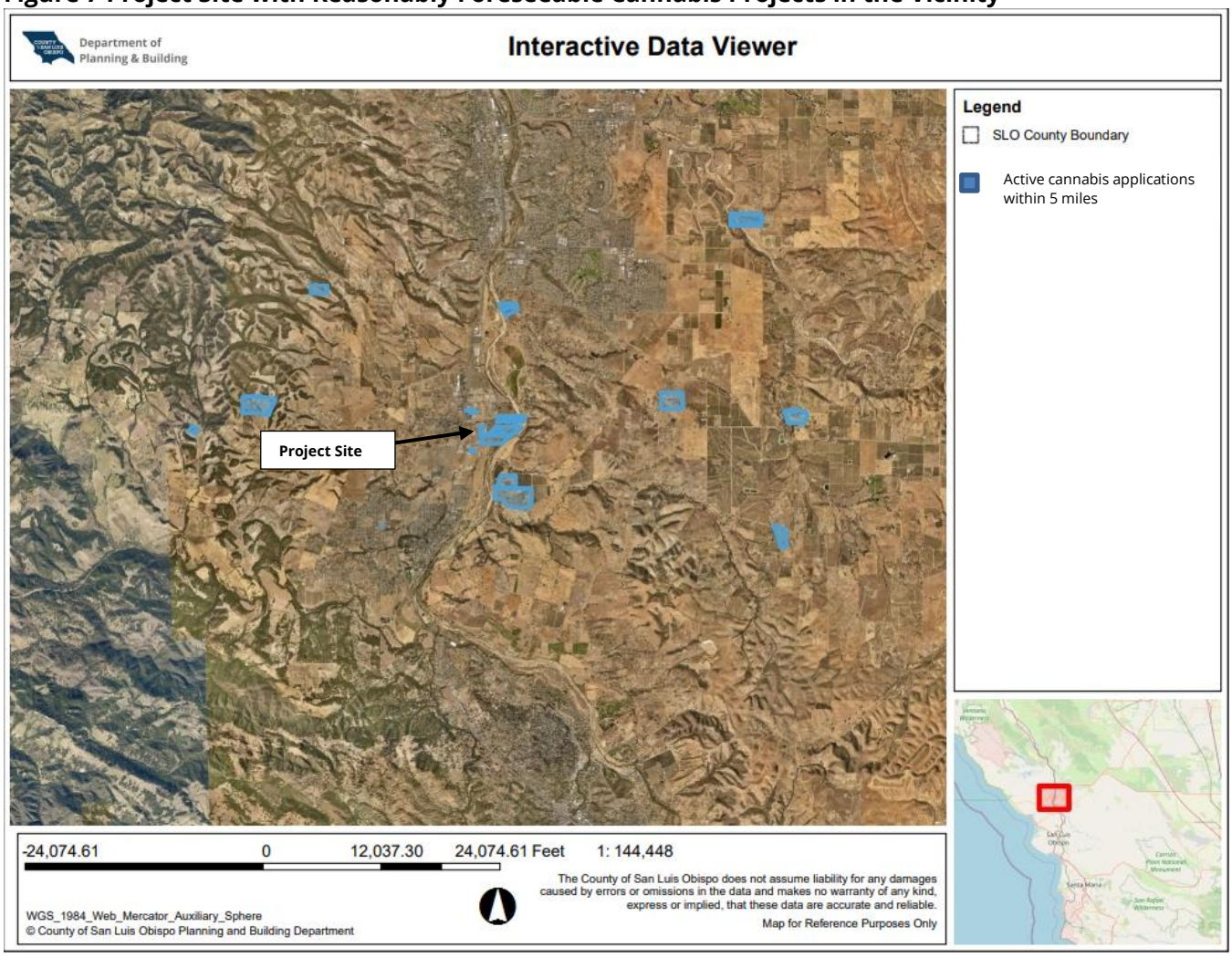
1. As of January 2023
2. Total number of all cannabis activities for which an application has been submitted to the County to date. A project site may include multiple proposed cannabis activities.

Of the 60 total applications for cannabis cultivation, a total of 12 are located within 5 miles of the project site.

For purposes of assessing the cumulative impacts of cannabis cultivation activities, the following assumptions are made:

- All 60 cultivation sites will be approved and developed;
- Each cultivation site will be developed as follows:
    - 3 acres of outdoor cultivation;
    - 0.5 acres of indoor cultivation;
    - 22,000 square feet of nursery or ancillary nursery;
    - A total area of disturbance of 6.0 acres to include the construction of one or more buildings to house the indoor cultivation, ancillary nursery and processing;
    - A total of six full-time employees;
    - A total of six average daily motor vehicle trips; and
    - All sites will be served by a well and septic leach field.

Figure 7 Project Site with Reasonably Foreseeable Cannabis Projects in the Vicinity



Aesthetics and Visual Resources

The project site is located at 320 Marquita Road in the community of Templeton and is immediately surrounded by an industrial area. The site has relatively flat topography and is developed with industrial buildings and associated site improvements. The cannabis project would operate within a tenant space of the approved shell building. Properties to the immediate north, east, south, and west of the project site are industrial parcels with commercial service and industrial uses such as wineries, concrete and lumber suppliers, and vehicle repair services. Additionally, the UPRR is approximately 250 feet southeast of the project site.

In general, cannabis activities may result in potentially significant impacts to visual resources from the construction of buildings, the introduction of new sources of light and glare, fencing and hoop structures. Accordingly, County regulations require that all cannabis operations be subjected to discretionary approval and project-specific environmental review, including an assessment of potential impacts to visual resources. Mitigation measures may be recommended to require new construction to incorporate landscaping, light shielding, and agrarian architectural elements to help protect views and to ensure compatibility with the rural, agricultural character of the area.

The analysis in Section I, *Aesthetic and Visual Resources*, provides an overview of the visual setting and concludes that potential project-specific impacts would be *less than significant* as the project will operate in an existing structure. By requiring reasonably foreseeable projects in the area to incorporate measures to mitigate impacts to visual resources, project-specific impacts to aesthetic and visual resources of this project, when considered with the potential impacts of other reasonably foreseeable development in the area, would be *less than cumulatively considerable*.

Agricultural Resources

The analysis provided in Section II, *Agriculture and Forestry Resources*, indicates that the project involves the operation of a cannabis business that includes indoor cannabis cultivation, ancillary nursery, commercial processing, manufacturing, storage, non-storefront dispensary, distribution, and ancillary transport within a lease space of the approved industrial development. Therefore, the project does not result in the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use. Therefore, *no impact* would occur to Farmland. In addition, no permanent significant impacts to agricultural, forest or timberland would occur. The project does not result in a conflict with existing zoning for agricultural use or Williamson Act contract. Therefore, when considered with the potential impacts of other reasonably foreseeable cannabis cultivation projects in the unincorporated county, the contribution of the project's potential impacts to agriculture and forestry resources is considered *less than cumulatively considerable*.

Air Quality

The analysis provided in Section III, *Air Quality*, concludes that the project's potential construction-related emissions would not exceed APCD thresholds of significance for both project-related and operational impacts. Based on comments from the APCD, the project will be required to apply for an Authority to Construct/Permit to Operate for the manufacturing and processing operations. While this project's potential impacts to air quality are *less than significant,* when considered with the potential impacts of other reasonably foreseeable cannabis cultivation projects in the unincorporated county, and by requiring reasonably foreseeable projects in the area to incorporate measures to mitigate

potential air quality impacts, the contribution of the subject project to potential impacts to air quality are considered *less than cumulatively considerable*.

Biological Resources

The analysis in Section IV, Biological Resources, concludes the project would not substantially degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. The project would operate within a tenant space of an existing warehouse development. The project site does not have the potential to support habitat for 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. Additionally, the project site does not support any riparian corridors. When considered with the potential impacts of other reasonably foreseeable development in the area, project impacts are considered *less than cumulatively considerable*.

Energy Use

The proposed project combined with cumulative development would result in a significant cumulative impact if large amounts of energy would be used in a wasteful manner or inefficient manner.

Table 9 provides a summary of the estimated worst-case scenario of total electricity demand associated with development of all 60 proposed and/or approved cannabis cultivation projects with 22,000 square feet (0.5 acre) of mixed-light (indoor) cannabis cultivation based on the County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form.

Table 9. Projected Demand for Electricity from Approved and Reasonably Foreseeable Cannabis Cultivation Projects

Proposed Land Use	Total Electricity Demand from Proposed Cannabis Cultivation Projects[1] (Kilowatt-Hours/Year)	Total Electricity Demand (Gigawatt Hours/Year)	Electricity Consumption in San Luis Obispo County in 2018[2] (Gigawatt Hours)	Total Demand in San Luis Obispo County with Proposed Cannabis Cultivation (Gigawatt Hours/Year)	Percent Increase Over 2018 Electricity Demand
Mixed-light (indoor) Cultivation	145,200,000	145.2			
Outdoor Cultivation	44,431,200	44.4			
Total	**189,631,200**	**189.6**	**1,765.9**	**1,955.5**	**10.7%**

[1]Source: County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form . Assumes 60 cultivation projects with 0.5 acre of mixed-light cannabis canopy.

[2]Source: California Energy Commission 2019.

Table 9 indicates that electricity demand in San Luis Obispo County could increase by as much as 10.7% if all 60 cultivation projects are developed with 22,000 square feet of mixed-light cultivation, 3 acres of outdoor cultivation, and are approved. PG&E is required by state law (the Renewable Portfolio Standard) to derive at least 60% of their electricity from renewable sources by 2030. These sources are "bundled" and offered for sale to other Load Serving Entities (utility providers). Table 10 shows the percent increase in the projected 2030 demand for these bundled sources of electricity throughout PG&E's service area for, assuming all 60 cultivation projects are developed with 22,000 square feet of mixed-light cultivation and approved.

Table 10. Projected Demand for Electricity From Approved and Reasonably Foreseeable Cannabis Cultivation Projects Compared With Projected PG&E 2030 Available Service Load

Increased Electricity Consumption in San Luis Obispo County with 60 Cannabis Cultivation Projects[1] (Gigawatt Hours/Year)	189.6
Projected PG&E 2030 Bundled Service Load[2] (Gigawatt Hours)	33,784
Percent Increase in 2030 Demand With Cannabis Cultivation	**0.56%**

[1]Source: County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form . Assumes 60 cultivation projects with 0.5 acre of mixed-light cannabis canopy.

[2]Source: Pacific Gas and Electric 2018, Integrated Resource Plan.

Therefore, the project's incremental contribution to the increased demand for electricity, when considered with the growth of demand in other parts of the PG&E service area for electricity, would not be considered wasteful and inefficient or cumulatively considerable.

Greenhouse Gas (GHG) Emissions

As discussed in Section VIII, Greenhouse Gas Emissions, the project is estimated to generate approximately 351.28 metric tons of CO_2 emissions. Accordingly, the project will not exceed the working GHG threshold of 690 metric tons of CO_2 emissions per year and is assumed to have a less than cumulatively considerable impact relating to GHG emissions. Project emissions will be consistent with the GHG reduction measures set forth by SB 32 and the County's EnergyWise Plan.

All proposed cannabis cultivation operations located within the county will require discretionary approval and will be subject to project specific environmental review which will include an assessment of potential impacts associated with GHG emissions. Projects with the potential to exceed the thresholds would be required to implement mitigation measures to reduce project related GHG emissions to below the interim threshold. Such measures may include, but are not limited to, preparation of a Greenhouse Gas Reduction Plan and/or requiring enrollment in a clean energy program.

Based on the discretionary review of other cannabis cultivation projects within the county, cumulative impacts associated with GHG emissions would be *less than cumulatively considerable*.

Hazards and Hazardous Materials

As discussed in Section IX, *Hazards and Hazardous Materials*, the project includes use of potentially hazardous materials which could result in potential hazards through routine transport, use, and disposal as well as under upset or accident conditions. Mitigation measures HAZ-1 and HAZ-2 have been identified to reduce potential impacts by restricting the location of equipment maintenance,

refueling, fertilizer and pesticide management, and other potentially hazardous activities, and identifying the appropriate response protocol for immediate cleanup of any spills.

Probable future development of cannabis cultivation facilities within the vicinity of the project would be subject to discretionary review and therefore would be evaluated for potentially significant environmental impacts, including impacts associated with hazards and hazardous materials. Impacts associated with hazards and hazardous materials from other cannabis projects in the project vicinity would likely require mitigation similar to the project, which may include, but would not be limited to, implementation of hazardous material spill response plans, staging and refueling location limitations, and vegetation management. Based on the project-specific mitigation measures identified above, compliance with existing codes, regulations, and the discretionary environmental review of probable future cannabis projects within the vicinity, project impacts associated with hazards and hazardous materials would be *less than cumulatively considerable with mitigation*.

Hydrology/Water Demand

As discussed in Section X. Hydrology and Water Quality, compliance with existing regulations and/or required plans would adequately reduce potential impacts associated with hydrology and water quality to be less than significant.

All proposed cannabis cultivation projects located in the County would be subject to standard County requirements for drainage, sedimentation, and erosion control for construction and operation. All potentially hazardous materials (e.g., pesticides, fertilizers, etc.) proposed to be utilized for these projects would be required to comply with the applicable storage, refilling, and dispensing County Department of Environmental Health standards. All cannabis cultivation projects within the County would also be required to comply with applicable riparian, wetland, and other waterway setbacks established by the Regional Water Quality Control Board.

Therefore, based on recommended mitigation measures and compliance with existing policies and programs, project's individual impacts associated with hydrology and water quality would be *less than cumulatively considerable* .

Noise

As discussed in Section XIII, *Noise*, operation of the project would potentially exceed County noise standards and potentially expose people to significant increased levels from construction or operation. However, noise reduction measures will be required to lessen impacts to *less than significant with mitigation*. Project-related impacts associated with ground-borne noise or ground-borne vibration would be site-specific and would not combine with other projects.

Reasonably foreseeable future cannabis cultivation projects would require discretionary permits and would be reviewed by County staff for potentially significant environmental impacts, including impacts associated with noise. Future projects with potential to generate noise above County standards or noise that would adversely affect surrounding sensitive receptors would be required to implement measures to reduce associated impacts. Therefore, with the implementation of noise reduction measures, project impacts associated with noise would be *less than cumulatively considerable with mitigation* .

The project-related contribution to traffic noise levels would be negligible in operation as discussed in Section XIII, *Noise*. When combined with cumulative traffic, which is not likely to change from existing conditions as the project will operate in an existing structure with 5 employees, the project's

contribution to traffic, and associated noise levels, would not represent an audible contribution to cumulative traffic noise levels. Therefore, the project's contribution to regional traffic noise impacts would *not be cumulatively considerable*.

Population and Housing

The most recent projection of regional growth for San Luis Obispo County is the 2050 Regional Growth Forecast (RGF) for San Luis Obispo County prepared and adopted by the San Luis Obispo Council of Governments (SLOCOG) in 2017. Using the Medium Scenario, the total County population, housing and employment for both incorporated and unincorporated areas is projected to increase at an average annual rate of 0.50 percent per year. Between 2015 and 2050 the County's population is projected to increase by 44,000, or about 1,260 residents per year. Within the unincorporated area, the population is expected to increase by about 19,500 residents, or about 557 per year. Employment is expected to increase by about 6,441, or about 184 per year.

Cannabis cultivation activities in the County typically employ 6 – 8 full-time workers and up to 12 workers during the harvest. The 2050 employment forecast does not account for employment in the cannabis industry, because of the formerly illegal status of the industry. However, assuming 60 cultivation projects, total employment associated with cannabis cultivation could result in as many as 480 full-time workers. It is most likely that these workers will be sourced from the existing workforce in San Luis Obispo County. If all 480 workers are new residents to the County, it would represent an almost 1% increase in the projected growth in population between 2015 and 2050. The small increase in projected population is not expected to result in an increased demand for housing throughout the county. Therefore, when considered with the potential impacts of other reasonably foreseeable cannabis cultivation projects in the unincorporated county, the contribution of the subject project to impacts related to housing and population is considered *less than cumulatively considerable*.

Public Services

Regarding cumulative effects, public facility (County) fee programs have been adopted to address the project's potential contribution to cumulative impacts and would reduce potential cumulative impacts to *less than significant*.

Transportation

The Department of Public Works has derived trip generation rates for cannabis cultivation from traffic reports and through the trip generation rates published by the Institute of Traffic Engineers. Table 11 provides an estimate of total average daily trips (ADT) and vehicle miles traveled associated with buildout of the 60 approved and active cannabis cultivation projects.

Table 11 – Cumulative Average Daily Trips From Cannabis Cultivation

Use	Unit	ADT	Cannabis Cultivation	Total ADT	PM Peak Hour Trips	Vehicle Miles Travelled
Cultivation, Indoor (includes greenhouses, plant processing, drying, curing, etc.)	1,000SF*	0.27	1,320,000 sf	356	35.6	5,233.2
Cultivation, Outdoor (includes hoop house)	Acres*	2.00	180 acres	360	36	5,292

Seasonal Employees**	Employee	2.00	480 employees	960	96	14,112
Total:				**1,676**	**167.6**	**24,637.2**

Notes:
* Units based on gross square feet, acres, and employees.
** Seasonal Trips are adjusted based on the annual frequency.

The most recent estimate of total vehicle miles travelled (VMT) for the County is from 2013 at which time total VMT per day was estimated to be 7,862,000. Assuming a 1% annual growth in VMT during the intervening six years, the current VMT is estimated to be about 8,333,720. Accordingly, the 24,637.2 VMT associated with cannabis cultivation will result in an increase of about 0.30 percent in the total county VMT. The small increase in VMT is not expected to result in a reduction of the level of service on county streets and intersections. Moreover, each project will be required to mitigate the project-specific impacts to the transportation network. Such mitigation may include, but is not limited to, the installation of roadway and intersection improvements necessary to serve the project and the payment of applicable road improvement fees. Therefore, when considered with the potential impacts of other reasonably foreseeable cannabis cultivation projects in the unincorporated County, the contribution of the subject project to roadway impacts is considered *less than cumulatively considerable*.

Other Impact Issue Areas

Based on the analysis in this Initial Study, during operations the project would not contribute to cumulative impacts on the following resources because there would be *no impact* or the impact would be both *less than significant* and localized on the project site:

- Cultural Resources;
- Land Use Planning;
- Mineral Resources;
- Recreation;
- Tribal Cultural Resources;
- Public Services;
- Utilities and Service Systems; and
- Wildfire

(c) *Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?*

In the evaluation of environmental impacts in this Initial Study, the potential for adverse direct or indirect impacts to human beings were considered in the response to certain questions in Sections III, Air Quality, VII, Geology & Soils, VII, Greenhouse Gas Emissions, IX, Hazards & Hazardous Materials, X, Hydrology and Water Quality, XI, Land Use and Planning, XIII. Noise, XIX, Utilities and Service Systems, and XX, Wildfire. As discussed in their respective sections, potential impacts to human beings would be less than significant with implementation of mitigation measures ENG-1 and ENG-2, HAZ-1 and HAZ-2, and N-1. Therefore, impacts would be *less than significant*.

Initial Study – Environmental Checklist

Conclusion

The project has been determined not to meet the Mandatory Findings of Significance with implementation of mitigation measures for Energy, Hazards and Hazardous Materials, and Noise (Exhibit B).

Mitigation

See Exhibit B for full list of mitigation measures.

Sources

See Exhibit A.

Initial Study – Environmental Checklist

Exhibit A - Initial Study References and Agency Contacts

The County Planning Department has contacted various agencies for their comments on the proposed project. With respect to the subject application, the following have been contacted (marked with an ☒) and when a response was made, it is either attached or in the application file:

Contacted	Agency	Response
☒	County Public Works Department	**In File****
☐	County Environmental Health Services	**Not Applicable**
☒	County Agricultural Commissioner's Office	**In File****
☐	County Airport Manager	**Not Applicable**
☐	Airport Land Use Commission	**Not Applicable**
☒	Air Pollution Control District	**In File****
☒	County Sheriff's Department	**In File****
☐	Regional Water Quality Control Board	**None**
☐	CA Coastal Commission	**Not Applicable**
☒	CA Department of Fish and Wildlife	**None**
☐	CA Department of Forestry (Cal Fire)	**None**
☐	CA Department of Transportation	**None**
☐	Community Services District	**Not Applicable**
☒	Other Northern Chumash Tribal Council/Salinan Tribe	**In File****
☒	Other Public Works	**In File****
☒	Other Templeton Fire	**In File****

** "No comment" or "No concerns"-type responses are usually not attached

The following checked ("☒") reference materials have been used in the environmental review for the proposed project and are hereby incorporated by reference into the Initial Study. The following information is available at the County Planning and Building Department.

- ☒ Project File for the Subject Application

County Documents

- ☐ Coastal Plan Policies
- ☒ Framework for Planning (Coastal/Inland)
- ☒ General Plan (Inland/Coastal), includes all maps/elements; more pertinent elements:
  - ☒ Agriculture Element
  - ☒ Conservation & Open Space Element
  - ☒ Economic Element
  - ☒ Housing Element
  - ☒ Noise Element
  - ☒ Parks & Recreation Element/Project List
  - ☒ Safety Element
- ☒ Land Use Ordinance (Inland/Coastal)
- ☒ Building and Construction Ordinance
- ☐ Public Facilities Fee Ordinance
- ☐ Real Property Division Ordinance
- ☐ Affordable Housing Fund
- ☐ Airport Land Use Plan
- ☒ Energy Wise Plan
- ☒ Select Planning Area North County/El Pomar-Estrella Sub-Area
- ☐ Design Plan
- ☐ Specific Plan
- ☒ Annual Resource Summary Report
- ☐ Circulation Study

Other Documents

- ☒ Clean Air Plan/APCD Handbook
- ☒ Regional Transportation Plan
- ☒ Uniform Fire Code
- ☒ Water Quality Control Plan (Central Coast Basin – Region 3)
- ☒ Archaeological Resources Map
- ☒ Area of Critical Concerns Map
- ☒ Special Biological Importance Map
- ☒ CA Natural Species Diversity Database
- ☒ Fire Hazard Severity Map
- ☒ Flood Hazard Maps
- ☒ Natural Resources Conservation Service Soil Survey for SLO County
- ☒ GIS mapping layers (e.g., habitat, streams, contours, etc.)
- ☐ Other

In addition, the following project-specific information and/or reference materials have been considered as a part of the Initial Study:

Orosz Engineering Group, Inc (OEG) – Proposed Cannabis Operations – Trip Generation Study – 320 Marquita Avenue, Paso Robles, County of San Luis Obispo, August 11, 2020.

In Balance Green Consulting – G&A Industries, LLC – Energy Demand Analysis, December 9, 2020.

Other County References

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Exhibit B - Mitigation Summary

The applicant has agreed to incorporate the following measures into the project. These measures become a part of the project description and therefore become a part of the record of action upon which the environmental determination is based. All development activity must occur in strict compliance with the following mitigation measures. These measures shall be perpetual and run with the land. These measures are binding on all successors in interest of the subject property.

Air Quality

ENERGY

ENG-1 **Prior to issuance of building permits,** the applicant shall provide to the Department of Planning and Building for review and approval, an Energy Conservation Plan with a package of measures that, when implemented, would reduce or offset the project's energy demand to within 20% of the demand associated with a generic commercial building of the same size. The Energy Conservation Plan shall include the following:

a. A detailed inventory of energy demand prepared by a Certified Energy Analyst. The inventory shall include an estimate of total energy demand from all sources associated with all proposed cannabis cultivation activities including, but not limited to, lighting, odor management, processing, manufacturing, and climate control equipment. The quantification of demand associated with electricity shall be expressed in total kilowatt hours (kWh) per year; demand associated with natural gas shall be converted to kWh per year.

b. A program for providing a reduction or offset of all energy demand that is 20% or more than a generic commercial building of the same size. In this case, the estimated reduction or offset would be at least: 3,356,734kWhr/year – 691,483 kWh = 2,665,251 kWhr/year; and the amount of energy not otherwise reduced or offset must not exceed 691,483 kWh. Such a program (or programs) may include, but is not limited to, the following:

v. Evidence that the project will permanently source project energy demands from renewable energy sources (i.e. solar, wind, hydro). This can include purchasing the project's energy demand from a clean energy source by enrolling PG&E's Solar Choice program or Regional Renewable Choice program or other comparable public or private program.

vi. Evidence documenting the permanent retrofit or elimination of equipment, buildings, facilities, processes, or other energy saving strategies to provide a net reduction in electricity demand and/or GHG emissions. Such measures may include, but is not limited to, the following:

1. Participating in an annual energy audit.
2. Upgrading and maintaining efficient heating/ cooling/ dehumidification systems.
3. Implement energy efficient lighting, specifically light-emitting diode (LED) over high-intensity discharge (HID) or high-pressure sodium (HPS) lighting.

4. Implementing automated lighting systems.
5. Utilizing natural light when possible.
6. Utilizing an efficient circulation system.
7. Ensuring that energy use is below or in-line with industry benchmarks.
8. Implementing phase-out plans for the replacement of inefficient equipment.
9. Adopting all or some elements of CalGreen Tier 1 and 2 measures to increase energy efficiency in greenhouses.

vii. Construction of a qualified renewable energy source such as wind, solar photovoltaics, biomass, etc., as part of the project. [Note: Inclusion of a renewable energy source shall also be included in the project description and may be subject to environmental review.]

viii. Any combination of the above or other qualifying strategies or programs that would achieve a reduction or offset of the project energy demand that is 20% or more above a generic commercial building of the same size.

ENG-2 **At time of quarterly monitoring inspection**, the applicant shall provide to the Department of Planning and Building for review, a current energy use statement from the service provider (e.g. PG&E) that documents energy use to date for the year. The applicant shall demonstrate continued compliance with ENG-1 and ENG-2 (e.g. providing a current PG&E statement or contract showing continuous enrollment in the Solar Choice program or Regional Renewable Choice program).

HAZARDS AND HAZARDOUS MATERIALS

HAZ-1 **Equipment Maintenance and Refueling.** During all construction activities, the cleaning, refueling, and maintenance of equipment and vehicles shall occur only within designated staging areas. The staging areas shall conform to all Best Management Practices applicable to attaining zero discharge of stormwater runoff. At a minimum, all equipment and vehicles shall be checked and maintained on a daily basis to ensure proper operation and to avoid potential leaks or spills.

HAZ-2 **Spill Response Protocol**. During all construction and operational activities, all project-related spills of hazardous materials, pesticides, fertilizers, and manufacturing solvents shall be cleaned up immediately. Appropriate spill prevention and cleanup materials shall be onsite at all times.

Noise

N-1 **HVAC Noise Buffer.** At time of application for construction permits, the applicant shall demonstrate sufficient insulation or other buffer methods, including the use of specific HVAC equipment, so that noise associated with the HVAC does not exceed 45 dBA at the property lines. Prior to final inspection or occupancy, the applicant shall demonstrate implementation and compliance with this measure.

DATE: February 7, 2023

DEVELOPER'S STATEMENT & MITIGATION MONITORING PROGRAM FOR G&A INDUSTRIES MINOR USE PERMIT (DRC2019-00165)

The applicant agrees to incorporate the following measures into the project. These measures become a part of the project description and therefore become a part of the record of action upon which the environmental determination is based. All development activity must occur in strict compliance with the following mitigation measures. These measures shall be perpetual and run with the land. These measures are binding on all successors in interest of the subject property.

Per Public Resources Code Section 21081.6 the following measures also constitute the mitigation monitoring and/or reporting program that will reduce potentially significant impacts to less than significant levels. These measures will become conditions of approval (COAs) should the project be approved. The Lead Agency (County) or other Responsible Agencies, as specified in the following measures, is responsible to verify compliance with these COAs.

Note: The items contained in the boxes labeled "Monitoring" describe the County procedures to be used to ensure compliance with the mitigation measures.

ENERGY

ENG-1 Prior to issuance of building permits, the applicant shall provide to the Department of Planning and Building for review and approval, an Energy Conservation Plan with a package of measures that, when implemented, would reduce or offset the project's energy demand to within 20% of the demand associated with a generic commercial building of the same size. The Energy Conservation Plan shall include the following:

a. A detailed inventory of energy demand prepared by a Certified Energy Analyst. The inventory shall include an estimate of total energy demand from all sources associated with all proposed cannabis cultivation activities including, but not limited to, lighting, odor management, processing, manufacturing, and climate control equipment. The quantification of demand associated with electricity shall be expressed in total kilowatt hours (kWh) per year; demand associated with natural gas shall be converted to kWh per year.

b. A program for providing a reduction or offset of all energy demand that is 20% or more than a generic commercial building of the same size. In this case, the estimated reduction or offset would be at least: 3,356,734kWhr/year – 691,483 kWh = 2,665,251 kWhr/year; and the amount of energy not otherwise reduced or offset must not exceed 691,483 kWh. Such a program (or programs) may include, but is not limited to, the following:

    i. Evidence that the project will permanently source project energy demands from renewable energy sources (i.e. solar, wind, hydro). This can include purchasing the project's energy demand from a clean energy source by enrolling PG&E's Solar Choice program or Regional Renewable Choice program or other comparable public or private program.

ii. Evidence documenting the permanent retrofit or elimination of equipment, buildings, facilities, processes, or other energy saving strategies to provide a net reduction in electricity demand and/or GHG emissions. Such measures may include, but is not limited to, the following:

1. Participating in an annual energy audit.
2. Upgrading and maintaining efficient heating/ cooling/ dehumidification systems.
3. Implement energy efficient lighting, specifically light-emitting diode (LED) over high-intensity discharge (HID) or high-pressure sodium (HPS) lighting.
4. Implementing automated lighting systems.
5. Utilizing natural light when possible.
6. Utilizing an efficient circulation system.
7. Ensuring that energy use is below or in-line with industry benchmarks.
8. Implementing phase-out plans for the replacement of inefficient equipment.
9. Adopting all or some elements of CalGreen Tier 1 and 2 measures to increase energy efficiency in greenhouses.

iii. Construction of a qualified renewable energy source such as wind, solar photovoltaics, biomass, etc., as part of the project. [Note: Inclusion of a renewable energy source shall also be included in the project description and may be subject to environmental review.]

iv. Any combination of the above or other qualifying strategies or programs that would achieve a reduction or offset of the project energy demand that is 20% or more above a generic commercial building of the same size.

ENG-2 **At time of quarterly monitoring inspection**, the applicant shall provide to the Department of Planning and Building for review, a current energy use statement from the service provider (e.g. PG&E) that documents energy use to date for the year. The applicant shall demonstrate continued compliance with ENG-1 and ENG-2 (e.g. providing a current PG&E statement or contract showing continuous enrollment in the Solar Choice program or Regional Renewable Choice program).

Monitoring: Energy Conservation Plan shall be submitted and approved by the Department of Planning and Building. Compliance will be verified by the County Department of Planning and Building.

HAZARDS AND HAZARDOUS MATERIALS

HAZ-1 **Equipment Maintenance and Refueling.** During all construction activities, the cleaning, refueling, and maintenance of equipment and vehicles shall occur only within designated staging areas. The staging areas shall conform to all Best Management Practices applicable to attaining zero discharge of stormwater runoff. At a minimum, all equipment and vehicles shall be checked and maintained on a daily basis to ensure proper operation and to avoid potential leaks or spills.

HAZ-2 **Spill Response Protocol. During all construction and operational activities**, all project-related spills of hazardous materials, pesticides, fertilizers, and manufacturing solvents shall be cleaned up immediately. Appropriate spill prevention and cleanup materials shall be onsite at all times.

Monitoring: Required during all construction activities, and required for all operational activities (i.e., HAZ-2). Implementation and compliance will be verified by the County Department of Planning and Building.

N-1 **HVAC Noise Buffer.** At time of application for construction permits, the applicant shall demonstrate sufficient insulation or other buffer methods, including the use of specific HVAC equipment, so that noise associated with the HVAC does not exceed 45 dBA at the property lines. Prior to final inspection or occupancy, the applicant shall demonstrate implementation and compliance with this measure.

Monitoring: Required at the time of application for construction permits and prior to final occupancy or inspection activities. Implementation and compliance will be verified by the County Department of Planning and Building.

The applicant understands that any changes made to the project description subsequent to this environmental determination must be reviewed by the Environmental Coordinator and may require a new environmental determination for the project. By signing this agreement, the owner(s) agrees to and accepts the incorporation of the above measures into the proposed project description.

Signature of Applicant	Name (Print)	Date
	Shawn Sherman	2/7/2023