

Addendum to the Mitigated Negative Declaration

**Addendum Associated With
Conditional Use Permit 04-15**

**Med For America, Inc.
Dreamfields Brands Inc. (DBA) Jeeter**

**Previously:
Coachella Valley Patient's Collective
VBR DHS Management, LLC (DBA) Highlife**

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1.0 INTRODUCTION AND PROJECT HISTORY

In 2015, the City of Desert Hot Springs City Council adopted a Mitigated Negative Declaration (MND) for the Coachella Valley Patient's Collective (Selan). project (CUP 04-15), referred to herein as "previous project," "Project," or "MND".

The original Coachella Valley Patient's Collective (Selan) MND evaluated the project proposing to construct a facility for the indoor cultivation of medical marijuana on approximately 18.3 acres consisting of a) five metal cultivation buildings, each approximately 75,280 SF, including a main cultivation floor of 72,780 square feet designed with flexible interior cultivation space for lease and a 2,500 square foot mezzanine for storage; b) three storage/supply units, one of 9,000 square feet and two of 2,500 square feet; and c) a fully equipped 3,000 square foot security operation building/guard house at the project entry. Each cultivation building is designed with three independent interior units (each containing approximately 22,000 square feet of cultivation canopy), a separate entrance and a unique unit number to create three separate premises per building. The entire site would be secured within a perimeter fence.

The facility was proposed to contain space for office, processing, warehouse, and the cultivation of marijuana. The analysis of the Coachella Valley Patient's Collective project identified several mitigation measures to address and mitigate potentially significant impacts to less than significant levels. The adopted Coachella Valley Patient's Collective MND is included as Appendix A.

In 2015, An Initial Study was prepared for this project, in accordance with the California Environmental Quality Act ("CEQA"). The study revealed that the project, as proposed, would not have significant impacts on the environment. Therefore, a Mitigated Negative Declaration ("MND") was prepared and circulated for public review. In conjunction with the project entitlements, the City Council adopted the MND in 2015.

2.0 STATUTORY BACKGROUND

The City of Desert Hot Springs is the CEQA lead agency responsible for the project. Under CEQA, an addendum to a certified Environmental Impact Report (EIR) or a Negative Declaration (ND) may be prepared if minor technical changes or additions to the proposed project are required or if none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR (or MND) have occurred (CEQA Guidelines Section 15164[b]). An addendum is appropriate if the project changes or modifications do not result in any new significant impacts or a substantial increase in severity of previously identified significant impacts. The addendum need not be circulated for public review (CEQA Guidelines Section 15164[c]); however, an addendum is to be considered along by the decision-making body prior to deciding on the project (CEQA Guidelines Section 15164[d]).

This MND addendum demonstrates that the environmental analysis, impacts, and mitigation requirements identified in the MND remain substantively unchanged by the revised project description detailed herein and supports the findings that the proposed project does not raise any new issues and does not exceed the level of impacts identified in the previous MND. Further, rather than only focusing on the characterization of whether the project is “new” or “old”, the City has also evaluated the previous environmental document to determine if it retains any relevance in light of the proposed changes, and if any major revisions to the document are required due to the involvement of new, previously unstudied significant environmental effects. The subsequent review provisions of CEQA are designed to ensure that an agency proposing changes to a previously approved project explores environmental impacts not considered in the original environmental document. This assumes that some of the environmental impacts of the modified project are considered in the original environmental document, such that the original document retains relevance to the decision-making process. If it is wholly, irrelevant, then it is only logical that the agency starts over from the beginning. The City has determined that project changes will not require major revisions to the initial environmental document. Accordingly, recirculation of the MND for public review is not necessary pursuant to Section 15164 of the CEQA Guidelines. Therefore, a decision was made by the City of Desert Hot Springs not to prepare a subsequent Negative Declaration pursuant to Section 15162 of the CEQA Guidelines. To support this decision, the following analysis describes the proposed project modifications and the associated environmental analysis.

Based on the above, an Addendum is appropriate as none of the conditions calling for preparation of an EIR or subsequent MND have occurred (CEQA Guidelines, Section 15164).

3.0 ORIGINAL PROJECT SUMMARY

The original Project proposed the development of an indoor cultivation of medical marijuana on approximately 18.3 acres consisting of a) five metal cultivation buildings, each approximately 75,280 SF, including a main cultivation floor of 72,780 square feet designed with flexible interior cultivation space for lease and a 2,500 square feet mezzanine for storage; b) three storage/supply units, one of 9,000 square feet and two of 2,500 square feet; and c) a fully equipped 3,000 square foot security operation building/guard house at the project entry. Each cultivation building is designed with three independent interior units (each containing approximately 22,000 square feet of cultivation canopy), a separate entrance and a unique unit number to create three separate premises per building. The entire site would be secured within a perimeter fence.

The project would be built in a maximum of five phases, the first phase to include the easterly cultivation building, the security building and the three storage units, followed by one phase for each additional cultivation building, moving from east to west. For efficiency, the project will be graded in two stages to create pads for phased building construction, Stage 1 grading would create pads for buildings in Phases 1 and 2 while Stage 2 grading would create pads for buildings in Phases 3-5. Full build-out is expected in the year 2018 with the construction of approximately 364,000 total SF of cultivation space, 12,500 total SF of interior mezzanine storage, 14,000 SF of ancillary storage buildings, a 3,000 SF of security building and 223 total parking spaces. The project is located on 18.3 acres of undisturbed desert land on the corner of Two Bunch Palms Trail and Little Morongo Road, in the City of Desert Hot Springs, California.

Total Project Area: 18.3 acres

Assessor's Parcel Number: 663-280-006; 007; 008; 009; 18; 019

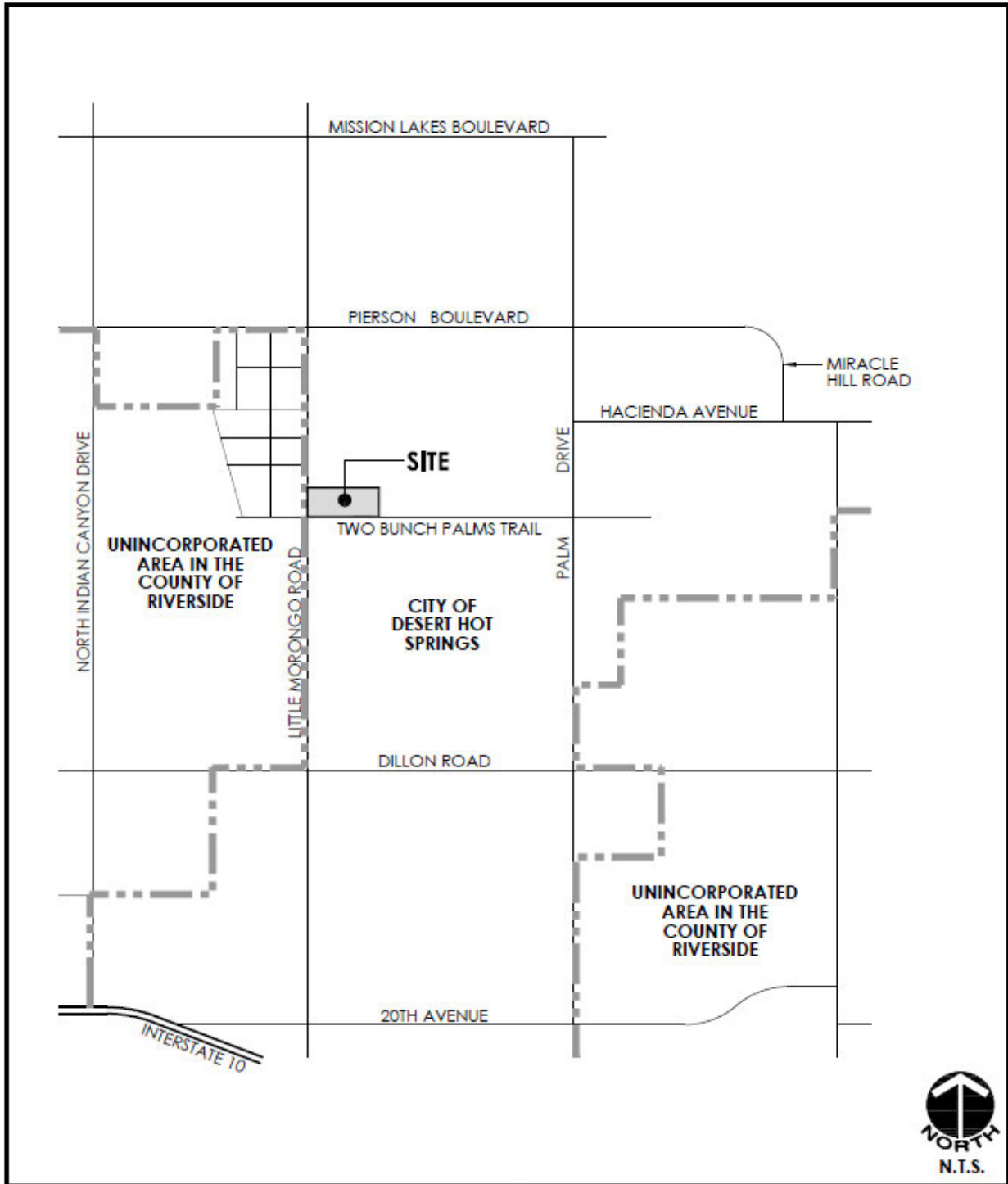
Section, Township & Range Description or reference:

POR of SW ¼ of Section 36, Township 2 South, Range 4 East, San Bernardino Base Line & Meridian

The project property of approximately 18.3 acres is located on the NE corner of Two Bunch Palms Trail and Little Morongo Road. It is presently undisturbed desert land with scattered vegetation within a large alluvial fan. Topographically, the site is relatively flat with a high elevation of 1019' in the NW corner and low elevation of 995' in the SE corner. There are no salient topographic features or other visual landmarks on the site or its surroundings. Land immediately to the north of the project is undeveloped with conditions similar to those found on the project. To the east, land is largely undeveloped and partially disturbed by utility improvements. A north-south unpaved road (approximately 32 feet wide) occurs parallel to the easterly project boundary. This path provides vehicular access to a fenced utility facility (well site) of approximately 0.5 acres operated by Mission Springs Water District (MSWD). The fenced site includes light posts for night-time illumination. Other areas of the neighboring land to the east have also been disturbed by clearing and grading. To the south and west, the project is bordered by Two Bunch Palms Trail and Little

Morongo Road respectively. Beyond these roadways, includes scattered residential to the west and light industrial & religion facilities to the south. The undeveloped project property has distant and partially obstructed views of the Santa Rosa Mountains toward the south. Views of the San Jacinto Mountains and San Bernardino Mountains toward the southwest and west are partially obstructed by overhead utility lines. Views of the Little San Bernardino Mountains to the north and northeast are relatively unobstructed due to lack of development.

The location of the project site is shown below in Exhibit 1, 2, and 3.



| | | |
|--|---|---|
|  MSA CONSULTING, INC. PLANNING ■ CIVIL ENGINEERING ■ LAND SURVEYING 34200 BOB HOPE DRIVE ■ RANCHO MIRAGE ■ CA 92270 TELEPHONE (760) 330-9611 ■ FAX (760) 323-7893 | Vicinity Map | |
| | Coachella Valley Patients Collective Initial Study | 1 |

Exhibit 1



Exhibit 2

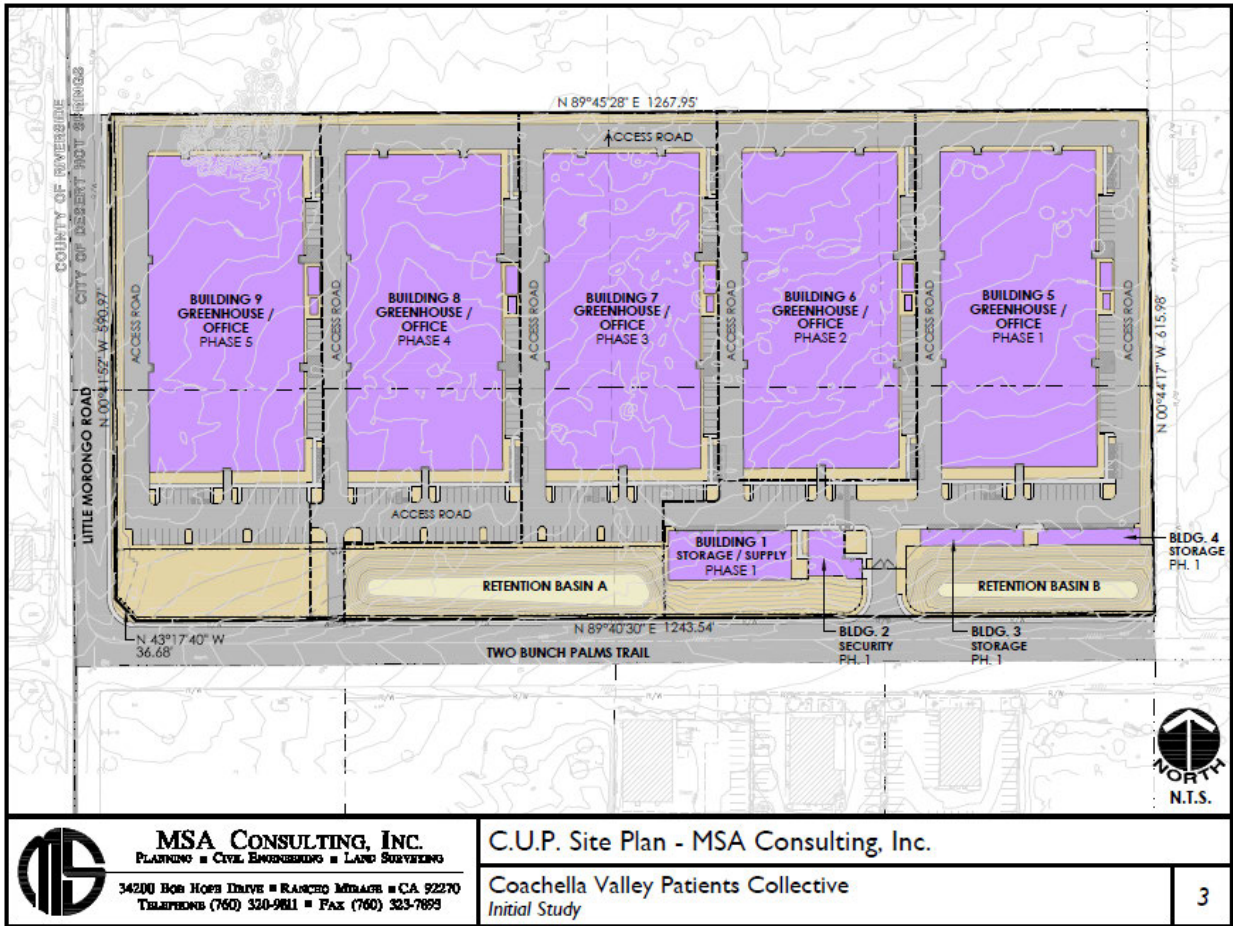


Exhibit 3

4.0 PROJECT REVISIONS

Med For America Inc. Project is adding an amendment as part of the addition of an associated license type and related "activity."

On 6/22/22, a Purchase agreement was signed between VBR DHS Facilities and Applicants (Med for America, Inc) for the sale of land, structures, and rights/permits associated with APN 663-280-025.

The rights included the following DCC state licenses:

1. Cultivation (CCL18-0000856)
2. Manufacturing (CDPH-10003459)
3. Distribution (C11-0000738-LIC)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The revised project incorporates (2) changes:

- An added “Use” of Cannabis Distribution (Type-11) within the updated facility.
- An added “Use” of Cannabis Manufacturer (Type-6) within the updated facility.

The Previous Landowner, DHS Facilities, LLC submitted a Project IS/MND that analyzed impacts associated with the initial parcel, which was split among multiple APN's. The revised project is located on 18.3 acres of mostly undisturbed flat desert land on the corner of Two Bunch Palms Trail and Little Morongo Road, in the City of Desert Hot Springs, California. The project previously covered APNs: 663-280-006 through-009, -018 & -019. However, during 2019, the City approved an APN merger. Now, the project, that covers the same physical location is under one APN: 663-280-025. Both the California Department of Fish and Wildlife and California Water Board approvals have been updated with the new APN.

The surrounding areas are designated for General Plan and Zoning of I-L Light Industrial District.

The revised facility, which houses both Distribution and Manufacturing is roughly 110,250 square feet which is located on 18.3 acres (797,148 SF). Approximately half of the facility is unoccupied and could be used for future expansion. The remaining 50,000 to 60,000 square feet is divided between the two license types with manufacturing occupying roughly 30,000 square feet and distribution occupying the remaining space.

Continued, and DCC approved, distribution activities include transferring, packaging, re-packaging, labeling, and storing licensed cannabis good on the premises.

The manufacturing activities include making infused pre-rolls with concentrate and kief made at a different manufacturing license and transported into the facility by a licensed distributor.

The facility currently has 9 Action-Pac Preroll Machines, 1 DDS vape cartridge filling machine, 5 sauce rollers for kief application to the outside of the prerolls, 1 Hobart Commercial Kitchen Mixture for infusions and 1 Accutec Label Applicator for the application of the artwork to the child resistant packaging tubes for prerolls.

The facility will be open every day Sunday through Saturday. The shifts will be split into morning and night shifts between the hours of 8am and 10pm. The anticipated number of employees on site will be 250 per shift, with a total of 507 employees.

As required by CEQA, this Addendum analyzes the whole of the action, to the extent that information is available for the specific project.

The impact analysis contained herein will focus on whether the revised project would result in any new or severe impacts not previously identified in the adopted Coachella Valley Patient's Collective / VBR DHS Management, LLC Project IS/MND.

The updated IS/MND analyzed the environmental impacts of the intended operation of the added "uses" within the facility, including potential impacts to resources including water supply, air quality, and utilities resulting from the additional commercial cannabis business activities.

The proposed location and updated floor plan are shown below, in Exhibit 4 – 5.



Exhibit 4

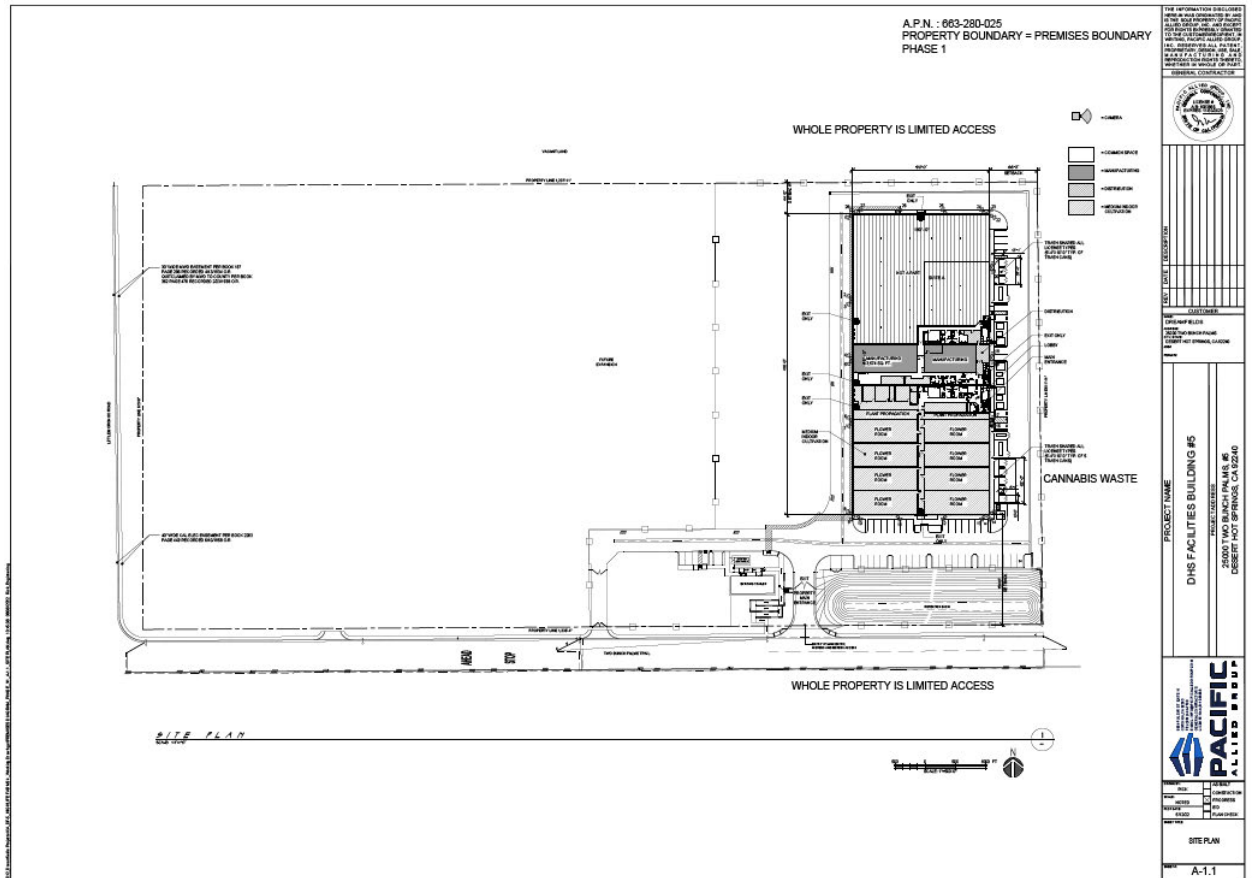


Exhibit 5

5.0 ENVIRONMENTAL SETTING

The proposed manufacturing and distribution facility consists of roughly 110,250 SF which is located on 18.3 acres (797,148 SF). Approximately half of the facility is unoccupied and could be used for future expansion. The remaining 50,000 to 60,000 square feet is divided between the two license types with manufacturing occupying roughly 30,000 square feet and distribution occupying the remaining space.

The land is arid and contains some desert brush but most of the land is covered in dirt. There is a slight slope less than 10% stretching from the north end of the property to the southern. The property contains no rare or unique characteristics like rock outcroppings or mature trees.

The land is located in the low desert in Southern California. Temperatures are arid and hot during the summer and cooler during the summer months. An ephemeral streambed runs from the north to the southern end of the property and is covered under a lake and streambed alteration agreement. Small brush vegetation exists on the land. Burrowing Owls and kangaroo rats inhabit the area, though none have been found on the premises.

Enhanced architectural treatments are proposed to promote an improved building aesthetic from the adjoining public streets. To achieve this, all metal building façades facing Two Bunch Palm Trail and Little Morongo Road would be augmented with stone detailing, sculpted exterior trim and shade overhang structures to create visual interest from the street. All buildings would reflect a common design theme to create a clean, cohesive appearance for the entire complex such that the overall architectural character would be that of an attractive, well-maintained industrial building.

Site architecture will incorporate 2-foot high reinforced walls for flood protection at the base of the all buildings on the northern and portions of the eastern and western sides. Flood control doors would be incorporated at all building entries along those sides as well. The site plan incorporates extensive retention ponds along the southern boundary of the project parcel along Two Bunch Palms Trail. Landscaping has been designed to balance aesthetic, water use and security objectives. Along Two Bunch Palm Trail and Little Morongo Road, landscaping will consist of low level plantings and wrought iron security fencing to visually enhance, protect and blend the cultivation facility into its surroundings while also promoting visibility by law enforcement vehicles from the street. The balance of the cultivation facility will be landscaped with drought-tolerant ground covering plantings as approved by the City of Desert Hot Springs. Landscaping will also include large drought-tolerant flowering trees and shrubs typically found in the region.

6.0 ENVIRONMENTAL IMPACT ANALYSIS

Pursuant to Section 15162(a) of the CEQA Regulations, once an MND has been adopted for a project, no subsequent environmental review needs to be completed unless there are substantial changes in the project that warrant additional review.

This document is an addendum to the previously adopted Coachella Patients Collective / Med for America Inc. MND referenced above. This addendum provides the project specific environmental review pursuant to CEQA demonstrating the adequacy of the MND relative to the revised project. As indicated above, the previous MND identified significant impacts and proposed mitigation measures related to biological resources and cultural resources. The analysis below discusses the adequacy and applicability of previous mitigation measures to the revised project. In addition, the analysis below addresses whether any new or more severe impacts would result from the project revisions and whether any additional mitigation measures beyond those previously identified in the MND would be required.

The environmental resources and potential environmental impacts related to the new Project information are described in the subsections below.

Each subsection describes the potential environmental impacts that may result from the Project with updated information, change to the Project, or change to the circumstances under which the Project is undertaken. For each checklist question, a discussion is provided to document the analysis followed by a concluding determination. The following determinations are used in the checklist:

- **“No Impact”** is used when the Applicant’s activities would not affect the particular environmental resource.
- **“Minor Technical Change or Addition to MND”** is used when the analysis determines that there is new information, a change to the Project, or a change to the circumstances under which the Project is undertaken, but there would be no new significant environmental effects or substantial increase in the severity of previously identified significant effects. This determination may be appropriate when the Applicant’s activities relate to the particular environmental resource at issue but nothing about the Applicant’s activities would require major revisions of the previous MND.
- **“Substantial Project Change or Modification”** is used when the analysis determines substantial project changes are proposed that will require major revisions of the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects, regardless of whether those new or increased effects may be mitigated to a less-than-significant level. If this determination is made, an addendum would not be sufficient for CEQA compliance.
- **“Requires Subsequent or Supplemental MND or EIR”** is used when the analysis determines that new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous MND was adopted, shows any of the following:
 - The project will have one or more significant effects not discussed in the previous MND, regardless of whether those effects may be mitigated to a less-than-significant level;

- Significant effects previously examined will be substantially more severe than identified in the previous MND, regardless of whether those effects may be mitigated to a less-than-significant level;
- Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponent declines to adopt the mitigation measures or alternatives; or
- Mitigation measures or alternatives that are considerably different from those analyzed in the previous MND would substantially reduce one or more significant effects on the environment, but the project proponent declines to adopt the mitigation measures or alternatives.
- If this determination is made, an addendum would not be sufficient for CEQA compliance.

The following order of dialogue follows the environmental analysis categories currently included in CEQA Guidelines: Appendix G.

I. Aesthetics

| Aesthetics | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Have a substantial adverse effect on a scenic vista? | X | | | |
| b. Substantially damage scenic resources, including, but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway? | X | | | |
| c. Substantially degrade the existing visual character or quality of the site and its surroundings? | X | | | |
| d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project have a substantial adverse effect on a scenic vista?

The vacant project property is situated within a partially developed industrial district in the City of Desert Hot Springs. Specifically, the project property occupies the undeveloped northeast corner of Little Morongo Road and Two Bunch Palms Trail. This sector of the City has been designated in the Desert Hot Springs General Plan to support business parks and the development of industrial uses operating in enclosed buildings. Medical marijuana facilities are particularly subject to additional development and operational restrictions triggered by Desert Hot Springs Municipal Code Chapters 5.50 and 17.180.

The district is separated from the City's residential and commercial districts, a condition which helps reduce land use incompatibility. Existing industrial establishments in the vicinity include automotive repair shops, light manufacturing facilities and religious services. Scattered Riverside County residential development is to the west. The visual character of this district is representative of an industrial setting. Accordingly, many of the existing facilities consist of metal buildings with low-pitch roofs, and a mass and scale proportional to the operation or service being supported.

Undeveloped properties with flat topography and scattered vegetation are interspersed throughout this vicinity. The undeveloped project property has distant and partially obstructed views of the Santa Rosa Mountains toward the south. Views of the San Jacinto Mountains and San Bernardino Mountains toward the southwest and west are partially obstructed by overhead utility lines. Views of the Little San Bernardino Mountains to the north and northeast are relatively unobstructed due to lack of development. All visible mountain ranges are located over a mile from the project site, and none have a formal designation as a scenic vista in relation to the project setting.

b) Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

In the context of the existing setting and land use designation, the proposed project features are not anticipated to adversely alter the existing viewshed on any scenic vistas. The project site does not contain any landmarks or scenic resources, such as trees, rock outcroppings, that would be damaged by the proposed development.

c) Would the project substantially degrade the existing visual character or quality of the site and its surroundings?

On-site improvements also include parking lot facilities and interior drive aisles with lighting facilities for nighttime security illumination. The proposed perimeter landscaping will help enhance the visual character of the proposed complex in a manner that complements the surrounding developed and undeveloped conditions. Less than significant impacts related to the existing visual character or quality is expected and no mitigation measures are required.

d) Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

Specifically, the proposed nighttime illumination will be implemented in accordance with a project-specific lighting plan, thus subject to review and approval by the City of Desert Hot Springs to ensure consistency with the Municipal Code. The lighting plan will be required to identify exterior lighting that is energy-efficient and shielded or recessed so that direct glare and reflections are contained within the boundaries of the project property. The light fixtures would be directed downward and away from adjoining properties and the public right-of-way. The proposed lighting shall provide face recognition at 100 feet and satisfy the review and considerations raised by the Planning and/or Police Departments and meet the CVMSHCP Adjacency Guideline.

Less than significant impacts related to substantial glare is expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

There are no state scenic highways located near the proposed Project site. The proposed revised Project features would blend with the existing setting and are not adversely altering the existing viewshed of any scenic vistas. Less than significant impacts related to substantial glare is expected and no mitigation measures are required. No new impacts are anticipated.

II. Agricultural Resources

| Agricultural and Forestry Resources | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| 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 (FMMP) of the California Resources Agency, to nonagricultural use? | X | | | |
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract? | X | | | |
| c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | X | | | |
| d. Result in the loss of forest land or conversion of forest land to non-forest use in a manner that will significantly affect timber, aesthetics, fish and wildlife, biodiversity, water quality, recreation, or other public benefits? | X | | | |
| e. Involve other changes in the existing environment that, because of their location or nature, could result in a conversion of Farmland to a nonagricultural use? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

The proposed project will not disturb or convert any designated farmland or other form of agricultural resource. The subject site and surrounding land to the north, east, south and west is not categorized as Prime Farmland, Unique Farmland, or Farmland of local statewide importance. The proposed project will not impact or remove land from the City or County's agricultural zoning or agricultural preserve. No forest land, timberland, or timberland zoned Timberland Production Areas are situated on or in the immediate surroundings of the site. The project site and vicinity are designated by the Desert Hot Springs General Plan and Zoning map as Light Industrial (IL). No farmland or forest land is situated within or adjacent to the project.

Conclusion – Revised Project (2023)

The proposed Project revisions will not result in any changes, disturbances or conversion of any farmland or forest land because no farmland or forest land is situated within or adjacent to the Project. No impacts are anticipated.

III. Air Quality

| Air Quality | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Conflict with or obstruct implementation of the applicable air quality plan? | X | | | |
| b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | X | | | |
| c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)? | X | | | |
| d. Expose sensitive receptors to substantial pollutant concentrations? | X | | | |
| e. Create objectionable odors affecting a substantial number of people? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

Air Quality Plans

The Project would not result in or cause violations to the National Ambient Air Quality Standards or California Ambient Air Quality Standards. The Project's proposed land use designation for the subject site does not materially affect the uses allowed or their development intensities as

reflected in the adopted City General Plan. The Project is therefore considered to be consistent with the AQMP and impacts related to air quality plans are expected to be less than significant following implementation of standard conditions. The revised Project would not result in or cause violations to the National Ambient Air Quality Standards or California Ambient Air Quality Standards. The Project's proposed land use designation for the subject site does not materially affect the uses allowed or their development intensities as reflected in the adopted City General Plan. Less than significant impacts are anticipated to conflict with or obstruct implementation of the applicable air quality plan following the implementation of standard conditions.

Pollutants

None of the projected daily emissions of the six criteria pollutants are expected to exceed the SCAQMD thresholds of significance associated with long-term operational impacts. Based upon the projected emissions of the criteria air pollutants, the proposed project would have a less than significant impacts relative to short term and long-term impacts to air quality.

Project-related construction emissions are not expected to exceed the SCAQMD mass daily regional significance thresholds. Therefore, the project will not result in a cumulatively considerable net increase of NO_x and ROG emissions during construction activities. Since project-related emissions would be consistent with the *Air Quality Management Plan*, the *Coachella Valley PM₁₀ SIP*, and all SCAQMD Air Quality Significance Thresholds, long-term operational air quality impacts associated with the project should not be considered cumulatively considerable.

Less than significant impacts are anticipated to cumulatively considerable net increase of any criteria pollutant for which the project region is in nonattainment under an applicable federal or state ambient air quality standard.

Sensitive Receptors

None during the life of the project, activities and operations related to the proposed Project is not expected to generate emissions concentrations that exceed the SCAQMD mass thresholds. The traffic generated by the proposed project would not contribute significantly to an increase in the frequency or severity of violations of the ambient air quality standards or sensitive receptors in the project vicinity.

Objectionable Odors

For this project, the only odors would be natural and associated with plant blossoms. As mandated by Municipal Code Chapter 5.50 and 17.180, all medical marijuana cultivation activities are only allowed in the interior of enclosed structures, facilities, and buildings. Cultivation operations are not allowed to be visible from the exterior. To comply with the conditional use permit requirements, the project operator must provide the necessary odor control, ventilation and filtration systems for the cultivation and office areas of the structures sufficient to ensure that City requirements for odor control are met. The ventilation system may include an activated carbon filtration, negative ion generation, ozone generators, and masking agents. These systems together would effectively control any objectionable odors produced in the facility interiors. As a result, the project is expected to result in minimal exterior plant odors and is not identified on the SCAQMD list as common sources of odor emissions. No operation or activity on-site shall cause the emission of

any smoke, fly ash, dust, fumes, vapors, gases, odors, or other forms of air pollution, which exceed levels identified as acceptable by the SCAQMD or the City of Desert Hot Springs.

Conclusion – Revised Project (2023)

Based on the IS/MND from 2015, there were no significant impacts regarding air quality, odor emission or pollutants of the originally proposed Project.

The proposed revised Project will be developed in accordance with all applicable air quality management plans. The proposed amendment will not change the air emissions generated by build out or operations of the subject site significantly. Impacts are expected to be consistent with those analyzed in the previous IS. As was the case with the original project, criteria air pollutants will be released during operational phases of the currently proposed project. The revised project includes a manufacturing facility, resulting in a higher number of staff, which produces a higher amount of air pollution attributed to the use of staff vehicles for transportation; but the facility does not include *any* cultivation activities, which reduces much of the initial impact concerns from the original IS/MND. Within the facility, a charcoal air filtration system is used to reduce and control odor within the facility. The facility does not produce any form of smoke or other chemicals that would impact air quality.

The proposed revised Project's implementation would not have any additional, adverse significant impacts than those mentioned in the original IS/MND.

IV. *Biological Resources*

| Biological Resources | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| 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 CDFW or USFWS? | X | | | |
| b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by CDFW or USFWS? | X | | | |
| c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including marshes, vernal pools, and coastal wetlands) through direct removal, filling, hydrological interruption, or other means? | X | | | |
| d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | X | | | |
| e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | X | | | |
| f. Conflict with the provisions of an adopted habitat conservation plan (HCP); natural community conservation plan; or other approved local, regional, or state HCP? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

The study concluded that no significant adverse impacts to biological resources in the region are expected to result from project implementation. Therefore, the project would not have a substantial adverse impact on 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. The studies recommended three measures: 1) Contact CVAG to determine the precise mitigation fee applicable under the CVMSHCP, 2) Adhere to the recommendations for projects adjoining Conservation Areas of the Plan, and 3) Conduct a burrowing owl clearance survey not more than 30 days prior to site disturbance.

Less than significant impacts are expected to 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 the U.S. Fish and Wildlife Service, following the recommended mitigation.

The Project-Specific WQMP involves a detailed strategy of site design, source controls, treatment controls and on-going maintenance measures to address post-construction runoff quality and quantity. Such compliance and implementation protects the receiving waters and avoids project violations to the established water quality standards and waste discharge requirements. The strategy of best management practices identified in the site plan includes an on-site retention facility designed and sized to collect and control urban runoff generated by the project. The quality and quantity of runoff generated by the project is controlled, preventing impacts to any downstream resources. As a result of the absence of significant wash or riparian vegetation, absence of sensitive plant species and absence of sensitive animal species, significant impacts to desert wash or riparian habitats are not expected.

Less than significant impacts pertaining to adverse effects on any riparian habitat or other sensitive natural communities are expected and no mitigation measures are required.

Implementation of the project would not result in the direct removal, filling or other hydrological interruption to any of these resources. The proposed on-site storm drain improvements include retention facilities to prevent the direct discharge and hydro-modification impacts of runoff. A Project Specific Water Quality Management Plan (WQMP) is expected to be prepared to ensure that the project does not contribute pollutants of concern in any project storm runoff.

No impacts are expected to federally protected wetlands and no mitigation measures are required.

Less than significant impacts are expected to the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, provided that the procedures established in Mitigation Measures of the Initial Study are implemented pertaining to the burrowing owl.

No impacts are expected to a tree preservation or policy ordinance and no mitigation measures are required.

Less than significant impacts are expected regarding an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan, following the recommended mitigation.

Conclusion – Revised Project (2023)

The originally proposed Project could have a significant impact on the environment but includes numerous mitigation measures to keep any impacts “less than significant.” Mitigation measures are related to wildlife in the area, with fees being paid to the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) to offset any potential significant impacts.

The proposed revised Project's implementation would not have any additional, adverse significant impacts than those mentioned in the original IS/MND. All established mitigation measures still apply to the revised Project.

V. Cultural Resources

| Cultural Resources | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5? | X | | | |
| b. Cause a substantial adverse change in the significance of an archaeological resource as defined in Section 15064.5? | X | | | |
| c. Cause a substantial adverse change in the significance of a tribal cultural resource as defined in Public Resources Code 21074 | X | | | |
| d. Directly or indirectly destroy a unique paleontological resource or site or unique geological feature? | X | | | |
| e. Disturb any human remains, including those interred outside of formal cemeteries? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?

There are no recognizable potential historic resources, as defined in Section 15064.5 of the CEQA Guidelines that would be adversely affected by the proposed project. This includes any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant. No impacts to historical resources are expected and no mitigation measures are required.

b) Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?

An intense-level field survey produced completely negative results for potential historical/archaeological resources. The entire project area was closely inspected for evidence of human activities dating back to the prehistoric periods, but none was found. The ground surface in the project area has been disturbed slightly by past vegetation clearing activities, but retains much of its natural character. No other sites, features, artifacts, or built-environment features of prehistoric or historic age were encountered within the project area during the field survey.

The Native American Heritage Commission sacred lands record did not indicate the presence of Native American resources within a half-mile radius of the project. However, the NAHC did recommend that local Native American groups be contacted for further information. CRM Tech contacted 11 local Native American representatives at seven Tribal organizations. To date, the Cabazon Band of Mission Indians and the San Manuel Band of Mission Indians have responded. The Cabazon Band of Mission Indians states that the project area is outside of the Tribe's reservation boundaries and the Tribe has no specific information on any sites of Native American Traditional Cultural Value in the project area and wishes to defer to the Agua Caliente Band of Mission Indians.

The San Manuel Band of Mission Indians state that the project area is located within the Tribe's ancestral territory but has no specific information regarding cultural resources in the project area. However, the Tribe considers the area to be sensitive for cultural resources, and requests to be notified if any Native American cultural remains are discovered during project development.

Less than significant impacts to archaeological resources are expected following the recommended mitigation measures.

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

According to the Riverside County Land Information system, the property is recognized for having low potential for Paleontological Sensitivity. Areas recognized for having "Low" potential have a reduced likelihood of containing significant nonrenewable paleontological resources, including vertebrate or significant invertebrate fossils. Moreover, the site is not recognized as a unique paleontological or a unique geologic feature.

Less than significant impacts are expected to paleontological resources following the recommended mitigation measures.

d) Would the project cause a substantial adverse change in the significance of a tribal cultural resource as defined in Public Resource Code 21074?

Based on research completed by CRM Tech and correspondence from the various Native American representatives, there are no tribal cultural resources as defined by Public Resource Code 21074 on the project site. Less than significant impacts are expected to Tribal Cultural Resources following the implementation of standard conditions.

e) Would the project disturb any human remains, including those interred outside of formal cemeteries?

Pursuant to the California Health and Safety Code Section 7050.5, and the CEQA Guidelines Section 15064.5 require that in the event of discovery or recognition of any human remains in any location other than a dedicated cemetery, there shall be no further excavation or disturbance of the site, or any nearby area reasonably suspected to overlay adjacent remains, until the County Coroner has examined the remains. If the coroner determines the remains to be Native American, or has reason to believe that they are those of a Native American, the coroner shall contact by telephone within 24 hours the Native American Heritage Commission. Pursuant to the mentioned California Health and Safety Code, proper actions shall take place in the event of a discovery or recognition of any human remains during project construction activities.

Less than significant impacts to human remains are expected following the recommended mitigation measures.

Conclusion – Revised Project (2023)

The revised project would not require construction beyond what was anticipated in the original MND within the project site. The overall square footage of the revised Project will occupy a lower footprint, no additional grading beyond what has already been completed in the MND has occurred. Similar to the MND, with the adopted mitigation measures in place the revised project would result in no additional impacts to historic resources, as defined in Section 15064.5 of the California Public Resource Code. This includes any object, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant. All mitigation measures remain in effect.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

VI. Energy

| Energy | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy, or wasteful use of energy resources, during project construction or operation? | X | | | |
| b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

There were no findings or impacts in relation to energy within the original IS/MND.

Conclusion – Revised Project (2023)

The following figures are the average monthly utilities cost of the facility, which are in line with similarly sized facilities:

- Electric: \$17,160.62
- Water: \$2,782.56

Distribution and manufacturing operations require approximately 250 KWH per day. The project is currently operating and requires no additional energy resources.

It was confirmed that power for the existing buildings is being sourced from a from the electrical grid and that impacts related to energy use would be less than significant, including all activities from the revised manufacturing and distribution “uses.”

There was previously a cultivation license on site and since acquiring the property, the amount of energy has been significantly reduced because the Applicant chose not to partake in cultivation.

The revised Project would be obligated to abide by the California Energy Code's (Title 24) requirements for energy saving, which are applicable to many buildings throughout the state. These conditions would guarantee that any environmental effects from energy waste, inefficiency, or excessive use would be minimal and that the revised Project wouldn't interfere with state or local plans for energy efficiency and renewable energy sources. As a result, the changes to the Project would not cause a new significant impact or substantial increase in the severity of a previously identified significant impact that would require major revisions to the original IS/MND.

VII. *Geology and Soils*

| Geology and Soils | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | X | | | |
| i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | X | | | |
| ii. Strong seismic ground shaking? | X | | | |
| iii. Seismic-related ground failure, including liquefaction? | X | | | |
| iv. Landslides? | X | | | |
| b. Result in substantial soil | X | | | |

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|--|---|--|--|--|
| 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 an on-site or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse? | X | | | |
| d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? | X | | | |
| e. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project expose people or structures to 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.

The project site does not lie within an Alquist-Priolo Earthquake Fault Zone. Surface fault rupture is considered to be unlikely at the project site because of the well-delineated fault lines through the Coachella Valley as shown on California Department of Mines and Geology (CDMG) maps. Less than significant impacts are expected to a known earthquake fault and no mitigation measures are required.

ii. Strong seismic ground shaking?

Following compliance with standard conditions relative to geotechnical studies and seismic design requirements, less than significant impacts are expected related to seismic ground shaking and no mitigation measures are required.

iii. Seismic-related ground failure, including liquefaction?

Through the development review process of the proposed structure, a site-by-site analysis is required to assess building design and check that proposed structures meet existing regulations or applicable codes. Less than significant impacts relative to seismic related ground failure and liquefaction are expected and no mitigation measures are required.

iv. Landslides?

The project is not located near an area of Seismically Induced Rock Falls and Landslide Susceptibility. Additionally, the hazard of landsliding is unlikely due to the relatively flat topography of the property. No impacts relative to landslides are expected and no mitigation measures are required.

b) Would the project result in substantial soil erosion or the loss of topsoil?

The project will be conditioned to comply with the recommendations and Design Criteria in the project specific Geotechnical Analysis required as a Condition in the City's General Plan. Compliance with adopted procedures for grading and erosion will mitigate impacts associated with grading the site. Less than significant impacts to substantial soil erosion are expected following standard conditions.

c) Would the project 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 offsite landslide, lateral spreading, subsidence, liquefaction or collapse?

The project will be conditioned to comply with the recommendations and Design Criteria within the Project Specific Geotechnical Report required as a Condition of Approval. Following implementation of Standard Conditions, less than significant impacts are expected related to unstable soil that could potentially result in, on, or offsite landslide, lateral spreading, subsidence, liquefaction or collapse and no mitigation measures are required.

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

Less than significant impacts are expected to expansive soil, provided previously mentioned standard conditions are followed. No mitigation is required.

e) Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal or wastewater?

The project does not propose to utilize septic tanks or alternative disposal systems. Mission Springs Water District provides waste water conveyance and treatment in this area and will provide service to the project. No impacts are expected related to soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems and no mitigation measures are required.

Conclusion – Revised Project (2023)

The revised project would not require any grading or construction beyond what has already been completed in the MND within the project site. No additional construction or grading beyond what was accounted for in the MND would occur. As such, no new or more impacts related to geology and soils would occur. As discussed in the MND, compliance with the most current State building codes and regulations would ensure grading and construction of the site reduces the impacts associated with geology and soils to less than significant, as concluded in the MND.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

VIII. Greenhouse Gas Emissions

| Greenhouse Gas Emissions | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | X | | | |
| b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

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

CalEEMod was utilized to estimate the long-term operational air pollutant emissions and the greenhouse gas emissions that would result from implementation of the proposed project. The annual GHG emissions associated with the operation of the proposed cultivation facility is 5,243,844 MTCO₂e per year as summarized in Table VII-1 (The California Emissions Estimator Model CalEEMod Version 2013.2.2). The emissions of all six criteria pollutants during project-related construction activities are projected to be less than the SCAQMD mass thresholds of significance. The long-term emissions of criteria pollutants associated with the operation of the proposed project are not projected to exceed any of the SCAQMD mass thresholds of significance. The construction related and operational emissions of CO₂ equivalent is under the SCAQMD interim threshold of 10,000 MT/year. The project is not expected to conflict with AB 32 or the City's Climate Action Plan and will comply with the City's reduction measures specified in the City's CAP. Less than significant impacts related to greenhouse emissions are expected and no mitigation measures are required.

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

The project is consistent with current General Plan and zoning policies of Light Industrial (I-L) and is not anticipated to conflict with the plan and policies established under Assembly Bill 32, Senate Bill 375 or Senate Bill 97. Less than significant impacts related to conflicting with an applicable plan or regulation for the purpose of reducing greenhouse gases is expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

The added distribution and manufacturing activities will only result in a minor increase of greenhouse gas emissions, due to the amount of traffic entering and exiting the facility. An uptick in traffic is attributed to additional staff, deliveries, and product transportation (The facility shall generate roughly 3-10 outgoing shipments). These additional factors would not cause any new significant impacts to greenhouse gas emissions beyond what was analyzed in the 2015 IS/MND. In fact, due to the lack of cultivation activities the revised Project would cause less of an impact than the originally described “uses,” described in the original IS/MND.

The additional “uses” and revisions to the Project would not cause a new significant impact. There would be no substantial change in the significance of previously identified GHG impacts described in the IS/MND.

Because impacts to air quality/greenhouse gases during the operation of the revised project would be less than significant, no further mitigation is required.

IX. Hazards and Hazardous Materials

| Hazards and Hazardous Materials | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | X | | | |
| b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | X | | | |
| c. Emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | X | | | |

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|---|----------|--|--|--|
| <p>d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, create a significant hazard to the public or the environment?</p> | <p>X</p> | | | |
| <p>e. Be located within an airport land use plan area or, where such a plan has not been adopted, be within 2 miles of a public airport or public use airport and result in a safety hazard for people residing or working in the study area?</p> | <p>X</p> | | | |
| <p>f. Be located within the vicinity of a private airstrip and result in a safety hazard for people residing or working in the study area?</p> | <p>X</p> | | | |
| <p>g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?</p> | <p>X</p> | | | |
| <p>h. Expose people or structures to a significant risk of loss, injury or</p> | | | | |

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|--|---|--|--|--|
| death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | X | | | |
|--|---|--|--|--|

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

The proposed medical marijuana cultivation operations are not expected to involve the routine transport, use or disposal of hazardous materials in quantities or conditions that would pose a hazard to public health and safety or the environment. Consistent with the local ordinances regulating light industrial districts and medical marijuana facilities, all proposed cultivation operations shall only be conducted in the interior of enclosed structures, facilities and buildings. All cultivation operations and all marijuana plants at any stage of growth shall not be visible from the exterior of any structure, facility or building containing the cultivation of medical marijuana. The proposed cultivation activities would occur within greenhouse structures while supporting operations would take place in the corresponding head house facilities. Less than significant impacts related to the routing transport, use, or disposal of hazardous materials are expected and no mitigation measures are required.

b) Would the project 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?

To provide overall safety of the project, security will be on site to provide 24-hour security. Furthermore, the site is entirely enclosed with perimeter fencing and accessible only to employees and authorized individuals. In addition, security cameras will monitor the site both inside and outside of the building, 24-hours a day. Less than significant impacts related to the release of hazardous materials into the environment are expected and no mitigation measures are required.

c) Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

Less than significant impacts related to hazardous emissions or the handling of hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school are expected and no mitigation measures are required.

d) Would the project 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 search results did not identify any records or sites in connection with the property. No Leaking Underground Storage Tank Cleanup Sites, Land Disposal Sites, Military Sites, DTSC Hazardous Waste Permits, DTSC Cleanup Sites, or Permitted Underground Storage Tanks are known to occur on or around the property. No impacts related to significant hazard to the public or the environmental expected and no mitigation measures are required.

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

The project is not located near an existing airport or airport land use plan. The nearest airport facility to the project is the Palm Springs International Airport, located approximately 11.4 miles to the south. No impacts are expected relative to a safety hazard for people residing or working in the project area are expected and no mitigation measures are required.

f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

The project is not located in the vicinity of a private airstrip. No impacts related to safety hazard for people residing or working in the project area are expected and no mitigation measures are required.

g) Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

The site plan configuration for each phase of the development includes fire truck drive aisles and turn-around spaces to ensure adequate emergency response on-site operations on-site. The site design would be reviewed by the Riverside County Fire Department for compliance with project-specific emergency access, water pressure and similar requirements as a routine aspect of City's design review process. Less than significant impacts relative to impairing implementation of physically interfere with an adopted emergency response plan or emergency evacuation plan are expected and no mitigation measures are required.

h) Would the project expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

Although the project site and its general surroundings are undeveloped with vegetation, these conditions have not been recognized to meet the criteria of high or very high fire hazard zones. The Riverside County RCIP indicates that project area is not within the Very High Severity Zone, and it is listed as being in a Non-Very High Fire Hazard Severity Zone on the Cal Fire Map Local Responsibility Area (LRA) Map for Western Riverside County. The project site is not located near or adjacent to any wildfire areas. As previously discussed, the project will include the necessary

fire protection facilities necessary to satisfy the local Fire Department requirements. Less than significant impacts related to wildland fire is expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

Although additional “uses” were added to the Project since the original IS/MND, the revised Project operations would be conducted with all hazardous material safety, security, storage, and disposal practices in compliance with industry, manufacturer, State, and Federal standards. All of the same regulatory framework would apply, and the revised project would not involve changes that would increase the severity of a potential impact related to hazardous and hazardous materials.

The only potentially hazardous material used within the facility are isopropanol, hydrogen peroxide, and cleaning solutions for cleaning and sanitation purposes. The only hazardous materials that the project will utilize, do not require a hazardous materials permit with the City nor County. This material is stored in Yellow Hazardous Material Storage Lockers, away from heat and other materials. There are three total, all located in the manufacturing room.

On average the facility is using the following estimated amounts of hazardous material:

- 2 to 3 gallons daily. (Isopropanol)
- 2860 to 2900 gallons annually. (Isopropanol)

All material in question is disposed of by Gaiaca and there are manifests associated with the weekly pickups.

The IS/MND project site is not located within one-quarter mile of a school. Therefore, impacts would be less than significant. The Project is not within an airport land use plan, or within two miles of an airport or airstrip. Therefore, there would be no impacts.

Implementation of the revised project would not physically interfere with an adopted emergency response plan or emergency evacuation plan. The proposed design would be subject to a standard review process by the Riverside County Fire Department to ensure that the site-specific emergency access, water pressure, and other pertinent criteria are met by the revised project. No new impacts are expected.

The Riverside County RCIP and the Cal Fire Maps for Western Riverside County indicate that Project and its surroundings are located outside of the Very High Fire Hazard Severity Zone (FHSZ) for Local Responsibility Area and outside of the Very High/High/Moderate FHSZ for State and Federal Responsibility Areas. As previously discussed, the Project will include the on-site fire protection facilities necessary to satisfy the local Fire Department requirements. No new impacts are expected.

No cultivation activities will be taking place within the facility, resulting in much less potentially hazardous materials being used during the revised Project operations.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

X. Hydrology and Water Quality

| Hydrology and Water Quality | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Violate any water quality standards or waste discharge requirements? | X | | | |
| b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge, resulting in a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted)? | X | | | |
| c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on site or off site? | X | | | |
| d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on-site or off-site? | X | | | |

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|--|---|--|--|--|
| e. Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? | X | | | |
| f. Otherwise substantially degrade water quality? | X | | | |
| g. Place housing within a 100-year-flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? | X | | | |
| h. Place within a 100-year-flood hazard area structures that would impede or redirect floodflows? | X | | | |
| i. Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam? | X | | | |
| j. Contribute to inundation by seiche, tsunami, or mudflow? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project violate any water quality standards or waste discharge requirements?

The Project site plan is designed with on-site stormwater retention basins that during the life of the project will comply with the Stormwater Management and Discharge Controls per Chapter 13.08 of the Desert Hot Springs Municipal Code (Ordinance #1997-03). Compliance with the ordinance will help minimize the discharge and transport of pollutants associated with the new development though the control of volume and rate stormwater runoff, therefore preventing any potential violations or inconsistencies with the local requirements. Less than significant impacts are expected to water quality standards or waste discharge requirements and no mitigation measures are required.

b) Would the project substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of

a local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?

Water Management Plan identifies long-term strategies to address current and future water demands in this area. The project is located within the service boundary of the Mission Springs Water District.

The proposed development will be expected implement water conservation measures to reduce impacts to public water supplies. Examples of these measures include low-flow plumbing fixtures, drought-tolerant (native) outdoor landscaping, and water-efficient irrigation systems in the growing area. Additional domestic water improvements necessary to serve this development will be identified by MSWD and included as conditions of approval by the City of Desert Hot Springs during the City's standard review process.

The project is not expected to interfere with groundwater recharge conditions. The project includes two on-site retention basins, which have a capacity to collect and percolate a combined volume of approximately 88,000 cubic feet of runoff and therefore facilitate groundwater recharge through infiltration. Infiltration opportunities are also provided in the form of pervious cover areas provided in the landscaping design. Less than significant impacts to groundwater supplies or groundwater recharge are expected and no mitigation measures are required.

c) Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or offsite?

Less than significant impacts to the existing drainage pattern an erosion or siltation are expected and no mitigation measures are required.

d) Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on or offsite?

The project includes an on-site drainage design and retention facilities with a volume capacity to accept and infiltrate the worst-case increase of runoff volume between the pre- and post-construction condition resulting from the 100-year controlling storm event, subject to approval by City staff. As a result, the design would be expected to prevent any substantial increases in the rate or amount of surface runoff which would result in flooding on or off-site. Less than significant impacts to the existing drainage pattern and associated runoff increase are expected and no mitigation measures are required.

e) Would the project 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 involves a proposed stormwater drainage system incorporated into the site plan and grading design. The system would allow for project runoff to drain via surface and piped flows into two proposed infiltration basins situated on the southern part of the property. With a combined capacity of approximately 88,000 cubic feet, the basins have been designed to retain the worst-case incremental increase in runoff volume between the pre- and post-construction condition resulting from the 100-year controlling storm event. The grading design and improvement plans, which are subject to City review and approval, would ensure the project's post development runoff flow rates, volumes, velocities, and durations that do not exceed the pre-development condition and therefore would not result in impacts to the existing receiving drainages. Less than significant impacts to runoff water are expected and no mitigation measures are required.

f) Would the project otherwise substantially degrade water quality?

Through required compliance, the project helps prevent impacts to the local receiving waters and avoids project violations to the established water quality standards and waste discharge requirements. As a standard process for new development projects, the Project-Specific WQMP must be submitted and approved prior to the first discretionary project approval or permit. The Project-Specific WQMP also outlines the required maintenance practices necessary to ensure that the water quality facilities remain effective during the life of the project. These include a maintenance covenant, inspection and maintenance program, with regular monitoring for all proposed measures and devices. Less than significant impacts relative to the substantial degradation of mitigation measures are required.

g) Would the project place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary of Flood Insurance Rate Map or other flood hazard delineation map?

The entire property is mapped within the 100-year flood hazard area (Zone AO) by the Federal Emergency Management Agency (FEMA), but the project is industrial in nature. The project includes one dwelling facility to accommodate the required 24-hour security presence. No impacts relative to placing housing in a 100-year flood hazard area is expected and no mitigation measures are required.

h) Would the project place within a 100-year flood hazard area, structures which would impede or redirect flood flows?

As designed, the proposed development would not considerably alter the existing flood zone characteristics identified in the Zone AO designation made by FEMA. Stormwater runoff generated by the project would be managed by a storm drainage system that includes two infiltration basins with a combined capacity to retain the worst-case incremental increase in runoff volume between the pre- and post-construction conditions resulting from the 100-year controlling storm event. To minimize flood impacts, the project will also incorporate reinforced walls (2 feet high) to provide protection at the base of all buildings. The reinforced walls would be constructed on the northern and portions of the eastern and western sides of the buildings. The proposed improvement plans will be subject to agency review and approval ensure that the proposed grading and drainage conditions are acceptable to the City standards. Flood control doors at all building entries would be incorporated to allow the adequate passage of stormwater without generating excessive diversion, erosion, ponding, and other conditions that would impede or redirect flood flows. Less than significant impacts relative to impeding or redirecting flood flows from a 100-year flood hazard area are expected and no mitigation measures are required.

i) Would the project expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

The project is not located near an existing levee or dam; therefore, no impacts are expected pertaining to this topic. The project is located within a 100-year flood zone based on FEMA FIRM panel 06065C0885G, effective August 28, 2008. The project is expected to provide the appropriate site improvements to protect the proposed structure without increasing the risk of flooding. Less than significant impacts are expected relative to substantial erosion or siltation on or offsite and no mitigation measures are required.

j) Would the project be susceptible to inundation by seiche, tsunami, or mudflow?

The project site is not located near a levee or dam, nor is the project located near a body of water that would pose potential seiche or tsunami impacts. The project is located within a recognized flood zone (FEMA Zone AO) and west of the Big Morongo Wash. The proposed site plan includes retention facilities sized to contain the worst-case scenario runoff volume difference between pre and post-development conditions. Only flows in excess of the project's retention capacity would be allowed to exit the project area. Less than significant impacts are expected from inundation and no mitigation measures are required.

Conclusion – Revised Project (2023)

The added distribution and manufacturing activities will not result in a significant use of water resources in comparison to the initially planned cultivation facilities and no negative impacts to water quality itself.

The site houses three underground storage tanks for wastewater associated with cannabis. The applicant stores the wastewater and a contracted 3rd party hauls it away.

The additional “uses” and revisions to the Project would not cause a new significant impact. There would be no substantial change in the significance of previously identified hydrology and water quality impacts described in the IS/MND, in fact, the impact would be less than what was anticipated in the original IS/MND.

Because impacts to hydrology and water quality during the operation of the revised project would be less than significant, no further mitigation or revisions are required.

XI. Land Use and Planning

| Land Use and Planning | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Physically divide an established community? | X | | | |
| b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | X | | | |
| c. Conflict with any applicable habitat conservation plan or natural community conservation plan? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project physically divide an established community?

There are no established community patterns in the project vicinity that would be divided by the proposed project. No impacts relative to the division of an established community are expected and no mitigation measures are required.

b) Would the project conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

The project's physical characteristics and internal operations will not conflict with the City's land use, zoning or other regulatory policies. Site design features will be reviewed and approved by the City relative to compliance with the City's General Plan and Zoning. Less than significant impacts are expected relative to any applicable land use plan, policy, or regulation of any agency with jurisdiction over the project and no mitigation measures are required.

c) Would the project conflict with any applicable habitat conservation plan or natural community conservation plan?

There are no protected biological resources on the property as recognized by the CVMSHCP, or the project specific Biological Assessment. As a standard condition, all new development will pay the most current mitigation fees for the implementation of the CVMSHCP and support the acquisition of conservation lands. The project is expected to comply with all required plan provisions and pay the required mitigation fee to achieve consistency with the CVMSHCP. Less than significant impacts are expected to applicable habitat conservation plan or natural community conservation following the recommended mitigation measures.

Conclusion

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XII. Mineral Resources

| Mineral Resources | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | X | | | |
| b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project 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?

Considering the nature, magnitude and context of the proposed project, considerable extraction and/or loss of known mineral resources in a manner that would affect resources important to the Coachella Valley region or residents of California are not expected to result from project implementation. The project would not involve facilities to extract mineral deposits. Construction of the project would rely on existing local or regional aggregate resources from existing permitted facilities. Less than significant impacts in the loss of availability of known mineral resources are expected and no mitigation measures are required.

b) Would the project 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 project site is not recognized as a mineral resource recovery site delineated in the County of Riverside General Plan, City of Desert Hot Springs General Plan or the resource maps prepared pursuant to SMARA. The proposed Project is located in the vicinity of two regional drainages (Mission Creek and Big Morongo Wash), which are located within conservation areas of the CVMSHCP and will not be disturbed by the project. Less than significant impacts related to the

loss of availability of a locally important mineral resource recovery site are expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XIII. Noise

| Noise | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Exposure of persons to or generation of noise levels in excess of standards established in a local general plan or noise ordinance or applicable standards of other agencies? | X | | | |
| b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | X | | | |
| c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | X | | | |
| d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | X | | | |
| e. For a project located within an airport land use plan area, or, where such a plan has not been adopted, within 2 miles of a public airport or public-use airport, would the project expose people residing or working in the project site to excessive noise levels? | X | | | |

| | | | | |
|--|---|--|--|--|
| f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project site to excessive noise levels? | X | | | |
|--|---|--|--|--|

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

As described previously, the Project will involve operations contained in the proposed buildings. As mandated by the local zoning ordinance, all cultivation operations of the project shall be conducted in the interior of enclosed structures, facilities, and buildings. All cultivation operations, including materials and waste management, will occur indoors and within the fenced limits. While the project would result in an increase in noise levels compared to the existing undeveloped condition, the nature and intensity of operations that would occur in the proposed structures are not expected to result in the generation of noise levels that would surpass the community noise and land use compatibility standards. Existing scattered low density housing to the west is more than 100' from the project. The project is expected to result in an increase in traffic-related noise levels, primarily on Two Bunch Palms Trail and Little Morongo Road, but this increase is not expected to be significant.

b) Would the project result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?

During the life of the project, all routine project operations will occur within the proposed structures and during the permitted hours of operation, as mandated by the local ordinance and conditioned by the City. The routine operation of vehicles accessing the project would cause an incremental increase in groundborne vibration, but not in levels that would be deemed inconsistent with the existing industrial setting or excessive in nature, such that would impact local residential uses. Less than significant impacts related to excessive groundborne vibration noise levels is expected and no mitigation measures are required.

c) Would the project result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

An existing source of ambient noise is attributed to traffic on Two Bunch Palms Trail to the north and Little Morongo Road to the west. Noise resulting from the project operations is anticipated to be largely contained in the proposed structures, while noise resulting from traffic noise caused by the project is not expected to substantially increase the current ambient levels. Less than Significant impacts related to permanent increase in ambient noise levels are expected and no mitigation measures are required.

d) Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

As discussed previously, proposed cultivation site will produce a temporary increase in ambient noise levels during construction. Less than Significant impacts related to temporary or periodic ambient noise levels are expected and no mitigation measures are required.

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

The project is located approximately 11.4 miles north of the Palm Springs International Airport and is not located within its airport land use plan. No impacts are expected to result related to projects located within an airport land use plan and no mitigation measures are required.

f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

The project is not located within the vicinity of a private airstrip. No impacts are expected to result the project located in the vicinity of a private airstrip and no mitigation measures are required.

Conclusion – Revised Project (2023)

Most of the noise from the Project was originally generated during the construction of the original site.

The added distribution and manufacturing activities will only result in a minor increase in noise within the area. The additional “uses” and revisions to the Project would only create minor noise impacts due to increased employee traffic and distribution vehicle traffic. All additional “activities” will take place indoors. There would be no substantial change in the significance of previously identified noise impacts described in the IS/MND.

Because impacts to noise during the operation of the revised project would be less than significant, no further mitigation or revisions are required.

XIV. Population and Housing

| Population and Housing | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)? | X | | | |
| b. Displace a substantial number of existing housing units, necessitating the construction of replacement housing elsewhere? | X | | | |
| c. Displace a substantial number of people, necessitating the construction of replacement housing elsewhere? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project induce substantial population growth in an area, either directly (for example, by proposing new homes or businesses) or indirectly (for example, through extension of roads or other infrastructure)?

The project does not have a residential component and improvements to roads and other infrastructure will be associated with the cultivation facility and would not induce substantial growth to the area. Less than significant impacts are expected to substantial population growth either directly or indirectly and no mitigation measures are required.

b) Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

The entire property is currently vacant land designated by the City General Plan and zoning for light industrial activity and would not displace any existing housing or require replacement housing. No impacts related to the displacement of existing housing are expected no mitigation measures are required.

c) Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

As mentioned above, the site has a light industrial land use and zoning designation and is currently undeveloped, vacant desert land. The project does not propose any residential uses that would necessitate the construction of replacement housing. No impacts related to the construction of replacement housing is expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

The increased employee count to supplement the added “uses,” distribution, and manufacturing activities within the facility are not expected to create a new, significant impact.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XV. Public Services

| Public Services | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or a need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services: | X | | | |
| i. Fire Protection? | X | | | |
| ii. Police Protection? | X | | | |
| iii. Schools? | X | | | |
| iv. Parks? | | | | |

| | | | | |
|-----------------------------|---|--|--|--|
| | X | | | |
| V. Other Public Facilities? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

Fire Protection

Additionally, the project would be required to implement all applicable and current California Fire Code Standards throughout the project. This would include installation of fire hydrants and sprinkler systems inside the buildings. Furthermore, the project will be reviewed by City and Fire officials to ensure adequate fire service and safety as a result of project implementation. The project will also be required to comply with the City’s Development Impact Fees (DIF) to help with the cost of funding public facilities and services, including fire. Less than significant impacts related to fire services are expected and no mitigation measures are required.

Police Protection

Although the project may require additional demand for police services, the demand is not expected to hinder the City’s ability to provide police protection services. The project will be required to comply with the City’s Development Impact Fees to help with the cost of funding public facilities and services, including police. Less than significant impacts related to police services are expected and no mitigation measures are required.

Schools

(PSUSD). Development of the project would not create a direct demand for school service. The project is proposing a medical marijuana cultivation facility; employment generated by the project would not be expected to draw a substantial number of new residents that would generate school age children requiring public education. Although the project will not add to the demand of school services, the project proponent will pay the required developer fee in place at the time of permits to the PSUSD. Additional applicable development fees may be required to assist in offsetting impacts to school facilities. Less than significant impacts are expected relative to school services and mitigation measures are required.

Parks

The proposed project would not create additional demand for public park facilities, nor result in the need to modify existing or construct new park facilities. No impacts are expected to parks and no mitigation measures are required.

Conclusion – Revised Project (2023)

Similar to the MND, the revised project would result in no impacts to parks and other public facilities. However, the revised project would result in less than significant impacts to fire protection, police services, and school facilities, similar to the proposed project. Therefore, the revised project will be required to comply with the City’s Development Impact Fees (DIF) to assist

with the funding of public facilities and services, including fire and police services. The revised project would also be required to pay developer impact fees to the PSUSD to assist in offsetting impacts to school facilities. The developer impact fees for the district have increased since the time the MND was written.

The revised project would be required to pay the most current fees. However, with the payment of the DIFs for public facilities and services, and developer impact fees for PSUSD, the revised project would result in less than significant impacts to public facilities, similar to the MND.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XVI. Recreation

| Recreation | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | X | | | |
| b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

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?*

No residential land uses are proposed and employment generated by the project would not cause a substantial increase to the existing neighborhoods or regional parks. No impacts related to the increase use of existing neighborhood and regional parks or other recreational facilities is expected and no mitigation measures are required.

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 construction of the proposed cultivation facilities within a light industrial zoned area will not involve a recreational facility. No construction or expansion of other recreational facilities is required for project implementation. No impacts relative to construction or expansion of recreational facilities is expected and no mitigation measures are required.

Conclusion – Revised Project (2023)

The revised project does not propose any recreational facilities, and the construction of the proposed industrial facility would not generate a new population base that would warrant the need for additional recreational facilities. Therefore, similar to the MND, the revised project would not result in impacts related to recreational facilities in the city.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XVII. Transportation

| Transportation | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? | X | | | |
| b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by | X | | | |

| | | | | |
|--|---|--|--|--|
| the county congestion management agency for designated roads or highways? | | | | |
| c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | X | | | |
| d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | X | | | |
| e. Result in inadequate emergency access? | X | | | |
| f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?

The project will primarily serve Medical Marijuana Cultivation Facility and will not be open to the general public. As a result, the potential trip generation resulting from this cultivation facility is expected to be similar compared to typical Light- industrial establishments. Traffic resulting from the project is not expected to substantially increase the traffic load in the project vicinity and result in congestion on the existing street system. Following the implementation of Standard Conditions, less than significant impacts are expected relative to increase in traffic and no mitigation is required.

b) Would the project exceed, either individually or cumulatively, a level of service standard established by the County Congestion Management Agency for designated roads or highways?

The project is located approximately 3.25 miles north of the westbound on-ramp to the Interstate 10 Freeway (I-10). Interstate 10 is identified as a CMP corridor. Traffic resulting from the small-scale operations at the proposed cultivation facility is not anticipated to individually or cumulatively contribute to an exceedance of a level of service standard established in the CMP. Less than significant impacts are expected relative to the level of service standards established by the County Congestion Management Agency for designated roads or highways and no mitigation measures are required.

c) Would the project result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

The project is not located within proximity to an airport and therefore would not result in impacts air traffic patterns. No impacts are expected to air traffic patterns and no mitigation measures are required.

d) Would the project substantially increase hazards due to a design feature (e.g., sharp curves of dangerous intersections) or incompatible uses (e.g., farm equipment)?

To provide proper access to the facility, off-site design and the proposed off-site improvements include street paving on portions of Two Bunch Palms Trail and Little Morongo Road along its frontage and will undergo City and Fire Department review before project approval to ensure that the local development standards for roadway in interior & exterior circulation designs are met without resulting in traffic safety impacts. The project does not include sharp curves or dangerous intersections. No incompatible uses or hazardous design features will result from the proposed project as a standard condition. All project plans shall be reviewed and approved by the City Engineering Department. Less than significant impacts are expected relative to traffic hazards and mitigation measures are required.

e) Would the project result in inadequate emergency access?

The project is anticipated to provide proper premises identification with legible site name, address numbers, and clear signage indicating the site access points. Security gates, controlled

access key boxes, operational fire hydrants and extinguishers are also required in accordance with Chapter 15.24 of the Desert Hot Springs Municipal Code. Off-site project improvements will involve paving on Two Bunch Palms Trail and Little Morongo Road within the existing rights-of-way and according to the City's designated street standards. Less than significant impacts to emergency access are expected and no mitigation is required.

f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?

The proposed project would improve pedestrian mobility by incorporating pedestrian sidewalks along the Two Bunch Palms Trail frontage and Little Morongo Road (outside of the proposed property fencing), where currently none exist. The widening of the roadway does not include a bicycle lane however improvements resulting from the project are expected to enhance, rather than obstruct or conflict with, the City's established goals on bicycle transportation or with any existing facilities. Less than significant impacts with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, of alternative transportation are expected and no mitigation is required.

Conclusion – Revised Project (2023)

Operation of the revised Project has resulted in an increased rate of traffic, especially during times of a shift change at the facility, generally lasting one to two hours per day. Traffic increases are due to an increased employee count, associated with the distribution and manufacturing activity. An increase in traffic levels during the shift changes compared to the existing developed condition is not a cause for concern, as the nature and intensity of operations are not expected to result in the generation of significant traffic levels during the times outside of the shift change time periods.

The revised Project would not introduce a substantial amount of additional vehicle trips to the site. Outside of the shift changes at the facility the revised Project would not result in increased vehicular conflicts, as the proposed uses would be similar to the prior proposed uses and existing uses in the surrounding area.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XVIII. Tribal Cultural Resources

| Tribal Cultural Resources | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| 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: | X | | | |
| a. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or | X | | | |
| b. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe. | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

The original IS/MND did not analyze Tribal Cultural Resources.

Conclusion – Revised Project (2023)

The revised project would not require any construction beyond what was anticipated in the original IS/MND since the revised “uses” are within the already developed Project site. No additional grading beyond what was already anticipated in the IS/MND would occur. Similar to the MND, the revised project would result in no impacts to historic resources as defined in California Public Resource Code Section 5020.1(k).

XIX. Wildfire

| Wildfire | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Substantially impair an adopted emergency response plan or emergency evacuation plan? | X | | | |
| 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? | X | | | |
| 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? | X | | | |
| 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? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

The original IS/MND did not analyze wildfire risk.

Conclusion – Revised Project (2023)

The revised project will not add any wildfire risks. No additional construction or grading will be required for any additional activities. Fire mitigation equipment and compatible facilities have been introduced and are currently in use within the revised Project, meeting and exceeding all local Fire Department requirements.

XX. Utilities and Service Systems

| Utilities and Service Systems | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|--|-----------|------------------------------------|--|--|
| a. Exceed wastewater treatment requirements of the applicable RWQCB? | X | | | |
| b. Require or result in the construction of new water or wastewater treatment facilities or an expansion of existing facilities, the construction of which could cause significant environmental effects? | X | | | |
| c. Require or result in the construction of new stormwater drainage facilities or an expansion of existing facilities, the construction of which could cause significant environmental effects? | X | | | |
| d. Have sufficient water supplies available to serve the Project from existing entitlements and resources, or would new or expanded entitlements be needed? | X | | | |
| e. Result in a determination by the wastewater treatment provider that serves or may serve the Project that it has inadequate capacity to serve the Project's projected demand in addition to the provider's existing commitments? | X | | | |

| | | | | |
|--|---|--|--|--|
| f. Be served by a landfill with insufficient permitted capacity to accommodate the Project's solid waste disposal needs? | X | | | |
| g. Comply with federal, state, and local statutes and regulations related to solid waste? | X | | | |

Discussion

Summary of Findings in the IS/MND (2015)

a) Would the project exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

Wastewater generated by the project is not expected to exceed waste water treatment requirements of the State Regional Water Quality Control Board (Colorado River Basin). Additionally, the project will be reviewed by MSWD to ensure compliance with all current and applicable wastewater treatment requirements. Less than significant impacts are expected relative to wastewater treatment and no mitigation measures are required.

b) Would the project require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which would cause significant environmental effects?

The project proposes to connect into the existing infrastructure located along the projects frontage on Little Morongo Road and Two Bunch Palms Trail. The project will undergo review by MSWD and City staff to ensure wastewater capacity and compliance with the current wastewater treatment requirements. Additionally, sewer installation, and connection fees in place at the time of development will be collected by MSWD. No new or expanded treatment facilities are anticipated from project implementation. Less than significant impacts are expected relative to construction of new water or wastewater and no mitigation measures are required.

c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

The project will be required to comply with all construction requirements and best management practices through the life of the project. Standard engineering procedures currently in place require that all final grading and hydrology and improvement plans be submitted to the City of Desert Hot Springs for review and approval prior to the issuance of a grading permit. Less than significant impacts to storm water facilities is expected and no mitigation measures are required.

d) Would the project have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

The proposed development will be expected to follow water conservation guidelines to mitigate impacts to public water supplies. Examples of these water conservation methods include water conserving

plumbing fixtures, drought tolerant landscaping, and drip irrigation systems. Domestic water improvements necessary to serve this development will be identified by MSWD and included as conditions of approval by the City of Desert Hot Springs during the City's standard review process. Additionally, installation, and connection fees in place at the time of development will be collected by MSWD. Less than significant impacts to water supply is expected and no mitigation measures are required.

e) *Would the project result in 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?*

Wastewater generated from the proposed project will be conveyed to MSWD for treatment. MSWD has 45 miles of sewer pipeline, powered by pump stations and serviced by 2.3 million gallons per day (MGD) capacity wastewater treatment plant. Service demand generated by the proposed project is expected to be incremental and not anticipated to significantly impact demand for wastewater treatment. Wastewater improvements necessary to provide adequate service to this development will be identified by MSWD and included as conditions of approval by the City of Desert Hot Springs during the City's standard review process. Less than significant impacts to wastewater treatment capacity is expected and no mitigation measures are required.

f) *Would the project be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?*

Solid waste disposal and recycling services for the City of Desert Hot Springs are provided by Desert Valley Disposal (DVD). Commercial waste and recycling collected from the proposed project will be hauled to the Edom Hill Transfer Station. Waste from this transfer station is then sent to a permitted landfill or recycling facility outside of the Coachella Valley. These include Badlands Disposal Site, El Sobrante Sanitary Landfill and Lamb Canyon Disposal Site. CalRecycle data indicates that these landfills have 40-50% of their remaining estimated capacity. Additionally, solid waste generated by a medical marijuana Cultivation facility would be minimal due to composting and re-use of materials. Less than significant impacts are expected to solid waste disposal services and no mitigation is required.

g) *Would the project comply with federal, state, and local statutes and regulations related to solid waste?*

The City of Desert Hot Springs contracts with Desert Valley Disposal to serve the solid waste disposal needs of the city, including the project. The project will comply with all applicable solid waste statutes and guidelines. No impacts are expected to solid waste statutes and regulations and no mitigation measures are required.

Conclusion – Revised Project (2023)

Similar to the findings in the MND, the revised project would not result in significant impacts to utilities and service systems. The revised project would not require grading or construction since the added activities will be within the already existing facility that has been analyzed by the MND within the project site, and the site is built-out and in operation. As such, no new or more impacts related to utilities and service systems would occur.

Similar to the MND, wastewater generated by the revised project is expected to be minimal. The revised project is not expected to exceed wastewater treatment requirements of the State Regional Water Quality Control Board (SRWQCB) (Colorado River Basin). In addition, City and

other local and governmental agency review will ensure compliance with all current and applicable wastewater treatment requirements. No new or expanded treatment facilities are anticipated from project implementation. Similar to the MND, the revised project would result in less than significant impacts to wastewater treatment facilities.

Like the MND, the revised project will be required to comply with all construction requirements and best management practices through the life of the project. Standard engineering procedures currently in place require that all final grading and hydrology plans be submitted to the City of Desert Hot Springs for review and approval prior to the issuance of a grading permit. Less than significant impacts are expected, similar to the MND.

Regarding water supply, the revised project would be expected to follow water conservation guidelines to mitigate impacts to public water supplies. Examples of these water conservation methods include water conserving plumbing fixtures, drought tolerant landscaping, and drip irrigation systems. Less than significant impacts to water supply are expected.

Solid waste generated by a cannabis facility would be minimal. Less than significant impacts to solid waste are expected. Additionally, the revised project would comply with all applicable solid waste statutes and guidelines. No impacts are expected relative to solid waste statutes and regulations.

Major revisions to the MND are not required as there have been no substantial changes in circumstances requiring major MND revisions; and there is no new information showing greater significant effects than disclosed in the previous MND.

XXI. Mandatory Findings of Significance

| Mandatory Findings of Significance | No Impact | Minor Technical Change or Addition | Substantial Project Change or Modification (Not sufficient for CEQA compliance) | Requires Subsequent or Supplemental MND or EIR (Not sufficient for CEQA compliance) |
|---|-----------|------------------------------------|--|--|
| a. Does the Project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, 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? | X | | | |

| | | | | |
|--|----------|--|--|--|
| <p>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.)</p> | <p>X</p> | | | |
| <p>c. Does the Project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?</p> | <p>X</p> | | | |

Discussion

Summary of Findings in the IS/MND (2015)

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

Based upon the information and mitigation measures provided within this Initial Study, approval and implementation of the project is not expected to substantially degrade the quality of the environment including biological, cultural or historical resources. Less than significant impacts are expected.

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 vacant property is located in a partially developed setting designated for light industrial uses. Based upon the information and mitigation measures provided within this Initial Study, approval and implementation of the proposed cultivation facility is not expected to result in impacts that when considered in relation to other past, current or probable future projects, would be cumulatively considerable. Less than significant impacts are expected.

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

Based upon the information and findings provided in this Initial Study, the proposed project is not expected result in impacts related to environmental effects, which will cause substantial adverse effects on human beings. Mitigation and standard conditions incorporated into the project will reduce impacts to less than significant.

Conclusion

Based upon the information and findings provided in the IS/MND, the revised Project is not expected to result in impacts related to environmental effects, which will cause substantial adverse effects on human beings, with the exception of the minor traffic and transportation concerns, during specific times, which were addressed above.

Current mitigation and standard conditions incorporated into the original and revised Project will reduce impacts to less than significant for all of the analyzed items.

7.0 FINAL CONCLUSIONS

Similar to the MND, the original project resulted in potentially significant impacts to biological and cultural resources. However, all of these impacts were reduced to less than significant through implementation of the MND mitigation measures. No additional impacts were identified as a result of the revised project, and no deficiencies were identified related to the City's General Plan as a result of the additional distribution and manufacturing activities.

Changes and proposed updates to the revised Project would not be considered substantial, in fact, they are lower in scope and less impactful than the originally approved IS/MND. The addition of new "uses" and associated "activities" to the Project would not cause any new significant impacts or substantial increases in the severity of a previously identified significant impacts (CEQA Guidelines, Section 15162(a)(1)) that would require major revisions to the MND. All new impacts associated with the added "activities" would be similar to, and in many cases, less than the impacts previously analyzed in the MND.

There is sufficient evidence in support of the City of Desert Hot Springs' determination that the minor changes to the revised Project do not meet the conditions for preparing an EIR or subsequent MND under CEQA Guidelines, Section 15162, and Section 15164.

8.0 SOURCES

- The City of Desert Hot Springs - Conditional Use Permit 04-15
- City of Desert Hot Springs Comprehensive General Plan, adopted September 5, 2000
- City of Desert Hot Springs Municipal Code
- Riverside County General Plan (RCIP), adopted October 7, 2003
- Coachella Valley Integrated Regional Water Management Plan, adopted February 2014
- Mission Springs Water District Urban Water Management Plan, June 2011

9.0 SPECIAL STUDIES

- Biological Analysis, prepared by Jim W. Cornett, Ecological Consultants, June, 2015
- Historical/Archaeological Resources Survey, prepared by CRM TECH, June, 2015
- Prelim Hydrology Report, prepared by MSA Consulting, Inc., September 2015