

RESOLUTION NO. 17-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING A NEGATIVE DECLARATION FOR THE
COMMERCIAL MEDICAL CANNABIS ORDINANCES**

WHEREAS, the City Council has initiated a land use and regulatory ordinance that would allow the following commercial medical cannabis activity and uses: cultivation, nurseries, manufacturing, testing laboratories, transportation, delivery, distribution (includes storage), and dispensaries (retail sales); and

WHEREAS, these proposed commercial medical cannabis uses would be allowed subject to the approval of a Use Permit within the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) Zones; and

WHEREAS, the City of Grover Beach has prepared an Initial Study and draft Negative Declaration for the proposed ordinances associated with Development Application 16-35; and

WHEREAS, the Notice of Availability for the Negative Declaration was properly advertised in the manner required by law; and

WHEREAS, public notice has been given in the time and manner required by State law and City code; and

WHEREAS, the Planning Commission of the City of Grover Beach reviewed and considered the Initial Study and Negative Declaration at a Public Hearing on April 12, 2017 and recommended that the City Council adopt the Negative Declaration for the commercial medical cannabis land use ordinance; and

WHEREAS, the City Council of the City of Grover Beach reviewed and considered the Initial Study and Negative Declaration for the commercial medical cannabis land use and regulatory ordinances at a Public Hearing on May 1, 2017; and

WHEREAS, there is no substantial evidence of any significant adverse effect, either individually or cumulatively, on wildlife resources as defined by Section 711.2 of the Fish and Game Code or on the habitat upon which the wildlife depends as a result of these ordinances; and

WHEREAS, the adoption of the commercial medical cannabis land use and regulatory ordinances will not have a significant effect on the environment; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach **HEREBY** adopts the Negative Declaration for the commercial medical cannabis land use and regulatory ordinances attached as Exhibit A.

Upon motion by _____, seconded by _____, and on the following roll-call vote, to wit:

AYES: Council Members –
NOES: Council Members –
ABSENT: Council Members –
ABSTAIN: Council Members –

the foregoing RESOLUTION NO. 17-__ was **PASSED, APPROVED**, and **ADOPTED** at a Regular Meeting of the City Council of the City of Grover Beach California this 1st day of May, 2017.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK

Commercial Medical Cannabis Ordinance

Revised Initial Study – Negative Declaration

prepared for
City of Grover Beach
154 S. Eighth Street
Grover Beach, California 93433

prepared by
Rincon Consultants
1530 Monterey Street, Suite D
San Luis Obispo, California 93401

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Initial Study

1 Project Title

City of Grover Beach Commercial Medical Cannabis Ordinance

2 Lead Agency Name and Address

City of Grover Beach
154 S. Eighth Street
Grover Beach, California 93433

3 Contact Person and Phone Number

Bruce Buckingham, Community Development Director
(805) 473-4520

4 Project Location

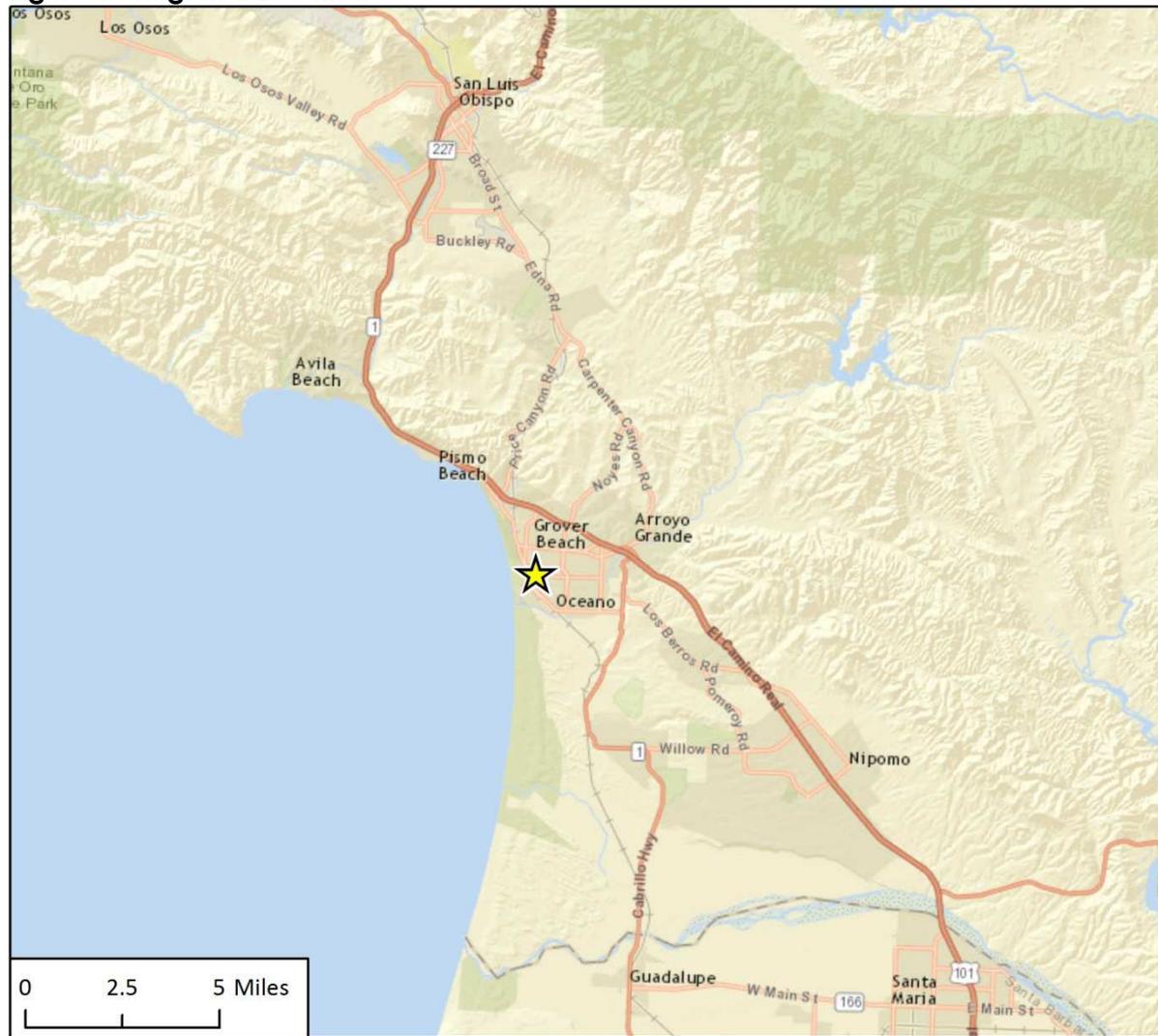
The proposed Commercial Medical Cannabis Ordinance would apply to land within the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones in the City of Grover Beach. The entire Industrial (I) zone and a portion of the Coastal Industrial (CI) zone are generally located south of Farroll Road, west of Messina Court, north of Highland Way, and east of South 4th Street. The remaining Coastal Industrial (CI) zoned land is generally located south of Rockaway Avenue, west of South 4th Street, north of Trouville Avenue, and east of the Union Pacific Railroad (UPRR) tracks. The Coastal Industrial Commercial (CIC) zone is generally located south of Atlantic City Avenue, west of Front and 1st Street, north of Ramona Avenue, and east of the UPRR tracks. Figure 1 shows the regional location of the City of Grover Beach. Figure 2 shows the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones in the City of Grover Beach.

The area affected by the proposed zoning ordinance includes approximately 86 acres (64, 15, and 7 acres in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones, respectively). Table 1 shows the area, number of vacant lots, and vacant area which could be developed with commercial cannabis uses under the proposed Commercial Medical Cannabis Ordinance.

Table 1 Proposed Commercial Cannabis Development Areas

City Zone	Area (acres)	Vacant Area (acres)
Industrial (I)	64	9.7
Coastal Industrial (CI)	15	2.1
Coastal Industrial Commercial (CIC)	7	1.5
Total	86	13.3

Figure 1 Regional Location



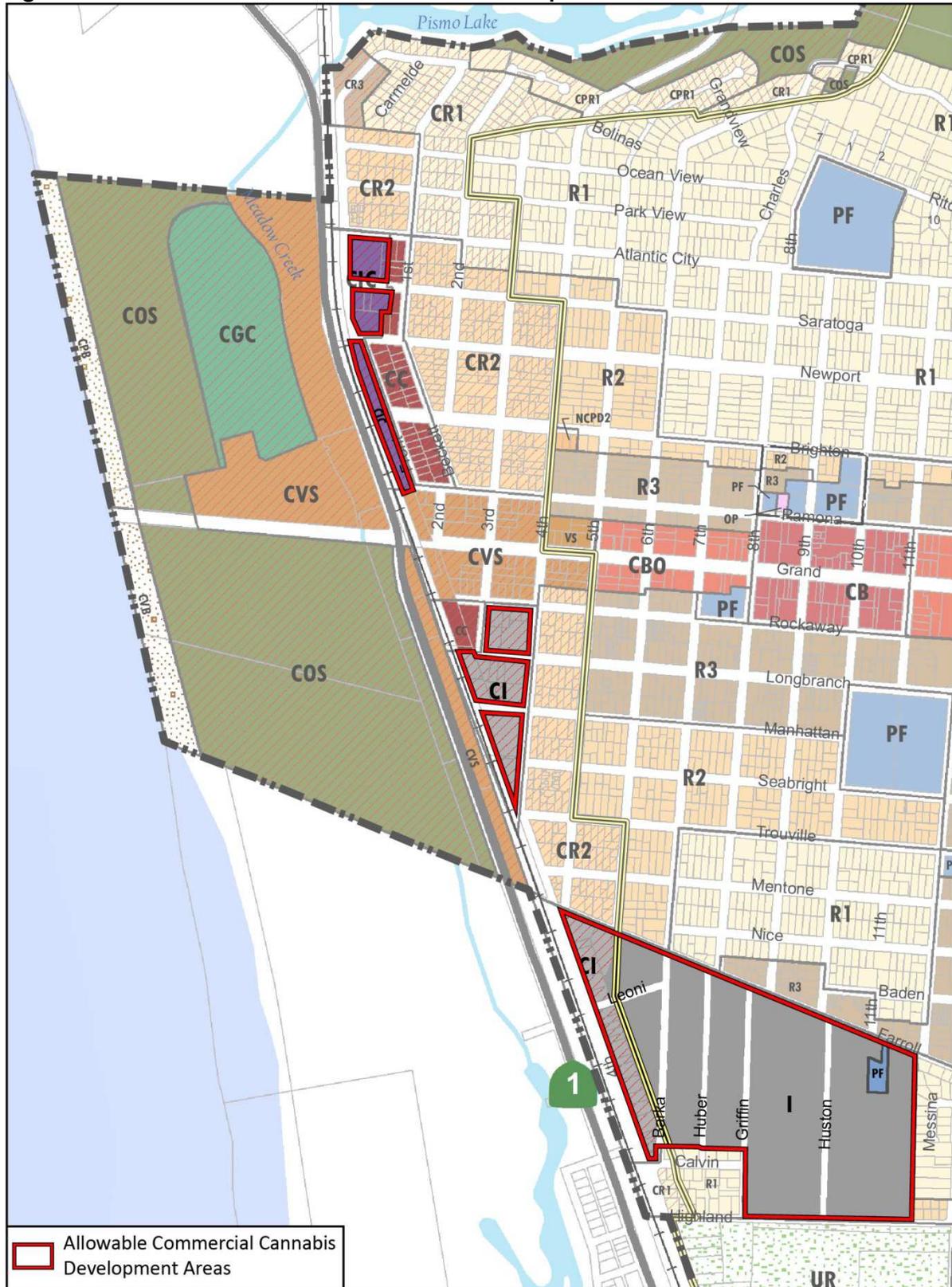
Imagery provided by ESRI and its licensors © 2016.

★ Project Location N



Fig.1 Regional Location

Figure 2 Allowable Commercial Cannabis Development Areas



5 Existing Setting

The City of Grover Beach (City) encompasses 2.25 square miles within San Luis Obispo County and is bordered by the community of Oceano to the south, and the cities of Arroyo Grande and Pismo Beach to the east and north, respectively. State Route 1 (SR-1) and the UPRR travel along the western, coastal portion of the City. The beach and dune area adjacent to the City are part of Pismo State Beach.

The Industrial (I) zone applies to areas of the City appropriate for light, medium and heavy manufacturing and assembly, industrial parks, warehouses, plant nurseries, and similar and compatible uses. The area is also appropriate for smaller service businesses such as contractor’s yards, vehicle repair and storage, and material sales and supplies. Live-work may be appropriate when compatible with surrounding uses.

The Coastal Industrial (CI) zone applies to areas of the City appropriate for light and medium manufacturing and assembly, industrial parks, warehouses, plant nurseries, and similar and compatible uses. The area is also appropriate for smaller service businesses such as contractor’s yards, vehicle repair and storage, and material sales and supplies. Live-work may be appropriate when compatible with surrounding uses. All development shall be consistent with the City’s Local Coastal Program.

The Coastal Industrial Commercial (CIC) zone applies to the area between the UPRR right of way and the Coastal Commercial Zone along Front Street. The area is appropriate for technology businesses, custom and light manufacturing and assembly, and similar and compatible uses where all operations are conducted within the building. The area is also appropriate for office uses, live-work, recreational uses and similar and compatible uses. All development shall be consistent within the City’s Local Coastal Program.

Table 2 lists uses that are currently allowed in the (I), (CI), and (CIC) zones, as set forth in Section 2.40.030 of the City’s Municipal Code. These uses include plant nurseries and a variety of manufacturing and retail uses that involve activities similar to those expected with commercial medical cannabis uses allowable under the proposed ordinance.

Table 2 Industrial Zones Allowable Land Uses and Permit Requirements

Land Use	CI zone	CIC zone	I zone	Specific Use Regulations
Industry, Manufacturing and Processing				
High Technology Uses	P	P	P	
Manufacturing, Artisan	P	P	P	Section 4.10.130
Manufacturing/Processing, Heavy	--	--	UP	Section 4.10.130
Manufacturing/Processing, Light	P	P	P	Section 4.10.130
Manufacturing/Processing, Medium	UP	--	UP	Section 4.10.130
Media Production	P	P	P	
Printing and Publishing	P	P	P	
Recycling – Processing Facilities	--	--	UP	Section 4.10.150
Storage – Warehouse	P	P	P	
Storage – Outdoor	UP	--	UP	Section 4.10.130
Storage – Personal Storage Facility	P	--	P	Section 4.10.140
Storage - Vehicles	UP	--	UP	Section 4.10.130
Wholesaling & Distribution	P	P	P	

Land Use	CI zone	CIC zone	I zone	Specific Use Regulations
Recreation, Education & Public Assembly				
Commercial Recreation Facility - Outdoor	UP	UP	UP	
Health/Fitness Facility	AUP	AUP	AUP	
Meeting Facility, public or private				
< 3,000 sf	AUP	AUP	AUP	
> 3,000 sf	UP	UP	UP	
Studio – Art, Dance, Martial Arts	AUP	AUP	AUP	
Public or Quasi-Public Facility	UP	UP	UP	
Specialized Education/Training	UP	UP	UP	
Residential				
Caretaker’s Residence	AUP	AUP	AUP	Section 4.10.050
Home Occupation	P	--	P	Section 6.20.070
Live/work Unit	UP	UP	UP	Section 4.10.090
Retail				
Accessory Retail/Service Use	P	P	P	Section 4.10.020
Adult Business	UP	--	--	Section 4.20
Automobile Service Station	UP	--	UP	
Building/Landscape Materials, Indoor	P	--	P	
Building/Landscape Materials, Outdoor	UP	--	UP	Section 4.10.130
Fuel Dealer	UP	--	UP	
General Retail	P	P	P	
Plant Nursery	P	--	P	
Restaurant	UP	UP	UP	
Vehicle Sales	P	--	P	
Services				
ATM	P	P	P	
Animal Boarding	AUP	--	AUP	
Animal Care Facilities	P	--	P	
Business Support Services	P	P	P	
Catering Service	P	P	P	
Equipment Rental	P	--	P	Section 4.10.130
Maintenance Service – Client Site Services	P	P	P	Section 4.10.130
Medical services – Clinic/Urgent Care	P	--	P	
Mortuary/Funeral Home	UP	--	UP	
Office – Business/Service	P	P	P	
Office – Processing	P	P	P	
Office – Professional	P	P	P	
Recycling – Large Collection Facilities	AUP	AUP	AUP	Section 4.10.150
Recycling – Reverse Vending Machine	P	P	P	Section 4.10.150
Recycling – Small Collection Facilities	P	P	P	Section 4.10.150
Repair Services – Large Equipment	P	--	P	Section 3.10.020
Repair Services – Small Equipment	P	P	P	
Vehicle Rental	P	--	P	
Vehicle Repair & Services	AUP	--	P	Section 4.10.130

Land Use	CI zone	CIC zone	I zone	Specific Use Regulations
Transportation & Infrastructure				
Freight Terminal	--	--	UP	
Parking Facility	UP	UP	UP	
Telecommunication Facility	UP	UP	UP	Section 4.40

Source: City Municipal Code, Section 2.40.030, Table 2.6
 Projects in the Coastal Zone may require a Coastal Development Permit (Section 6.20.040)

P Permitted Use
 AUP Administrative Use Permit Required
 UP Use Permit Required
 -- Use Not Allowed

Previous Project Review

The Commercial Medical Cannabis Ordinance was initially proposed in 2016 to apply to the Industrial (I) zone and a portion of the Coastal Industrial (CI) zone in the City of Grover Beach. Thus, the area considered in the original proposal was smaller (approximately 70 gross acres) than what is addressed in the current proposal, and did not include the portion of Coastal Industrial (CI) zoned land between Rockaway Drive and Trouville Avenue, or any of the Coastal Industrial Commercial (CIC) land in the City. An Initial Study and Negative Declaration (IS-ND) addressing the original proposal was prepared and circulated for public review in December 2016. At a public hearing on February 21, 2017, the Grover Beach City Council directed staff to revise the ordinance expanding the area within the City to include all three industrial zones.

This revised IS-ND addresses the full 86 acres as described in Sections 4 and 5 above. Information from the previous IS-ND has been incorporated and updated in this revised IS-ND. With respect to potential development and water use, the earlier estimates have been retained for Section 18c of this revised IS-ND since they represent a reasonable worst case analysis. All of the computed estimates of the future cultivation area are based on the assumption that cultivation would most likely occur in new buildings developed on vacant land. A review of more recent parcel data and air photos led to a slight reduction in the estimate of vacant land available, even though the total area subject to the ordinance has increased slightly. Since the original estimate of vacant land was slightly larger than the updated estimate, the earlier estimate represents a worse case.

6 General Plan Designation

Industrial

7 Zoning

Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC)

8 Description of Project

Summary Description

The City of Grover Beach proposes to modify the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zoning to provide for a City-issued permit to regulate and allow commercial medical cannabis activities by amending Municipal Code Article IX addressing land use requirements and Article III addressing regulatory requirements. This action would provide for the commercial cultivation/nurseries, manufacturing, warehouse/distribution, transportation,

laboratory testing, and sales of marijuana (cannabis) for medical use. The Commercial Medical Cannabis Zoning Ordinance and associated Regulatory Ordinance (collectively, Commercial Medical Cannabis Ordinance) would allow for commercial medical cannabis cultivation/nursery as an indoor use in facilities up to a maximum of 22,000 square feet (SF), in the City. The allowable area limit identifies the total canopy area of cultivated plants consistent with the cultivation license types defined in the state Business and Professions Code. The ordinance sets a limit of a maximum of four (4) dispensaries permitted within the City at a given time. The ordinance would regulate the commercial cultivation/nursery, manufacturing, warehouse/distribution, transportation, laboratory testing, and sales of marijuana by licensed operators in compliance with relevant state and local laws. The property development standards, land use separation distances, and related regulatory specifications are detailed in the ordinance. Commercial medical cannabis businesses would be required to comply with all zoning, land use, and development regulations applicable to the underlying Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones in which they are permitted to establish and operate as set forth in Article IX, Development Code of the Grover Beach Municipal Code. Any proposed commercial medical cannabis land uses would require discretionary approval of a Use Permit, a Coastal Development Permit if located in the Coastal Zone, as well as approval of a Commercial Medical Cannabis Permit to regulate all aspects of commercial cannabis uses.

Regulatory Ordinance

Specifically, the proposed Regulatory Ordinance would repeal, in its entirety, Chapter 1.2, Article III, Medical Marijuana Dispensaries, and would add Chapter 18, Article III, Medical Cannabis Activity, to the Grover Beach Municipal Code. This change would allow the establishment, operation, and regulation of commercial medical cannabis uses for the commercial cultivation, manufacturing, warehouse/distribution, transportation, laboratory testing, and sales of medical marijuana and medical marijuana products. Chapter 18, Article III is intended to accommodate the needs of medically-ill persons in need of marijuana for medical purposes while imposing regulations on the use of land in the City of Grover Beach. This Article is also intended to regulate the commercial cultivation, manufacturing, warehouse/distribution, transportation, laboratory testing, and sales of cannabis and cannabis-related products in a manner which is responsible and which protects the health, safety, and welfare of the residents of the City of Grover Beach; to enforce rules and regulations consistent with State law including the Medical Cannabis Regulation and Safety Act (MCRSA). To meet these objectives, an annual permit would be required in order to own and to operate a commercial cannabis business within the City of Grover Beach as authorized under this ordinance or within the City of Grover Beach Development Code. Nothing in Chapter 18, Article III is intended to authorize the cultivation, possession or use of marijuana for non-medical purposes other than preempted under State law.

Land Use Ordinance

The proposed Land Use Ordinance amendment would make the following changes within Article IX (Development Code) of the City Municipal Code:

- Amend Section 2.40.030 and Table 2.6 to identify “Commercial Cannabis Uses” as an allowable use in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones with a Use Permit Required (i.e. “UP” in these zones). Reference would also be made in Table 2.6 to the specific requirements in the new Section 4.10.045 shown below.
- Create a new Section 4.10.045, which would:
 - Establish development standards for commercial cannabis uses where allowed by Section 2.40.030

Commercial Medical Cannabis Ordinance

- Identify the City Council as the review authority, and a Use Permit as the level of land use approval necessary, for commercial cannabis uses
- Limit the number of allowed commercial cannabis dispensaries to four
- Set forth the Required Findings for City Council approval of a Use Permit to allow a commercial cannabis project

The proposed ordinance would not modify existing requirements for lot coverage, setbacks, height standards or other standards related to the size, bulk, or scale of buildings allowed within the existing standards for the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones. Additionally, there are no specific projects or proposed development that would be approved with passage of the proposed ordinance. Rather, the proposed changes within the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones would allow for future proposals and provide regulations to establish permit conditions for such uses.

The standards for architectural review would not be altered by the proposed ordinances. Each project involving new buildings as well as modifications to existing buildings would require compliance with the architectural review standards currently applicable to that location.

Other Characteristics and Requirements

Water Use

Some types of future projects allowable under the proposed Commercial Medical Cannabis Ordinance would require irrigation for cultivation and/or nursery production. The amount and type of irrigation would depend upon the proposal of each applicant and would require compliance with the specification in the proposed ordinance relative to water use and management. As described in *Irrigation Water for Greenhouses and Nurseries*, the range of water use for indoor greenhouses is approximately 11,000 to 22,000 gallons of water per day (GPD) per acre of growing space (Robbins 2010:6). However, this constitutes a very large range of potential water usage and lower consumption rates are likely. Table 3 provides a listing of several different water consumption rates and related information. Note that the rates from Robbins (2010) equate to 12 to 24 acre-feet per year.

Table 3 Water Consumption Rates for Greenhouses (per acre of cultivated area)

	Gallons Per Day	Converted to Acre-Feet Per Year
1. Range from Robbins (2010:page 6)		
Low	11,000	12.3
High	22,000	24.6
2. Windset Farms Phases I - III (Santa Maria August, 2009:9)		
	5,186	5.8
3. (Capitol Consulting 2016:page 2)		
	5,251	5.9
3a. "Hydroponic" rate (Capitol Consulting 2016:2)		
	1,750	2.0
4. "Hydroponic" rate cited to City 12-20-2016		
	1,188	1.3

Lower water use rates than those in cited in *Irrigation Water for Greenhouses and Nurseries* (Robbins 2010) would appear to be more reasonable. For example, in 2009, the Windset Farms

greenhouse operation in the City of Santa Maria consumed approximately 785 acre-feet per year of water in three greenhouses and associated packing sheds that total 5,886,382 square feet. This equates to a consumption rate of 5,186 gallons per day for each acre of greenhouse (Santa Maria September 2009:page 9). The water use rate for a typical indoor growing facility of 22,000 square feet provided by Capitol Consulting (2016:page 2) works out to be 5,521 gallons per day per acre of growing area. Accordingly, the water use rates for the Windset Farms operations and cited by Capitol Consulting are comparable. Lower rates have also been cited, but they amount to one to two inches of irrigation per year.

The maximum allowed cannabis plant canopy area under the proposed ordinance would be 22,000 square feet, or approximately 0.5 acre, for any single permit. Using the mid-range greenhouse consumption rate, a future commercial cannabis project of maximum allowable area would be expected to use approximately 2,600 gallons per day or 2.9 acre-feet per year. The proposed ordinance would require that cultivation and nursery uses prepare a Water Recycling Management Plan that demonstrates that irrigation water is recycled to the maximum extent feasible using Best Management Practices and would also require that a separate water meter be installed for irrigation uses (proposed Section 4.10.045.G.2.). As shown in Table 2, the lowest water consumption rates are associated with “Hydroponic” operations. These rates represent approximately one-third of the consumption rates for more conventional, modern greenhouse operations. With the requirement to recycle water to the maximum extent feasible, it is anticipated that at least a 50 percent reduction would be achieved. This would reduce water consumption to approximately 1,300 gallons per day, or 1.6 acre-feet per year for a project of maximum allowable area.

Lighting Restrictions

The proposed Commercial Medical Cannabis Ordinance would require that all applicants for a cannabis cultivation or nursery permit use energy efficient lighting systems, such as those that utilize LED light, and would prohibit grow light operation for mixed-light (artificial and natural) buildings between dusk and dawn unless it can be demonstrated that there is no light emanating from the roof of the building.

Hazardous Materials Management

Under the California Medical Cannabis Regulation and Safety Act (MCRSA) the Bureau of Marijuana Regulation has been established within the California State Department of Consumer Affairs, and has responsibility for the state licensing of distributors, dispensaries, and transporters of medical marijuana. Other state agencies with state licensing authority include the Department of Food and Agriculture (for cultivator licenses), and the Department of Public Health (for manufacturing and certified testing laboratories).

The MCRSA provides for various license types, which are defined in the California Business and Professions Code, Chapter 3.5, Section 19300.7. The proposed Grover Beach Commercial Medical Cannabis Ordinance would allow for Type 6, or “manufacturing level 1”, and Type 7 or “manufacturing level 2”, licensing. Type 6 licenses are required for manufacturing sites that produce medical cannabis products using no solvents or nonvolatile solvents, and Type 7 licenses are required for manufacturing sites that produce medical cannabis products using volatile solvents.

Type 6, or manufacturing level 1, processes typically use physical treatment (i.e. crushing or pressing), carbon dioxide, or aqueous solutions in processing.

Commercial Medical Cannabis Ordinance

For Type 7 or level 2 manufacturing processes, “volatile solvents” are defined in the California Health and Safety Code Section 11362.3.

In California, solvents, compressed gasses, and other hazardous substances are subject to a variety of regulations that are gathered under the “Unified Program” which coordinates the planning and enforcement actions of several agencies and levels of government. In the County of San Luis Obispo, the Environmental Health Services Division is the Certified Unified Program Agency (CUPA) responsible for overseeing compliance with all applicable hazardous materials regulations. In addition, the County’s Hazardous Materials Coordinator, in collaboration with local fire agencies throughout the County, is tasked with administering local programs that regulate hazardous materials. Specific oversight duties of the Coordinator and fire agencies include permit issuance, inspection and enforcement for compliance with the California Fire Code and State Health and Safety Code (Chapters 6.67, 6.7 and 6.95).

Individual operators who have more than a specified amount of any hazardous material at a single location (referred to as the “threshold planning quantity”) are required to prepare a Hazardous Materials Management Plan and Hazardous Material Inventory Statement, which are subject to review and approval by the local fire department. Site inspections are also conducted to help ensure compliance with the management and reporting requirements.

For example, ethanol is considered a Category 2 flammable liquid in the California Fire Code. Because of this characteristic, ethanol is considered a hazardous material subject to regulations under the Unified Program. The “threshold planning quantity” for ethanol is 55 gallons, so any operator with more than this amount must prepare a Hazardous Material Management Plan and Hazardous Material Inventory Statement. Other solvents and materials may be classified as hazardous by other characteristics or by direct listing, but each has a “threshold planning quantity” above which a hazardous material management plan and inventory statement is required. These plans include information regarding amounts and locations of hazardous materials, storage and handling procedures, employee training, emergency response, and other information. The plan must be filed with and reviewed by the County’s Hazardous Materials Coordinator and Five Cities Fire Authority.

The ordinance would require any applicants for a Commercial Medical Cannabis Permit to provide documentation of compliance with all applicable State regulations prior to the effective date of any City-issued permit.

Discharge to Sewer System

Order No. R3-2009-0046 from the Central Coast Regional Water Quality Control Board sets forth the Waste Discharge Requirements for the South San Luis Obispo County Sanitation District Wastewater Treatment Facility, which serves the City of Grover Beach. Order Section 5.b. requires the establishment of a “pretreatment” program, which is a standard requirement for all wastewater treatment facilities. The “pretreatment” program requires that any discharges into the wastewater system meet specified standards and the local agency must have an ordinance in place to implement the requirements. The South San Luis Obispo County Sanitary District adopted the Sanitary Sewer System Use Ordinance (No. 2011-1) in 2011 in compliance with the requirements of Order No. R3-2009-0046. Future commercial cannabis uses would be required to comply with the specifications therein as well as with City requirements set forth in Article VII, Part 6, of the Municipal Code. Prohibited discharges include solvents and any other materials that may represent hazards or interfere with the wastewater treatment process.

9 Required Approvals

The project requires approval of amendments to the City of Grover Beach Municipal Code to accomplish the following:

- Repeal Chapter 1.2 in Article III, and adopt new Chapter 18 in Article III, related to commercial medical cannabis activity, and
- Amend Sections 2.40, 6.10, and 9.10, and adds Subsection 4.10.045 in the Development Code (Article IX of the Municipal Code) to regulate and establish development standards for commercial medical cannabis uses.

10 Other Public Agencies Whose Approval is Required

The City of Grover Beach is the Lead Agency with responsibility for approving the proposed ordinance and this CEQA document. Because the Development Code is part of the adopted and certified Local Coastal Program in the City of Grover Beach, its amendment also requires review and approval by the California Coastal Commission for the proposed changes to allowable uses in the Coastal Industrial (CI) and Coastal Industrial Commercial (CIC) zones.

Any individual project applicant seeking a land use permit and local permit from the City of Grover Beach for any commercial medical cannabis activity must also obtain the appropriate license and approval from the State of California, Department of Consumer Affairs, Bureau of Medical Cannabis Regulation, after obtaining the local land use approval and permit (GC 19322) For licensing activities by the State of California, the Department of Food and Agriculture is identified as the state Lead Agency for purposes of CEQA (19302.1(e), and 19332(c).

Environmental Factors Potentially Affected

This project would potentially affect the environmental factors checked below, involving at least one impact that is “Potentially Significant” or “Potentially Significant Unless Mitigation Incorporated” as indicated by the checklist on the following pages.

- | | | |
|---|---|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forest Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Tribal Cultural Resources | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Mandatory Findings of Significance | | |

Determination

Based on this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions to the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potential significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

_____ Signature	March 22, 2017 Date
Bruce Buckingham Printed Name	Community Development Director Title

Environmental Checklist

1 Aesthetics

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Substantial adverse effect on a scenic vista	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Substantial damage to scenic resources, including but not limited to trees, rock outcroppings, and historic buildings along a state scenic highway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

a-d. The proposed Commercial Medical Cannabis Ordinance would allow commercial medical cannabis uses in the City of Grover Beach’s Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones. Within the City of Grover Beach, the Coastal Industrial (CI) and Coastal Industrial Commercial (CIC) zones are located as close as 230 feet and 100 feet east of State Route 1, respectively. State Route 1 is eligible for listing as a State Scenic Highway, but not officially designated as such by the California Scenic Highway Mapping System (California Department of Transportation [Caltrans] 2016). However, the Coastal Industrial (CI) zones are not prominent or readily visible due to intervening Coastal Visitor Serving uses and the Union Pacific Railroad (UPRR) corridor. In addition, the Coastal Industrial Commercial (CIC) zone is surrounded by existing commercial and residential development and does not provide any prominent scenic views to travelers on State Route 1. The proposed ordinance also prohibits the visibility of any cannabis or cannabis products from the exterior of any commercial cannabis property or building, as well as the use of grow lights from dusk to dawn unless it can be demonstrated that there is no light emanating from the roof of such use. Furthermore, the architecture and design of any future development, allowable under the proposed ordinance would require approval from the City’s Review Authority, and no applicable standards are being altered by the proposed ordinance. Therefore, implementation of the proposed Commercial Medical Cannabis Ordinance would not result in any adverse impacts to scenic vistas, scenic resources within a state scenic highway, substantially degrade the existing visual character or quality in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones in the City, or create any new sources of substantial light or glare. Potential impacts to aesthetic and visual resources would be less than significant.

LESS THAN SIGNIFICANT IMPACT

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2 Agriculture and Forest Resources

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land. This includes the Forest and Range Assessment Project and the Forest Legacy Assessment Project, along with the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Convert Prime Farmland, Unique Farmland, Farmland of Statewide Importance (Farmland), as shown on maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use or a Williamson Act contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-e. The City’s Industrial (I) zone, Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zone, where commercial cannabis uses would be allowed under the proposed ordinance, are not designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (collectively “Farmland”), do not contain existing farming uses, are not zoned for agricultural or timberland uses, are not under Williamson Act contracts, and are not “Forests”. As such, no elements of the ordinance or future development under the ordinance would rezone or force the rezoning of timberlands or agricultural

Commercial Medical Cannabis Ordinance

lands, nor force the conversion of these lands to some other purpose. Therefore, the proposed ordinance would not result in any impacts to agriculture, forest, or timberland resources.

NO IMPACT

3 Air Quality

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Conflict with or obstruct implementation of the applicable air quality plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

a-e. The proposed Commercial Medical Cannabis Ordinance requires that all commercial medical cannabis cultivation occur indoors and that odor control devices and techniques be incorporated in all commercial cannabis businesses to ensure that odors from marijuana are not detectable off-site. The ordinance also requires review and approval of proposed odor control devices and techniques in order to obtain a Commercial Medical Cannabis Permit for such operations. Furthermore, future development of commercial cannabis uses would be similar to uses allowed in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones, which would be effected by the proposed ordinance, and would not generate air pollutant emissions in considerably greater amounts than uses already allowable in those zones. Therefore, the proposed ordinance would not result in any adverse air quality related impacts.

LESS THAN SIGNIFICANT IMPACT

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4 Biological Resources

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project have any of the following impacts?

a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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 the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

a-f. Based on the mapping and descriptions in the *Land Use Element Update Master Environmental Impact Report* (Grover Beach February 2010:Section 4.2), most areas within the City with the potential to contain sensitive biological resources are located in the coastal areas, generally west of the UPRR tracks and in areas designated as Open Space/Resource Conservation lands or under the protection of State Department of Parks and Recreation. Areas designated for future development of commercial cannabis

Commercial Medical Cannabis Ordinance

uses are primarily developed or highly disturbed and, thus, unlikely to contain any sensitive habitats, or sensitive plant or animal species. Future development of commercial cannabis uses in existing buildings or previously developed sites would, therefore, not result in any modification to sensitive biological habitats nor would they impact any species identified as candidate, sensitive, or special status species. Furthermore, new site development on previously undeveloped parcels is subject to City review associated with land use or other permit approval, which would include a project-specific survey and consideration of biologicals issues consistent with the General Plan Land Use Element Policies LU10-17, which would minimize the potential for adverse effects on biological resources. As such, the proposed ordinance would not directly result in impacts to biological resources and would not conflict with any local policies or ordinances protecting biological resources or other approved local, regional, or state habitat conservation plan.

LESS THAN SIGNIFICANT IMPACT

5 Cultural Resources

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Disturb any human remains, including those interred outside of dedicated cemeteries	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

α-C. General Plan Land Use Policy LU-16.9 addresses archaeological resources, and provides for preservation or appropriate mitigation to be determined in conjunction with development proposals. Future development of commercial cannabis uses under the proposed Commercial Medical Cannabis Ordinance would occur primarily in developed and highly disturbed areas. As such, there is low likelihood that development of such uses would result in adverse effects to cultural resources, including historic and/or archeological resources. However, in the event that the ground disturbances uncover previously undiscovered or documented resources, California law protects Native American burials, skeletal remains, and associated grave goods regardless of the antiquity and provides for the sensitive treatment and disposition of those remains (Health & Safety Code, section 7050.5; Public Resource Code, section 5097.9 et seq.). Furthermore, new site development on previously undeveloped parcels would be subject to regulation and oversight by local, state, and federal requirements and permits on a project-by-project basis. Impacts to cultural resources associated with such new development would be considered if and as appropriate at that time. As such, the proposed ordinance would not result in impacts to historic or archeological resources, or human remains.

LESS THAN SIGNIFICANT IMPACT

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6 Geology and Soils

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Expose people or structures to potentially substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
1 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 Strong seismic ground shaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Seismic-related ground failure, including liquefaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Landslides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in substantial soil erosion or the loss of topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Be located on a geologic unit or soil that is made unstable as a result of the project, and potentially result in on or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on expansive soil, as defined in Table 1-B of the <i>Uniform Building Code</i> , creating substantial risks to life or property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-e. The *Master Environmental Impact Report* prepared for the 2010 General Plan Land Use Element Update concluded that potential impacts related to geology and soils issues in the City would be less than significant. Adequate protections through policies in the General Plan Safety Element and other state and City requirements, as well as the absence of geologic or soils hazards that would pose a unique constraint in the remaining undeveloped property in the City, were cited as the reasons that the impacts would be less than significant in the *Master Environmental Impact Report* (Grover Beach February 2010:Section 4.8.1). Any future commercial cannabis development allowable under the proposed

Commercial Medical Cannabis Ordinance

Commercial Medical Cannabis Ordinance would be required to comply with the California Building Code and other state and local requirements to reduce risk of adverse effects associated with seismic activity and local geologic units and soils. Furthermore, future commercial cannabis uses would be restricted to areas of the City where sewer service is available and would, thus, not require the use of septic tanks or alternative wastewater disposal systems. Therefore, the proposed ordinance would not result in any impacts related to geology and soils in the project vicinity.

NO IMPACT

7 Greenhouse Gas Emissions

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project have any of the following impacts?

a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Conflict with any applicable plan, policy, or regulation adopted to reduce the emissions of greenhouse gases	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

a-b. The primary greenhouse gas (GHG) of concern is carbon dioxide associated with power generation for vehicle use, and energy consumption directly associated with land uses or related to water consumption. Future development of commercial cannabis uses would be similar to uses allowed in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones, which would be effected by the proposed ordinance, and would not increase GHG emissions in considerably greater amounts than uses already allowable in those areas. Therefore, the proposed ordinance would not result in significant GHG emissions related impacts.

NO IMPACT

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8 Hazards and Hazardous Materials

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 0.25 mile of an existing or proposed school	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Be located on a site that is included on a list of hazardous material 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. For a project located in 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project near a private airstrip, would it result in a safety hazard for people residing or working in the project area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Commercial Medical Cannabis Ordinance

a-d. The ordinance requires that all applicants for a cannabis cultivation or nursery permit submit an operations plan that meets or exceeds minimum legal standards for proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel. As reviewed under *Hazardous Materials Management* in Section 8 of this Initial Study, specific state regulations control the use of pesticides, fertilizers, and other hazardous materials. Any person issued a permit or license allowable under the proposed ordinance would be required to follow all local, state and federal requirements for the use of hazardous materials. This would apply to flammable material (such as ethanol) and to compressed gasses (such as carbon dioxide) or any other volatile solvents used in the “level 2” manufacturing processes.

Any person issued a permit pursuant to the ordinance would be subject to inspection of the commercial cannabis business by the San Luis Obispo County Agricultural Commissioner, as well as the local Fire Department, at any time during business hours to ensure compliance with the proposed ordinance. For these reasons, adoption of the proposed ordinance would not result in impacts associated with storage and use of hazardous materials.

e-h. The nearest airport to the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones is the Oceano Airport, located approximately 0.5 mile to the south. According to the Airport Master Plan (2008), the Federal Aviation Administration has established several imaginary surfaces to protect aircraft operational areas and keep them free from obstructions that could affect the safe operation of aircraft. These include the runway safety area (RSA), object free area (OFA), obstacle free zone (OFZ), and runway protection zone (RPZ). The areas subject to the proposed ordinance do not fall into any of these areas/zones and, therefore, would not result in any hazards associated with the airport.

The effected Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones occur in a ‘Non-Very High Fire Hazard Severity Zone’ as designated by the California Department of Forestry and Fire Protection (CalFire). Therefore, development in these areas, allowable under the proposed ordinance, would not be subject to a high wildland fire hazard. Furthermore, the ordinance would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

For these reasons, potential impacts related to the proximity of the Oceano Airport and related to the potential for wildland fires would be less than significant.

LESS THAN SIGNIFICANT IMPACT

9 Hydrology and Water Quality

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Violate any water quality standards or waste discharge requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including 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 or offsite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Otherwise substantially degrade water quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Place housing in a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary, Flood Insurance Rate Map, or other flood hazard delineation map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place structures in a 100-year flood hazard area that would impede or redirect flood flows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
i. Expose people or structures to a significant risk of loss, injury, or death involving flooding, including that occurring as a result of the failure of a levee or dam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Result in inundation by seiche, tsunami, or mudflow	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

c. Order No. R3-2009-0046 from the Central Coast Regional Water Quality Control Board sets forth the Waste Discharge Requirements for the South San Luis Obispo County Sanitation District Wastewater Treatment Facility, which serves the City of Grover Beach. Order Section 5.b. requires the establishment of a “pretreatment” program, which is a standard requirement for all wastewater treatment facilities. The “pretreatment” program requires that any discharges into the wastewater system meet specified standards and the local agency must have an ordinance in place to implement the requirements. The South San Luis Obispo County Sanitary District adopted the Sanitary Sewer System Use Ordinance (No. 2011-1) in 2011 in compliance with the requirements of Order No. R3-2009-0046. Part 6 of Article VII in the City Municipal Code sets forth the City standards and regulations for quality of sewer discharge. Future commercial cannabis uses would be required to comply with the specifications therein. Compliance with these requirements would avoid the potential for water quality impacts related to discharges from future commercial cannabis uses to the sewer system. Additional information on this topic is provided in Section 18 below.

b. The proposed ordinance requires that all applicants for a cannabis cultivation or nursery permit submit an operations plan. The operations plan shall detail water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the nursery or cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting. In addition, the proposed ordinance would require that cultivation and nursery uses prepare a Water Recycling Management Plan that demonstrates that irrigation water is recycled to the maximum extent feasible using best management practices and would also require that a separate water meter be installed for irrigation uses (proposed Section 4.10.045.G.2.). Additional information related to water supply and project use is provided in Section 18 below.

c-f. The proposed Commercial Medical Cannabis Ordinance does not propose or authorize new site development. New site development would be subject to regulation and oversight by local, state, and federal requirements and permits on a project-by-project basis. Impacts to hydrology and water quality associated with such new development would be considered if and as appropriate, at that stage. Therefore, adoption of the proposed ordinance would not result in any impacts to hydrology and water quality. Additional information related to stormwater management is provided in Section 18.c. below.

g-i. The Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones, to which the proposed ordinance would apply, are not within a designated flood hazard area (FEMA 2008). Therefore, development allowable under the proposed Commercial Medical Cannabis Ordinance would not result in exposure of persons or structure to flood hazards and there would be no impact.

j. The proposed Commercial Medical Cannabis Ordinance is a policy-level document that does not include any site-specific development, designs, or proposals, nor does it grant any entitlements for development that would expose people and structures to inundation by seiches, tsunamis, or mudflows. In addition, coastal Grover Beach is protected from tsunami hazards by the area's wide beaches and coastal dunes. Those areas of Grover Beach located below 100-year flood zones at elevations lower than 24 feet below mean sea level, are affected by increased tsunami hazard potential. Since the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones, to which the proposed ordinance would apply, are not within a designated flood hazard area, tsunami hazard potential would be low. Furthermore, the Lopez Dam and associated Lopez Reservoir are positioned approximately eight miles from Grover Beach, northeast of the city of Arroyo Grande. As such, failure of the dam and/or reservoir would not pose a substantial risk to the areas of Grover Beach to which the proposed ordinance would apply. Impacts would be less than significant.

LESS THAN SIGNIFICANT IMPACT

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10 Land Use and Planning

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project have any of the following impacts?				
a. Physically divide an established community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with an applicable habitat conservation plan or natural community conservation plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-c. The Grover Beach Commercial Medical Cannabis Ordinance would add commercial medical cannabis uses as an allowable use within the City’s existing Industrial (I), Coastal Industrial (CI), Coastal Industrial Commercial (CIC) zones. Under the proposed ordinance commercial cannabis businesses would be required to comply with all zoning, land use, and development regulations applicable to the underlying zone in which they are permitted to establish and operate as set forth in Article IX, Development Code of the Grover Beach Municipal Code. In addition, any commercial medical marijuana land uses contemplated would require discretionary approval of a Use Permit as well as approval of a non-discretionary Commercial Medical Cannabis Permit to regulate all aspects of Commercial Cannabis uses. Furthermore, any commercial cannabis uses in the Coastal Industrial (CI) and Coastal Industrial Commercial (CIC) zones would be required to be consistent with the City’s Local Coastal Program. As such, the proposed ordinance would not result in any land use or planning related impacts.

NO IMPACT

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11 Mineral Resources

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project have any of the following impacts:

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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-b. The proposed Commercial Medical Cannabis Ordinance, which would require amending two articles of the Municipal Code, would add commercial cannabis uses as an allowable use within the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones in the City of Grover Beach. The City does not contain any areas identified by the California Department of Conservation as having substantial mineral resources and has no operating mine or quarry operations. Therefore, adoption of the proposed ordinance would not result in any impacts to such resources.

NO IMPACT

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12 Noise

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project result in any of the following impacts?				
a. 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A substantial permanent increase in ambient noise levels above those existing prior to implementation of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above those existing prior to implementation of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. For a project located in 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project near a private airstrip, would it expose people residing or working in the project area to excessive noise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-f. The proposed ordinance does not allow for any uses or include any provisions that would result in the generation of noise substantially different from that expected with general industrial uses which are already allowed in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones to which the proposed ordinance would apply. Therefore, the proposed ordinance would not result in noise related impacts.

NO IMPACT

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13 Population and Housing

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project result in any of the following impacts?

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)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial amounts of existing housing, necessitating the construction of replacement housing elsewhere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-c. Adoption of the proposed Commercial Medical Cannabis Ordinance would require amending two articles of the City of Grover Beach Municipal Code to allow for commercial medical cannabis uses and the regulation of such uses in the City’s existing Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones. Allowing such uses in the City would not induce substantial population growth in the area, or displace substantial numbers of existing housing or people. Therefore, there would be no impacts associated with population and housing.

NO IMPACT

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14 Public Service

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project result in any of the following impacts?

a. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

1. Fire protection	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Police protection	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Other public facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a1-a5. Any future development would be subject to the provisions of the proposed ordinance including approval of a Commercial Medical Cannabis Permit by the City Council or City Manager. Any extraction or related manufacturing process would be subject to applicable regulations established pursuant to Section 19341 of the California Business and Professions Code, and applicable sections of the California Building Code. The Commercial Medical Cannabis Permit is a discretionary permit to regulate the local medical marijuana activities and requires demonstration of compliance with all applicable state and City laws and regulations, including those related to safe manufacturing process design and operation, and the design and implementation of sufficient security measures to both deter and to prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the commercial cannabis business. A permitted commercial cannabis business is also required to possess an inventory tracking system. The proposed ordinance locates the niche manufacturing businesses in a geographically defined area to assist the public safety services in determining permit compliance. As with all new businesses, any new development allowable under the ordinance requires compliance with the City and State Building and Fire Codes. These codes ensure that future structures and uses are designed for the intended purposes to reduce public safety impacts. Based on the limited area, the requirements of the Commercial Medical Cannabis Permit, requirements of the applicable sections of the California Business and Professions Code, and compliance with the Building and Fire Codes, the proposed ordinance would have a less than significant impact on fire protection and police services. Furthermore, the ordinance would not allow for future development of residential uses that would increase the population in the City, thereby increasing

City of Grover Beach

Commercial Medical Cannabis Ordinance

demand on local schools and parks. As such, adoption of the proposed ordinance would not result in potentially significant impacts to public services in the City of Grover Beach.

LESS THAN SIGNIFICANT IMPACT

15 Recreation

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project result in any of the following impacts?

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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-b. The proposed Commercial Medical Cannabis Ordinance would not allow for future development of residential uses that would increase the population in the City, thereby increasing demand on parks or recreational facilities. As such, adoption of the proposed ordinance would not result in impacts to parks and recreational facilities in the City of Grover Beach.

NO IMPACT

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16 Transportation

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project result in any of the following impacts?

a. Conflict with an applicable plan, ordinance or policy establishing a measure 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible use (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Conflict with adopted policies, plans, or programs regarding public transit, bikeways, or pedestrian facilities, or otherwise substantially decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a. The City General Plan Circulation Element contains several policies under Goal 1: Provide safe and efficient vehicular movement, which describe actions to improve and maintain vehicle access and movement, and to provide for traffic safety and truck and emergency vehicle access. Besides Citywide studies and actions, these policies are also implemented through approval conditions on individual projects. Standards for all projects require setbacks as necessary to provide for visibility and traffic

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safety, access to all structures (Article IX Section 3.10.070), as well as meeting other city requirements. All new construction, remodeling or additions to industrial buildings are required to include the installation of curb, gutter, and sidewalk on City streets, consistent with City standards and approval by the City Engineer (Article IX Section 5.20.010.B.). Since the proposed Municipal Code amendments would not alter any of these existing policies and requirements, the project would not conflict with any existing plans or programs.

b. There is no applicable Congestion Management Program in the City of Grover Beach, since the County of San Luis Obispo and the Cities within the County acted in 1996 to shift the role of Congestion Management Agency within the San Luis Obispo Council of Governments (SLOCOG) to other transportation plans and programs. Within the City, consistency with the applicable General Plan Circulation Element policies and development standards and reviews designed to implement these policies, result in consistency with the applicable regional transportation plan prepared by SLOCOG. The proposed Municipal Code changes do not alter any of these policies and requirements, and any specific future projects undertaken under the commercial cannabis provisions would be expected to comply with them, there would be no impacts related to transportation planning.

c. The project would not involve any alternation in air traffic or in physical changes that would affect air traffic or similar operations. City standards related to the control of outdoor lighting (Section 3.10.040 in Article IX of the Municipal Code) would not be altered by the proposed changes, and the proposed ordinance would restrict the use of grow lights within future commercial cannabis uses between dusk and dawn unless it can be demonstrated that there is no light emanating from the roof of such use. For these reasons, the proposed ordinance and any associated future development would not have a substantial effect or impact on air traffic patterns or issues that would affect air safety.

d. Existing City standards and requirements related to street design and improvements would be retained under the proposed ordinances and any resulting future projects. These requirements would prevent the occurrence of traffic hazards due to design features, and no impact would occur.

e. The proposed ordinances would not alter street designations or design, and any future uses would be similar to nursery, manufacturing, and retail uses that are already allowed in the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones. Future development would be required to provide setbacks and improvements consistent with City requirements, as discussed in item a. above. In addition, any future project would also be required to prepare and implement security measures that would help with communications and response by emergency providers, if necessary. For these reasons, no impacts related to emergency response would occur.

f. The General Plan Circulation Element contains several policies under Goal 3: Promote Alternative Travel Modes, including Transit, Pedestrian, Bicycle, Rail Systems. Development standards in the existing Municipal Code, as well as City standards and procedures that are applicable to all new development, would provide pedestrian and bicycle facilities and support multimodal transportation in the City. The proposed ordinance would not alter these policies, standards, or procedures. By adhering to these requirements, future development would remain consistent with alternative transportation policies and would not have any adverse impacts related to this issue.

NO IMPACT

17 Tribal Cultural Resources

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
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Would the project cause a substantial adverse change in the significance of a tribal cultural resource, deveined in the Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

a. 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-b. The *Master Environmental Impact Report* prepared for the 2010 update of the General Plan Land Use Element recognized that numerous Chumash cultural sites have been recorded in the City of Grover Beach. However, these cultural sites were all identified in areas of present-day residential land use (Grover Beach February 2010: Section 4.8.3). The Land Use Element update also included Policy LU 16-9 to provide for the protection of known and potential archaeological resources. As part of the Land Use Element update, the City requested locations of known cultural resources from the California Native American Heritage Commission, and contacted several local Native American tribal representatives through a consultation process as required by Senate Bill 18 of 2004 (see Appendix A of the *Master Environmental Impact Report*). Although no additional Native American sites or resources were identified in this process, the City has invited similar input from Native American representatives for this project, as required by amendments to CEQA that took effect in 2015 (AB 52). This consultation process will be completed before final approval of the proposed ordinance. For these reasons, the proposed ordinance would not result in any significant impacts relative to Tribal Cultural Resources.

NO IMPACT

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18 Utilities and Service Systems

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
Would the project result in any of the following impacts?				
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Comply with federal, state, and local statutes and regulations related to solid waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-b. No substantial changes in the amount of wastewater discharged to the City sewer system, and treated at the South San Luis Obispo County Wastewater Treatment Plant are anticipated. Requirements in the proposed zoning ordinance changes (Section 2.90.040 in the Development Code) would ensure that all discharges to the sewer system and treatment plan would comply with regulations and Discharge Requirements established by the Regional Water Quality Control Board.

c. Grover Beach is covered by the State Water Resources Control Board (SWRCB) Water Quality Order No. 2003-0005-DWQ, National Pollutant Discharge Elimination System (NPDES) General Permit No.CAS000004, "Waste Discharge Requirements (WDRs) for Small Municipal Separate Storm Sewer Systems, also known as the "MS4 General Permit." The City has an adopted Stormwater Management

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Program, which identifies required “Minimum Control Measures” for such programs. These control measures include public education, outreach and involvement components, as well as descriptions of additional measures to identify harmful storm water discharges, further regulate construction activities, develop additional requirements for addressing hydromodification associated with land use changes and development, and manage City properties that discharge stormwater. All construction activities are already subject to compliance with provisions of the Statewide Construction General Permit. As the City updates its requirements consistent with the Stormwater Management Program, future projects would be subject to more stringent design review and controls. These requirements are not affected by the proposed ordinance changes. Therefore, the project would not cause any substantial changes to stormwater runoff quantity or quality, and would not have an impact with respect to this issue.

d. The City of Grover Beach Urban Water Management Plan provides background information regarding the water supply sources and reliability for Grover Beach, which is summarized in the following paragraphs.

The City relies on a combination of groundwater and local surface water. Groundwater is drawn from the Paso Robles Formation and the Careaga Formation in a system of four wells owned by the City. Groundwater use in the region was subject to litigation, which resulted in a 2002 Settlement Agreement. The portion of safe yield cited in the Settlement Agreement assigned to Grover Beach is 1,198 acre-feet per year. Surface water is obtained from Lopez Lake through Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District. The safe yield of Lopez Reservoir is 8,730 acre-feet per year, of which 4,200 acre-feet per year is reserved for downstream releases to maintain stream flows and groundwater recharge. The City of Grover Beach entitlement in this system amounts to 800 acre-feet per year.

The Urban Water Management Plan includes data and estimates for water use by all sectors in the City, and projects that the total water required in the City over the short-term (three years) would be 1,788 acre-feet per year. During this time, the total supply would range from 1,807 to 2,207 acre-feet per year, with the lower amount representing a 50 percent reduction in use from Lopez Lake. No shortage is anticipated during this time period. (*Urban Water Management Plan Grover Beach 2010:Table 6*).

Over a longer term (2010-2030) the projected water supply for the City would range between 2,207 and 2,607 acre-feet per year (*Urban Water Management Plan Grover Beach 2010:Table 7*). In the same time frame, projected water use in the City is expected to remain at or below 2,000 acre-feet per year (Grover Beach 2010:Table 4). Although no shortages were anticipated in the 2010 UWMP, the City has adopted a water conservation program (Chapter 2 in Article VII of the Municipal Code) and continues to monitor water use, supply, and the potential for using recycled water, and implement the Urban Water Management Plan to provide a long-term reliable water supply.

Most water used in the City is consumed by residential customers, for which there are approximately 5,000 metered water service connections in the City (*Urban Water Management Plan Grover Beach 2010:Table 5*). In contrast, the number of industrial water service connections is much lower, and is projected to increase from 36 connections in 2005 to 42 connections in 2030. The average water consumption for all industrial customers totaled 20.34 acre-feet per year in 2010. The City’s total water consumption was 1,712 acre-feet per year in 2010. As such, water consumption for industrial uses comprised approximately 1.2 percent of the City’s total water use. It should be noted that since the adoption of the 2010 UWMP, water consumption has significantly decreased in response to recent drought conditions and the total water usage was 1,149 acre-feet in 2015.

As noted in Section 8, *Description of the Project*, the maximum anticipated use associated with a new commercial cannabis project, assuming 22,000 square feet of growing area and an average greenhouse water consumption rate, would be approximately 3 acre-feet per year, and this could be reduced to approximately 1.6 acre-feet per year with the water conservation requirements included within the

proposed ordinance. A working paper published by the Rand Corporation entitled *Estimated Cost of Production for Legalized Cannabis* (Caulkins 2010), provides additional details regarding techniques, yields, uncertainties, and other issues related to this topic. It is possible that greater water efficiencies could be achieved through higher density plantings using hydroponic techniques, but for this analysis a more conservative assumption of a 50 percent reduction in water use rate compared with a greenhouse water use rate is used.

Based on communications between potential applicants and the Community Development Director, the special indoor needs and technology associated with cannabis cultivation would lead most applicants to develop new structures on currently vacant land, rather than trying to retrofit existing industrial buildings to suit this purpose. The vacant land area within the Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones was estimated to be approximately 17 acres in the original Initial Study prepared in late 2016. If it is assumed that half of this land is subject to commercial cannabis permit applications, and further assumed that half of the application areas become subject to cultivation (an assumption consistent with Caulkins 2010:Table 1), then the total area subject to indoor cultivation would be just over 185,000 square feet. Again, using an average greenhouse water consumption rate of 5,186 GPD per acre of greenhouse, the total future water consumption from all likely cultivation permits in the City would amount to just over 22,000 GPD or 24.7 acre-feet per year – before implementation of any water management and conservation measures as required by the proposed ordinance and assuming no hydroponic cultivation. Based on the assumption that the ordinance requirement would achieve a 50 percent reduction in the water consumption rate, then the total water consumption from all likely cultivation permits in the City would be approximately 11,000 GPD or 12.4 acre-feet per year.

An updated review of parcel data and air photographs performed in March 2017, shows that even though the area subject to the proposed ordinance has increased (from 70 to 86 acres), the actual number of vacant lots and available vacant land within this area is slightly lower than previously estimated in the 2016 Initial Study (approximately 13 acres compared to the previous 17 acres). Thus, an updated projection of the total future water consumption from all likely cultivation permits would be slightly lower than the above numbers.

The Urban Water Management Plan (Grover Beach 2010:Table 4) contains projections of both the long-term supply and demand for water from 2005 through 2030. In every year, the supply would exceed the demand by at least 200 acre-feet per year, and by up to over 700 acre-feet per year in the last 10 years of the projection. Given the consistency in the estimates of the future water supply and its excess over the projected water demand, and the small fraction of this available supply that might be used by cannabis cultivation, future development consistent with the proposed ordinance on the City's water supply would have no influence on the planning for or provision of future water supplies in the City. For these reasons, the proposed ordinance and any subsequent commercial cannabis projects that would be permitted under the ordinance would have a less than significant impact on the City's water supply system. No mitigation is necessary, but the proposed water conservation requirement should be retained as a prudent water management condition.

e. As noted above in items a. and b., the project would not have a substantial effect on wastewater volume discharged to the City sewer system or on quality. Any discharges to the City sewer system are subject to review and approval by the Director of Public Works. Additionally, in accordance with the South San Luis Obispo County Sanitation District *Pre-Treatment Ordinance* (1994:page 7) applicants would be prohibited from discharging effluent into the sewer system with a total dissolved solids (TDS) concentration above 1,600 mg/L, among other discharge prohibitions and limits. As such, the project would not result in any impact relative to treatment capacity or processes at the South San Luis Obispo County Sanitation District wastewater treatment plant. Enforcement of existing requirements related to

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quality of discharges to the sewer system would prevent any adverse effects on water quality or treatment systems at the wastewater treatment plant.

f-g. The City of Grover Beach is served by South County Sanitary – a municipal waste hauling company that collects solid waste from the area and delivers it to the Cold Canyon Landfill. Both South County Sanitary and the Cold Canyon Landfill are owned by Waste Connections, Inc., and all of the operations are subject to permitting and oversight by the California Department of Resources Recycling and Recovery (CalRecycle) and other regulatory bodies. The proposed ordinance changes would allow commercial cannabis uses in Industrial (I), Coastal Industrial (CI), and Coastal Industrial Commercial (CIC) zones the City, subject to the permit requirements and regulations proposed. The new uses are very similar to nursery and manufacturing and retail uses that are currently allowed in these zones, and would not generate solid waste in amounts or types markedly different from existing permitted uses. No impacts related to solid waste generation would occur from the project.

LESS THAN SIGNIFICANT IMPACT

19 Mandatory Findings of Significance

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less than Significant Impact	No Impact
a. Does the project have the potential to substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

a-c. The proposed Grover Beach Commercial Medical Cannabis Ordinance would not result in any physical development that would substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, 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. The ordinance also would not result in any cumulatively considerable impacts or environmental effects which would cause substantial adverse effects on human beings. Furthermore, future development proposed in the areas of the City allowable under the proposed ordinance would undergo environmental review, pursuant to CEQA. At that time, the physical environmental effects of such development would be evaluated.

NO IMPACT

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Rincon Consultants, Inc. prepared this IS-ND under contract to the City of Grover Beach. Bruce Buckingham is the Community Development Director from the City of Grover Beach and is managing the

Commercial Medical Cannabis Ordinance

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