

## 1.0 INTRODUCTION

### 1.1 OVERVIEW

This Environmental Impact Report (EIR) evaluates the proposed East Cherry Avenue Specific Plan (Project) in the City of Arroyo Grande (City), California. The EIR was prepared by Amec Foster Wheeler, Environment and Infrastructure, Inc. (Amec Foster Wheeler) in cooperation with City of Arroyo Grande staff. This EIR discloses the findings of the City regarding potential impacts of adoption and implementation of the proposed Project.

The Project site consists of three adjacent parcels under separate ownerships referred to as Subarea 1 – a 2.16-acre plot owned

by SRK Hotels; Subarea 2 – a 11.62-acre plot owned by Mangano Homes, Inc.; and Subarea 3 – a 1.51-acre plot owned by the Arroyo Grande Valley Japanese Welfare Association (JWA). In total, the Project includes 15.29 acres at the southeast corner of Traffic Way and East Cherry Avenue. Subarea 1 is currently zoned as Traffic Way Mixed-Use (TMU) for the use of automobile sale and services. Subarea 2 remains undeveloped and has historically been zoned for agricultural production. Subarea 3, however, has a deep rooted history dating back to its original purchase in the 1920s by the JWA and until 2011, has been host to a variety of uses.

The Project is a Specific Plan, General Plan Amendment, Development Code Amendment and Vesting Tentative Tract Map. The intent of the Project is to develop a specific plan with mixed-use and residential uses along the frontage of East Cherry Avenue and Traffic Way, with the inclusion of a circulation network consisting of collector streets and residential alleys. Subarea 1 of the Project site would be developed with a 90- to 100-room hotel and restaurant use under a Conditional Use Permit (CUP). The Project envisions the development of Subarea 2 for residential use as a 60-lot subdivision with 58 single-family residential lots along with a 0.35-acre neighborhood park that also acts as a drainage basin. The proposed development of Subarea 3 would provide for a mix of retail, residential and



*The 15.29-acre Project site, currently undeveloped and mostly used for agriculture, is proposed for hotel and restaurant uses along Traffic Way, 58 housing units, and a 1.51-acre area proposed for Japanese cultural garden, historic orchard, commercial uses, and senior housing.*

visitor serving uses that expresses the ideologies of the JWA and is both compatible with and supports the local community.

### 1.2 PURPOSE AND LEGAL AUTHORITY

This EIR was prepared in accordance with the California Environmental Quality Act (CEQA) Guidelines, published by the Resources Agency of the State of California (Title 14, California Code of Regulations 15000 et. seq.), and the City's procedures for implementing CEQA. It is intended to provide information to public agencies, decision-makers, and the general public regarding the environmental impacts that would result from implementation of the Project. Under the provisions of CEQA, "the purpose of the environmental impact report is to identify the significant effects of a project on the environment, to identify alternatives to the project, and to indicate the manner in which significant effects can be mitigated or avoided" (Public Resources Code 21002.1[a]). In a practical sense, this EIR functions as a tool for fact-finding, allowing the public and the City an opportunity to collectively review and evaluate baseline existing conditions and the Project's potential to result in environmental impacts through a full disclosure process. Additionally, this EIR provides the primary source of environmental information for the City to consider when exercising any permitting or approval authority directly related to the Project.

The CEQA process was established to enable public agencies to evaluate a project in terms of its environmental consequences, to examine and implement methods of eliminating or reducing any potentially adverse impacts, and to consider alternatives to the project. While CEQA Section 15021(a) requires that major consideration be given to avoiding environmental damage, the Lead Agency and other responsible public agencies must balance adverse environmental effects against other public objectives, taking into account economic, legal, social, and technological factors.

Although the Project takes the form of a specific plan, this EIR contains a Project-level environmental review that fulfills the requirement of a Project-level EIR. As defined in CEQA Guidelines Section 15161, a Project EIR examines the environmental impacts of a specific development project and focuses primarily on the changes in the environment that would result from the Project. The EIR examines all phases of the Project including planning, construction, and operation.

Pursuant to CEQA Guidelines Section 15182, where a public agency prepares an EIR on a specific plan, future residential projects that conform to the specific plan would not require

further environmental review, as long as the residential development is within the scope of the EIR, no new environmental effects are anticipated to occur, and no new mitigation measures are required for the residential development.

The City prepared an Initial Study (IS) for the Project in August 2015, made publicly available through the Notice of Preparation (NOP) distribution process in October 2015, which found that the Project may have potentially significant impacts to the following resources: aesthetics, agriculture, air quality, biological resources, cultural resources, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, public services, transportation, and utilities (see Appendix A). Pursuant to Section 21080(d) of the Public Resources Code and Section 15064(f)(1) of the CEQA Guidelines, if there is a fair argument supported by substantial evidence that a project may have a significant effect on the environment, the Lead Agency shall prepare an EIR, even when other substantial evidence has been presented that a project will not have a significant effect. Consequently, the City has determined that the preparation of an EIR would be required to analyze potential environmental impacts of the Project.

In compliance with the procedural requirements of CEQA, the City performed a public scoping process consistent with Section 15083 of the CEQA Guidelines. The public was provided an opportunity to comment on the scope of the EIR through a NOP released on August 14, 2015, which was distributed to federal, state, regional, and City agencies, neighborhood groups. The NOP comment period ran from August 14, 2015 through September 14, 2015, and a public hearing was held on August 26, 2015. During the NOP comment period, City received 30 written comment letters. Comments received during the NOP comment period were considered during EIR preparation and are included in Appendix B.

The Draft EIR has been distributed to federal, state, regional, and City agencies, neighborhood groups, and NOP commenters. The Final EIR is available for review online at the City's Community Development Department website at: <http://www.arroyogrande.org>. Comments received on the Draft EIR during the public review period that ran from April 11, 2016 to May 26, 2016 are addressed in the Final EIR within Section 8.0, *Response to Comments*. Changes to the Final EIR are made in ~~striketrough~~ and underline format.

### 1.3 LEAD, RESPONSIBLE, AND TRUSTEE AGENCIES

Per Section 21067 of CEQA and Sections 15367 and 15050 through 15053 of the State CEQA Guidelines, the City of Arroyo Grande is the Lead Agency under whose authority this document has been prepared. The City has primary discretionary authority to determine whether to approve the Project.

Responsible and other agencies are public agencies responsible for certain discretionary Project approvals or implementing specific components of the Project. These include:

- Regional Water Quality Control Board (RWQCB)
- California Department of Fish and Wildlife (CDFW)
- San Luis Obispo County Air Pollution Control District (APCD)

In addition, trustee agencies have jurisdiction over certain resources held in trust for the people of California but do not have legal authority for approval of the Project. The CDFW is considered the only trustee agency for this Project, pursuant to CEQA Section 15386, with regard to fish and wildlife, and native plants designated rare and endangered.

### 1.4 SCOPE OF THE EIR

This EIR assesses the potential environmental impacts that could occur with implementation of the Project. The scope of the EIR includes evaluation of potentially significant environmental issues identified in the IS and raised in response to the NOP and during scoping discussions. The IS and NOP scoping process determined that the Project may result in potentially significant impacts with respect to the following issue areas, which are addressed in detail in this EIR:

- Aesthetics and Visual Resources
- Agricultural Resources
- Air Quality and Greenhouse Gas Emissions
- Biological Resources
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use
- Noise
- Recreational Resources
- Transportation and Traffic
- Utilities and Public Service
- Other Required CEQA Disclosures

This EIR addresses the issues referenced above and identifies potential environmental impacts, including Project-specific and cumulative effects of the Project, in accordance with the provisions set forth in the CEQA Guidelines. In addition, the EIR recommends feasible mitigation measures, where necessary, that would reduce or eliminate adverse environmental effects. In accordance with CEQA Guidelines Section 15128 (Effects Not Found to Be Significant), environmental impacts related to Geology and Soils, and Mineral Resources were not considered significant, and are discussed in Section 4.0, *Other CEQA Considerations*.

A summary of cumulative impacts, which gives consideration to other projects in the vicinity, are described in each resource section within Section 3.0, *Environmental Impact Analysis and Mitigation Measures*. Cumulative project analyses represent a comprehensive assessment of potential impacts on City resources using a list of past, present, and probable future projects capable of producing related or cumulative impacts.

Consistent with CEQA Guidelines (Section 15126.6[d]), this EIR includes the assessment of a reasonable range of alternatives to the Project that could feasibly attain the project objectives while avoiding or substantially lessening any of the significant effects of the Project. Please refer to Section 5.0, *Alternatives*.

## **1.5 AREAS OF KNOWN PUBLIC CONTROVERSY**

Section 15123 of the CEQA Guidelines states that an EIR shall identify areas of controversy known to the Lead Agency, including issues raised by the agency and the public. Based on comments received from the public hearing and responses received during the NOP comment period, the following issues are known to be of concern and may be controversial. Each issue is further evaluated in the EIR:

- Permanent loss of prime agricultural land;
- Adequacy of utility infrastructure and dependent resources, including the existing water system and available water supply;
- Construction-related impacts such as interference with pedestrian and vehicle traffic circulation, dust, and other emissions;
- Potential impacts associated with stormwater runoff into the drainage channel along the southern Project site boundary;
- Potential impacts to sensitive biological resources within, and adjacent to the south of the Project site; and,
- Potential to obstruct views of the Santa Lucia Range and adjacent natural hillsides, as well as disrupt the visual character of the area.

## 1.6 ORGANIZATION OF THE EIR

This EIR is organized into the following sections:

- Section 1.0, *Introduction*, summarizes the background of the Project and explains the environmental review process.
- Section 2.0, *Project Description*, provides a detailed description of Project specifications, Project and area settings, applicable federal, state, and local regulations.
- Section 3.0, *Environmental Impact Analysis and Mitigation Measures*, provides analysis of existing environmental conditions, specific project impacts, mitigation measures, residual impacts, and cumulative impacts.
- Section 4.0, *Other CEQA Considerations*, identifies significant and irreversible, growth-inducing, and unavoidable effects, as well as resources areas that would not be significantly affected by the Project.
- Section 5.0, *Alternatives*, describes alternatives to the Project, and identifies the Environmentally Superior Alternative.
- Section 6.0, *List of Preparers*, identifies the EIR Project team.
- Section 7.0, *References*, provides information about resources used in the preparation of the EIR.
- Section 8.0, *Response to Comments*, includes responses to all written and oral comments received from the public, organizations, and agencies on the Draft EIR.
- Appendices to the EIR include the IS, NOP and NOP comment letters, and supporting technical studies used as a basis of information and analyses in preparation of the EIR.