Staff Report

TO: Planning Commissioners           DATE: November 28, 2016
FROM: Whitney McIlvaine, Contract Planner

SUBJECT: Continued review from September 6, 2016, of a request to approve Coastal Development Permit (CP0-500), Conditional Use Permit (UP0-440) and a Mitigated Negative Declaration for demolition and removal of tanks, piping, pump equipment, tank foundations and shotcrete at 3300 Panorama. The project is located partially within the Coastal Commission Appeals Jurisdiction.

RECOMMENDATION:
CONDITIONALLY APPROVE THE PROJECT by adopting Planning Commission Resolution 18-16 which includes findings for adoption of the Mitigated Negative Declaration and findings, conditions, and environmental mitigation measures for approval of the project.

APPLICANT: Chris Mathys, agent for owners, Rhine L.P. and CVI Group, LLC

ADDRESS/APN: 3300 Panorama Drive / 065-038-001

PROJECT DESCRIPTION:
The project involves demolition and removal of two large tanks, once used by the Navy to store jet fuel, one water tank, and all associated pumps and piping, both above and below ground. Applicants are also now planning to remove the foundations beneath the tanks and the shotcrete on the berms to better enable soil testing and take advantage of equipment and trucks already in use. Some grading will be necessary to enable access to the tanks and underground piping. Four Monterey cypress trees and one Myoporum would be removed. Buildings will remain. Demolition is anticipated to take approximately 2 to 3 months and will involve roughly 40 to 50 truckloads for the tank, pipeline and pump removal, and approximately 50 to 100 additional truckloads for removal of the concrete foundations and shotcrete.

PROJECT SETTING: The 10-acre project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay (refer to Vicinity Map below). The site was previously used by the Department of the Navy for jet fuel storage and distribution.
Residential development is to the west and partially along the northern and southern boundaries of the site. To the east is vacant agricultural land outside City limits. Most of the site has been extensively graded to create 15- to 20-foot tall berms around the two large tanks and a level area for pumps and buildings.

The site is within the R-1/PD/ESH zoning district (Single-Family Residential / Planned Development / Environmentally Sensitive Habitat) and designated by the General Plan and Coastal Land Use Plan (CLUP) as General Light Industrial / Planned Development. The ESH overlay encompasses an existing coastal drainage along the northwest property.
boundary, which is marked as a blue line stream on the United States Geologic Survey topographic maps. The stream corridor and 100 feet on either side are located in the Coastal Commission’s Appeals Jurisdiction.

### Adjacent Land Use

<table>
<thead>
<tr>
<th>North:</th>
<th>South:</th>
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<tbody>
<tr>
<td>Single Family Residential (R-1/S.1) and vacant AG land in the County</td>
<td>Single Family Residential (R-1/S.1) and Vacant AG land in the County</td>
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<tr>
<td>East:</td>
<td>West:</td>
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<tr>
<td>Vacant Agricultural land in the County</td>
<td>Single Family Residential (R-1/S.1)</td>
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### Site Characteristics

<table>
<thead>
<tr>
<th>Project Site Area</th>
<th>Approximately 10 acres</th>
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<tbody>
<tr>
<td>Existing Use</td>
<td>Decommissioned U.S. Navy Jet Fuel Facility</td>
</tr>
<tr>
<td>Terrain</td>
<td>Moderate to steep slopes and extensive grading</td>
</tr>
<tr>
<td>Vegetation</td>
<td>Non-native grassland, some riparian vegetation</td>
</tr>
<tr>
<td>Access</td>
<td>Panorama at Sicily and Tahiti Streets</td>
</tr>
</tbody>
</table>

### General Plan, Zoning Ordinance, & Local Coastal Plan Designations

<table>
<thead>
<tr>
<th>General Plan/Coastal Plan Land Use Designation</th>
<th>General Light Industrial/Planned Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Zone District</td>
<td>R-1/Single Family Residential</td>
</tr>
<tr>
<td>Zoning Overlay District</td>
<td>PD/Planned Development and ESH/Environmentally Sensitive Habitat (along the stream corridor)</td>
</tr>
<tr>
<td>Coastal Zone</td>
<td>ESH area is located inside the Coastal Appeals Jurisdiction</td>
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PROJECT DISCUSSION:

Background
The Estero Bay Defense Fuel Support Point, constructed by the Navy in the early 1960’s, included an offshore tanker mooring point with a ½-mile long 16” diameter pipeline to shore, a .35-mile pipeline from the shore to the tank station at 3300 Panorama with on-site tanks and equipment, and a 98-mile long 6” pipeline from the tank site to the Lemoore Naval Air Station. The facility was closed in 1991. In 1992, the offshore mooring and undersea pipeline were removed. The large tanks and pipeline from the tank site to Lemoore were cleared of fuel and the tank site was investigated and monitored over a period of 5 years for soil and groundwater pollution by jet fuel hydrocarbons.

In 1996 the Regional Water Quality Control Board and the California Department of Toxic Substances Control (DTSC) agreed that the monitoring could cease, that soil and groundwater contamination would continue to naturally biodegrade, and that the site would not pose a health risk to any receptors under its use as a shuttered facility. The property was declared surplus by the General Services Agency in 2006 and sold to the present owners / project applicants in 2012.
Coastal Development Permit Requirement
Zoning Ordinance subsection 17.12.199 includes demolition in the definition of development. Subject to the provisions of Chapter 17.58 Coastal Development Permits and Procedures, development in the coastal zone which is not exempt from permitting or allowed with an administrative permit requires a regular coastal development permit. Approval of a coastal development permit requires a finding of consistency with the certified local coastal program.

Planned Development Zoning Requirements
The site’s Planned Development (PD) zoning requires approval of a conditional use permit for uses principally or conditionally allowed by the primary zoning district, Single-Family Residential (R-1).

Environmentally Sensitive Habitat Overlay
The project site has an Environmentally Sensitive Habitat (ESH) Overlay designation along a coastal drainage at the northwest boundary of the site, shown on the United States Geological Survey Map as a blue-line stream. The environmentally sensitive habitat area is comprised of the stream channel and areas of adjacent riparian vegetation, collectively called the “stream corridor” and referred to as ESHA in the Mitigated Negative Declaration. A buffer area of 25 to 50 feet is required along stream corridors in urban areas (Zoning Ordinance Section 17.40.040). The ESH Overlay zone applies to the environmentally sensitive habitat area and the required buffer. Potential impacts to on-site biological resources and recommended mitigation are discussed below.

Coastal Appeals Jurisdiction
The stream corridor and an area of 100 feet on either side are within the California Coastal Commission Appeals Jurisdiction. The City’s Local Coastal Program contains policies and regulations to ensure implementation of California Coastal Act provisions addressing environmentally sensitive habitat areas, including coastal streams. Site development is subject to compliance with those policies and regulations as well as consistency with the Coastal Act.

ENVIRONMENTAL DETERMINATION:
On August 2, 2016, the 30-day public review period began for a Mitigated Negative Declaration (MND) of Environmental Impact (SCH#2016081001). The MND identifies potentially significant impacts associated with Air Quality, Biological Resources, Cultural Resources, Hazards/Hazardous Materials, Hydrology/Water Quality, Noise, and
Transportation/Circulation. The MND recommends mitigation measures that, if incorporated into the project, would reduce potential impacts to a less than significant level. The full text of the MND is attached as Exhibit C and available on line at http://www.morro-bay.ca.us/DocumentCenter/View/9845.

Revised Project Description: Since the publication of the MND, the project description has been revised to include removal of the concrete foundations beneath the two large tanks as well as the shotcrete on the berms surrounding the containment basins for each tank. This will likely increase the time it takes to complete the demolition from 2 months to 3 months. Some additional grading is also proposed to enable better access at the top of Sicily Street. In response to neighborhood concerns about potential air quality impacts, the project will now include perimeter air quality monitoring. The project changes do not raise any new issues beyond those already identified in the MND. For clarification, a memo describing the changes to the original project description is attached as part of Exhibit C.

Potential Impacts and Revised Mitigation Measures: Attachment 1 to the resolution for approval (Exhibit A) lists project mitigation measures and monitoring requirements. Mitigation measures related to Air Quality, Biological Resources, and Transportation/Circulation have been revised from those originally proposed as part of the MND. Changes reflect previous Planning Commission direction and concerns expressed by members of the public. Revisions provide equivalent or more effective mitigation as allowed pursuant to the California Environmental Quality Act (CEQA) Sections 15073.5 and 15074.1. Potential environmental impacts discussed in the MND are listed and described below with revised mitigation discussed where applicable.

- **Noise:** Noise from demolition activities will be short-term as the project is not expected to take more than 12 weeks to complete. Recommended mitigation measure N-1 would limit the days and hours of active demolition to Monday through Friday from 8:00 until 4:00. The 10- to 20-foot berms around the tanks will provide some level of sound attenuation for work on the actual tank demolition. Noise from vehicles will be less than significant due to the limited duration of the project. The Planning Commission could further limit the hours of operation and/or the number of large truck trips per day. However, both of these additional restrictions would effectively lengthen the overall duration of the project.

- **Air Quality:** The Air Pollution Control District reviewed the project application and determined that the project, even with the additional work of concrete removal, is unlikely to exceed the APCD’s air quality thresholds. The air quality impact most likely to affect the surrounding residential neighborhood is fugitive dust created by demolition activities, grading and vehicle emissions. Mitigation measure AQ-6 lists 21 measures to reduce fugitive dust, including use of water trucks, track out prevention devices, reduced vehicle speed, and
revegetation of disturbed areas. The Air Quality section of the MND also addresses vehicle idling and hazardous materials handling.

In response to neighbor concerns regarding air quality impacts, the project will now include monitoring in the form of air quality sampling in locations along the perimeter of the site. While water misting will be the principal method of dust mitigation, direct reading particle monitors will be utilized to record downwind dust concentrations on a continuous basis. Air quality monitoring involving lead and asbestos sampling will be performed at the property line during operations that disturb lead-based paint or asbestos containing materials. Air quality can also be monitored for volatile oil compounds. See added Mitigation Measure AQ-8 in the Mitigation and Monitoring Plan attached to the resolution.

➢ Traffic/Circulation:

The map below shows the proposed route for large trucks delivering equipment and hauling off demolition debris. Access to and from the site from Main Street would primarily be from Sicily and Tahiti Streets. Project-related vehicle parking and equipment staging will be contained on-site. Employee vehicles are not expected to exceed eight at any one time and will park just inside the main entrance gate at the top of Tahiti Street. Equipment not in use will be staged on site within the bermed containment area of the southernmost tank. Roughly 40 truckloads will be necessary to remove the tanks, pumps and pipelines. Approximately 70 more truck trips will be necessary to remove the concrete foundations beneath the tanks and the shotcrete on the berms. Recommended mitigation measure TR-1 requires the applicant to prepare and submit a comprehensive Construction Staging and Traffic Management Plan prior to issuance of a demolition permit.

Neighborhood residents have expressed concern regarding the impact of trucks on the streets proposed for use as a truck route to and from the project and on the underlying water and sewer infrastructure.

Trucks are subject to compliance with the California Vehicle Code (CVC) regarding maximum weight. (The City of Morro Bay has not imposed additional weight limits on the affected streets.) The CVC is enforced by the Morro Bay police as well as the California Highway patrol. Trucks are designed so that the larger the anticipated load, the more axles there are. In that way the overall load is more evenly distributed and the point load – the biggest potential source of damage - is reduced. The City may not prohibit trucks which comply with the CVC from using the streets.

1 In general, the gross weight limit on any one axle may not exceed 20,000 pounds and the gross weight on any one wheel, or wheels, supporting one end of an axle, may not exceed 10,500 pounds. This is further reduced when there are two tires on each end of an axle. Finally, the maximum wheel load is limited to the load limit established by the tire manufacturer, which is almost always less than the maximum allowable gross weight limit.

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To further address this issue, David Chanley, a civil engineer with DPSI Engineering, reviewed the proposed truck route and City documents and maps regarding underlying water and sewer mains. (refer to Truck Traffic Impact Analysis, DPSI, November, 2016 on the City website at http://www.morro-bay.ca.us/842/Current-Planning-Projects.) Based on the anticipated number of trips, truck types, field observation and document review, he concluded that the road conditions along the proposed truck route are generally good to very good and are capable of handling the proposed traffic to and from the demolition project. Point loading on sewer and water mains from the proposed 5-axle trucks would be less than that of a typical garbage truck. Water lines are at a minimum depth of 2.5 feet and sewer lines in affected streets are at depths of 5.58 to 11 feet below the surface. Design standards for underground infrastructure anticipate road use and traffic impacts, including impacts from large trucks associated with construction, commercial deliveries and garbage collection.

In conclusion, project related truck traffic will likely accelerate pavement fatigue and could reduce road smoothness, but are not anticipated to adversely impact underlying infrastructure. The City standardly requires the following note to be put on plans for a building or demolition permit:

*Any damage to City facilities, i.e. curb/berm, street, sewer line, water line, or any public improvements shall be repaired at no cost to the City of Morro Bay.*

Prior to and at the conclusion of demolition activities, the contractor and Public Works Department staff will drive the approved truck route and video the street surface. In the event there is damage to the street surface or underlying water and sewer main along the approved truck route, as a result of project truck traffic, the applicant would be responsible for repairs.

To ensure compliance with the CVC weight limits, Planning Condition #12 would require the applicant to document the actual weight of loaded 5-axle loaded trucks leaving the site.
**Biological Resources:**
The applicant submitted a *Biological Assessment Letter Report* (Terra Verde 2016)\(^2\) which generally shows the stream corridor and associated riparian vegetation (Figure 4 in the report). The proposed demolition will temporarily impact areas along the drainage and require removal of 4 Monterey cypress trees and one large Myoporum shrub. On-site biological resources include the drainage along the northwestern property line and stands of Monterey cypress trees. The report also addresses the potential presence of endangered plant and animal species and recommended protection.

A *Biological Monitoring Plan* (Terra Verde August, 2016) was subsequently submitted outlining awareness training and areas to be surveyed, protected, and monitored in compliance with recommended environmental mitigation measures BR-1 through BR-7 in the MND. In response to questions asked by the public at the September 6, 2016 Planning

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\(^2\) Please note: The reference in the Biological Report to a phased project is not accurate. The project involves demolition of the tanks, pumps, and pipelines as well as the removal of the concrete foundations beneath the tanks and the shotcrete on the berms. No buildings are proposed for removal and the demolition will occur in a single phase.

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Commission meeting and the neighborhood meeting held on-site on October 17th, a second Biological Assessment Letter Report was submitted (Terra Verde October, 2016). All submitted biological documents can be viewed on the City website at http://www.morro-bay.ca.us/842/Current-Planning-Projects.

Equipment access and excavation work is likely to temporarily disturb soils in the vicinity of the stream corridor but not within the banks of the stream; specifically, pipe removal work north of the control building and near the culvert entrance would occur near the drainage bank. Removal of the piping in this area is more desirable in the long term than leaving it to disintegrate in place, especially since the flange connections are likely to contain asbestos. Mitigation is recommended to ensure impacts are less than significant. Biological Mitigation Measure B-4 has been modified to reflect Planning Commission direction to install permanent fencing along the required buffer area on either side of the riparian corridor once demolition is complete. In addition, the buried pipeline along the southern edge of the drainage will be staked in order to assess possible impacts on significant vegetation as a result of trenching necessary to remove the pipeline. Trenching and pipeline removal along the drainage will be subject to monitoring by a qualified arborist. See added Mitigation Measure BR- 8.
The applicant also submitted an Arborist Report (Greenvale Tree Company May 18, 2016) which identifies trees to be removed and specifies tree protection measures for trees to remain. The report is on the City website at http://www.morro-bay.ca.us/842/Current-Planning-Projects. Tree removal is recommended for 3 Monterey cypress and one Myoporum immediately adjacent to tanks and one other cypress near the main site entry tree as shown on the site plan above. Mitigation measure BR-7 requires replacement planting at a 2:1 ratio for removal of the Monterey cypress. In response to Planning Commission direction, that mitigation measure has been revised to require planting on site prior to the end of demolition activities.

➢ Hazardous Materials:

The tanks and pipelines were cleared of jet fuel in 1991 as part of the facility closure. Based on the Risk-Based Closure Report (Fluor Daniel GTI 1996) completed prior to the closure of the facility, hydrocarbons and benzene were identified in soil and groundwater samples. The report notes that the “distribution of hydrocarbons in the impacted groundwater has been monitored since 1991” and “data from the installation and monitoring of the wells indicates a rapid decrease in dissolved hydrocarbon concentrations downgradient from source areas, and relatively stable dissolved hydrocarbon concentrations near source areas.”

The report concluded that the impacts to potential groundwater receptors of hydrocarbons in groundwater migrating from the project site are considered negligible. Based on this report, the Department of Toxic Substances Control (DTSC) and the Regional Water Quality Control Board concurred that contamination left at the site does not pose a threat to the public health or the environment, and the site was delisted in June 1997. No further action was identified, as no further development was proposed at that time. The DTSC acknowledged that when the site is converted to residential use it should be reassessed for the presence of contaminants and the need for any additional remediation.

Between 1990 and 1996, soil borings and groundwater samples were analyzed for jet fuel contamination. As noted above, exposure to residual groundwater contamination was deemed negligible. There are three areas on site where total petroleum hydrocarbons (TPH) in the soil were found to exceed acceptable regulatory thresholds. Removal of the contamination was deemed unnecessary given the relatively low concentrations of TPH, the existing non-intensive land use (storage and grazing), and the typical rate that TPH biodegrades over time. Since the site was closed there have been no uses that would have resulted in any additional site contamination. Because TPH biodegrades over time, the level of contamination is now less than the levels documented when the site was delisted in 1997.

Where demolition is likely to disturb areas of previously documented hydrocarbon
contamination, soils will be tested prior to beginning demolition activities in compliance with required Air Pollution Control District (APCD) permitting. The applicant is required to obtain an APCD Permit to Operate to address proper management of hydrocarbon contaminated soil before the start of any earthwork that may encounter subsurface contamination, in order to mitigate potential health and environmental hazards related to possible exposure. This permit will include conditions to minimize emissions from any excavation, disposal, or related process. The project must also comply with existing regulations regarding the handling and disposal of materials and soils containing, or potentially containing, lead and asbestos (both naturally occurring and demolition related). Prior to issuance of a permit for demolition from the City of Morro Bay, the applicant must submit evidence of compliance with APCD requirements.

Prior to issuance of a demolition permit the project must also meet stringent requirements for a Tank System Closure Permit from County Environmental Health. Among other things, the applicant must provide approved certification documents indicating the tanks and pipelines have been properly cleaned and rendered safe. The applicant is also required to do environmental sampling and have an approved Hazardous Waste Management Plan and Site Safety Plan. Plans are subject to approval by both the County Environmental Health Department and the City of Morro Bay Fire Department. Before demolition activities begin, fuel pipelines to and from the property will be sealed and inspected by County Environmental Health and City Fire Department personnel.

Potential airborne hazardous substances are also addressed in the discussion on Air Quality.

- **Cultural Resources:**

A records search and surface survey were conducted for the project (Albion Environmental 2016). Due to the extensive landscape modification of the project site during construction of the U.S. Navy jet fuel facility, intact subsurface prehistoric or historic-era archaeological deposits are not likely to exist within the areas affected by proposed demolition. While the potential for resource and human remains discovery is low, projects such as this have the risk of unintentionally impacting cultural resources. Therefore, the applicant has agreed to retain a qualified archaeologist to conduct a cultural resource awareness training and to monitor the site together with a Native American during project related ground disturbance.

A historic evaluation of the property, prepared by Daniel Shoup with Archaeological/Historical Consultants, concluded that although the facility was part of an important historical trend (the development of military infrastructure during the Cold War), it does not meet the required criteria to be considered a historic resource under the California Environmental Quality Act. A link to the historic report on the City website site is listed at the end of this staff report.
PUBLIC COMMENT:
At the September 6, 2016 Planning Commission meeting, the applicants submitted a petition signed by neighbors in support of the proposed demolition. At the November 1, 2016 meeting, the Morro Bay Stakeholders submitted a petition asking the City to require a performance bond from the applicant “commensurate with the full term, scope, cost and schedule for this project.” Commissioners were also copied on several emails from members of the public. The applicants held a neighborhood meeting on October 17, 2016 on the project site to address neighbor concerns.

Due to the nature and scope of the project and the particular layout of this area of the City, with small lots and narrow streets, the surrounding neighborhood is very concerned with the proposed demolition and have formed a Morro Bay Stakeholders group to discuss the project and formulate questions. Concerns regarding the impacts to environmentally sensitive habitat areas and to streets and underlying infrastructure are discussed above.

Neighbors have asked the City to require a performance bond to ensure the project is completed per the issued permit and in the event of failure to repair damages to streets and underlying infrastructure resulting from project-related activities. In general, a performance bond is used when an applicant is constructing public improvements as a condition of project approval, such as roads and infrastructure installed as part of a subdivision, or when a City or County contracts with a private company to install or repair public improvements. In this case, a private property owner is proposing to do work that does not require public improvements, except that bonding can be required for work done as part of any encroachment permit necessary to perform work in the area of right-of-way at the top of Sicily Street in order to provide acceptable truck access.

Planning staff has consulted with the Public Works Department and the City Attorney’s Office regarding the request for a performance bond, concerns about possible street and infrastructure damage, and general concerns from the public about guarantees and protections from applicant concerning the Project’s proposed activities.

After negotiations between applicant and City Attorney’s Office, applicant has agreed to accept insurance requirements as provided for in Planning Conditions No. 9 (“Insurance.”) This condition requires that applicant and applicant’s subcontractors have general liability insurance in an amount not less than $1,000,000 per occurrence, and $2,000,000 general aggregate, and that any operator of an automobile for the Project will have comprehensive automotive insurance for bodily injury and property damage in an amount not less than $1,000,000.

As a result of these same negotiations, applicant has agreed to an indemnification requirement as provided for in Standard Conditions No. 5(b) (“Hold Harmless and Indemnification”). This condition provides that applicant shall indemnify, defend and hold
harmless the City for damages which may be caused by the Project.

Public Works Conditions Nos. 6, 7, and 8 provide further protections.

Public Works Conditions No. 6 provides that applicant shall conduct a video survey of all intended construction routes before and after demolition to document road damage that results from heavy construction traffic to the satisfaction of the Public Works Director.

Public Works Conditions No. 7 requires that applicant obtain an encroachment permit and construct a temporary construction entrance near the southwest corner of the parcel near Sicily Street.

Public Works Conditions No. 8 provides that a building permit for demolition may only be issued on the condition that any damage to City facilities or public improvements, caused by applicant’s demolition activities, shall be repaired by applicant at no cost to Morro Bay.

Planning Conditions Nos. 8 and 12 also provide further protections. Planning Conditions No. 8 designates a truck route. Planning Conditions No. 12 requires verification that truck weights remain within the legal limits established by state law.

Furthermore, Mitigation Measure AQ-8 in the Mitigation and Monitoring Plan (attached to the Resolution) addresses concerns about impacts on air quality. Monitoring is now required in the form of air quality sampling in locations along the perimeter of the site. Prior to commencing any demolition or grading activities, direct reading particle monitors will be utilized to record downwind dust concentrations on a continuous basis. And, air quality monitoring involving lead and asbestos sampling will also be performed at the property line during operations that disturb lead-based paint or asbestos containing materials.

CONCLUSION:
The project is consistent with the General Plan and Local Coastal Program because, as conditioned, the demolitions will not have any substantial adverse effect on the environment or coastal resources. Furthermore, the demolition is consistent with the site’s residential zoning as a first step in the eventual transition from previous military use to civilian use. As conditioned, the project is also consistent and with the stated goals of the zoning ordinance to promote the growth of the City in an orderly manner and to promote public health, safety and general welfare.

PUBLIC HEARING NOTICE:
Notice of a public hearing on this item was published in the San Luis Obispo Tribune newspaper on November 25, 2016, and all property owners and occupants of record within 1,000 feet of the project site were notified of the scheduled public hearing and invited to
voice any concerns on this application. The project site was also posted with two public notice signs.

**RECOMMENDATION:**
Staff recommends the Planning Commission approve the requested Coastal Development Permit CP0-500 and Conditional Use Permit UP0-440 for the proposed demolition of tanks and associated pumps, piping, and concrete at 3300 Panorama Drive, as depicted in the demolition site plan submitted to the City on November 28, 2016, by adopting Planning Commission Resolution 18-16 which includes the Findings for adoption of the Mitigated Negative Declaration and Findings, Mitigation Measures, and Conditions of Approval for the project.

**EXHIBITS:**

Exhibit A: Planning Commission Resolution 18-16 including Attachment 1 Mitigation and Monitoring Program
Exhibit B: Demolition Site Plan
Exhibit C: Mitigated Negative Declaration
Exhibit D: Revised Project Description

**Planning Commissioner packets include:**
Full-sized plans

**Project-related documents available on the City of Morro Bay website at**
http://www.morro-bay.ca.us/842/Current-Planning-Projects including:

Mitigated Negative Declaration
Biological Reports
Arborist Report
Aerial View of Trees
Historic Report
Truck Traffic Impact Analysis
10-16-16 Demolition Plan
Demolition Site Plan
Attachment 1
Mitigation and Monitoring Program
3300 Panorama Drive
UP0-440, CP0-500

AIR QUALITY

Mitigation Measure AQ-1: Demolition/Construction Permit Requirements. Portable equipment, 50 horsepower (hp) or greater, may require California statewide portable equipment registration (issued by the California Air Resources Board) or an Air Pollution Control District (APCD) permit. Certain operations, such as degassing and cleaning of petroleum storage tanks, may also require an APCD permit. To minimize potential delays, prior to the start of the project, please contact the APCD Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

Monitoring AQ-1: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-2: Petroleum Storage Tank Removal and Degassing. As required, the Certified Unified Program Agency (CUPA) should be contacted prior to removal or degassing of fuel storage tanks. The San Luis Obispo County Environmental Health Division of the Public Health Department is the CUPA for most locations in San Luis Obispo County. You may contact Environmental Health Services at (805) 781-5544 for more information. Degassing and cleaning of fuel storage tanks must be done under an Air Pollution Control District permit for tank degassing and cleaning equipment. The removal of the liquid product, sludge, and vapor components must be performed in a safe, controlled fashion in order to avoid nuisance odors and the uncontrolled release of gaseous hydrocarbons. Vacuum trucks or pumps used to remove sludge and/or hydrocarbon containing materials must be vented to a District permitted control system to prevent odors and hydrocarbon emissions. For more information concerning permit requirements, please contact the Engineering Division at (805) 781-5912.

Monitoring AQ-2: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-3: APCD Permitting of Hydrocarbon Contaminated Soil Processes. This project will require an Air Pollution Control District (APCD) permit to address proper management of the hydrocarbon contaminated soil prior to the start of any earthwork. This permit will include conditions to minimize emissions from any excavation, disposal or related process. To the extent feasible, the applicant must contact the APCD Engineering Division at 781-5912 at least 120 days before the start of excavation to begin the permitting process. In addition, the air quality impacts from the excavation and haul trips associated with removing the contaminated soil must be evaluated and mitigated if total emissions exceed the APCD's construction phase thresholds.

Monitoring AQ-3: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-4: Naturally Occurring Asbestos. Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations (93105), prior to any grading or construction activities at the site, the project proponent shall ensure that a geologic evaluation is conducted to determine if the area disturbed is exempt from the regulation. An exemption request must be
filed with the APCD. If the site is not exempt from the requirements of the regulation, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. More information on NOA can be found at slocleanair.org/business/asbestos.php.

**Monitoring AQ-4:** All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

**Mitigation Measure AQ-5:** Demolition/Asbestos. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, abatement, and disposal of asbestos containing material (ACM). ACM could be encountered during the demolition or remodeling of existing structures or the disturbance, demolition, or relocation of above or below ground utility pipes/pipelines (e.g., transite pipes or insulation on pipes). This project will include these activities and may be subject to various regulatory jurisdictions including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants 40CFR61 Subpart M - asbestos NESHAP. These requirements include, but are not limited to: 1) written notification, within at least 10 business days of activities commencing, to the APCD, 2) asbestos survey conducted by a Certified Asbestos Consultant, and, 3) applicable removal and disposal requirements of identified ACM. Please contact the APCD Enforcement Division at (805) 781-5912 and also go to slocleanair.org/business/asbestos.php for further information. To obtain a Notification of Demolition and Renovation form go to the "Other Forms" section of: slocleanair.org/business/onlineforms.php.

**Monitoring AQ-5:** All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

**Mitigation Measure AQ-6:** Dust Control Measures. Demolition and construction activities can generate fugitive dust, which could be a nuisance to local residents and businesses in close proximity to the proposed construction site. Projects with grading areas that are within 1,000 feet of any sensitive receptor (residences) shall implement the following mitigation measures to manage fugitive dust emissions such that they do not exceed the APCD's 20% opacity limit CAPCD Rule 401) or prompt nuisance violations CAPCD Rule 402).

a. Reduce the amount of the disturbed area where possible;

b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the APCD's limit of 20% opacity for greater than 3 minutes in any 60 minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that since water use is a concern due to drought conditions the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control. For a list of suppressants, see Section 4.3 of the CEQA Air Quality Handbook;

c. All dirt stock pile areas should be sprayed daily and covered with tarps or other dust barriers as needed;

d. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible, following completion of any soil disturbing activities;

e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established;

f. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;
g. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;

h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;

i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of free board (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;

j. To prevent "track out", install and operate a "track-out prevention device" where vehicles enter and exit unpaved roads onto paved streets. "Track-Out" is defined as sand or soil that adheres to and/or agglomerates on the exterior surfaces of motor vehicles and/or equipment (including tires) that may then fall onto any highway or street as described in California Vehicle Code Section 23113 and California Water Code 13304. The "track-out prevention device" can be any device or combination of devices that is effective at preventing track out, located at the point of intersection of an unpaved area and a paved road. Rumble strips or steel plate devices require periodic cleaning to be effective;

k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers shall be used with reclaimed water used where feasible. Roads shall be pre-wetted prior to sweeping when feasible;

l. Prior to any ground disturbance, sufficient water or soil stabilizers shall be applied to the area to be disturbed to prevent visible emissions from crossing the property line;

m. Areas to be graded or excavated shall be kept adequately wetted and/or stabilized to prevent visible emissions from crossing the property line;

n. Storage piles shall be kept adequately wetted, treated with a chemical dust suppressant, or covered when material is not being added to or removed from the pile;

o. Equipment shall be washed down before moving from the property onto a paved public road;

p. Visible track-out on the paved public road shall be cleaned using wet sweeping or a HEPA filter equipped vacuum device within twenty-four (24) hours;

q. During site grading and/or excavation activities, if serpentinite material is encountered, the project engineering geologist shall be notified that this material has been encountered;

r. If serpentinite material is encountered during grading or excavation activities and dust control measures are inadequate, the APCD shall be contacted to address the need for active air monitoring at the site;

s. During site excavation for investigation purposes, a water truck shall be available for dust control;

t. All PM10 (dust) mitigation measures required should be shown on grading and building plans; and,

u. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints and reduce visible emissions below the APCD's limit of 20% opacity for greater than 3 minutes in any 60 minute period. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD Compliance Division prior to the start of any grading, earthwork or demolition.

**Monitoring AQ-6:** All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

**Mitigation Measure AQ-7:** Construction Phase Idling Limitations. This project is in close proximity to nearby sensitive receptors (residences to the northwest, west and south). Projects that will have diesel powered construction activity in close proximity to any sensitive receptor shall implement the following mitigation measures to ensure that public health benefits are realized by reducing toxic risk from diesel
emissions: To help reduce sensitive receptor emissions impact of diesel vehicles and equipment used to construct the project the applicant shall implement the following idling control techniques:

California Diesel Idling Regulations
a. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
   1. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and,
   2. Shall not operate a diesel-fueled auxiliary power system (APS) to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.

b. Off-road diesel equipment shall comply with the 5 minute idling restriction identified in Section 2449(d)(2) of the California Air Resources Board's In-Use off-Road Diesel regulation, and as further restricted below (see Diesel Idling Restrictions Near Sensitive Receptors); and

c. Signs must be posted in the designated queuing areas and job sites to remind drivers and operators of the state's 5 minute idling limit and project site Diesel Idling Restrictions Near Sensitive Receptors.

The specific requirements and exceptions in the regulations can be reviewed at the following web sites: www.arb.ca.gov/msprog/truck-idling/2485.pdf and www.arb.ca.gov/msprog/ordiesel/documents/finalregorder-dec2011.pdf.

Diesel Idling Restrictions Near Sensitive Receptors
In addition to the State required diesel idling requirements, the project applicant shall comply with these more restrictive requirements to minimize impacts to nearby sensitive receptors (residences to the northwest, west and south):

a. Diesel idling within 1,000 feet of sensitive receptors shall not be permitted;

b. Use of alternative fueled equipment is recommended; and

c. Signs that specify the no idling areas must be posted and enforced at the site.

Monitoring AQ-7: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.

Mitigation Measure AQ-8: The project shall include monitoring in the form of air quality sampling in locations along the perimeter of the site to the satisfaction of the Air Pollution Control District and the Community Development Director. Prior to commencing any demolition or grading activities, direct reading particle monitors shall be installed to record downwind dust concentrations on a continuous basis for the duration of the project. Air quality monitoring involving lead and asbestos sampling shall be performed at the property line during operations that disturb lead-based paint or asbestos containing materials.

Monitoring AQ-8: All air quality mitigation measures shall be shown as notes on the demolition plan set. The City Community Development Department shall verify receipt of documentation demonstrating compliance.
compliance. The applicant shall provide a weekly electronic log of air quality sampling results to the Community Development Department and to the Air Pollution Control District.

**BIOLOGICAL RESOURCES**

**Mitigation Measure BR-1:** Prior to issuance of demolition permits, the applicant shall submit documentation verifying designation of a qualified biological monitor for all biological resources measures to ensure compliance with Conditions of Approval and mitigation measures. The monitor shall be responsible for the preparation, submittal, and compliance with a Biological Monitoring Plan. The Plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding environmentally sensitive areas; (5) authority to stop work; and (6) action to be taken in the event of non-compliance.

**Monitoring BR-1:** The City Community Development Department shall verify receipt and compliance with the approved Biological Monitoring Plan.

**Mitigation Measure BR-2:** Prior to the initiation of demolition actions, including equipment and materials staging and storage, the biological monitor shall conduct environmental awareness training for all construction personnel. The environmental awareness training shall include discussions of sensitive habitats and animal species in the immediate area. Topics of discussion shall include: general provisions and protections afforded by the Endangered Species Act; measures implemented to protect special-status species; review of the project boundaries and special conditions; the monitor’s role in project activities; lines of communications; and procedures to be implemented in the event a special-status species is observed in the work area.

**Monitoring BR-2:** The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that all project personnel have completed the required training.

**Mitigation Measures BR-3:** Prior to the initiation of demolition actions, including equipment and materials staging and storage, the applicant’s contractors and the biological monitor shall coordinate the placement of project delineation fencing throughout the work areas. The biological monitor shall field fit the placement of the project delineation fencing to minimize impacts to sensitive resources. The project delineation fencing shall remain in place and functional throughout the duration of the project. During construction, no project related work activities shall occur outside of the delineated work area.

**Monitoring BR-3:** The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming that project delineation fencing has been installed and remains in place for the duration of the project. The biological monitor shall determine when the fencing may be removed, in consultation with the City Community Development Department.

**Mitigation Measure BR-4:** Prior to initiation of demolition actions, including storage and use of equipment and materials within the project site, the following avoidance and mitigation measures shall be implemented to minimize and/or avoid impacts to ESHA as a result of proposed actions:

a. Limits of Environmentally Sensitive Habitat Area (ESHA) shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESHA fencing shall be maintained in good order for the duration of the project.
b. No equipment access, excavation, or other land disturbing activities shall occur within the limits of ESHA.

c. Appropriate erosion and sediment control measures shall be installed and maintained for soil disturbances which could lead to sedimentation impacts to the unnamed tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESHA shall be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, or similar method approved by the City of Morro Bay).

d. Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.

e. Any equipment or vehicles operated adjacent to ESHA shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.

f. Emergency spill kits shall be present at the site and personnel shall be trained in proper use of the spill kit during all demolition and removal activities. Training documentation shall be provided to the City of Morro Bay.

g. Appropriate amounts of water and/or soil stabilizers shall be used to suppress fugitive dust during demolition and earth disturbing work, consistent with San Luis Obispo Air Pollution Control District standards.

h. If it is determined by the contractor that disturbance to ESHA cannot be avoided, such disturbance shall be prohibited pending full California Environmental Quality Act, Coastal Act, and Local Coastal Program Policy analysis by the City of Morro Bay. In addition, appropriate permits (i.e., California Department of Fish and Wildlife Lake and Streambed Alteration Agreement) shall be obtained prior to work.

i. Grading and demolition shall not occur during the typical rainy season (October 31 until April 1).

Upon completion of all demolition and grading activities, the applicant shall install permanent fencing a minimum of 25 feet from the edge of the ESHA.

**Monitoring BR-4:** These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

**Mitigation Measure BR-5:** To avoid and/or minimize these potential impacts to California red-legged frog and other common wildlife species, the following measures are required:

a. A qualified biologist shall survey the project site no more than 48-hours before the start of work activities. If California red-legged frog are detected within the unnamed tributary and out of harm’s way, a biological monitor shall monitor all demolition and removal activities within 50 feet of suitable habitat. If California red-legged frog is found within any of the areas planned for disturbance, the biological monitor shall contact the U.S. Fish and Wildlife Service (USFWS) for guidance on how to proceed. No work shall occur until receipt of authorization to proceed from the USFWS.

b. Work shall halt if California red-legged frog are discovered during the course of project activities within demolition and removal areas. The biological monitor shall contact USFWS prior to any future work.

c. All common wildlife species encountered during the course of project activities shall be allowed to leave the area unharmed on their own volition.

d. No project-related materials and/or equipment shall be allowed within the designated ESHA area without prior approval from the City and regulatory agencies.

**Monitoring BR-5:** These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development
Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

**Mitigation Measure BR-6:** To avoid impacts to special-status and nesting bird resources, the following measures are required:

a. Demolition and removal activities, earth disturbance, and vegetation clearing shall be avoided during the typical nesting season (February 1 – September 15) to the extent feasible. Consistent with the City’s *Major Vegetation Removal, Replacement and Protection Guidelines*, no tree shall be removed during the February through June 30 nesting season, except in the case of an emergency as determined by the Public Works Director. If avoiding project activities between July 1 and September 15 is not feasible, a qualified biologist shall survey the area within one week prior to activity beginning on the site. If nesting birds are located, they shall be avoided until they have successfully fledged or are no longer reliant on parental care. A buffer zone of 250 feet will be placed around all non-sensitive passerine bird species and 500 feet for all raptor species unless buffer reductions are coordinated with California Department of Fish and Wildlife (CDFW) based on compelling biological and ecological reasoning. Activity will remain outside of buffers until a qualified biologist has determined that the young have fledged or the young are no longer reliant on parental care. If special-status bird species are located, no work will begin until an appropriate buffer is determined by consultation with the City, the local CDFW biologist, and/or the U.S. Fish and Wildlife Service (USFWS).

**Monitoring BR-6:** These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

**Mitigation Measure BR-7:** As part of final site grading, restoration and erosion control, the applicant shall replace, in-kind at a minimum 2:1 ratio, all mature Monterey cypress trees removed as a result of the development of the project. Replacement trees shall be planted on site in a manner and location approved by the Community Development Director. These newly planted trees shall be maintained until successfully established. Watering shall be controlled so only enough is used to initially establish the tree, and reducing to zero over a three-year period. Once trees have been planted and prior to final inspection, the applicant shall retain a qualified individual (e.g., landscape contractor, arborist, nurseryman, botanist) to prepare a letter stating when the above planting occurred, what was planted and all measures installed to improve the long-term success of these trees. This letter shall be submitted to the City Community Development Department.

**Monitoring BR-7:** These measures shall be incorporated into a Tree Restoration Plan to be submitted as part of the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance with the approved Biological Monitoring Plan, and receipt of documentation from the biological monitor confirming compliance.

**Mitigation Measure BR-8:** Trenching and pipeline removal along the drainage shall be monitored by a qualified arborist. Trenching activities shall minimize damage to tree roots where possible. Any proposed tree removal in conjunction with trenching along the drainage must be approved by the Community Development Director and based on a qualified arborist’s evaluation.

**Monitoring BR-8:** These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department.
CULTURAL RESOURCES

Mitigation Measure CR-1: Prior to the initiation of demolition actions, including equipment and materials staging and storage, a qualified archaeologist shall conduct a cultural resource awareness training for construction crews and supervisors. The cultural resource awareness training shall include the following: 1) a description of the kinds of resources that may be found in the area, 2) the importance of cultural resources to the Native American community, 3) a discussion of laws pertaining to significant archaeological and historical sites, and 4) protocols to be used in the event of an unanticipated discovery.

Monitoring CR-1: The City Community Development Department shall verify receipt of documentation from the qualified archaeologist confirming that all project personnel have completed the required training.

Mitigation Measure CR-2: In the event that intact and/or unique archaeological artifacts or historic or paleontological resources are encountered during grading, clearing, grubbing, and/or other demolition activities associated with the proposed project involving ground disturbance, all work in the immediate vicinity of the find shall be stopped immediately, a qualified archaeologist and/or paleontologist, and Native American monitor shall be notified, and the resource shall be evaluated to ensure the discovery is adequately recorded, evaluated and, if significant, mitigated.

Monitoring CR-2: These measures shall be included as notes on the demolition plan set, for review and approval by the City Community Development Department. The City Community Development Department shall verify compliance.

Mitigation Measure CR-3: Prior to ground disturbance, the applicant shall retain a qualified archaeologist, defined as an archaeologist who meets the Secretary of the Interior Professional Qualification Standards for archaeology to prepare and implement a Cultural Resources Monitoring Plan. The Plan shall include procedures and policies for the following: (1) ensuring that procedures for verifying compliance with environmental mitigations are followed; (2) lines of communication and reporting methods; (3) compliance reporting; (4) construction crew training regarding cultural resources; (5) authority to stop work; and (6) action to be taken in the event of non-compliance. The archaeological monitor and Native American representative(s) shall be present during ground disturbing activities. The archaeological monitor shall submit a monitoring report to the City Community Development Department following completion of all required monitoring activities.

Monitoring CR-3: The City Community Development Department shall verify receipt and compliance with the approved Cultural Resources Monitoring Plan.

HAZARDS/HAZARDOUS MATERIALS

Mitigation Measure HM-1: Prior to the initiation of demolition actions, the applicant shall submit all documentation of the County of San Luis Obispo Environmental Health Services approval of the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and Contingency Plan for Discovered Hazardous Waste (Bedford Contracting, Inc. 2016). A copy of the contingency plan shall be available for review onsite at all times, and the applicant shall comply with all approved policies and measures identified in the document. The applicant shall comply with all existing regulations protecting public health and safety.
**Mitigation Measure HM-2:** Prior to initiation of demolition actions, the applicant shall prepare and submit a Spill Prevention Control and Countermeasure Plan to the City Community Development Department. The plan shall supplement the approved *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) and identify hazardous materials to be used on and off-site, and shall identify procedures for storage, distribution, and spill response. Equipment refueling shall be done in non-sensitive areas and such that spills can be easily and quickly contained and cleaned up without entering any existing stormwater drainage system or creek. The plan shall include procedures in the event of accidents or spills, identification of and contact information for immediate response personnel, and means to limit public access and exposure. Any necessary remedial work shall be done immediately to avoid surface or ground water contamination. The plan shall be implemented by the construction contractor, and verified by the City Engineer.

**Monitoring HM-2:** The City Community Development Department shall verify receipt of approval documentation from County Environmental Health Services, and shall verify compliance with all policies and guidelines identified in the Aboveground Hazardous Materials Storage Tank and Piping Closure permit application and *Contingency Plan for Discovered Hazardous Waste* (Bedford Contracting, Inc. 2016) in consultation with the County of San Luis Obispo.

**NOISE**

**Mitigation Measure N-1:** Prior to demolition actions, the applicant shall ensure that the following standard is included on the Demolition Plan, and shall verify compliance during construction and demolition: Use of metal shears, saws, and jack-hammers shall be limited to Monday through Friday, 8:00 a.m. to 4:00 p.m. only.

**Monitoring N-1:** The construction contractor shall be responsible for complying with demolition restrictions and notifying the City Community Development Department at least one week prior to initiation of demolition activities. The City Engineer shall conduct periodic inspections to verify compliance.

**TRANSPORTATION/CIRCULATION**

**Mitigation Measure TR-1:** Prior to initiation of demolition actions, the applicant shall prepare and submit a Construction Staging and Traffic Management Plan for approval by the City Community Development Department. The Plan shall be implemented during construction, and shall include, but not be limited to, the following elements:

a. Description of construction activities, including equipment lists and project schedule, including estimated start and end dates and working hours;

b. Name of on-site construction manager;

c. Identification of the work area, truck route(s), and staging areas in relation to cross streets, including all distances and dimensions;

d. Traffic control plan, including identification of partial or full road closures and on-street parking, staging, and queuing; all temporary traffic control devices including signs and delineators; use of
construction staff to manage or direct traffic; measures to reduce truck and equipment queuing on City streets; and safety measures for vehicles, pedestrians, bicyclists, and construction workers.

**Monitoring TR-1:** The construction contractor shall be responsible for complying with traffic mitigation measures and notifying the City Community Development Department at least one week prior to initiation of construction activities. The City Engineer shall conduct periodic inspections to verify compliance.

**Acceptance of Mitigation Measures by Project Applicant:**

__________________________________________________________________________

Applicant/Agent Date
RESOLUTION NO. PC 18-16

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION ADOPTING A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT AND APPROVING COASTAL DEVELOPMENT PERMIT (CP0-500) AND CONDITIONAL USE PERMIT (UP0-440) FOR DEMOLITION AND REMOVAL OF TANKS, PIPING, PUMPING EQUIPMENT, TANK FOUNDATIONS AND SHOTCRETE IN THE R-1/PD/ESH ZONE AND PARTIALLY WITHIN THE COASTAL APPEALS JURISDICTION AT 3300 PANORAMA DRIVE

WHEREAS, the Planning Commission of the City of Morro Bay (the “City”) conducted a public hearing at the Morro Bay Veteran’s Hall, 209 Surf Street, Morro Bay, California, on September 6, 2016 and December 6, 2016, for the purpose of considering Coastal Development Permit CP0-500 and Conditional Use Permit UP0-440 and the associated Mitigated Negative Declaration for demolition and removal of tanks, pipelines, pumping equipment, tank foundations, and shotcrete on the containment berms (“Project”); and

WHEREAS, the Project is anticipated to take 2 to 3 months and will involve roughly 40-50 truckloads for the tank, pipeline and pump removal, and approximately 50-100 additional truckloads for removal of concrete foundations and shotcrete; and

WHEREAS, adjacent to, and within proximity of, the Project site there is an existing residential development (“residential area”); and

WHEREAS, access for heavy truck traffic to and from the Project site will be along narrow streets through the residential area, and reasonable concerns have been expressed concerning the impact of heavy trucks on these residential streets and on their underlying water and sewer infrastructure; and

WHEREAS, the applicant for the Project’s Coastal Development Permit CP0-500 and Conditional Use Permit UP0-440 has agreed to certain insurance requirements (as provided in this Resolution) applicable to the Project’s activities, and the applicant has agreed to indemnify the City of Morro Bay (as provided in this Resolution) for damage caused by the Project; and

WHEREAS, heavy trucks are subject to compliance with the California Vehicle Code (CVC) regarding maximum weight loads which are approved for public streets and roads, and when heavy trucks exceed such maximum weight limits approved for public streets and roads, then damage to public streets and roads can occur; and

WHEREAS, the City has a legitimate interest in ensuring compliance with such maximum weight limits by heavy trucks used for the Project through a weight verification program; and

WHEREAS, the air quality of the residential area surrounding the Project site may be impacted from demolition activities, grading and vehicles emissions; and
WHEREAS, in addition to the use of various mitigation measures to ensure the maintenance of air quality in the neighborhoods surrounding the Project site, the City has a legitimate interest in also monitoring such air quality through sampling air quality in locations along the perimeter of the Project site, by the use of direct reading particle monitors on a continuous basis downwind from the Project site during demolition or grading activities, and by performing air quality monitoring involving lead and asbestos sampling at the property line during operations that disturb lead-based paint or asbestos containing materials; and

WHEREAS, notice of the public hearings were provided at the time and in the manner required by law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Morro Bay as follows:

Section 1: The foregoing recitals are all true and correct, and are incorporated herein by this reference.

Section 2: Findings. Based upon all the evidence, the Commission makes the following findings:

California Environmental Quality Act (CEQA) Finding

1. For purposes of the California Environmental Quality Act, an Initial Study was prepared for the project which resulted in a Mitigated Negative Declaration (SCH#2016081001). The Mitigated Negative Declaration (the “MND”) was routed to the State Clearinghouse for the required 30-day review and all other legal noticing and review requirements have been met. The MND outlines mitigation measures to be incorporated into the project to ensure the project will have a less than significant impact on the environment, the project applicants agreed to all mitigations, and such mitigations are provided for in a Mitigation and Monitoring Program which is attached hereto as Attachment 1.

2. Changes to the project description after the 30-day public circulation period, which include expanding the proposed demolition to add removal of the concrete foundations beneath the tanks and removal of the shotcrete on the containment berms, do not require recirculation of the MND because there are no new avoidable significant effects or issues which were not addressed in the circulated MND.

3. Revisions to mitigation measures, proposed in response to comments made by Commissioners and members of the public at duly noticed public hearings to
consider the proposed demolition project at 3300 Panorama Drive (UP0-440 and CP0-500), are equivalent or more effective means of avoiding or reducing the identified potentially significant effects than the original measures and will not create more adverse effects of their own.

Coastal Development Finding

1. The project is consistent with applicable provisions of the Local Coastal Program (LCP) because, as conditioned, the demolitions will not have any substantial adverse impacts on the environment or coastal resources and because the proposed demolition will remove remnants of a use which is not consistent with the site’s residential zoning.

2. Removal of pipelines near the stream corridor is consistent with the Morro Bay Coastal Land Use Plan environmentally sensitive habitat policies. This is because, as conditioned, the project will not discharge pollutants or sedimentation into the coastal stream, no grading is permitted within the stream channel, grading outside the stream channel but within the stream buffer is for the sole purpose of removing an aging and potentially hazardous pipeline associated with the site’s previous use by the U.S. Navy for storage and distribution of jet fuel, and removal of the pipeline and subsequent installation of protective fencing along the stream corridor will facilitate reestablishment of riparian vegetation.

Conditional Use Permit Finding

1. As conditioned, the project is in compliance with the General Plan and certified Local Coastal Program and will not be detrimental to the health, safety, and general welfare of persons residing or working in the surrounding neighborhood. The demolition is consistent with the site’s residential zoning as a first step in the orderly transition from previous military use to uses allowed in the site’s Single Family Residential zoning district.

Section 3. Action. The Planning Commission does hereby adopt the July, 2016 Mitigated Negative Declaration (SCH#2016081001) and approve Coastal Development Permit CP0-500 and Conditional Use Permit 440 for property located at 3300 Panorama Drive subject to the following conditions:

STANDARD CONDITIONS

1. This permit is granted for the land described in the staff report dated November 22, 2016, for the project at 3300 Panorama Drive (the “Property”), as depicted on plans received by the City on November 28, 2015, as part of Coastal Development Permit CP0-488 and Conditional Use Permit 440, on file with the Community Development Department, as modified by these conditions of approval, and more specifically described as follows: Demolition of tanks,
pumping equipment, all associated above and below ground pipelines, concrete foundations beneath the tanks, and removal of shotcrete on the containment berms, as designated on plans and specifically conditioned herein.

2. **Inaugurate Within Two Years:** Unless the demolition is commenced not later than two (2) years after the effective date of this Resolution and is diligently pursued, thereafter, this approval will automatically become null and void; provided, however, that upon the written request of the applicant, prior to the expiration of this approval, the applicant may request up to two extensions for not more than one (1) additional year each. Any extension may be granted by the City’s Community Development Director (the “Director”), upon finding the project complies with all applicable provisions of the Morro Bay Municipal Code (the “MBMC”), General Plan and certified Local Coastal Program (LCP) in effect at the time of the extension request.

3. **Changes:** Minor changes to the project description and/or conditions of approval shall be subject to review and approval by the Community Development Director. Any changes to this approved permit determined, by the Director, not to be minor shall require the filing of an application for a permit amendment subject to Planning Commission review.

4. **Compliance with the Law:** (a) All requirements of any law, ordinance or regulation of the State of California, the City, and any other governmental entity shall be complied with in the exercise of this approval, (b) This project shall meet all applicable requirements under the MBMC, and shall be consistent with all programs and policies contained in the LCP and General Plan for the City.

5. **Hold Harmless and Indemnification:**

   (a) The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the applicant's project; or applicant’s failure to comply with conditions of approval. Applicant understands and acknowledges the City is under no obligation to defend any legal actions challenging the City’s actions with respect to the project. This condition and agreement shall be binding on all successors and assigns.

   (b) The applicant, as a condition of approval, shall indemnify, defend, and hold harmless the City, its officers, employees, and agents from any and all losses, costs, expenses, claims, liabilities, actions, or damages, including liability for injuries to any person or persons or damage to property, arising at any time during or arising out of, or in any way connected with the actions or omissions of applicant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which applicant is legally liable, under the terms of this
permit, unless solely caused by the gross negligence or willful misconduct of City, its officers, employees, or agents.

6. **Compliance with Conditions:** The applicant’s establishment of the use or development of the subject property constitutes acknowledgement and acceptance of all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Director or as authorized by the Planning Commission. Failure to comply with any of these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the MBMC and is a misdemeanor.

7. **Compliance with Morro Bay Standards:** This project shall meet all applicable requirements under the MBMC, and shall be consistent with all programs and policies contained in the LCP and General Plan of the City.

**PLANNING CONDITIONS**

1. **Construction Hours:** Pursuant to MBMC subsection 9.28.030.I and consistent with the project description for purposes of environmental review, demolition, alteration or repair of any building or general land grading and contour activity using equipment in such a manner as to be plainly audible at a distance of fifty feet from the building shall not occur other than between the hours of eight a.m. and four p.m. on weekdays, except in case of urgent necessity in the interest of public health and safety, and then only with a permit from the Community Development Department, which permit may be granted for a period not to exceed three days or less while the emergency continues and which permit may be renewed for a period of three days or less while the emergency continues.

2. **Dust Control:** That prior to issuance of a Building Permit for demolition, a method of control to prevent dust and wind blown earth problems shall be submitted for review and approval by the Building Official and the Community Development Director, and shall be consistent with all applicable air quality mitigation measures.

3. **Conditions of Approval on Demolition Plans:** Prior to the issuance of a Building Permit for demolition, the final Conditions of Approval and the Environmental Mitigation and Monitoring Program shall be attached to the set of approved plans.

4. **Construction Activity Sign:** Prior to the start of any grading or demolition activity, the applicant shall post a construction sign along the Panorama frontage of the project site which is approximately 4’ x 4’ in size which contains applicant contact information, including a phone number and email address, a 24-hour emergency phone number, an area for a weekly work plan, estimated weekly truck trips (updated weekly), estimated daily truck trips (updated at least weekly),
5. **Grading in Dry Season Only:** Consistent with Coastal Land Use Plan Policy 9.07, project related demolition and grading activities shall not occur during the rainy season (October 31 through April 1). Plans submitted to the Building Division for demolition shall include requirements for sediment catch basins, revegetation within a specified period of time and other slope stabilization measures. All measures for capturing sediments and stabilizing slopes including revegetation shall be in place before the beginning of the rainy season.

6. **Site Stabilization:** Temporary vegetation, seeding, mulching, or other suitable stabilization methods shall be used to protect soils subject to erosion that have been disturbed during grading or development. All cut and fill slopes shall be stabilized immediately with planting or native grasses and shrubs, appropriate nonnative plants, or with accepted landscaping practices to the satisfaction of the Community Development Director and the City Engineer. Soil stabilization measures shall be clearly shown and described on plans submitted for demolition.

7. **Grazing Prohibited:** Grazing of livestock on the project site at 3300 Panorama is hereby prohibited.

8. **Designated Truck Route:** Project-related truck traffic shall access the site via Sicily and Tahiti Streets from Main Street. Trucks with more than two axles shall access Main Street via the State Route 1 and Yerba Buena intersection. All project contractors and employees shall receive written notice regarding the approved truck route. A copy of the written notice shall be provided as part of the application for demolition.

9. **Insurance:**

   a) **Commercial General Liability Insurance.** The applicant and applicant’s subcontractors shall procure and maintain, at their sole cost and expense, in a form and content satisfactory to City, during the entire term of the project and as provided herein, a policy of commercial general liability insurance (occurrence form CG0001 or equivalent) written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000 per occurrence, and $2,000,000 general aggregate. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. In the event the entirety of the project is performed by applicant’s subcontractors, solely the applicant’s subcontractors shall be required to comply with the requirements herein. The applicant shall be required to ensure applicant’s subcontractors comply with the requirements herein.
b) **Automotive Insurance.** Any operator of an automobile under the terms of this permit (including applicant and applicant’s subcontractors) shall procure and maintain, at it/their sole cost and expense, in a form and content satisfactory to City, during the entire term of the project and as provided herein, a policy of comprehensive automotive insurance (form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent) written on a per occurrence basis for bodily injury and property damage in an amount not less than $1,000,000. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile. The applicant shall be required to ensure applicant’s subcontractors comply with the requirements herein.

c) **Subcontractors.** Applicant shall furnish separate certificates and certified endorsements (as applicable) for each subcontractor used for the project evidencing coverage for subcontractors meeting all of the requirements stated herein.

d) **Notice.** All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without either the insurer or the insured’s broker providing reasonable prior written notice by certified mail return receipt requested to the City, except for in the event that said insurance coverage is to be cancelled or amended for non-payment of premium, the insurer or insured’s broker must provide ten (10) days prior written notice by certified mail return receipt requested to the City before such amendment and/or cancellation for non-payment. In the event any of said policies of insurance are cancelled, the applicant shall, prior to the cancellation date, submit new evidence of insurance in conformance with the requirements stated herein to the City.

e) **Rating.** The insurance required shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City’s Risk Manager or other designee of the City due to unique circumstances.

f) **No Limitation of Responsibility.** The applicant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the applicant may be held responsible for the payment of damages to any persons or property resulting from lawfully determined liability of the applicant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which applicant is legally liable or is otherwise responsible.

g) **Proof of Insurance.** A Building Permit for demolition will not be issued until the applicant has provided the City with Certificates of Insurance, endorsement forms as applicable, or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.
City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City or any party.

10. Environmental Compliance Monitor: The applicant shall retain a qualified independent Environmental Compliance Specialist, approved by the City of Morro Bay, to oversee and document compliance with all approved project-related mitigation measures as well as environmental regulatory requirements pertaining to the proposed demolition activities. Job duties and reporting protocols shall be subject to approval of the Community Development Director.

11. Parking: All employee vehicles and project-related equipment and trucks shall be parked on site and not in the right-of-way, unless specifically allowed as part of an encroachment permit.

12. Portable Weight Scale: The applicant shall install a temporary truck weigh station on site to record the actual weight of trucks leaving the site which are transporting debris and other materials related to the demolition project. Applicant shall document to the satisfaction of the City that every such truck leaving the site weighs equal to or less than the permitted weight loads allowed by the California Vehicle Code and for which the trucks are licensed. City and applicant anticipate that semi-end dump trucks and five-axle tractor trailer trucks licensed for no more than 80,000 pounds will be used for the project. This requirement may be modified if another means of documenting truckload weights is acceptable to the Community Development Director.

ENVIRONMENTAL CONDITIONS

1. The applicant shall comply with the environmental mitigation measures as detailed in the Mitigation and Monitoring Program which is attached hereto as Attachment 1.

PUBLIC WORKS CONDITIONS

1. Clean-up: Verify all equipment, hazardous waste, paints, liquids, chemicals, etc. are safely removed prior to demolition. Provide measures to contain any possible spills and contamination of existing material during demolition. After removal of tanks and foundation, provide proof of clean site closure from all appropriate regulatory agencies prior to further development.

2. BMP: Utilize Best Management Practices (BMP) to address any existing remnants/stains/residue of previously stored chemicals, paints, liquids, etc., to ensure that storm runoff will not become contaminated. All hazardous materials, storage sites and hazardous waste management sites shall be cleaned or abandoned as directed by the San Luis Obispo County Environmental Health
Stormwater Pollution Prevention Plan: A SWPPP is required for all projects over 1 acre to address all potential pollutants and their sources. Projects over 1 acre are subject to the Construction General Permit. A “Notice of Intent” must be submitted to the State Water Resources Control Board. The requirements for the General Permit and guidelines for the SWPPP can be found at: http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml. Submit the SWPPP WID# (Waste Identification Number) prior to Grading or Building Permit approval.

Utilities: Plans submitted for a building demolition permit shall clearly show all utilities and their pre- and post-demolition disposition. Where any utilities are proposed for temporary or permanent abandonment:
   a) Stub, cap and label all sewer laterals and water lines at each connection.
   b) Terminate all gas, phone, power, internet, cable t.v., etc. lines following all applicable utility company policy and procedures.
   c) Indicate the locations of all remaining utility terminations (i.e. gas, sewer, water etc.).

Tanks: Tank removal, must be completed in compliance with all terms and conditions established by applicable outside regulatory agencies (the Air Pollution Control District and the San Luis Obispo County Environmental Health Department) which shall include but not be limited to the following:
   a. Certification of a Pre-demolition Plan, a Demolition Plan, a Site Safety Plan, an Environmental Sampling Plan and a Hazardous Waste Management Plan prepared in accordance with 22CCR, Section 67383.3 by a Certified Industrial Hygienist, Certified Marine Chemist, Registered Professional Engineer, Registered Environmental Assessor, Class II or a Licensed Contractor who holds a current Hazardous Substance Removal Certification.
   b. Both Pre-demolition and Demolition Plans shall include all measures identified by SLOCO EHS that are necessary to assure the safety of all workers, neighboring residents and the environment.

Road Assessment: The applicant shall conduct a video survey of all intended construction routes before and after demolition to document road damage that results from heavy construction traffic. If pavement deterioration is noted, the applicant will be required to use a Pavement Assessor certified by the Metropolitan Transportation Commission (MTC) to perform a formal pavement condition survey using standards established by ASTM D6433 and modified by MTC’s 8AC distress protocol. Repairs shall be designed by a licensed Professional Engineer to the satisfaction of the Public Works Director and City Engineer.
7. **Encroachment Permit**: The applicant shall obtain an Encroachment Permit and construct a temporary construction entrance near the southwest corner of the parcel near Sicily Street.

8. Add the following Notes to the Plans for Building Permit for Demolition:

   a. Applicant agrees that issuance and acceptance of a building permit for demolition is conditioned on applicant guarantees and warrants that any damage caused by, or arising from, such demolition activities, to City facilities (e.g. curb/berm, street, sewer line, water line), or any public improvements shall be repaired by applicant at no cost to the City of Morro Bay.

   b. No work shall occur within (or use of) the City’s Right of Way without an encroachment permit. Encroachment permits are available at the City of Morro Bay Public Works Office located at 955 Shasta Ave. The Encroachment permit shall be issued concurrently with the building permit.

**FIRE CONDITIONS**

**Emergency Response Plan**

1. Applicant shall prepare and provide an Emergency Response Plan (ERP) for the planned storage tank and piping demolition and removal at the former Navy Jet Fuel Storage Site at 3300 Panorama Drive. The ERP shall be submitted to the City of Morro Bay Fire Department for review. A copy of the ERP will be maintained on-site at all times during site activities and include the following information:

   a. **Emergency Response.** Potential site emergencies may be natural or man-made and include, but not limited to, fire, explosions, chemical releases or spills, civil disturbances or workplace violence, bomb threats, and other unplanned physical or chemical exposures. The ERP will include appropriate methods of emergency response and notification.

   b. **Pre-Emergency Planning.** Site management personnel will prepare for an emergency before it happens based on site location, hazards, planned activities, weather, etc. Preventing emergencies can be accomplished through the identification and elimination of hazards.

   Pre-emergency planning includes reviewing the ERP with site personnel and inspection of emergency response equipment and supplies. Prior to project commencement, the Field Project Manager (FPM) will coordinate with the City of Morro Bay Fire Department to discuss the project schedule, potential hazards and the location of hazardous materials at project site, the location of emergency response equipment, and emergency response procedures, as contained in the ERP.
c. **Communication/Emergency Alerting and Notification.** The Field Project Manager (FPM) will have primary responsibility for responding to and correcting emergency situations. A Health and Safety Officer (HSO) will serve as alternate. The FPM and HSO will evaluate the emergency for appropriate levels of response. The FPM will announce evacuation to site personnel and contact emergency services as required.

In the event of a fire or explosion, the Morro Bay Fire Department shall be summoned immediately. Upon their arrival, the FPM will advise the fire commander of the location, nature, and identification of the hazardous materials on-site and status of a spill control program.

Following an emergency, the FPM and HSO will ensure that all reports and notifications have been prepared and submitted.

d. **Emergency Response Roster/Directory.** The FPM shall prepare and provide an Emergency Contact Roster/Directory, include all project personnel and emergency contact information.

e. **Informational Attachments.** Applicant shall prepare and provide attachments containing the following information:

1. Site Location Map.
2. Excavation Grading Plans.
3. Spill Control Program.
5. Employee/Worker parking Location (not permitted on Panorama Drive due to narrow roadways and subject to citation).

**Tank Removal:** Tank demolition, removal or relocation may commence only after the local agency has given approval.

2. Submit a pre-demolition plan with information relative to the certification of both storage tanks, piping, atmosphere, and removal of all underground piping.

3. Upon approval of the closure permit application, the tank owner/operator shall carry out the proposed actions. Tank removal and sampling activities must be witnessed by representatives of the Certified Unified Program Agency (CUPA) and local agency (City of Morro Bay Fire Department).

4. Hazardous materials shall be removed from tanks and piping prior to tank demolition, removal or relocation and must be properly managed. Materials generated as the result of the rinsing or decontamination of tanks shall be managed as hazardous wastes unless a written hazardous waste determination per Title 22 California Code of Regulations §66262.11 demonstrates that the waste is non-hazardous.
5. All pumps and associated piping shall be removed.

6. The person removing the tank(s) shall provide tank removal/lifting equipment of a size adequate to safely lift the tank(s) onto the transport vehicle without dragging or otherwise causing an unsafe condition.

7. For tanks previously containing flammable/combustible materials, the person closing the tank(s) shall provide, on-site and readily accessible, at least one 40BC rated portable fire extinguisher and a properly calibrated meter capable of measuring LEL (Lower Explosive Limit) and oxygen levels.

8. Tanks previously containing flammable/combustible materials shall be made safe for demolition, removal, or relocation by the addition of dry ice (carbon dioxide) — or other methods approved by the local agency — sufficient to achieve an atmosphere of either less than 10% oxygen or less than 20% LEL. (Note: At a minimum add 22.2 pounds of dry ice per each 1,000 gallons of tank volume; however, highly volatile materials may require more.)

9. Establish a procedure and documentation for atmospheric testing, in both tanks and piping to determine, achieve and maintain safe exposure levels for oxygen, flammable vapors and toxic materials, prior to demolition, during demolition, at the start of each work day, along the entire pipe length and inside and outside of each tank.

10. Identify intrinsically safe and calibrated testing equipment to confirm non-flammable and non-explosive atmosphere in the tanks and piping.

11. Establish and Identify a process for isolating all incoming and outgoing pipe lines.

12. The person closing the tank(s) shall be responsible for ensuring that conditions at the site provide for workplace safety, protection of the environment, and maintenance of integrity of nearby structures.

13. All tanks and piping shall be manifested and hauled by a licensed hazardous waste transporter to a permitted hazardous waste facility, whether or not they have been rinsed on site. (Note: This does not apply to tanks which have been cleaned on-site and certified as non-hazardous in accordance with California Code of Regulations, Title 22, Division 4.5, Chapter 32.)

14. If soil sampling is required by the local agency or CUPA, sampling must be completed by an approved third-party. Soil samples shall be analyzed by a laboratory State-certified for the required analyses and handled under a Chain-of-Custody form. Sample results without a Chain-of-Custody form shall be considered invalid and re-sampling will be required.

15. If contamination of any detectable concentration is found, further soil and groundwater investigation may be required.
16. The following information shall be submitted to the local agency within 60 days of tank removal: Analytical results from samples; copy of completed sample Chain(s)-of-Custody; site drawing(s) showing tank location(s), pipeline runs, sampling locations, and sampling depths; and a photocopy of the TSDF signed copy of each hazardous waste manifest used to transport tanks, piping, tank contents (if managed as hazardous waste), and rinseate.

**Summary of Requirements to Obtain Final Tank System Closure**

17. The operator of the facility at which the tank was located shall update the facility’s Hazardous Materials Business Plan (HMBP) within 30 days of tank removal by electronically submitting revised Hazardous Materials Inventory information and a revised Storage Map via the California Environmental Reporting System (CERS) at [cers.calepa.ca.gov](http://cers.calepa.ca.gov) or the Certified Unified Program Agency (CUPA) electronic reporting portal, if applicable.

18. The following information shall be submitted to the agency overseeing closure within 60 days of tank removal: Analytical results from samples, sample Chain(s)-of-Custody, and site drawings showing tank location(s), pipeline runs, sampling locations, and sampling depths (if sampling was required); and a copy of the TSDF-signed copy of any Uniform Hazardous Waste Manifest or Consolidated Manifest used to transport tanks, piping, tank contents, and tank/piping rinseate.

**California Fire Code Requirements (CFC)**

19. Fire Prevention Program Superintendent. The owner shall designate a person to be the fire prevention program superintendent who shall be responsible for the fire prevention program and ensure that it is carried out through completion of the project. (CFC 3308.1)

20. Pre-Fire Plan. The fire prevention program superintendent shall develop and maintain an approved pre-fire plan in cooperation with the fire chief. The fire chief and fire code official shall be notified of changes affecting the utilization of information contained in such pre-fire plan. (CFC 3802.2)

21. Training. Training responsible personnel in the use of fire protection equipment shall be the responsibility of the fire prevention program superintendent. Submit training records of identified personnel who will be part of the program. (CFC 3308.4)

22. Emergency Communication. All personnel at the project site shall have access to a means of communication to contact the fire department. (CFC 3309.1)

23. Emergency Vehicle Access shall be provided to the demolition site. Vehicle access shall be provided by either temporary or permanent roads, capable of supporting vehicle loading under all weather conditions. (CFC 3310.1)
24. Operational Permit is required to conduct cutting or welding operations within the jurisdiction. (CFC 105.6.11)

25. Hot Work shall only be conducted in areas designed or authorized for that purpose by the personnel responsible for a hot work program and approved by Morro Bay Fire Department. (CFC 3501.3)

26. Hot Work areas shall not contain combustibles or shall be provided with appropriate shielding to prevent sparks, slag or heat from igniting exposed combustibles. (CFC 3504.1.1)

27. Hot work shall not be performed on containers or equipment that contains or has contained flammable liquids, gases or solids until the containers and equipment have been thoroughly cleaned, inerted or purged: except that “hot tapping” shall be allowed on tanks and pipe lines when such work is conducted by approved personnel. (CFC 3504.1.7)

28. A fire watch shall be provided during hot work activities and shall continue for a minimum of 30 minutes after the conclusion of the work. Morro Bay Fire Department is authorized to extend the fire watch based on the hazards or work being performed. (CFC 3504.2.1)

29. Location. The fire watch shall include the entire hot work area. Hot work conducted in areas with vertical or horizontal fire exposures that are not observable by a single individual shall have additional personnel assigned to fire watches to ensure that exposed areas are monitored. (CFC 3504.2.2)

Provide a plan for the number of personnel who will be assigned to a fire watch, given the size of the existing JP-5 tanks.

30. Individuals designated to fire watch duty shall have fire-extinguishing equipment readily available and shall be trained in the use of such equipment. These personnel shall be responsible for extinguishing fires and communicating an alarm. (CFC 3505.2.3)

Provide verification that all individuals conducting fire watch have been trained and certified in the use of fire extinguishing systems.

31. Training. Individuals responsible for performing the hot work and fire watch shall be trained in the use of portable fire extinguishing systems. (CFC 3504.2.4)

Provide verification that all individuals conducting fire watch have been trained and certified in the use of portable hand held fire extinguishers.

32. Fire Extinguishers. A minimum of one portable fire extinguisher complying with Section 906 and with a minimum 2-A:10-B:C rating shall be accessible within 30 feet of the location where hot work is performed. (CFC 3504.2.6)
Provide the locations of all required fire extinguishers on the demolition plans.

33. Area Review. Before hot work is permitted and at least once per day while the permit is in effect, the area shall be inspected by those responsible for authorizing hot work operations, to ensure that it is a fire safe area. Information shown on the permit shall be verified prior to signing the permit, in accordance with CFC 105.6. (CFC 3504.3)

34. Pre-Hot Work Check. A pre-hot work check shall be conducted prior to work to ensure that all equipment is safe and hazards are recognized or protected. A report of the check shall be kept at the work site during the work and available upon request. (CFC 3504.3.1). The pre-hot work check shall determine all of the following:
   a. Hot work equipment to be used shall be in satisfactory operating condition and in good repair.
   b. Hot work site is clear of combustibles or combustible are protected.
   c. Fire watches are assigned.
   d. Fire extinguishers are operable and available.

Provide a proposed site checklist for approval by the Morro Bay Fire Department.

35. Removal and Disposal of Tanks. Removal of aboveground and underground tanks shall be in accordance with all of the following:
   a. Flammable and combustible liquids shall be removed from the tank and connected piping.
   b. Piping at tank openings that is not to be used further shall be disconnected.
   c. Piping shall be removed from the ground.
   d. Tank openings shall be capped or purged, leaving a 1/8-inch to ¼-inch diameter opening for pressure equalization.
   e. Tanks shall be purged of vapor and inerted prior to removal.
   f. All exterior above-grade fill and vent piping shall be permanently removed.
   g. Disposal. Tanks shall be disposed of in accordance with federal, state and local regulations.

36. Morro Bay Fire Department is authorized to order all site operation halted, if in the opinion of the Fire Chief or his designee, a threat to public safety, life safety hazards, wind or other conditions or violations of provisions of the Operational Permit are found. All project operations shall be required to cease immediately.
BUILDING CONDITIONS

1. **Building Permit**: Prior to construction, the applicant shall submit a complete Building Permit Application and obtain the required Permit.

2. **Demolition Debris**: Prior to requesting a final inspection, the contractor shall submit to the Building Department a Demolition Debris Disposal Report, including weigh tags, demonstrating that a minimum of 50% of the demolition debris, by weight, was recycled.

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 6th day of December, 2016 on the following vote:

AYES: 
NOES: 
ABSENT: 
ABSTAIN: 

______________________________
Chairperson Robert Tefft

ATTEST

Scot Graham, Community Development Director

The foregoing resolution was passed and adopted this 6th day of December, 2016.
THE DELIVERY OF THIS DRAWING SHOULD NOT BE CONSTRUED TO PROVIDE AN EXPRESS WARRANTY OR GUARANTEE TO ANYONE THAT ALL DIMENSIONS AND DETAILS ARE EXACT OR TO INDICATE THAT THE USE OF THIS DRAWING IMPLIES THE REVIEW AND APPROVAL OF DPSI OF ANY FUTURE USE. ANY USE OF THIS INFORMATION IS AT THE SOLE RISK OF THE USER.
THE DELIVERY OF THIS DRAWING SHOULD NOT BE CONSTRUED TO PROVIDE AN EXPRESS WARRANTY OR GUARANTEE TO ANYONE THAT ALL DIMENSIONS AND DETAILS ARE EXACT OR TO INDICATE THAT THE USE OF THIS DRAWING IMPLIES THE REVIEW AND APPROVAL OF DPSI OF ANY FUTURE USE. ANY USE OF THIS INFORMATION IS AT THE SOLE RISK OF THE USER.
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The State of California and the City of Morro Bay require, prior to the approval of any project, which is not exempt under CEQA that a determination be made whether or not that project may have any significant effects on the environment. In the case of the project described below, the City has determined that the proposal qualifies for a Mitigated Negative Declaration.

CASE NO.: UP0-440 and CP0-500

PROJECT TITLE: 3300 Panorama Drive, Demolition of Tanks and Associated Structures

APPLICANT / PROJECT SPONSOR:

Owner: Rhine LP and CVI Group, LLC

c/o Oro Financial of CA, Inc.

2304 West Shaw Ave. #102

Fresno, CA 93711

T 559-438-9999

Applicant/Agent: Chris Mathys

Oro Financial of CA, Inc.

2304 West Shaw Ave. #102

Fresno, CA 93711

T 559-438-9999

Mathys@orofinancial.net

PROJECT DESCRIPTION: The applicant proposes to demolish and remove two large holding tanks (approximately 4,350,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 131,600-gallon water tank, all piping attached to the tanks, pumps and both exposed and underground piping behind the pump house building structure, and approximately 24 yards of shotcrete located along a center berm between the two large Navy tanks and the berm between the pump house and tanks. The applicant proposes a primary staging area (for equipment and waiting trucks) to be located between the southern Navy tank and...
Panorama Drive, and a secondary staging area (for equipment and pump removal) near the entrance to the project site, adjacent to Panorama Drive. The project is anticipated to require some level of disturbance over approximately 8 acres of the 10.6-acre site. The project is expected to require 1.5 to 2 months to complete.

**PROJECT LOCATION:** The project site is located at 3300 Panorama Drive, at the northeast corner of the City of Morro Bay. The site was previously used by the Department of the Navy for jet fuel storage and distribution. The site is within the R-1/PD/ESH (Single-Family Residential/Planned Development / Environmentally Sensitive Habitat) zoning district and designated by the General Plan and Coastal Land Use Plan (CLUP) as General Light Industrial / Planned Development. The ESH overlay is located along an existing drainage proximate to the northwest property boundary. The project site is partially located in the Coastal Commission’s Appeals Jurisdiction, due to the presence of the coastal stream/drainage (ESH).

**FINDINGS OF THE:** Environmental Coordinator

It has been found that the project described above will not have a significant effect on the environment. The Initial Study includes the reasons in support of this finding. Mitigation measures are required to assure that there will not be a significant effect in the environment; these are described in the attached Initial Study and Checklist and have been added to the permit conditions of approval.
INITIAL STUDY AND CHECKLIST

I. PROJECT INFORMATION

Project Title: 3300 Panorama Drive, Demolition of Tanks and associated structures

Project Location: 3300 Panorama Drive (APN 065-038-001)

Case Number: Coastal Development Permit #CP0-500 and Conditional Use Permit #UP0-440

Lead Agency: City of Morro Bay
955 Shasta Ave.
Morro Bay, CA 93442
Contact: Whitney McIlvaine

Project Applicant/Agent: Chris Mathys
Oro Financial of CA, Inc.
2304 West Shaw Ave. #102
Fresno, CA 93711

Project Landowner: Rhine LP and CVI Group, LLC
2304 West Shaw Ave. #102
Fresno, CA 93711

General Plan Designation: General Light Industrial / Planned Development / Environmentally Sensitive Habitat

Zoning Designation: R-1/PD/ESH (Single-Family Residential / Planned Development / Environmentally Sensitive Habitat)

PROJECT DESCRIPTION: The applicant proposes to demolish and remove two large holding tanks (approximately 4,350,000 gallons each) once used by the United States Navy to store jet fuel, one approximately 131,600-gallon water tank, all piping attached to the tanks, pumps and both exposed and underground piping behind the pump house building structure, and approximately 24 yards of shotcrete located along a center berm between the two large Navy tanks and the berm between the pump house and tanks (refer to Figure 2). The applicant proposes a primary staging area (for equipment and waiting trucks) to be located between the southern Navy tank and Panorama Drive, and a secondary staging area (for equipment and pump removal) near the entrance to the project site, adjacent to Panorama Drive. The project is anticipated to require some level of disturbance over approximately 8 acres of the 10.6-acre site.

The tanks will be removed using excavators with shear and grapple attachments. Spotters will be located at needed viewing areas for the safe lowering of the steel tanks. Once the tanks are safely lowered, the excavators and torch crew will continue to reduce the metal into transportable sizes. Once reduced, the material will be loaded into large end dumps and/or roll containers until the site is cleared of metal and debris. The existing