

1.0 INTRODUCTION

This document is an Environmental Impact Report (EIR) for the Santa Margarita Ranch Agricultural Residential Cluster Subdivision Project and Future Development Program. The EIR evaluates an active application for a proposed Agricultural Residential Cluster Subdivision Project (Tentative Tract 2586) on a 3,778-acre portion of the Santa Margarita Ranch in unincorporated San Luis Obispo County, southeast of the community of Santa Margarita. The Agricultural Residential Cluster Subdivision Project would subdivide this portion of the Ranch into 112 residential lots and would place 3,633 acres in agricultural conservation easements (ACEs). The proposed subdivision also includes a 2,417 acre remainder lot that is not proposed for development at this time. The remainder parcel is located north of the proposed Agricultural Residential Cluster Subdivision lots, south of the community of Santa Margarita. In addition, the EIR evaluates a conceptual Future Development Program for buildout of several locations within the remaining portions of the approximately 14,000-acre Ranch property. The Future Development Program includes the future implementation of the balance of the 550 single-family residential units allowable pursuant to the Salinas River Area Plan (approximately 402 residences) and the additional following uses: golf course, club house and pro shop; guest ranch, lodge, and restaurant; 12-room bed and breakfast; cafe; amphitheater; crafts studios, galleries and shops; interpretive center and gift shops; seven wineries with tasting rooms and permitted special events; neighborhood park and swimming pool; three ranch/farm headquarters; one livestock sales yard and café; three places of worship; and a retreat center.

Future Development Program land uses would require several discretionary land use approvals from the County of San Luis Obispo over time, depending on the phasing and grouping of future land uses. The San Luis Obispo County Land Use Ordinance, Section 22.104.040 (Salinas River Rural Area Standards), requires that a Specific Plan be prepared for the Santa Margarita Ranch area before any application is approved for a subdivision other than a Cluster development. Therefore, any Future Development Program land use that includes a subdivision requires the preparation of a Specific Plan for the Santa Margarita Ranch area. A General Plan Amendment would be required to be processed concurrently with the Specific Plan. Future Development Program land uses that do not require a subdivision may nevertheless require a General Plan Amendment, zone change, Minor Use Permit (MUP), and/or Use Permit. Allowed agricultural uses within an Agriculture zone may require only a zoning clearance.

The project's background, as well as the legal basis for preparing an EIR, is described below. Additional detail regarding the project components can be found in Section 2.0, *Project Description*.

1.1 PURPOSE AND LEGAL AUTHORITY

This EIR has been prepared in accordance with the California Environmental Quality Act (CEQA), and the State CEQA Guidelines. In accordance with Section 15121(a) of the State CEQA Guidelines, the purpose of this EIR is to serve as an informational document that:

"...will inform public agency decision-makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project..."



The proposed project includes two components: 1) an Agricultural Residential Cluster Project, and 2) a Future Development Program. The applicant is requesting approval of a Vesting Tentative Tract Map and Agricultural Lands Residential Cluster Conditional Use Permit for the proposed Agricultural Residential Cluster component. No entitlements are currently proposed for the Future Development Program component. However, a settlement agreement between the community group Santa Margarita Area Residents Together (SMART), the County and the applicant requires that the applicant submit a Future Development Program for the areas within the original Rancho boundaries at the time of any specific entitlement request. Therefore, this EIR evaluates the requested Tentative Tract Map and Conditional Use Permit for the Agricultural Cluster Subdivision active application, as well as the Future Development Program, for which no application has yet been filed.

This dual purpose of the EIR requires a hybrid approach to its preparation, incorporating both “project” and “program” EIR components, which are explained further below.

For the proposed Agricultural Residential Cluster Subdivision, the EIR will serve as a Project EIR pursuant to Section 15161 of the *CEQA Guidelines*. A Project EIR is appropriate for a specific development project. As stated in the *CEQA Guidelines*:

“...this type of EIR should focus on the changes in the environment that would result from the development. The EIR shall examine all aspects of the project, including planning, construction and operation.”

For the Future Development Program, for which no active application has been filed, the EIR will serve as a Program EIR. Although the legally required contents of a Program EIR are the same as those of a Project EIR, Program EIRs are typically more conceptual and may contain a more general discussion of impacts, alternatives, and mitigation measures than a Project EIR. As provided in Section 15168 of the State *CEQA Guidelines*, a Program EIR may be prepared on a series of actions that may be characterized as one large project. Use of a Program EIR provides the County (as Lead Agency) with the opportunity to consider broad policy alternatives and program-wide mitigation measures and provides the County with greater flexibility to address environmental issues and/or cumulative impacts on a comprehensive basis.

Agencies generally prepare Program EIRs for programs or a series of related actions that are linked geographically, are logical parts of a chain of contemplated events, rules, regulations, or plans that govern the conduct of a continuing program, or are individual activities carried out under the same authority and having generally similar environmental effects that can be mitigated in similar ways.

In practice, this Program EIR could be utilized as a first tier of environmental review for subsequent activities that include site-specific environmental review of new development projects identified in the Future Development Program. However, if new effects could occur due to project discrepancies when compared to the program, or due to a change in baseline conditions, an EIR or a Negative Declaration would be required for the specific future project. Prior to the issuance of any entitlements for future development on the Ranch, the County must determine either that the Program EIR analysis is sufficiently specific and comprehensive to cover projects proposed on the Ranch property, or require additional environmental review and documentation.



The Future Development Program land uses and locations are conceptual. A range of potential future land uses and corresponding site locations have been identified. However, only generalized Future Development Program land use locations are available at this time, and no site plans or other project-level details have been provided by the applicant. Conceptual plans for Future Development Program uses are considered examples of possible future uses that require future environmental review, including preparation of additional EIRs pursuant to CEQA, if applications for future projects are submitted. This EIR evaluates and mitigates a reasonable worst-case scenario of potential impacts associated with the Future Development Program. The design and planning of specific future development projects and/or infrastructure improvements (e.g., wastewater treatment plant, detention basin, school siting, etc.) on the property is beyond the scope of this EIR. Evaluation of constraints may inform site selection process, but separate infrastructure and services planning will ultimately dictate site selection. Since project-level information and active applications for the Future Development Program components have not been provided, future development in accordance with the program will likely require additional environmental review, pursuant to the requirements of CEQA.

This report is to serve as an informational document for the public and County of San Luis Obispo decision-makers. The process will culminate with Planning Commission and Board of Supervisors hearings to consider certification of a Final EIR and a decision whether to approve the proposed project, possibly with conditions of approval.

1.2 SCOPE AND CONTENT

In accordance with the State CEQA Guidelines, a Notice of Preparation (NOP) was distributed for review by affected agencies and the public. The NOP and responses to the NOP are presented in Appendix A of this report.

This EIR addresses the issues determined to be potentially significant by the responses to the NOP, and scoping discussions among the public, consulting staff, and the County. The issues addressed in this EIR include:

- *Agricultural Resources*
- *Air Quality*
- *Biological Resources*
- *Cultural Resources*
- *Drainage, Erosion, and Sedimentation*
- *Geologic Stability*
- *Land Use*
- *Noise*
- *Public Safety*
- *Public Services and Utilities*
- *Recreation*
- *Traffic*
- *Visual Resources*
- *Water and Wastewater*



This EIR addresses the issues referenced above and identifies potentially significant environmental impacts, including site-specific and cumulative effects of the project in accordance with the provisions set forth in the *CEQA Guidelines*. In addition, the EIR recommends feasible mitigation measures, where possible, that would reduce or eliminate adverse environmental effects.

In preparing the EIR, use was made of pertinent County policies and guidelines, existing EIRs and background documents prepared by the County. A full reference list is contained in Section 7.0, *References and Preparers*, of this EIR.

The Alternatives section of the EIR was prepared in accordance with Section 15126(d) of the *CEQA Guidelines* and focuses on alternatives that are capable of eliminating or reducing significant adverse effects associated with the project while feasibly attaining most of the basic objectives of the project. In addition, the EIR identifies the "environmentally superior" alternative from the alternatives assessed. The alternatives evaluated include the CEQA-required "No Project" Alternative, a "Revised Cluster Design" Alternative, a "Reduced Project" Alternative, an "Alternative Future Development", an "Alternative Project Location", an "Alternative Location for Livestock Auctions", a "Mitigated Project" Alternative, and three "Reconfigured Project" Alternatives. **A revised version of the proposed Agricultural Residential Cluster Subdivision project, an alternative which implements Smart Growth Principles, and a reduced (i.e., fewer number of units) project alternative are also included.**

The level of detail contained throughout this EIR is consistent with the requirements of CEQA and applicable court decisions. The *CEQA Guidelines* provide the standard of adequacy on which this document is based. The Guidelines state:

"An EIR should be prepared with a sufficient degree of analysis to provide decision-makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of the proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but, the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection, but for adequacy, completeness, and a good faith effort at full disclosure." (Section 15151).

1.3 LEAD, RESPONSIBLE AND TRUSTEE AGENCIES

The *CEQA Guidelines* define "lead," "responsible" and "trustee" agencies. The County of San Luis Obispo is the lead agency for the project because it has the principal responsibility for approving the project.

A "responsible agency" refers to public agencies other than the "lead agency" that has discretionary approval over the project. A "trustee agency" refers to a state agency having jurisdiction by law over natural resources affected by a project. The California Department of Fish and Game (CDFG) has jurisdiction over biological resources, including drainages that may be impacted by project development. The CDFG is therefore a trustee agency.



1.4 AREAS OF CONTROVERSY

Pursuant to State CEQA Guidelines § 15123(b)(2), this EIR acknowledges the areas of controversy and issues to be resolved which are known to the County of San Luis Obispo or were raised during the scoping process. A Notice of Preparation (NOP) was prepared and circulated for a 30-day public review period that began on November 19, 2004 and ended December 20, 2004. Several comment letters from the public, and comment letters from public agencies (i.e., U.S. Department of Transportation, Federal Aviation Administration; U.S. Department of Agriculture; U.S. Department of Commerce, National Oceanic and Atmospheric Administration; California Highway Patrol; California Department of Conservation; California Department of Forestry/San Luis Obispo County Fire Department; San Luis Obispo County Air Pollution Control District; County of San Luis Obispo Department of Agriculture; County of San Luis Obispo Public Works Department; San Luis Obispo County Parks), were received in response to the NOP. NOP comment letters are included in Appendix A of this EIR.

Primary environmental areas of concern raised by the commenting agencies and public include:

- Aviation hazards
- Impacts and trail connections to Santa Lucia Wilderness
- Water supply, including groundwater impacts
- Water quality
- Fire safety
- Erosion, sedimentation and water supply impacts on Steelhead
- Construction traffic
- Operational traffic
- Traffic and pedestrian safety
- Site access
- Impacts on agricultural production, including existing vineyard operations
- Growth-inducing impacts
- Consistency with Land Use Ordinance requirements
- Air contaminant emissions
- Provision of parks, recreation, and trail facilities
- Drainage and flood hazards
- Winery noise, light, traffic, air quality, and biological impacts
- Impacts from special events
- Visual impacts from lighting

1.5 EFFECTS FOUND NOT TO BE SIGNIFICANT

Based on the scoping process for the proposed project, the County of San Luis Obispo determined that there was no substantial evidence that the project would cause or otherwise result in significant environmental effects in the resource areas discussed below. As indicated in the State CEQA Guidelines, no further environmental review of these issues is necessary for the reasons summarized in the following discussion. The substantiation for determining that these issues would result in no impact, or a less-than-significant impact is described in further detail in Appendix A, NOP, pursuant to § 15128 of the State CEQA Guidelines.



Geology and Soils

- ❖ *Will the Project Be within a California Department of Mines & Geology Earthquake Fault Zone (Formerly Alquist-Priolo)?* The Project and Program sites are not located within a designated Earthquake Fault Zone. Therefore, no impacts would result. However, Project and Program impacts related to fault rupture, groundshaking, and other seismic effects are discussed in Section 4.7, *Geologic Stability*, of this EIR.
- ❖ *Will the Project Preclude the Extraction of Valuable Mineral Resources?* The Project and Program sites do not contain known valuable mineral resources. The proposed project and future development program would not preclude the extraction of mineral resources from off-site extraction facilities. Therefore, no impacts would result.

Population/Housing

- ❖ *Will the Project Displace Existing Housing or People, Requiring Construction of Replacement Housing Elsewhere?* Currently, one single family residence and seven farm support housing units are located within the Ranch. In addition, 35 clustered lots (36 residential units) are currently under construction in the northern portion of the Ranch property as part of the Margarita Farms project. Neither the project nor the future development program would remove existing housing or housing that is under construction. Therefore, no impacts would result.

Transportation/Circulation

- ❖ *Will the Project Result in a Change in Air Traffic Patterns that may Result in Substantial Safety Risks?* The site currently contains a private airstrip that is proposed to remain under the project and future development program. Due to the low vertical profile of proposed project uses and the assumed low vertical profile of future development scenario uses, as well as the proposed and conceptual future locations of these uses, neither the project nor the future development program would affect air traffic patterns associated with the on-site private airstrip or other air traffic, in a manner that could result in substantial safety risks. Therefore, no impacts would result.

Land Use

- ❖ *Will the Project Be Potentially Inconsistent with Any Habitat or Community Conservation Plan?* No Habitat or Community Conservation Plan applies to the project site or future development program site. Therefore, no impacts related to inconsistency with such plans would result.

1.6 ENVIRONMENTAL IMPACT REVIEW PROCESS

The environmental impact review process, as required under CEQA, is outlined below. The steps are presented in sequential order.

- 1. Notice of Preparation (NOP) Distributed.** Immediately after deciding that an EIR is required, the lead agency must file a NOP soliciting input on the EIR scope to "responsible,"



"trustee," and involved federal agencies; to the State Clearinghouse, if one or more state agencies is a responsible or trustee agency; and to parties previously requesting notice in writing (*CEQA Guidelines* Section 15082; Public Resources Code Section 21092.2). The NOP must be posted in the County Clerk's office for 30 days. A scoping meeting to solicit public input on the issues to be assessed in the EIR is not required, but may be conducted by the lead agency.

2. **Draft Environmental Impact Report (DEIR) Prepared.** The DEIR must contain: a) table of contents or index; b) summary; c) project description; d) environmental setting; e) significant impacts (direct, indirect, cumulative, growth-inducing and unavoidable impacts); f) alternatives; g) mitigation measures; and h) irreversible changes.
3. **Public Notice and Review.** A lead agency must prepare a Public Notice of Availability of an EIR. The Notice must be placed in the County Clerk's office for 30 days (Public Resources Code Section 21092). The lead agency must send a copy of its Notice to anyone requesting it (*CEQA Guidelines* Section 15087). Additionally, public notice of DEIR availability must be given through at least one of the following procedures: a) publication in a newspaper of general circulation; b) posting on and off the project site; and c) direct mailing to owners and occupants of contiguous properties. The lead agency must consult with and request comments on the DEIR from responsible and trustee agencies, and adjacent cities and counties (Public Resources Code Sections 21104 and 21253). The minimum public review period for a DEIR is 30 days. When a DEIR is sent to the State Clearinghouse for review, the public review period must be 45 days unless a shorter period is approved by the Clearinghouse (Public Resources Code 21091). Distribution of the DEIR may be required through the State Clearinghouse (*CEQA Guidelines* Section 15305).
4. **Notice of Completion.** A lead agency must file a Notice of Completion with the State Clearinghouse as soon as it completes a DEIR.
5. **Final EIR (FEIR).** A FEIR must include: a) the DEIR; b) copies of comments received during public review; c) list of persons and entities commenting; and d) responses to comments.
6. **Certification of FEIR.** The lead agency shall certify: a) the FEIR has been completed in compliance with CEQA; b) the FEIR was presented to the decision-making body of the lead agency; and c) the decision-making body reviewed and considered the information in the FEIR prior to approving a project (*CEQA Guidelines* Section 15090).
7. **Lead Agency Project Decision.** A lead agency may: a) disapprove a project because of its significant environmental effects; b) require changes to a project to reduce or avoid significant environmental effects; or c) approve a project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted (*CEQA Guidelines* Sections 15042 and 15043).
8. **Findings/Statement of Overriding Considerations.** For each significant impact of the project identified in the EIR, the lead or responsible agency must find, based on substantial evidence, that either: a) the project has been changed to avoid or substantially reduce the magnitude of the impact; b) changes to the project are within another agency's jurisdiction



and such changes have or should be adopted; or c) specific economic, social, or other considerations make the mitigation measures or project alternatives infeasible (*CEQA Guidelines* Section 15091). If an agency approves a project with unavoidable significant environmental effects, it must prepare a written Statement of Overriding Considerations that set forth the specific social, economic or other reasons supporting the agency's decision.

9. **Mitigation Monitoring/Reporting Program.** When an agency makes findings on significant effects identified in the EIR, it must adopt a reporting or monitoring program for mitigation measures that were adopted or made conditions of project approval to mitigate significant effects.

10. **Notice of Determination.** An agency must file a Notice of Determination after deciding to approve a project for which an EIR is prepared (*CEQA Guidelines* Section 15094). A local agency must file the Notice with the County Clerk. The Notice must be posted for 30 days and sent to anyone previously requesting notice. Posting of the Notice starts a 30-day statute of limitations on CEQA challenges (Public Resources Code Section 21167[c]).

