

PLANNING COMMISSION AGENDA REPORT

SUBJECT: REVIEW OF THE DRAFT ENVIRONMENTAL IMPACT REPORT (DRAFT EIR) PREPARED FOR THE 600 TANK FARM ROAD PROJECT DURING A 50-DAY PUBLIC REVIEW PERIOD. THE MEETING IS AN OPPORTUNITY FOR CITY AND CONSULTANT STAFF TO GATHER INFORMATION FROM THE PUBLIC REGARDING THE

PROJECT ADDRESS: 600 Tank Farm

BY: John Rickenbach, Contract Planner
 Phone Number: 805-610-1109
 Email: jfrickenbach@aol.com


FILE NUMBER: GENP-0814-2019;
 SPEC-0407-2020; EID-0608-2020;
 ARCH-0406-2021; SBDV-0407-2021

FROM: Shawna Scott, Senior Planner

RECOMMENDATION

Receive public testimony and provide input to City staff and EIR consultant regarding any additional analysis or data needed to adequately evaluate environmental issue areas within the Draft EIR. No action will be taken at this time.

SITE DATA

Applicant	Covelop, Inc.	
Representative	Stephen Peck; Damien Mavis	
Current General Plan Designation and Zoning	Business Park (BP-SP) and Conservation Open Space (C/OS-SP) within the Airport Area Specific Plan	
Proposed General Plan Designation and Zoning	Commercial Services (C-S-SP) and Conservation Open Space (C/OS-SP) within the Airport Area Specific Plan	
Site Area	11.7 acres	
Environmental Status	A Draft EIR is now under public review. The public review period extends from June 15 to August 3, 2021.	

SUMMARY

The proposed project is a 280-unit mixed use project on an 11.7-acre site generally north of Tank Farm Road and west of Acacia Creek. The project entitlements would change the land use designation and zoning from Business Park to Service Commercial with the Specific Plan overlay (C-S-SP), which would allow a mixed-use project providing up to 280 residential units and up to 12,500 square feet of commercial-service/office uses defined in AASP Table 4.3. The project also includes a 2,250-square foot clubhouse building with a 2,800-square foot patio area. In addition, various offsite transportation improvements are not part of the development itself, but are required in order to facilitate the project, and are therefore also evaluated in the Draft EIR. For additional project details, please refer to Section 4.0 of this Agenda Report.

A Draft EIR has been prepared to analyze the effects of the project, and is available for review on the City's website at:

<https://www.slocity.org/government/department-directory/community-development/documents-online/environmental-review-documents/-folder-2170>

1.0 COMMISSION'S PURVIEW

The purpose of this public hearing is to receive a project update and provide a forum for discussion of the Draft EIR during the public review period for the document. Both Commission and public testimony at this public meeting should be focused on the content of the Draft EIR, rather than the particular merits of the project itself. The Planning Commission is not being asked to make a recommendation or take action on the project at this time. The Commission will formally review the proposed project at a separate public hearing after the 50-day public review period (June 15 to August 3, 2021) has closed, and after input has been received from other advisory bodies, including the Tree Committee and Architectural Review Commission. At that time, the Planning Commission will make recommendations to the City Council regarding the Final EIR and the project itself.

2.0 SITE INFORMATION

The project site is located at 600 Tank Farm Road, 130 feet northeast of the intersection of Tank Farm Road and Santa Fe Road, in the southern portion of the City of San Luis Obispo. The conceptual site plan for the project depicts mixed-use development of two parcels (Assessor Parcel Numbers [APN] 053-421-002 and 053-421-006) totaling approximately 11.1 acres. The figure on the previous page shows the project site within the local context. As shown, the project site also includes a 0.6-acre portion of the existing Tank Farm Road frontage and planned future Santa Fe Road alignment in addition to the proposed improvements on APNs 053-421-002 and 053-421-006. Collectively, these components comprise the project site for the purposes of the Draft EIR.

Table 1: Site Information

Site Size	~11.7 acres (11.1 acres for development; 0.6 acres for offsite improvements)
Present Use & Development	Undeveloped; automobile storage
Topography	Flat
Access	Tank Farm Road; proposed extension of Santa Fe Road
Surrounding Use/Zoning	West: Commercial Service/Industrial (undeveloped Chevron property in unincorporated SLO County) North: PF (Damon Garcia Sports Field) East: C/OS; C-S-SP (Acacia Creek and mobile home park/planned residential beyond) South: Recreation (Tank Farm Road and undeveloped land beyond in unincorporated SLO County)

3.0 PREVIOUS ADVISORY BODY REVIEW

On April 21, 2020, the City Council approved the initiation of the project and authorized the issuance of a Request for Proposals (RFP) for the preparation of an Environmental Impact Report (EIR) for the project. The Council, with a vote of 5:0, provided direction to the applicant and staff to work toward a Development Agreement to accomplish the needed planning area infrastructure outlined in the AASP and maximize housing opportunities for those individuals in geographic areas included in the City's annual jobs-housing balance analysis (Attachment 2, Council Initiation 4.21.20).

On July 16, 2020, the Active Transportation Committee (ATC) reviewed the conceptual design of the project and by consensus provided 21 directional items regarding the proposed bicycle and pedestrian connectivity and safety, as well as consistency with the latest updates to the City's Active Transportation Plan for the applicant to incorporate into the project design and associated materials (Attachment 3, ATC Report and Comments 7.16.20).

On August 17, 2020, the Architectural Review Commission (ARC) reviewed the conceptual design of the project and by consensus provided nine directional items regarding building orientation in relation to site access and private/common open space areas, and provided comments on the architectural style of the project in terms of compatibility between the different uses for the applicant to incorporate into the project design and associated materials (Attachment 4, ARC Report and Minutes 8.17.20).

On September 23, 2020, the Planning Commission (PC) reviewed the conceptual design of the project and by consensus provided seven directional items regarding building orientation in relation to Tank Farm Road, mixed-use development compatibility, and on-site and off-site pedestrian and bicycle circulation for the applicant to incorporate into the project design and associated materials (Attachment 5, PC Report and Minutes 9.23.20).

On December 9, 2020, the PC held a public scoping meeting to discuss the scope of the EIR being prepared for the 600 Tank Farm Road Mixed-Use Project, no action was taken (Attachment 6, PC Report and Minutes 12.9.20).

Neither the proposed project nor the Draft EIR have yet been considered by other City advisory bodies. The project will ultimately be reviewed by the Tree Committee, ARC, and PC before being considered by the City Council. The project will also be reviewed by the Airport Land Use Commission (ALUC) to determine whether it is in substantial conformance with the Airport Land Use Plan (ALUP), which was recently updated on May 26, 2021.

4.0 PROJECT DETAILS

The proposed project is a 280-unit mixed use project on an 11.7-acre site, north of Tank Farm Road, west of Acacia Creek. The project involves zoning-level entitlements: a General Plan Map Amendment, a rezone of the property, a Specific Plan Amendment to the Airport Area Specific Plan (AASP), a Minor Use Permit for a mixed-use project, Conceptual Site Plan, Major Development Review, and a Tentative Parcel Map. Approval of these entitlements would allow a final Development Plan (consistent with the requirements of the granted entitlements), including grading permits, improvement plans and building permits to be handled by the City as ministerial approvals.

The project entitlements would change the land use designation and zoning from Business Park to Service Commercial with the Specific Plan overlay (C-S-SP), which would allow a mixed-use project providing up to 280 residential units and up to 12,500 square feet of commercial-service/office uses defined in AASP Table 4.3. The project also includes a 2,250-square foot clubhouse building with a 2,800-square foot patio area.

Transportation improvements funded or constructed by this project include: (1) widening Tank Farm Road along the project frontage (providing two westbound auto lanes, protected bike lanes, curb/gutter, sidewalk and parkway on the north side of the street), (2) construction of a roundabout at the intersection of Tank Farm Road and Santa Fe Road (west), and (3) construction of a portion of the Santa Fe Road Extension north of Tank Farm Road (including two travel lanes, sidewalks and protected bike lanes on the east side). The proposed grading, totaling approximately 29,000 cubic feet, would be comprised of approximately 17,000 cubic yards of cut and an additional 12,000 cubic yards of import. Stormwater would be captured in six bioretention areas.

The project is planned to be constructed in two phases. Phase 1 would include 124 multifamily residential units, the completion of Santa Fe Road along the project frontage, completion of the shared-use bicycle/pedestrian path along Acacia Creek connecting bicycles and pedestrians from Tank Farm to Damon-Garcia Sports Fields, construction of the Tank Farm Road/Santa Fe Road (west) roundabout (north, west and east legs with two westbound lanes and one eastbound lane), and the completion of the frontage improvements along Tank Farm Road. Phase 2 would include 116 multifamily residential units, 40 mixed-use units, and 12,500 square feet of commercial-service/office space, and remaining project improvements.

Figure 1 shows the conceptual site plan for the proposed project.



Figure 1. Proposed Project – Conceptual Site Plan

Table 1 summarizes the proposed project characteristics, including the mix of residential unit types and building area for the primary components of the project. The applicant intends to provide a portion of the proposed units below the average size, consistent with the project objective to provide a variety of housing opportunities and affordability levels (refer to the project objectives below). The proportion of units below average size would be established through an applicant-proposed “affordable by design” housing plan, in addition to inclusionary housing requirements. The inclusionary housing plan and an “affordable by design” housing plan have not yet been submitted by the project applicant but is not required to support the EIR analysis.

Please refer to Section 2.0 of the Draft EIR for a complete description of the proposed project.

Table 1. Proposed Project Characteristics

Unit Occupancy Type ¹	Size (sf)	Units	Residential Area (sf)	Non-Residential Area (sf)	Acres (net)	Units/Acre ²
R3 Occupancy (1-, 2- and 3-beds)	750-1,450	140	154,000	n/a	6.5	21.7
R4 Occupancy (studio, 1-, and 2-bed)	600-925	100	85,700	n/a	2.9	34.7
Mixed Use (studio and 1-bed)	450-625	40	21,500	12,500	1.5	26.3
Total	450-1,450	280	261,200	12,500	10.9	25.7

sf = square feet

¹ Occupancy classification is the formal designation of the primary purpose of the building and pursuant to the California Building Code, structures are classified with one or more occupancy groups. R3 occupancy are for when the occupants are primarily permanent in nature, R4 occupancy is for a use type for more than 4 people but no more than 16 who reside on a 24 hour basis and receive custodial care, Mixed Use occupancy contains more than one occupancy group.

² “Density Units” as defined by the City of San Luis Zoning Ordinance (Density Units are the number of dwellings per net acre, based on dwelling size and number of bedrooms, i.e., studio unit under 600 square feet equals 0.5 Density Units, while a two-bedroom unit equals 1.0 Density Units).

5.0 GENERAL PLAN GUIDANCE

The project site is located within the Airport Area Specific Plan (AASP) and is currently designated Business Park (BP) with a small portion of the property within the Conservation Open Space (C/OS) zone delineating a portion of Acacia Creek, which is primarily located on the adjacent property to the east. The project entitlements would change the land use designation under the General Plan and AASP from Business Park to Service Commercial with the Specific Plan overlay (C-S-SP), which would allow a mixed-use project providing up to 280 residential units and commercial-service/office uses defined in AASP Table 4.3. No changes are proposed to the portion of the property zoned C/OS.

6.0 CEQA PROCESS AND DRAFT EIR CONCLUSIONS

6.1 CEQA Process

City staff in conjunction with its consultants prepared an Initial Study pursuant to the California Environmental Quality Act (CEQA), which documents and analyzes potential environmental issue areas that needed to be further analyzed in an EIR. A Notice of

Preparation (NOP) to prepare an EIR was sent to and posted by the State Clearinghouse on November 24, 2020. The Initial Study is included as Appendix A of the Draft EIR, while the NOP and responses to that document are included in Appendix B.

Section 1.0 of the Draft EIR describes the full legal basis for the conclusions in the Draft EIR.

Under CEQA, a 45-day public review period of the Draft EIR is required. A Draft EIR was prepared and released to the public on June 15, 2021. This started a 50-day public review period that will end on August 3, 2021. This exceeds the minimum 45-day review requirement under CEQA.

CEQA does not require that a public meeting be held during the public review period, but does encourage it. The practice of holding a public meeting on the Draft EIR separate from consideration of the other project entitlements allows for direct communication between the reviewers and the lead agency and provides an opportunity for members of the public to learn of the concerns of other people testifying about the project. Both Commission and public testimony at this public meeting should be focused on the content of the Draft EIR, rather than the particular merits of the project itself. The public meeting represents an opportunity to:

1. Obtain additional information needed to properly evaluate identified issue areas;
2. Identify issue areas that may not be covered in the document; and
3. Provide an opportunity for the public to express environmental concerns.

The Final EIR will be a compilation of the Draft EIR and responses to comments received regarding the Draft EIR from reviewing agencies, organizations, and individuals. Responses to comments are a written evaluation of comments on the environmental issues received from persons who reviewed the Draft EIR, including comments made at this public workshop. The responses to comments will be prepared by the consultant and reviewed by City staff. The Final EIR must be certified before an action to approve the project can be made. The EIR is intended to serve as an informational document for the public and City of San Luis Obispo decision-makers.

6.2 Draft EIR Contents and Conclusions

Based on the Initial Study and EIR Scoping process, the following issues were examined in the Draft EIR:

- Air Quality
- Biological Resources
- Cultural Resources and Tribal Cultural Resources
- Energy
- Greenhouse Gas Emissions
- Hazards, Hazardous Materials, and Safety (includes transportation safety)
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Utilities and Service Systems

The Draft EIR concludes that the project will result in significant and unavoidable impacts related to:

- **Greenhouse Gas Emissions.** Construction and operation of the proposed project would generate temporary and long-term increases in GHG emissions. The proposed project would conflict with the City of San Luis Obispo's 2020 Climate Action Plan (CAP) because project GHG emissions would exceed the efficiency threshold provided in the 2020 CAP. A GHG Reduction program is required as mitigation, but the effectiveness of reducing impacts below City thresholds is uncertain. Note that City staff is currently working with the EIR consultant to refine the methodology used for the GHG analysis, and the result could potentially alter the conclusion of significance reported in the Draft EIR.
- **Hazards (Transportation Safety).** The project would contribute to new pedestrian demand along Tank Farm Road west of the project site, which does not have dedicated pedestrian facilities. The potential increase in pedestrian demand would result in a potential hazard to pedestrians. A bike path on Tank Farm Road near the site and related safety signage are included as mitigation measures. However, because of the uncertainty of right-of-way acquisition for the bike path, the Draft EIR concludes that safety impacts are potentially unavoidable.

The EIR also finds that there will be significant impacts that can be mitigated to less than significant in the categories of air quality, biological resources, cultural resources, hazards, hydrology and water quality, and noise. Other impacts related to air quality, biological resources, energy, hazards, hydrology and water quality, land use, noise and utilities were found to be less than significant. Table ES-1 at the beginning of the Draft EIR summarizes the project's impacts and mitigation measures.

7.0 NEXT STEPS

The Planning Commission is not being asked to make a recommendation or take action on the project at this time. The Commission will formally review the proposed project at a separate public hearing to be held once a Final EIR has been prepared based on comments received during the 50-day public review period, which extends until August 3, 2021. These are the next steps in the planning process for the project:

- Airport Land Use Commission review
- Tree Committee review (can occur during public review period for the Draft EIR)
- Architectural Review Commission review (can occur during public review period for the Draft EIR)
- Planning Commission review of the Final EIR and project, and recommendation to the City Council (following the public review period for the Draft EIR)
- City Council consideration of certification of the Final EIR, consideration of adoption of CEQA Findings and Statement of Overriding Considerations, and review and decision on the project.

ATTACHMENTS

- A. The Draft EIR is available for review online at the following location:
<https://www.slocity.org/government/department-directory/community-development/documents-online/environmental-review-documents/-folder-2170>
Hardcopies are also available for review at the Community Development Department (919 Palm Street), City Hall (990 Palm Street) and the City-County Library (995 Palm Street).
- B. Conceptual Project Plans