



NOTICE OF PREPARATION

Date: November 8, 2017

To: California Office of Planning and Research, Responsible and Trustee Agencies, and Other Interested Parties

Subject: Notice of Preparation of an Environmental Impact Report

Project: Morro Bay General Plan and Local Coastal Program Update

Lead Agency: City of Morro Bay

Review Period: November 8, 2017 to December 8, 2017 (30 days)

This Notice of Preparation (NOP) has been prepared to notify agencies and interested parties that the City of Morro Bay as the Lead Agency will prepare an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) for the proposed Morro Bay General Plan and Local Coastal Program Update (proposed project). The proposed project is a comprehensive update of the City's General Plan and Local Coastal Program (Plan Morro Bay), as required by State law (Government Code Section 65300). The updated General Plan and Local Coastal Program (Plan Morro Bay) and its implementing programs will serve as the blueprint for future growth and development within the City Planning Area.

A. PROJECT LOCATION AND SETTING

The Project site consists of the Planning Area for the General Plan and Local Coastal Program update (referred to locally as Plan Morro Bay), which contains all land within the Morro Bay City boundaries, as well as lands outside the City to the north, east, and south that bear relation to the City's planning activities as provided in California Government Code Section 65300. The Planning Area encompasses approximately 8,833 acres located in west-central San Luis Obispo County (see **Figure 1**). Existing land uses in the City are shown in **Figure 2**. Morro Bay's City limits and the Planning Area boundary are shown in **Figure 3** and are generally described as follows:

- The City is generally bounded by the Pacific Ocean to the southwest and unincorporated San Luis Obispo County in all other directions. Highway 1 runs southeast-northwest through the right-hand edge of the City. Highway 41 runs east-west and approximately bisects the City north-south.
- The Planning Area boundaries generally coincide with the City limits on the south and west, but to the north the Planning Area extends beyond Toro Creek Road close to the community of Cayucos and more than twice the distance from the

coast to the existing City limits to the east. To the southeast, the planning area extends south of Highway 1 along the Chorro Creek valley (see **Figure 3**).

In the Planning Area, existing on-the-ground land uses include a mix of agriculture (69 percent), residential (8 percent), nonresidential (commercial, office, and industrial) (3 percent), park and open space areas (16 percent), civic/institutional/public (2 percent), roadways, and other infrastructure (<1 percent), and vacant land (<1 percent). Existing land uses in the Planning Area are illustrated in **Figure 2**.

All land surrounding the Project site is located in unincorporated San Luis Obispo County and consists of mostly rural residential and agricultural uses.

B. PROJECT DESCRIPTION

The City of Morro Bay is conducting a comprehensive update of its General Plan and Local Coastal Program (Plan Morro Bay). State law (Government Code Section 65300) requires each city and county to adopt a comprehensive, long-term general plan for its physical development. The City's current General Plan was adopted in 1988 with various amendments made since then, and serves to direct the City's future growth and development as well as its conservation policy. The Local Coastal Program was last updated in 1982 and serves as the City's implementation of the California Coastal Act. The General Plan and Local Coastal Program are being combined into a single document, Plan Morro Bay, which is now being updated to ensure that these guiding policy documents remain useful tools, keep pace with change, and provide workable solutions to current and future issues.

The City has decided to update both the General Plan and the Local Coastal Program at this time. The Local Coastal Program consists of two parts:

- A Coastal Land Use Plan, which is presented as a component of the General Plan.
- A Local Implementation Plan, which is presented as a component of the City's Zoning Ordinance.

The Plan Morro Bay Update Project includes the following components:

1.0 PLAN MORRO BAY

Plan Morro Bay and its implementing programs serve as the blueprint for future growth and development within the Planning Area. These documents contain policies and programs designed to provide decision-makers with a solid basis for future decisions related to land use and development.

Plan Morro Bay documents and presentations developed to date are available at the following website:

<http://www.morrobayca.gov/planmb>

1.1 Vision & Values Statement

The following community Vision & Values Statement supports the Plan Morro Bay Project:

In 2040, Morro Bay remains a small oceanfront town and thriving year-round destination, known for its natural beauty, creative people, outdoor recreation, working waterfront, and welcoming community spirit. It is a friendly, safe, resilient, and healthy place where people of all ages and economic levels live, work, play, and visit.

The natural environment and wildlife are cherished and conserved and are essential elements that integrate with and define our urban landscape. Our healthy wetlands, iconic Morro Rock, and bustling harbor are complemented by expansive parks, connected bicycle lanes, safe streets, and pathways that are accessible to people of all ages and abilities.

We have a deep appreciation for nature and honor our native, cultural, and maritime heritage. We maintain and support our working waterfront and carefully preserve our estuary, watershed, natural shoreline, and surrounding open space. We adapt to changes in the climate, economy, and culture without compromising our small-town character.

Our vibrant economy is strengthened by sustainable resource practices, a responsive City government, and leading-edge technology that empowers local business owners and attracts new businesses and investors. We are a diverse, multigenerational community where head-of-household jobs, sustainable living wages, and affordable housing options serve as a foundation that allows people of all ages and income levels to thrive.

Modern, well-maintained public amenities and supportive community services nurture our residents, community organizations, and neighborhood groups. We actively participate in government decisions and take pride in volunteerism. We welcome personal expression and creativity, as reflected in our varied visitor attractions, bustling dining scene, vibrant arts culture, community events, public art, and outdoor activities. Our diverse housing, safe and eclectic neighborhoods, and reliable transit system are enhanced through suitable urban infill and mixed-use development that accommodates modest residential and commercial growth.

Mindful of our rich heritage, we take great pride in our community and work together toward a bright future.

1.2 Plan Morro Bay Structure

The General Plan must include subject matter identified in State law for the following State-required elements or topics: Land Use, Circulation, Housing, Conservation, Open Space, Noise, Safety, and Environmental Justice. The Local Coastal Program must address priority issues for the California Coastal Commission. These topics are public access, recreation and visitor serving facilities, water quality protection, Environmentally Sensitive Habitat Areas (ESHA) and other natural resources, agricultural resources, new

development and cultural resources, scenic and visual resources, coastal hazards, shoreline erosion and protective devices, and energy and industrial development.

The updated Plan Morro Bay will be divided into 15 sections and elements, which together address the topics mandated by the State and Coastal Commission, as well as additional topics of interest to the City. The 10 elements are grouped into a Blueprint and a Greenprint. Each section is briefly described below.

1. **Introduction:** Addresses the purpose and scope of the General Plan and Local Coastal Program; background on Morro Bay’s history, current demographics, and economic conditions; planning context (other local and regional plans); the relationship of the General Plan and Local Coastal Program to other plans and documents, including the City’s Municipal Code; and the geographic area and topics covered in the General Plan/Local Coastal Program.
2. **Vision:** The Community Vision section of Plan Morro Bay establishes a Vision & Values statement for the city. This statement sets forth a comprehensive vision for Morro Bay in the future and identifies the community’s key priorities. This statement guides each element of Plan Morro Bay to achieve the goals of the community.
3. **Blueprint:** The Blueprint serves as a framework for development decisions in the city through 2040. This section will guide actions for residents, businesses, decision-makers, City staff members, and project developers in Morro Bay.
 - a. **Land Use:** The Land Use Element represents the foundation of the Blueprint and the City’s guide to the evolution of development patterns in Morro Bay. This element guides future development and designates appropriate locations for land uses in the city. Land Use Element goals and policies serve as a road map for the future physical development of the community by identifying the general location, distribution, and intensity for a range of residential, commercial, industrial, and institutional land uses in Morro Bay. Land Use Element goals and policies also address coastal-dependent and coastal-related uses.
 - b. **Community Design:** The Community Design Element outlines a vision for the aesthetic development of the community and character of Morro Bay. This element establishes the City’s long-term community design and development goals to maintain a unique city culture and identity with respect to community form, layout, and community character areas.
 - c. **Economic Development:** The Economic Development Element includes goals and policies to maintain and improve job development and retention and to promote economic resiliency. This element addresses the economic implications of future development relative to housing affordability, market surplus and leakage, and demographic trends in Morro Bay through 2040.

- d. **Circulation:** The Circulation Element defines the local and regional transportation networks and describes how community members get around the city using streets, sidewalks, transit routes, and bicycle paths. The transportation network is a major determinant of development form and land use. Traffic patterns, congestion, access to transit, ease and safety of walking or bicycling, and other factors help to determine where people decide to live, work, or visit in Morro Bay. This element facilitates the mobility of people and goods throughout Morro Bay using multiple travel modes to promote practices aligned with City goals.
 - e. **Noise:** The Noise Element addresses existing and future noise conditions in Morro Bay, identifies noise problems and their sources, describes how noise affects community safety, health, and comfort, and establishes policies and programs that limit excessive noise levels and improve noise/land use compatibility. Noise conflicts may affect the desirability of specific regions or neighborhoods within the community, which may interfere with the development goals for the city. Through established noise standards, community form will be preserved and maintained in accordance with City goals.
 - f. **Community Well-being:** The Community Well-Being Element addresses the community's unique population's health and wellness needs, in addition to environmental equity. Morro Bay has a diverse, multigenerational demographic spread with potential to affect the city's future resiliency. Community Well-Being Element goals and policies assess the local quality of life and population vulnerabilities to help plan for an evolving community.
 - g. **Housing:** The Housing Element serves as a tool to identify and provide for the housing needs of the community. It identifies recent demographic and employment trends that may affect existing and future housing demand and supply. California law requires the Housing Element to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The Housing Element is the only element that requires review by the State. The element addresses the City's ability to meet the regional housing needs as determined by the State of California.
4. **Greenprint:** The Greenprint serves as a framework for how the City can use and manage its resources to benefit the community and guide it toward a more resilient and sustainable future. This section links open space, agricultural, and natural resource preservation with the development plans described in the Blueprint. The chapter is grounded in a shared vision from the community, boards and commissions, and City staff and officials for a sustainable community that sets policies and programs to achieve this shared vision. It is implemented by City ordinances, specific plans, programs, and ongoing activities.
 - a. **Conservation:** The Conservation Element addresses the use and preservation of natural resources to improve the environmental quality of

Morro Bay for years to come. Topics covered in this element include important biological communities, air quality, greenhouse gas emissions, water resources and conservation, energy resources, waste management, visual resources and viewsheds, and coastal resources. Conservation Element goals and policies promote a resilient, sustainable community offering a balance of open spaces, coastal access, and a quality built environment both along the coastline and inland.

- b. Open Space:** The Open Space Element outlines a vision for facilitating coastal access and providing a range of community facilities, parks, and recreation opportunities. This element addresses the protection of natural habitat and wildlife by designating open space areas throughout the community. Open Space Element goals and policies include specific steps to protect and improve Morro Bay’s coastal trails, parks, and facilities and to enhance and maintain open spaces in the coastal zone.
 - c. Public Safety:** The Public Safety Element minimizes community risks associated with natural and man-made hazards. This element identifies hazards that could be made more severe by the city’s location on the coast and anticipated climate change impacts. Public Safety Element goals and policies address natural hazards, coastal adaptation, and emergency response to protect residents, visitors, and wildlife from anticipated impacts.
- 5. **Implementation:** Sets forth specific actions and tools for implementation of Plan Morro Bay, along with a detailed work program. Describes the process for maintaining and monitoring progress in implementing Plan Morro Bay.
 - 6. **Glossary and Acronyms:** Provides a list of acronyms and definitions for key terms used in Plan Morro Bay.
 - 7. **Appendices:** A series of background reports and technical appendices.

The topics of importance in the Coastal Act to be included in the Local Coastal Plan will be addressed in the elements as identified in **Table 1**.

**TABLE 1
TOPICS OF IMPORTANCE IN THE COASTAL ACT**

Plan Morro Bay Element	Public Access	Recreation and Visitor Serving Facilities	Water Quality Protection	ESHA & Other Natural Resources	Agricultural Resources	New Development & Cultural Resources	Scenic & Visual Resources	Coastal Hazards	Shoreline Erosion & Protective Devices	Energy & Industrial Development
Blueprint										
Land Use	X	X			X					X
Community Design										
Economic Development										
Circulation	X									
Noise										
Housing										
Greenprint										
Conservation			X	X		X	X			X
Open Space		X								
Public Safety								X	X	
Community Well-being										

X = Chapter that primarily addresses element requirements

Note: The management of timberlands does not occur in Morro Bay and therefore is not included in the table above as a topic of importance in the Coastal Act.

1.3 Land Use Diagram

The General Plan Land Use Diagram (**Figure 3**) establishes the general pattern of uses in the Planning Area. The maximum permitted land use densities and intensities will be identified in Plan Morro Bay for these land uses. As the density and intensity standards for each land use designation are applied to future development projects and land use decisions, properties will gradually transition from one use to another, and land uses and intensities will gradually shift to align with the intent of Plan Morro Bay. Within the future Sphere of Influence area identified on the Land Use Diagram, future uses may be developed subject to annexation to the City of Morro Bay in compliance with procedures identified by the San Luis Obispo County Local Agency Formation Commission (LAFCO).

Table 2 identifies anticipated land use changes that would occur with implementation of Plan Morro Bay from a 2016 baseline condition. For purposes of the EIR, analysis of potential environmental effects will be based on the net change between 2016 baseline conditions and the proposed Plan Morro Bay (2040).

**TABLE 2
ANTICIPATED LAND USE CHANGES**

Land Use Designation	Acres (approximate)	Total Estimated Dwelling Units (2040)	Total Estimated Households	Population (2040)	Non-residential Square Feet (2040)
Residential	752.4	6,521		10,783	—
Commercial	281.4	540		893	8,712,030
Industrial	37.2	—		—	729,253
Waterfront Commercial/ Industrial	6.3	—		—	216,145
Mixed Use	33.8	271		447	1,030,854
Open Space & Agriculture	7,569.5	—		25	—
Public/Institutional	152.6	—		—	159,279
Total (2040)	8,833.2*	7,347	5,800	12,149	10,837,321
Existing (2017) Totals	8,833.2*	6,414	5,063	10,714	6,527,860
Change, 2017-2040	—	933	737	1,435	4,309,461

Notes:

*Totals may not add up due to rounding

1.4 Policies Addressing Coastal Issues

Policies to address topics of importance to the Coastal Commission in Plan Morro Bay include:

- Encouragement and preservation of waterfront visitor-serving and coastal-dependent uses including commercial fishing.
- Maintain prime agricultural land in the planning area.
- Protect existing lower-cost facilities including lower-cost accommodations.
- Establish a threshold for lower-cost accommodations, below which additional lower-cost accommodations would need to be developed in the City.
- Plan for additional visitor-serving and other opportunities at major waterfront opportunity sites including the Dynegy site and existing wastewater treatment plant site.
- Protect and promote recreational opportunities in the coastal zone.
- Improve lateral and vertical access along the coast and protect existing access.
- Improve multimodal access in the downtown and waterfront and improve the connection between the downtown and waterfront for pedestrians and bicyclists.
- Monitor coastal access parking demand and adjust parking strategies if needed to maintain sufficient parking.
- Prioritize and protect sensitive habitats. Restore key habitat areas when feasible.
- Protect eelgrass and continue to mitigate its loss during development.
- Protect and improve air and water quality.
- Promote energy efficiency.
- Protect views and viewsheds.
- Preserve Morro Bay Estuary.
- Limit the construction of shoreline structures.
- Develop a historic and cultural resources strategy.
- Maintain sufficient parks and open space.
- Provide quality and varied recreational opportunities.
- Maintain the beach for habitat protection along with human use.
- Protect assets in the City vulnerable to human and man-made disasters.
- Implement adaptive strategies to address the threat of sea-level rise over time.

2.0 ZONING CODE AND COASTAL IMPLEMENTATION PLAN AMENDMENTS

To maintain consistency with updated Plan Morro Bay, the Project also includes a comprehensive Zoning Code Update which includes the Coastal Implementation Plan. Amendments planned as part of the Project include:

- Updating the allowed uses in all zones as necessary for consistency with the General Plan Land Use Designations.
- Establishing new zoning district(s) as necessary to implement the updated General Plan.
- Updating other development standards as necessary to implement the updated General Plan. This will include maximum height, setbacks, design standards and other standards.
- Updating administration and permitting to integrate coastal permit processes. Additional coastal-specific issues to be addressed include:
 - Parking and transportation demand management
 - Coastal access, beach use, and special events
 - Visitor-serving uses and tourism
 - Sea-level rise and coastal resilience
 - Stormwater management and water quality
- The Zoning Code Update will also need to address other issues, such as neighborhood compatibility and economic development, consistent with direction in Plan Morro Bay.

C. TYPE OF ENVIRONMENTAL DOCUMENT

The General Plan and Local Coastal Program Update EIR will be prepared as a Program EIR, pursuant to Section 15168 of the CEQA Guidelines. A Program EIR examines the environmental impacts of an overall area that may contain a series of subsequent projects. This type of EIR focuses on the changes in the environment that would result from implementation of the overall Project, including development of land uses and transportation systems identified in the Project, as well as other infrastructure required to serve the Project. The General Plan and Local Coastal Program Update EIR will serve as the environmental review document for subsequent activities in the Program. Use of a Program EIR provides the City (as Lead Agency) with the opportunity to consider broad policy alternatives and program-wide mitigation measures and greater flexibility to address environmental issues and/or cumulative impacts on a comprehensive basis. Consistent with CEQA Guidelines Section 15168(c), the City will review subsequent activities to determine whether the activity is within the scope of the Project covered by the Program EIR or whether an additional environmental document must be prepared. If the City finds, pursuant to CEQA Guidelines Section 15162, that no new effects could occur or no new mitigation measures would be required, the City can approve the

subsequent activity as being within the scope of the Project covered in the Program EIR, and no new environmental document would be required.

D. PROBABLE ENVIRONMENTAL EFFECTS

The EIR will evaluate whether the proposed Project would potentially result in one or more significant environmental effects. The following issues will be addressed in the EIR:

- Aesthetics, Light, and Glare
- Air Quality
- Cultural Resources
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Energy Conservation and Other Required CEQA Topics
- Land Use and Planning
- Noise
- Population and Housing
- Public Services
- Transportation/Traffic
- Tribal Cultural Resources
- Utilities and Service Systems

E. DEVELOPMENT OF A REASONABLE RANGE OF ALTERNATIVES

Factors determining project alternatives include considerations of project objectives, site suitability, economic viability, and availability of infrastructure. The Program EIR will discuss the rationale for selection of alternatives that are feasible and therefore, merit in-depth consideration, and which are infeasible (e.g., failed to meet Project objectives or did not avoid significant environmental effects) and therefore rejected. Project alternatives have yet to be finalized.

Alternatives will be general in nature since further environmental issue area analyses would be necessary before more specific project alternatives can be identified.

F. EIR AND GENERAL PLAN UPDATE PROCESS

The Draft EIR will incorporate the input received at the scoping meeting and comments submitted on the NOP. The purpose of the Draft EIR is to examine and disclose the potential environmental impacts of the Project and to identify mitigation measures and alternatives that would reduce and/or avoid significant impacts.

The Draft EIR will have a 45-day public review period in which agencies and members of the public will review and comment on the Draft EIR. Comments received on the Draft EIR will be reviewed and addressed in the Final EIR. The Final EIR will be a document consisting of the Draft EIR, errata or changes to the Draft EIR, and responses to comments on the EIR, as well as any additional technical reports or follow-up documentation that may be necessary. The Morro Bay Planning Commission will hold a public hearing on the Final EIR and make a recommendation to the City Council regarding the Final EIR prior to action on the General Plan Update. The City Council will hold a

separate public hearing on the Final EIR and make its own determination on certification of the Final EIR prior to action on the General Plan Update.

G. PUBLIC COMMENTS

The City of Morro Bay is soliciting the views of responsible and trustee agencies as well as interested persons as to the scope and content of the environmental information to be included in the EIR. In accordance with CEQA, agencies are requested to review the project description provided in this NOP and provide comments on environmental issues related to the statutory responsibilities of the agency. The EIR will be used by the City of Morro Bay when considering approval of the proposed project as well as any related discretionary approvals.

All comments to the NOP are due no later than December 8, 2017. Please send your comments to the mailing address or email address shown below. Include a return address or email address and a contact name for your agency or group with your comments.

Email comments to:	Mail comments to:
Cindy Jacinth Senior Planner City of Morro Bay cjacinth@morrobayca.gov	Cindy Jacinth Senior Planner City of Morro Bay 955 Shasta Avenue Morro Bay, CA 93442

H. SCOPING MEETING

A public scoping meeting has been scheduled to allow for any interested persons to supply input on issues to be discussed in the Program EIR:

Date: Tuesday, November 21, 2017

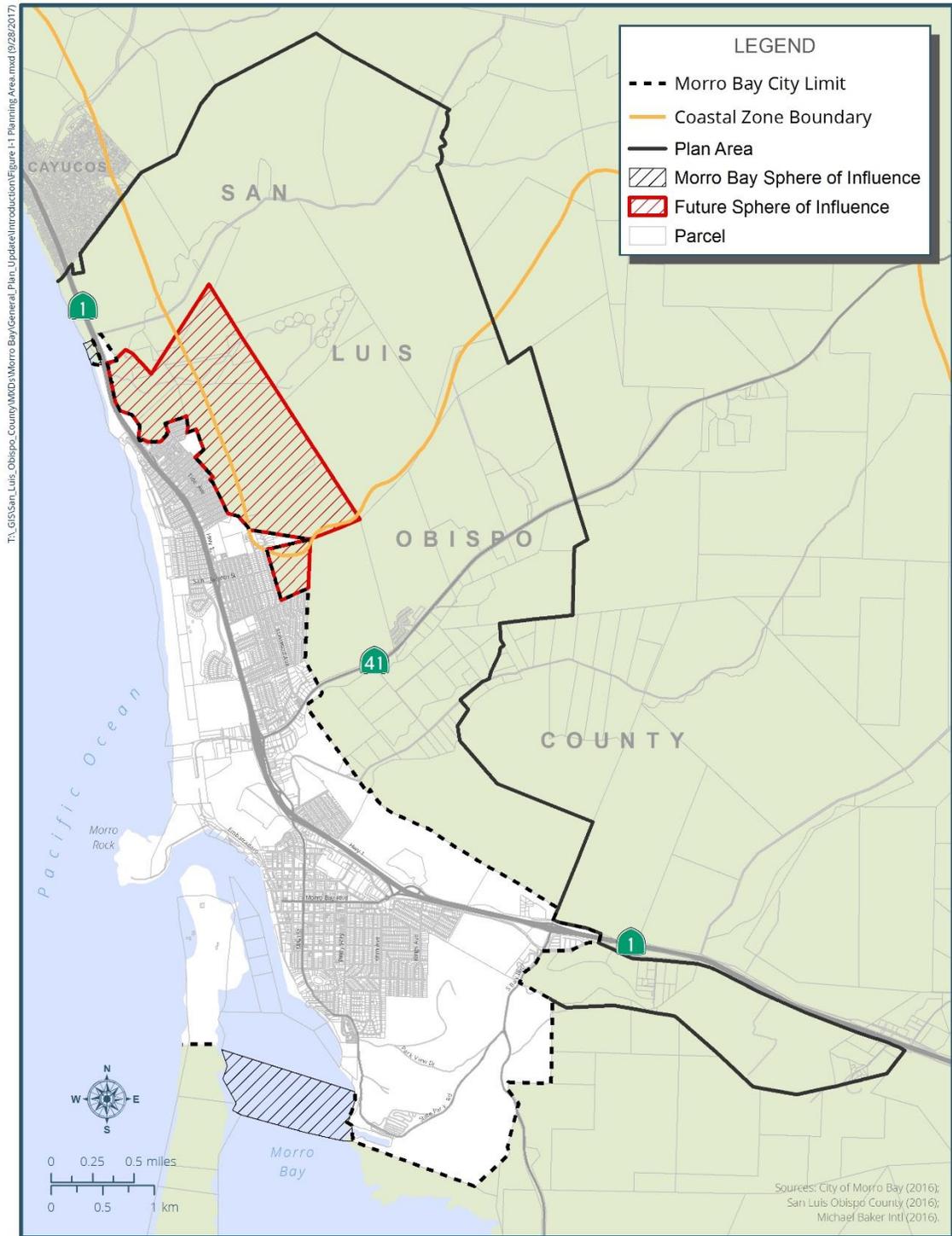
Time: 4:00 p.m. to 6:00 p.m.

Place: Facility Room, Veteran’s Memorial Building, 209 Surf Street

The meeting is an opportunity for City and consultant staffs to gather information from the public regarding the potential environmental impacts of the project that need to be evaluated in the Program EIR. It is not intended to be a hearing on the merits of the project. Therefore, members of the public should limit their comments focused on potential significant changes to the environment that may occur as a direct result of project development.

I. DOCUMENT AVAILABILITY

Copies of the NOP and project documents are available at the Morro Bay Public Library (625 Harbor Street, Morro Bay) and at City Hall (595 Harbor Street, Morro Bay).



T:\GIS\San_Luis_Obispo_County\MCDs\Morro Bay\General_Plan_Update\Introduction\Figure 1-1 Planning Area.mxd [9/28/2017]



FIGURE 1
Planning Area

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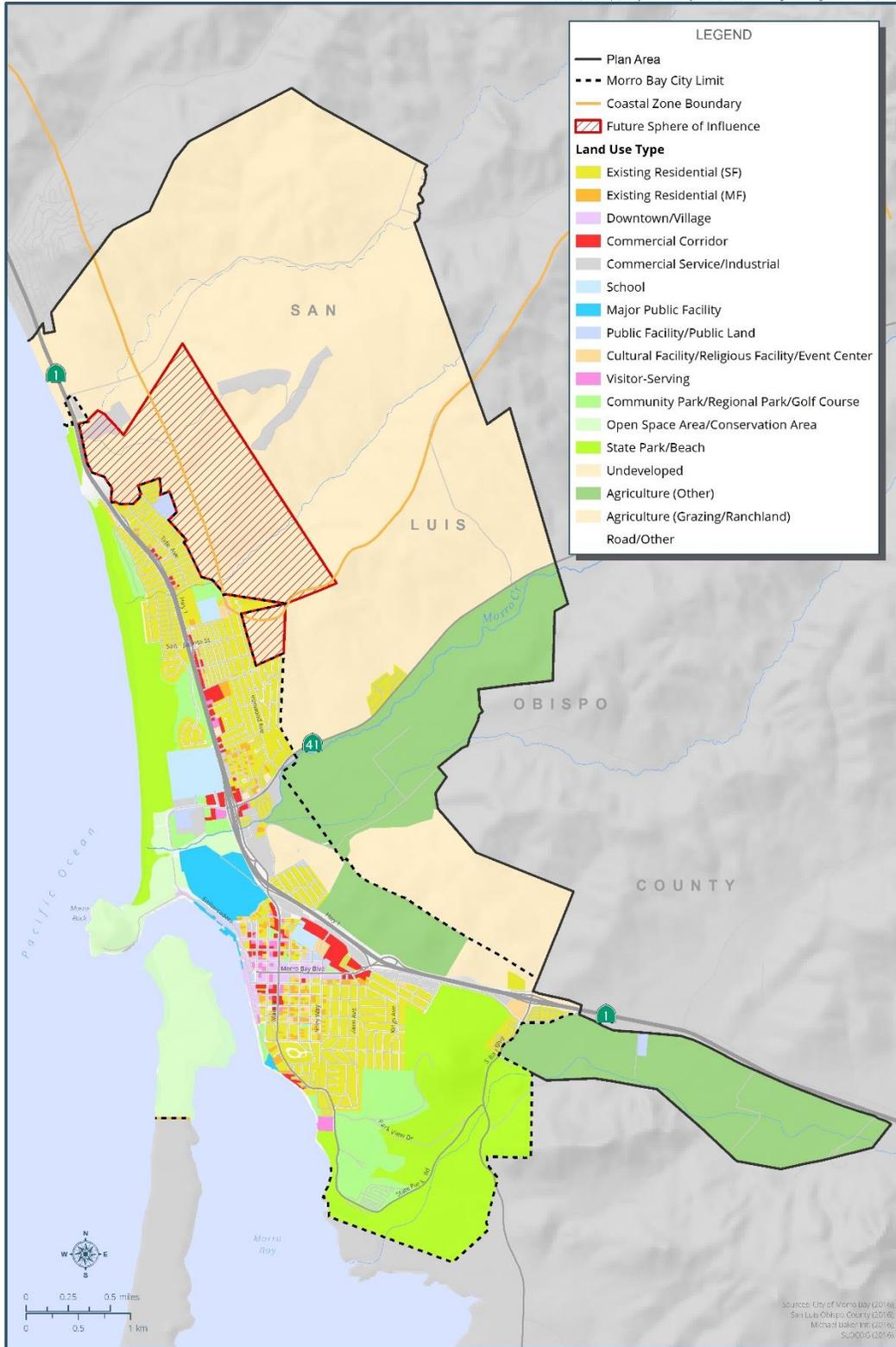
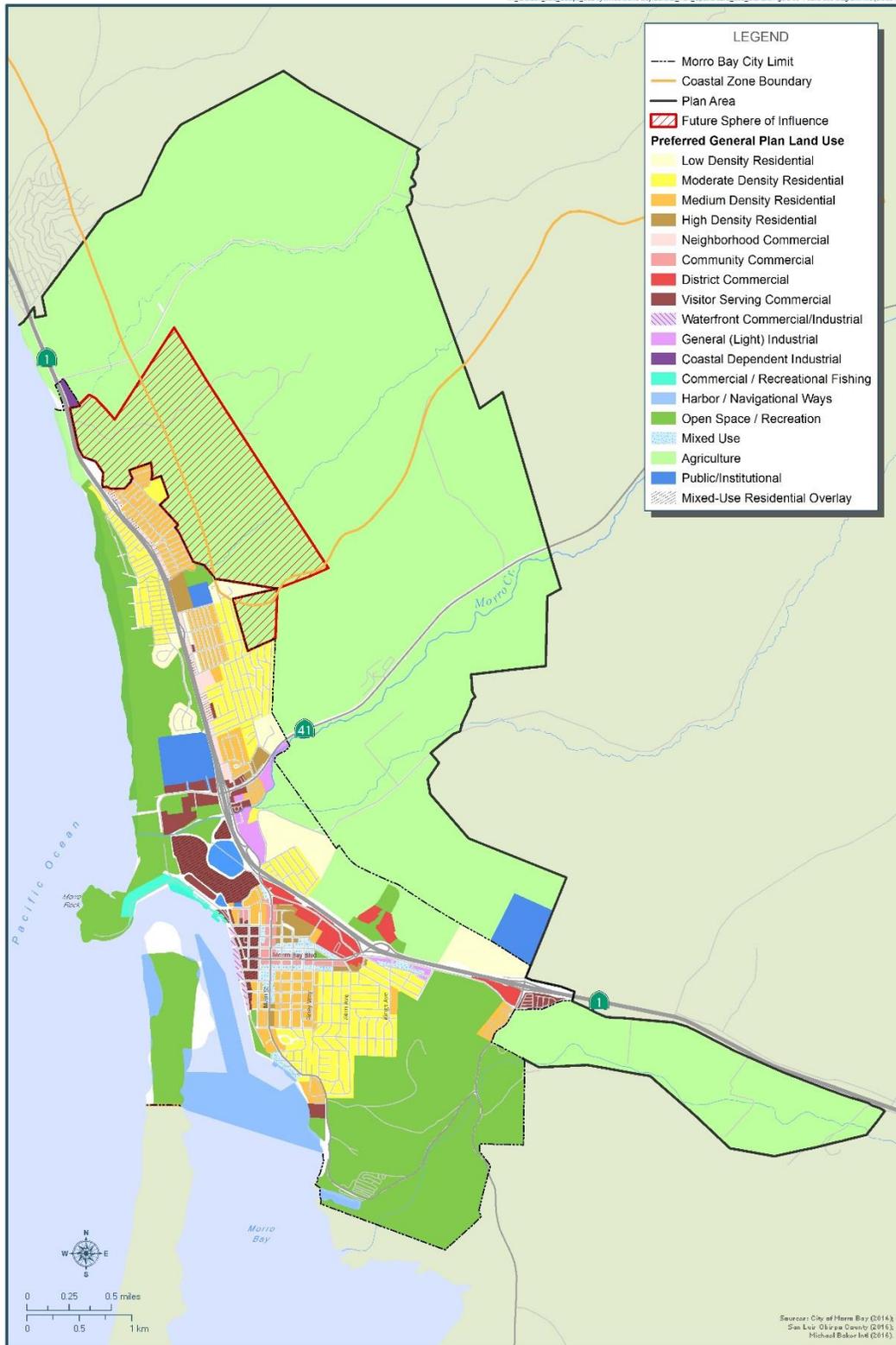


FIGURE 2

Existing On-The-Ground Land Use



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Source: City of Morro Bay (2014),
 San Luis Obispo County (2015),
 Michael Baker Intl (2015).



FIGURE 3
 Land Use Diagram

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