

Exhibit D

FINDINGS OF FACT
RELATED TO SIGNIFICANT ENVIRONMENTAL IMPACTS
IDENTIFIED IN THE FINAL ENVIRONMENTAL IMPACT REPORT FOR
EVALUATING THE PROPOSED REGULATION AND PERMITTING OF COMMERCIAL CANNABIS
ACTIVITIES (PUB. RESOURCES CODE § 21081(a) AND CEQA GUIDELINES SECTION 15091)
STATE CLEARINGHOUSE NO. 2019070123

1. INTRODUCTION

The following findings of fact are based in part on the information contained in the Draft and Final Environmental Impact Report (Final EIR) for the City of Fresno Evaluating the Proposed Regulation and Permitting of Commercial Cannabis Activities (Project). The City of Fresno is proposing amendments to Sections 152739 and 15-2739.1 of the Fresno Municipal Code, Article 33 to Chapter 9 of the Fresno Municipal Code, and Article 21 to Chapter 12 of the Fresno Municipal Code, relating to adult use and medicinal cannabis retail business and commercial cannabis businesses. The Final EIR is hereby incorporated by reference and is available for review at the City of Fresno, 2600 Fresno Street, Fresno, CA.

2. FINDINGS REGARDING THE POTENTIAL ENVIRONMENTAL EFFECTS OF THE PROJECT

The City of Fresno, Development and Resource Management Department (now Fresno Planning and Development Department) issued a Notice of Preparation (NOP) of a Draft Environmental Impact Report (EIR) on July 5, 2019. Based on the Initial Study and Notice of Preparation, a determination was made that the Final EIR would contain a comprehensive analysis of all environmental issues, identified in Appendix G of the California Environmental Quality Act (CEQA) Guidelines and not screened out during the NOP. With respect to all impacts identified as "less than significant" or as having "no impact" in the Final EIR, the lead agency finds that those impacts have been described accurately and are less than significant or have no impact as so described in the Final EIR. Despite concluding that certain impacts would be less than significant or would have no impact, the Final EIR nonetheless incorporated mitigation measures to comply with the goals, objectives, and policies of the City of Fresno General Plan, Municipal Code and other adopted regulations. The lead agency finds that these effects are less than significant or have no impact before and after implementation of these mitigation measures.

In addition, some impacts in the Final EIR were found to be "significant" but were able to be mitigated to less-than-significant levels and others were found to be "significant and unavoidable." The lead agency finds that those impacts have been described accurately and are less than significant with the implementation of mitigation or are significant and unavoidable.

Written findings and a brief explanation of the rationales for each finding in accordance with Section 21081(a) of the Public Resources Code and Section 15091 of the CEQA Guidelines have been included for each significant impact as identified in the Final EIR. The occurrences of significant environmental effects that cannot be avoided after all reasonable and feasible mitigation have been adopted for air quality, energy, and greenhouse gas emissions are included in the Statement of Overriding Considerations. The Statement of Overriding Considerations, in compliance with State CEQA Guidelines Section 15093, includes a discussion of the benefits of the project that provides a basis for the recommended approval of the project despite the adverse environmental effects that could and/or will occur. Additionally, a Mitigation Measure Monitoring Program has been prepared for the project.

A. AESTHETICS

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.1-1: Have a substantial adverse effect on a scenic vista.
 - Impact 4.1-2: Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State Scenic Highway.
 - Impact 4.1-3: Substantially degrade the existing visual character or quality of public views of the site and its surroundings. (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality.
 - Impact 4.1-4: Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - None.
- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

B. AGRICULTURE AND FOREST RESOURCES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.2-2: Conflict with existing zoning for agricultural use or a Williamson Act contract.
 - Impact 4.2-3: Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), or timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Productions (as defined in Government Code Section 51104(g)).
 - Impact 4.2-4: Result in the loss of forest land or conversion of forest land to non-forest use.

- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.2-1: Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Lands are currently designated farmland; therefore, mitigation will be required to ensure that impacts associated with the loss of farmland does not occur. Specifically, designated farmland will be replaced at a ratio of 1:1 acre, which will minimize impacts to farmland conversion. When implemented, these measures would reduce impacts to these species to below significant levels.

- Impact 4.2-5: Involve other changes in the existing environment which, because of their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

There are existing parcels that are zoned for industrial use that are currently being farmed and designated farmland. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, designated farmland will be replaced at a ratio of 1:1 acre, which will minimize impacts to farmland conversion. When implemented, these measures would reduce impacts to these species to below significant levels.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

C. AIR QUALITY

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - None.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.3-4: Result in Other Emissions (Such as Those Leading to Odors) Adversely Affecting a Substantial Number of People.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Operational odor impacts associated with an unmitigated potential subsequent cannabis Project was assessed by modeling a theoretical area source. The quantitative assessment of the potential for the Project to generate odors considers the reasonably anticipated,

permitted land uses identified in the City of Fresno Cannabis Ordinance and potential activity levels by activity types. The cultivation facilities are known to be a source of odorous compounds. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.3-5 has been included to require an Odor Management Control Plan to be submitted to the City demonstrating the technology to be used to ensure proper control of odors. When implemented, these measures would reduce impacts to these species to below significant levels.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
- Impacts 4.3-1 and 4.3-2: NO_x emissions during construction would result in temporary increases above the established thresholds. NO_x emissions during project operation would exceed SJVAPCD thresholds. Since the project would conflict with the applicable air quality plans by generating criteria pollutants, temporary (construction) and permanent (operation) impacts are considered significant and unavoidable.

Significant Effect:

Full buildout of the Project (construction and operations) would exceed the SJVAPCD Significance Threshold for NO_x, but would be under the thresholds for ROG, CO, SO₂, PM₁₀, and PM_{2.5}.

Description of Specific Impacts:

Implementation of the proposed Project would result in construction and operational impacts from maximum development of cannabis cultivation, manufacturing, distribution, testing laboratories, and retail businesses.

NO_x criteria pollutants are mainly derived from carbon-based vehicle emissions. The majority of these emissions would be from the vehicle trips associated with retail locations and persons driving to and from these locations. A smaller amount would be generated from mobile deliveries and trips related to employees of retail, cultivation, manufacturing, distribution and testing laboratories.

With the full buildout of the proposed Project NO_x emissions would exceed the established threshold during construction and operations. Implementation of the proposed Project would significantly impact the nonattainment area planning by the SJVAPCD for the federal ozone standard and would disrupt or hinder implementation of any plan control measures.

Finding:

The project will generate increased levels of NO_x emissions during project construction and operation and will have a potentially adverse effect on an air quality plan. All feasible and

reasonable changes or alterations have been required in, or incorporated into, the project that substantially lessen the potentially significant effects identified in the EIR. However, there are no feasible mitigation measures that would reduce the identified significant impact to a level below significant. Therefore, this impact would remain significant and unavoidable even with mitigation measures incorporated to the maximum extent feasible. As further explained in the Statement of Overriding Considerations, the City finds that there are specific overriding economic, legal, social, technological, and other benefits of the project that outweigh the significant and unavoidable impacts and make infeasible the mitigation measures or project alternatives identified in the final EIR. (14 CCR § 15091(a)(3).)

Rationale for the Finding:

CEQA requires that all feasible and reasonable mitigation be applied to reduce the project's conflict with an applicable air quality plan. Changes and alterations have been incorporated into the project which lessen the significant environmental effect as identified in the final EIR, however, there are no feasible and reasonable mitigation measures that can reduce this impact to a level that is less than significant. Impacts will remain significant and unavoidable.

- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - Impacts 4.3-1 and 4.3-2: Although implementation of mitigation measures 4.3.4-1 and 4.3.4-4 are expected to reduce emissions, exact construction and operational mitigation is on an individual project basis and is unknown at this time. It would be speculative to conclude emissions could be reduced to below the threshold for the total buildout of the Project. For these reasons, the proposed Project would have a significant and unavoidable cumulatively considerable contribution to conflicting with implementation of an applicable air quality plan, and to increasing criteria pollutants for which the region is in nonattainment.

Significant Effect:

Full buildout of the proposed Project would exceed the NO_x threshold during construction and operations, implementation of the proposed Project would significantly impact the nonattainment area planning by the SJVAPCD for the federal ozone standard and would disrupt or hinder implementation of any plan control measures.

Description of Specific Impacts:

The SJVAPCD's approach to assessing cumulative impacts dictates that a project's contribution to cumulative impacts to regional air quality would be considered potentially significant if the project's impact would be individually significant (i.e., exceeds the SJVAPCD's quantitative thresholds). For a project that would not individually cause a significant impact, the project's contribution to any cumulative impact may be considered less than significant, provided that the project is consistent with all applicable regional air quality plans. Because the proposed Project at total buildout does result in a significant air quality impact, and does conflict with applicable air quality plans, it is considered to contribute to significant cumulative air quality impacts.

Finding:

The SJVAPCD's approach to assessing cumulative impacts dictates that a project's contribution to cumulative impacts to regional air quality would be considered potentially significant if the project's impact would be individually significant (i.e., exceeds the SJVAPCD's quantitative thresholds). For a project that would not individually cause a significant impact, the project's contribution to any cumulative impact may be considered less than significant, provided that the project is consistent with all applicable regional air quality plans. Because the proposed Project at total buildout does result in a significant air quality impact (NO_x), and does conflict with applicable air quality plans, it is considered substantial and to contribute to significant cumulative air quality impacts.

Implementation of mitigation measures MM 4.3-1 through MM 4.3-4 are expected to reduce emissions, however the level of exceedance of SJVAPCD's NO_x threshold is substantial, therefore, it would be speculative to conclude emissions could be reduced to below the threshold for the total buildout of the Project. For these reasons, the proposed Project would have a significant and unavoidable cumulatively considerable contribution to increasing criteria pollutants for which the region is in nonattainment.

There are no feasible mitigation measures that would reduce the identified significant impact to a level below significant. This impact would remain significant and unavoidable even with mitigation measures incorporated to the maximum extent feasible. As further explained in the Statement of Overriding Considerations, the City finds that there are specific overriding economic, legal, social, technological, and other benefits of the project that outweigh the significant and unavoidable impacts and make infeasible the mitigation measures or project alternatives identified in the final EIR. (14 CCR § 15091(a)(3).)

Rationale for the Finding:

CEQA requires that all feasible and reasonable mitigation be applied to reduce the project's cumulative impacts to the environment caused by the introduction of air pollutant emissions.

There are currently no enforceable feasible mitigation measures to customers traveling to future commercial cannabis facilities that are located outside the City's jurisdiction. There are no feasible and reasonable mitigation measures that can reduce this impact to a level that is less than significant. Cumulative impacts will remain significant and unavoidable.

D. BIOLOGICAL RESOURCES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.4-2: Have a Substantial Adverse Effect on Any Riparian Habitat or Other Sensitive Natural Community Identified in Local or Regional Plans, Policies, Regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service.
 - Impact 4.4-3: Have a Substantial Adverse Effect on State or Federally Protected Wetlands (Including, but Not Limited to, Marsh, Vernal Pool, Coastal, etc.) Through Direct Removal, Filling, Hydrological Interruption, or Other Means.
 - Impact 4.4-4: Interfere Substantially with the Movement of any Native Resident or Migratory Fish or Wildlife Species or with Established Native Resident or Migratory Wildlife Corridors or Impede the Use of Native Wildlife Nursery Sites.
 - Impact 4.4-6: Conflict with Provisions of an Adopted Habitat Conservation Plan, Natural Communities Conservation Plan, or other Approved Local, Regional, or State Habitat Conservation Plan.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.4-1: Have a Substantial Adverse Effect, Either Directly or through Habitat Modifications, on any Species Identified as a Candidate, Sensitive, or Special Status Species in Local or Regional Plans, Policies, or Regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

There is the potential for some special-status or protected wildlife species to be impacted by Project activities. Mitigation measures MM 4.4-2 through MM 4.4-8 would protect, avoid, and minimize impacts to special-status wildlife species, as provided below. When implemented, these measures would reduce impacts to these species to below significant levels.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

E. CULTURAL RESOURCES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - None.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.5-1: Cause a Substantial Adverse Change in the Significance of a Historical Resource Pursuant to Section 15064.5.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

No cultural or tribal resources of any kind had been previously identified within the Project area, and the survey did not result in the identification of any such resources. However, there is still a possibility that previously unknown historical materials may be exposed during construction of undeveloped parcels. Grading and trenching, as well as other ground disturbing actions, have the potential to damage or destroy these previously unidentified and potentially significant cultural resources within the Project area, including historical resources. Disturbance of any deposits that have the potential to provide significant cultural data would be considered a significant impact under CEQA. Implementation of Mitigation measure MM 4.5-1 would reduce potential impacts on cultural resources, including historical resources, associated with the proposed Project to less-than-significant levels, by requiring consultation of a qualified historical resources specialist if previously unknown historical

resources are encountered before or during gradings activities. Operation of the proposed Project would not result in impacts related to the disturbance of historical resources.

- Impact 4.5-2: Cause A Substantial Adverse Change in the Significant of an Archaeological Resource Pursuant to Section 15064.5.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Grading and trenching, as well as other ground-disturbing actions, have the potential to damage or destroy these previously unidentified and potentially significant cultural resources within the Project area, including historical or archaeological resources. Disturbance of any deposits that have the potential to provide significant cultural data would be considered a significant impact under CEQA. Implementation of mitigation measure MM 4.5-2 would reduce potential impacts on cultural resources, including archaeological resources, associated with the proposed Project to less-than-significant levels, by requiring a field survey and literature search for prehistoric archeological resources for parcels that have not previously been graded.

- Impact 4.5-3: Disturb any Human Remains, including those Interred Outside of Dedicated Cemeteries.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Records searches did not indicate the presence of human remains, burials, or cemeteries located within the eligible sites. However, construction would involve earth-disturbing activities, and it is still possible that human remains may be discovered. Mitigation measure MM 4.5-3 has been included in the event that human remains are found during ground-disturbing activities, by requiring contact and coordination with the County Coroner in the event that human remains are unearthed during excavation and grading activities. Impacts would be less than significant with mitigation incorporated.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.

- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

F. Energy

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - None.
- vi. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.6-1: Result in Potentially Significant Environmental Impact Due to Wasteful, Inefficient, or Unnecessary Consumption of Energy Resources, During Project Construction or Operation.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

From indoor cultivation alone, there could be a substantial drain on the capacity of energy suppliers if no conservation measures were implemented, or onsite electrical generation utilized. However, the Project requires that all applicable federal, State, and local requirements and BMPs would be incorporated into construction of new or modified structures. Additionally, mitigation measures MM 4.6-1 and MM 4.6-2 require all cannabis cultivation businesses to comply with State mandated energy reduction standards beginning in 2022 and 2023. Impacts would be less than significant with mitigation incorporated.

- Impact 4.6-2: Conflict with or Obstruct a State or Local Plan for Renewable Energy or Energy Efficiency.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

All new development of vacant sites, and new occupancies of existing sites will require compliance with the energy efficiency regulations and policies cited in this section. Implementation of mitigation measures described above, including installation of solar generation will be in accordance with State mandates for renewable energy generation, which will result in a less-than-significant impact. Specifically, mitigation measures MM 4.6-1 and MM 4.6-2 require all cannabis cultivation businesses to comply with State mandated energy reduction standards beginning in 2022 and 2023. Impacts would be less than significant with mitigation incorporated.

- ii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iii. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- iv. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

G. GEOLOGY AND SOILS

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.7-1: Directly or Indirectly Cause Potential Substantial Adverse Effects, Including the Risk of Loss, Injury, or Death Involving the Rupture of a Known Earthquake Fault.
 - Impact 4.7-2: Directly or Indirectly Cause Potential Substantial Adverse Effects, Including the Risk of Loss, Injury, or Death Involving Strong Seismic Ground Shaking.
 - Impact 4.7-3: Directly or Indirectly Cause Potential Substantial Adverse Effects, Including the Risk of Loss, Injury, or Death Involving Seismic-related Ground Failure, Including Liquefaction.
 - Impact 4.7-4: Directly or Indirectly Cause Potentially Substantial Adverse Effects, Including the Risk of Loss, Injury, or Death Involving Landslides.
 - Impact 4.7-5: Result in Substantial Soil Erosion or Loss of Topsoil.
 - Impact 4.7-6: Be Located on a Geologic Unit or Soil That Is Unstable, or That Would Become Unstable as a Result of the Project, and Potentially Result in On or Offsite Landslide, Lateral Spreading, Subsidence, Liquefaction, or Collapse.
 - Impact 4.7-7: Be Located on Expansive Soil, as Defined in Table 18-1-B of the Uniform Building Code (1994), Creating Substantial Direct or Indirect Risks to Life or Property.

- Impact 4.7-8: Have Soils Incapable of Adequately Supporting the Use of Septic Tanks or Alternative Wastewater Disposal Systems Where Sewers Are Not Available for the Disposal of Wastewater.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- Impact 4.7-9: Directly or Indirectly Destroy a Unique Paleontological Resource or Site or Unique Geologic Feature.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Grading and trenching, as well as other ground-disturbing actions, have the potential to damage or destroy previously unidentified and potentially significant paleontological resources within the Project area. Mitigation measure MM 4.5-3 has been included in the event that paleontological resources are found during ground-disturbing activities, which would require a Project-specific Paleontological Resource Impact Mitigation Program (PRIMP) be prepared by a professional paleontologist for areas identified in the Paleontological Resource Assessment (PRA) as high potential. Impacts would be less than significant with mitigation incorporated.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
- None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
- None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
- None.

H. GREENHOUSE GAS EMISSIONS

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
- None.

- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- Impact 4.8.2: Conflict with Any Applicable Plan, Policy or Regulation of an Agency Adopted for the Purpose of Reducing the Emissions of Greenhouse Gases.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Without mitigation to reduce greenhouse gas emissions to the Project would not comply with all State and local greenhouse gas reduction strategies. Conflicts with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases would be considered significant and unavoidable. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, implementation of mitigation measures MM 4.3-1 through MM 4.3-4, MM 4.6-1, MM 4.6-2, MM 4.8-1 and MM 4.8-2 will reduce air quality impacts and greenhouse gas emissions.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
- None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
- None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
- Impact 4.8-1: Although many other agencies with the necessary jurisdiction are currently taking action to reduce GHG emissions, the City cannot assure that these measures would ultimately be implemented or sufficient to address climate change. Therefore, GHG emissions would be considered cumulatively significant and unavoidable.

Significant Effect:

The proposed Project's preliminary GHG analysis demonstrates that the Project will not meet a 29 percent reduction in GHG emissions from BAU.

Description of Specific Impact:

Construction and operational emissions were quantified using the California Emissions Estimator Model (CalEEMod), which was developed by the California Air Pollution Control Officers Association (CAPCOA) and is approved for use in all areas of California (CAPCOA, 2016). CalEEMod quantifies emissions of GHGs from construction and operations activities using emission factors derived from CARB's Emission Factor (EMFAC) and OFFROAD models, for on-highway and off-road vehicles, respectively. The model calculates vehicle emissions based on the fleet average emission rate of vehicles operating in the Project area for the year in which the construction activity occurs.

The SJVAPCD does not have adopted GHG thresholds. Instead, the SJVAPCD recommends using a "Business-as-Usual" (BAU) approach, which demonstrates a project's ability to reduce GHG emissions by 29 percent compared to BAU, which is measured by the project's emissions as modeled for an operational year of 2005. Applying this methodology would result in a 9.7 percent reduction by the proposed Project, at total buildout, failing to achieve the GHG emission reductions required for assessing significance of the GHG emissions.

Finding:

The project will cause significant adverse impacts due to GHG emissions during construction and operation of the project. All feasible and reasonable changes or alterations have been required in, or incorporated into, the project that substantially lessen the potentially significant effects identified in the EIR. While mitigation measures are identified for the project, there are currently no enforceable feasible mitigation measures related to customers traveling to retail cannabis stores that are outside of the Project area. Impacts will be significant and unavoidable. However, there are no feasible mitigation measures that would reduce the identified significant impact to a level below significant. Therefore, this impact would remain significant and unavoidable even with mitigation measures incorporated to the maximum extent feasible. As further explained in the Statement of Overriding Considerations, the City finds that there are specific overriding economic, legal, social, technological, and other benefits of the project that outweigh the significant and unavoidable impacts and make infeasible the mitigation measures or project alternatives identified in the final EIR. (14 § CCR 15091(a)(3).)

Brief Explanation for the Rationale for the Finding:

CEQA requires that all feasible and reasonable mitigation be applied to reduce the environmental impacts of the project. All feasible and reasonable changes or alterations have been required in, or incorporated into, the project that substantially lessen the potentially significant effects identified in the EIR. There are no feasible and reasonable mitigation measures that can reduce this impact to a level that is less than significant. Therefore, impacts will remain significant and unavoidable.

I. HAZARDS AND HAZARDOUS MATERIALS

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.9-5: For A Project Located Within an Airport Land Use Plan or, Where Such a Plan Has Not Been Adopted, Within Two Miles of a Public Airport or Public Use Airport, Would the Project Result in a Safety Hazard or Excessive Noise for People Residing or Working in the Project Area.
 - Impact 4.9-6: Impair Implementation of, or Physically Interfere with, an Adopted Emergency Response Plan or Emergency Evacuation Plan.
 - Impact 4.9-7: Expose People or Structures, Either Directly or Indirectly, to a Significant Risk of Loss, Injury, or Death Involving Wildland Fires.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.9-1: Create a Significant Hazard to the Public or the Environment Through the Routine Transport, Use, or Disposal of Hazardous Materials.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Cannabis processing for concentrates such as oils, honeys, and waxes uses a variety of extraction processes and solvents, such as butane (C₄H₁₀), carbon dioxide (CO₂), or alcohol distillation. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, implementation of MM 4.9-2 and MM 4.9-3 would reduce the risk of creating a significant hazard to the public through the transport, use, or disposal of hazardous materials to less than significant levels by requiring approval of a Hazardous Materials Business Plan (HMBP) and a Waste Management Plan (WMP) from the Fresno County Environmental Health Department, and approval of a Volatile Manufacturing Employee Training Plan from the Fresno Planning and Development Department.

- Impact 4.9-2: Create a Significant Hazard to the Public or the Environment Through Reasonably Foreseeable Upset and Accident Conditions Involving the Release of Hazardous Materials into the Environment.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Implementation of the proposed Project could result in significant impacts with regard to the creation of a hazard to the public or environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.9-4 requires that any structure to be demolished or extensively remodeled as part of a future cannabis facility be tested for ACMs prior to demolition or remodeling, and mitigation measure MM 4.9-5 would require a Fire Hazard Plan (FHP) be submitted and approved by the Fresno Fire Department prior to operation of any cannabis cultivation, manufacturing, or distribution facility.

- Impact 4.9-3: Emit Hazardous Emissions or Handle Hazardous or Acutely Hazardous Materials, Substances, or Waste Within One-Quarter Mile of an Existing or Proposed School.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Based on the minimum setback requirements proposed for cultivation, manufacturing, and distribution (1,000 ft) and no proposed setbacks in the Cannabis Innovation Zone, it is anticipated that potential development could occur within one-quarter mile of an existing or proposed school. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, these impacts are considered less than significant with proposed mitigation through the requirement to obtain approval of a HMBP from the Fresno County Environmental Health Department and an FHP from the Fresno Fire Department.

- Impact 4.9-4: Create a Hazard to Public or the Environment as a Result of Being Located on a Site that is Included on a List of Hazardous Material Sites Compiled Pursuant to Government Code Section 65962.5.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

It is anticipated that eligible sites within the proposed Project could be included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.9-6 has been included to require any application for a cannabis license to verify whether the proposed site is located on the Cortese List. If the proposed business is located on a parcel that is on the list, site remediation must occur, consistent with State regulations, prior to occupancy of the site.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

J. HYDROLOGY AND WATER QUALITY

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.10-3(i): Substantially Alter the Existing Drainage Pattern of the Site or Area, Including Through the Alteration of the Course of a Stream or River, or Through the Addition of Impervious Surfaces, in a Manner Which Would: Result in Substantial Erosion or Siltation On- or Off-Site.
 - Impact 4.10-3(ii): Substantially Alter the Existing Drainage Pattern of the Site or Area, Including the Alteration of the Course of a Stream or River or Through the Addition of Impervious Surfaces, or Substantially Increase the Rate or Amount of Surface Runoff in a Manner Which Would Result in Flooding On- Or Off-Site.
 - Impact 4.10-4: In Flood Hazard, Tsunami, or Seiche Zones, Risk Release of Pollutants Due to Project Inundation.

- Impact 4.10-5: Conflict with or Obstruct Implementation of a Water Quality Control Plan or Sustainable Groundwater Management Plan.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- Impact 4.10-1: Violate Any Water Quality Standards or Waste Discharge Requirements or Otherwise Substantially Degrade Surface or Groundwater Quality.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The Project would comply with federal CWA, as well as SWRCB regulations that may require adherence with NPDES General Permit and the preparation of a SWPPP and site-specific BMPs for erosion and sediment control. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.10-1 requires a Wastewater Control Plan (WCP) to be submitted to the Fresno Planning and Development Department that includes best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- Impact 4.10-2: Substantially Decrease Groundwater Supplies or Interfere Substantially with Groundwater Recharge Such That the Project May Impede Sustainable Groundwater Management of the Basin.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The proposed Project's unmitigated water demand would exceed the typical industrial use demand by more than 6.5 times. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.10-1 requires a Wastewater Control Plan (WCP) to be submitted to the Fresno Planning and Development Department that includes best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts

of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- Impact 4.10-3(iii): Substantially Alter the Existing Drainage Pattern of the Site or Area, Including Through the Alteration of the Course of a Stream or River or Through the Addition of Impervious Surfaces, in a Manner Which Would Create or Contribute Runoff Water Which Would Exceed the Capacity of Existing or Planned Stormwater Drainage Systems or Provide Substantially Additional Sources of Polluted Runoff.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The Fresno Metropolitan Flood Control District has implemented an effective Storm Drainage Master Plan. The Project would adhere to all requirements related to this Plan and would not generate any substantial additional sources of polluted runoff. Potential water-quality related runoff issues would be less than significant with implementation of MM 4.10-1, which requires a Wastewater Control Plan (WCP) to be submitted to the Fresno Planning and Development Department that includes best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- Impact 4.10-3(iv): Substantially Alter the Existing Drainage Pattern of the Site or Area, Including Through the Alteration of the Course of a Stream or River or Through the Addition of Impervious Surfaces, in a Manner Which Would impede or redirect flood flows.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The Project consists of existing structures or construction of new facilities corresponding to existing zoning. With application of existing City ordinances and regulations regarding usage and construction, no alterations of streams or rivers, or flood plains that would result in substantial erosion or siltation, or redirection of flood flows will occur. Mitigation has been incorporated into the project which avoid or substantially lessen the significant

environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.10-1 requires a Wastewater Control Plan (WCP) to be submitted to the Fresno Planning and Development Department that includes best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

K. LAND USE AND PLANNING

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.11-1: Physically Divide an Established Community.
 - Impact 4.11-2: Cause a Significant Environmental Impact Due to a Conflict with Any Land Use Plan, Policy, or Regulation Adopted for the Purpose of Avoiding or Mitigating an Environmental Effect.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - None.
- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.

- None.

L. MINERAL RESOURCES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.12-1: Result in the Loss of Availability of a Known Mineral Resource that Would be of Value to the Region and the Residents of the State.
 - Impact 4.12-2: Result in the Loss of Availability of a Locally Important Mineral Resource Recovery Site Delineated on a Local General Plan, Specific Plan, or Other Land Use Plan.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - None.
- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

M. NOISE

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.13-2: Generation of Excessive Groundborne Vibration or Groundborne Noise Levels.
 - Impact 4.13-3: For a Project Located Within the Vicinity of a Private Airstrip or an Airport Land Use Plan or, Where Such a Plan has not been Adopted, Within Two Miles of a Public Airport or Public Use Airport, Would the Project Expose People Residing or Working in the Project Area to Excessive Noise Levels.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.

- Impact 4.13-1: Generation of a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Depending on proximity to existing noise-sensitive land uses, Project implementation and the establishment of commercial and retail cannabis businesses could potentially result in noise levels that exceed the City's applicable noise level standards. Sources of cannabis related noise could include (but are not limited to) construction activities, operational noise levels associated with specialty equipment used in the cultivation, harvesting, processing, packaging and distribution of cannabis products, HVAC equipment, as well as project-related increases in traffic noise exposure at existing noise-sensitive land uses. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measures MM 4.13-1 and MM 4.13-2, would require applicants to adhere to the Fresno Municipal Code standards for construction activity hours of operation and to provide a site specific acoustical analysis for all new commercial cannabis businesses located in the Cannabis Innovation Zone and within 1,000 feet from any property boundary containing a residence, school, daycare or youth center.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

N. POPULATION AND HOUSING

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.14-1: Induce Substantial Unplanned Population Growth in an Area, Either Directly or Indirectly.
 - Impact 4.14-2: Displace Substantial Number of Existing People or Housing Necessitating the Construction.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - None.
- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

O. PUBLIC SERVICES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.15-2: Result in Substantial Adverse Physical Impacts Associated with the Provision of New or Physically Altered Governmental Facilities, Need for New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts in order to Maintain Acceptable Service Ratios, Response Times, or Other Performance Objectives for Police Protection Services.
 - Impact 4.15-3: Result in Substantial Adverse Physical Impacts Associated with the Provision of New or Physically Altered Governmental Facilities, Need for New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts in order to Maintain Acceptable Service Ratios, Response Times, or Other Performance Objectives for School Services.
 - Impact 4.15-4: Result in Substantial Adverse Physical Impacts Associated with the Provision of New or Physically Altered Governmental Facilities, Need for New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant

Environmental Impacts in order to Maintain Acceptable Service Ratios, Response Times, or Other Performance Objectives for Park Services.

- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- Impact 4.15-1: Result in Substantial Adverse Physical Impacts Associated with the Provision of New or Physically Altered Governmental Facilities, Need for New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts in order to Maintain Acceptable Service Ratios, Response Times, or Other Performance Objectives for Fire Protection.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

As part of the processing of site-specific conditional use permits for commercial cannabis businesses, the Fresno Fire Department – Fire Prevention and Investigation Unit will review each proposal and related construction permits to ensure that all codes and regulations pertaining to fire safety are complied with. Based on current staffing levels and the limited number of permits that will be processed, there is not an anticipated need for additional staffing resources for processing. In addition, based on the current staff levels and the current fire station locations in proximity to proposed commercial cannabis businesses, it is not anticipated that additional staffing resources are needed for emergency response. Implementation of mitigation measures in Section 4.9 (Hazards and Hazardous Materials) of the Final EIR, that would reduce the threat of chemical fire and exposure, and adherence to all codes and regulations, would reduce impacts to less than significant.

- Impact 4.15-5: Result in Substantial Adverse Physical Impacts Associated with the Provision of New or Physically Altered Governmental Facilities, Need for New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts in order to Maintain Acceptable Service Ratios, Response Times, or Other Performance Objectives for Other Public Facilities.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

As discussed in Section 4.10, *Hydrology and Water Quality*, and Section 4.19, *Utilities and Service Systems*, with the incorporation of mitigation measures, the proposed Project would not directly or indirectly result in significant impacts related to water quality and water availability. Mitigation measure MM 4.10-1 would require impermeable flooring and the submittal of a Wastewater Control Plan, which will require quantification of wastewater contaminants and proper pretreatment prior to disposal, submitted concurrently with an application for a condition use permit for a cannabis cultivation facility.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

P. RECREATION

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.16-1: Result in Increased Use of Existing Neighborhood and Regional Parks or Other Recreational Facilities Such that Substantial Physical Deterioration Would Occur or be Accelerated.
 - Impact 4.16-2: Include Recreational Facilities or Require Construction or Expansion of Recreational Facilities That Might Have an Adverse Physical Effect on the Environment.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.

- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
- None.

Q. TRANSPORTATION AND TRAFFIC

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
- None.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
- Impact 4.17-1: Conflict with a Program, Plan, Ordinance, or Policy Addressing the Circulation System, Including Transit, Roadway, Bicycle and Pedestrian Facilities.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

As noted in the City of Fresno Traffic Impact Study Report Guidelines, a Traffic Impact Study (TIS) is generally required by the City if project-generated traffic is expected to be greater than 100 vehicle trips during any peak hour. In addition, the need for a TIS is also based on a project's location within the City's Sphere of Influence (SOI) as documented in the City of Fresno's General Plan Policy MT-2. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.17-1 and MM 4.17-2 requires site specific focused traffic analysis for cannabis related businesses that exceed certain size and are located within specific Traffic Impact Zones. Implementation of these mitigation measures will ensure that the Project does not Conflict with a Program, Plan, Ordinance, or Policy Addressing the Circulation System.

- Impact 4.17-2: Conflict or be Inconsistent with CEQA Guidelines 15064.3, Subdivision (b).

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The proposed Project will allow for cannabis related businesses to be processed under a Conditional Use Permit, and the intention of the Project EIR is to allow for those CUPs to be approved utilizing the EIR. Therefore, mitigation measures need to be placed on future Projects to ensure they comply with VMT standards and City regulations. Specifically, mitigation measure MM 4.17-3 requires cannabis related businesses to comply with any adopted VMT regulations of the City of Fresno.

- Impact 4.17-3: Substantially Increase Hazards Due to a Geometric Design Feature or Incompatible Uses.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

All requests for cannabis related businesses will require approval of a Conditional Use Permit. The CUP process ensures compliance with all applicable development codes and policies, including egress and ingress points and proper loading and unloading areas. Specifically, mitigation measure MM 4.17-1 and MM 4.17-2 requires site specific focused traffic analysis for cannabis related businesses that exceed certain size and are located within specific Traffic Impact Zones. Implementation of these mitigation measures will ensure that the Project does not Conflict with a Program, Plan, Ordinance, or Policy Addressing the Circulation System. Mitigation measure MM 4.17-3 requires cannabis related businesses to comply with any adopted VMT regulations of the City of Fresno.

- Impact 4.17-4: Result in Inadequate Emergency Access.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

All requests for cannabis related businesses will require approval of a Conditional Use Permit. The CUP process ensures compliance with all applicable development codes and policies, including egress and ingress points and proper loading and unloading areas. Specifically, mitigation measures MM 4.17-1 and MM 4.17-2 require site specific focused traffic analysis for cannabis related businesses that exceed certain size and are located within specific Traffic Impact Zones. Implementation of these mitigation measures will ensure that the Project does not Conflict with a Program, Plan, Ordinance, or Policy

Addressing the Circulation System. Mitigation measure MM 4.17-3 requires cannabis related businesses to comply with any adopted VMT regulations of the City of Fresno.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

R. TRIBAL CULTURAL RESOURCES

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - None.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.18-1: Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is listed or eligible for listing in the California register of historical resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k).

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The majority of the Project is categorized as having high sensitivity for containing buried archaeological sites, or that contain historical resources that are either listed in or proposed for listing in the NRHP, CRHR and/or the City's Local Register. No cultural or tribal resources of any kind had been previously identified within the Project area, and

the survey did not result in the identification of any such resources. However, there is still a possibility that previously unknown historical materials may be exposed during construction of undeveloped parcels. Grading and trenching, as well as other ground disturbing actions, have the potential to damage or destroy these previously unidentified and potentially significant cultural resources within the Project area, including historical resources. Disturbance of any deposits that have the potential to provide significant cultural data would be considered a significant impact under CEQA. Implementation of mitigation measure MM 4.5-1 would reduce potential impacts on cultural resources, including historical resources, associated with the proposed Project to less-than-significant levels, by requiring consultation of a qualified historical resources specialist if previously unknown historical resources are encountered before or during gradings activities. Operation of the proposed Project would not result in impacts related to the disturbance of historical resources.

- Impact 4.18-2: Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is a resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in Subdivision (c) of Public Resources Code Section 5024.1.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The majority of the Project is categorized as having high sensitivity for containing buried archaeological sites, or that contain historical resources that are either listed in or proposed for listing in the NRHP, CRHR and/or the City's Local Register. No cultural or tribal resources of any kind had been previously identified within the Project area, and the survey did not result in the identification of any such resources. However, there is still a possibility that previously unknown historical materials may be exposed during construction of undeveloped parcels. Grading and trenching, as well as other ground disturbing actions, have the potential to damage or destroy these previously unidentified and potentially significant cultural resources within the Project area, including historical resources. Disturbance of any deposits that have the potential to provide significant cultural data would be considered a significant impact under CEQA. Implementation of mitigation measure MM 4.5-1 would reduce potential impacts on cultural resources, including historical resources, associated with the proposed Project to less-than-

significant levels, by requiring consultation of a qualified historical resources specialist if previously unknown historical resources are encountered before or during gradings activities. Operation of the proposed Project would not result in impacts related to the disturbance of historical resources.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

S. UTILITIES AND SERVICE SYSTEMS

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.19-2: Have Sufficient Water Supplies Available to Serve the Project from Existing Entitlements and Resources or Would New or are New or Expanded Entitlements Needed.
- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.19-1: Require or Result in the Relocation or Construction of New or Expanded Water, Wastewater Treatment or Storm Water Drainage, Electric Power, Natural Gas, or Telecommunications Facilities, the Construction or Relocation of Which Could Cause Significant Environmental Effects.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Due to the increase in estimated water demand of the proposed Project in comparison to typical industrial uses, increases in water service infrastructure at each potential cannabis cultivation facility may be required. Mitigation has been incorporated into the project

which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.19-1 has been included to ensure that appropriate water service connections are installed.

- Impact 4.19-3: Result in a Determination by the Wastewater Treatment Provider Which Serves or May Serve the Project That It Has Adequate Capacity to Serve the Project's Projected Demand in Addition to the Provider's Existing Commitments.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

In order to reduce impacts to wastewater services, mitigation measure MM 4.10-1, as proposed in Section 4.10- *Hydrology and Water Quality*, will require all cultivation facilities to submit a Wastewater Control Plan (WCP), which include best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- Impact 4.19-4: Generate Solid Waste in Excess of State or Local Standards, or in Excess of the Capacity of Local Infrastructure, or Otherwise Impair the Attainment of Solid Waste Reduction Goals.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Implementation of the proposed Project would generate solid waste during potential future construction and operation of new cannabis related businesses. AB 939 and Ordinance No. 2003-100 require the City of Fresno to attain specific waste diversion goals. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measures MM 4.19-2 through MM 4.19-4 would ensure compliance with policies to reduce waste sent to landfills.

- Impact 4.19-5: Comply with Federal, State, and Local Management and Reduction Statutes and Regulations Related to Solid Waste.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

Implementation of the proposed Project would generate solid waste during potential future construction and operation of new cannabis related businesses. AB 939 and Ordinance No. 2003-100 require the City of Fresno to attain specific waste diversion goals. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.19-1 has been included to ensure that appropriate water service connections are installed. Mitigation measures MM 4.19-2 through MM 4.19-4 would ensure compliance with policies to reduce waste sent to landfills.

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

T. WILDFIRE

- i. Environmental Effects of the Project Found to Have No Impact on the Environment or Have a Less Than Significant Impact on the Environment.
 - Impact 4.20-1: Substantially Impair an Adopted Emergency Response Plan or Emergency Evacuation Plan
 - Impact 4.20-2: Due to Slope, Prevailing Winds, and Other Factors, Exacerbate Wildfire Risks, and Thereby Expose Project Occupants to, Pollutant Concentrations from a Wildfire or the Uncontrolled Spread of a Wildfire.
 - Impact 4.20-3: Require the Installation or Maintenance of Associated Infrastructure (Such as Roads, Fuel Breaks, Emergency Water Sources, Power Lines or Other Utilities) that may

Exacerbate Fire Risk or that may Result in Temporary or Ongoing Impacts to the Environment.

- ii. Environmental Effects of the Project That Are Potentially Significant, but That Can Be Mitigated to Less Than Significant Levels.
 - Impact 4.20-4: Expose People or Structures to Significant Risks, Including Downslope or Downstream Flooding or Landslides, as a Result of Runoff, Post-fire Slope Instability, or Drainage Changes.

Finding:

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment. (14 CCR § 15091(a)(1).)

Rationale for the Finding:

The proposed Project could alter the existing drainage patterns, which would have the potential to result in erosion, siltation, or flooding on or offsite. The disturbance of soils during construction could cause erosion, resulting in temporary construction impacts. Mitigation has been incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. Specifically, mitigation measure MM 4.10-1, as proposed in Section 4.10- *Hydrology and Water Quality*, will require all cultivation facilities to submit a Wastewater Control Plan (WCP), which include best management practices for capture and treatment of runoff (including recycling systems for capture and reuse of produced water, disclosure of pesticides to be used, and amounts of individual contaminate concentrates that will be disposed of through public wastewater treatment facilities).

- iii. Environmental Effects of the Project That Cannot Be Mitigated to a Level Less than Significant.
 - None.
- iv. Cumulative Environmental Effects of the Project That Will Have a Less Than Significant Impact on the Environment.
 - None.
- v. Cumulative Environmental Effects of the Proposed Project That Will Have a Significant Impact on the Environment.
 - None.

3. FINDINGS REGARDING CONSIDERATIONS WHICH MAKE CERTAIN ALTERNATIVES ANALYZED IN THE FINAL ENVIRONMENTAL IMPACT REPORT INFEASIBLE.

The following findings and brief explanation of the rationale for the findings regarding project alternatives identified in the EIR are set forth to comply with the requirements of Section 15126.6 and 15091(a)(3) of the CEQA Guidelines.

The consideration of alternatives is an integral component of the CEQA process. The selection and evaluation of a reasonable range of alternatives provides the public and decision-makers with information on ways to avoid or lessen environmental impacts created by a proposed project. When selecting alternatives for evaluation, CEQA requires alternatives that meet most of the basic objectives of the project, while avoiding or substantially lessening the project's significant effects.

Four alternatives to the project were defined and analyzed in the Final EIR which concluded that each alternative would not meet, either in part or in whole, the project goals to the same extent as the proposed project. Therefore, none of the alternatives would be better than the project when balancing the avoidance of environmental impacts, the project benefits, and policy considerations.

Alternative A - No Project Alternative

Under the No Project Alternative, the Project area would remain unchanged and there would be no sites eligible for commercial cannabis businesses. None of the vacant sites would be improved, and none of the vacant buildings would be occupied. Additionally, an estimated 120 illegal cannabis operations currently exist within the City of Fresno and the current regulatory framework cannot be implemented without the proposed Project. Therefore, the No Project Alternative would not fulfill the objectives of the Project and would continue to result in impacts to land use, noise, public services, and transportation.

Conclusion and Relationship to Project Objectives

Under the No Project Alternative, the Project area would remain unchanged and no sites would be eligible for commercial cannabis businesses, and the estimated 120 illegal cannabis operations would continue operating, unimpeded by legal and regulated cannabis marketplaces. Furthermore, the No Project Alternative does not meet the Project objectives to "...accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s), as well as provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the city's residents, neighborhoods, and businesses from disproportionately negative impacts."

Alternative B - Reduced Project Alternative – Medicinal Only

This alternative would decrease the number of businesses allowed as it would only serve residents with medical reasons for the use of cannabis products.

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Alternative B- Reduced Project Alternative- Medical Only**

Commercial Cannabis Uses	Eligible Sites	Businesses	Building sf
Cultivation, Distribution, and Manufacturing Within Cannabis Innovation Zone	154	8	350,000
Cannabis Retailers	1,806	7	18,333
Testing Laboratories	13,660	Unlimited	100,000
Totals	15,620	N/A	468,333

The decreased number of commercial cannabis businesses, eligible sites, and building footprint in this alternative will reduce the significant impacts associated with air quality to a less than significant level, and further reduce greenhouse gas emissions; however, not to a less than significant level.

This alternative will meet the Project objective to - "...accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s)," but will not meet the Project objective to "...provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the City's residents, neighborhoods, and businesses from disproportionately negative impacts." Additionally, there are an estimated 120 illegal cannabis operations throughout the City. Under the Alternative B, some of these operations would continue to operate due to a lack of a legal, non-medical cannabis marketplace.

Conclusion and Relationship to Project Objectives

Under the reduced Project Alternative, the Project would reduce the number of retail businesses allowed from 21 to 7, eligible sites from 5,420 to 1,806, and from 55,000 sf to 18,333 sf, and reduce the number of cultivation, distribution, and manufacturing businesses from 16 to 8, eligible sites from 1,107 to 154, and from 700,000 sf to 350,000 sf. Furthermore, the Reduced Project Alternative – Medicinal Only does not meet the Project objectives to "...provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the city's residents, neighborhoods, and businesses from disproportionately negative impacts."

Alternative C - Reduced Project Alternative – No Retail

This alternative would eliminate the process of permitting retail cannabis businesses in the City, but maintain the permitting of testing, cultivation, distribution, and manufacture of cannabis products.

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Alternative C- Reduced Project Alternative – No Retail

Commercial Cannabis Uses	Eligible Sites	Businesses	Building sf
Cultivation, Distribution, and Manufacturing Within Cannabis Innovation Zone	154	8	350,000
Cannabis Retailers	0	0	0
Testing Laboratories	13,660	Unlimited	100,000
Totals	13,814	N/A	450,000

The elimination of cannabis retailers in this alternative will reduce the significant impacts associated with air quality to a less than significant level and will further reduce greenhouse gas emissions, but not to a less than significant level. However, eliminating all cannabis retailers would not meet the Project objectives to “...provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the City's residents, neighborhoods, and businesses from disproportionately negative impacts.” Additionally, an estimated 120 illegal cannabis operations exist throughout the City. Under Alternative C, these operations would continue to operate unimpeded by the legal, regulated cannabis marketplace.

Conclusion and Relationship to Project Objectives

Under the No Retail Project Alternative, the Project would Reduce the number of retail cannabis businesses allowed from 21 to 0, 5,420 to 0, and 55,000 sf to 0 sf. Furthermore, the Reduced Project Alternative – No Retail does not meet the Project objectives to “...accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s), as well as provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the city's residents, neighborhoods, and businesses from disproportionately negative impacts.”

Alternative D - Reduced Project Alternative – Retail Only

This alternative would eliminate the permitting process for cultivation, distribution, manufacturing, and testing facilities.

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Alternative D- Reduced Project Alternative – Retail Only**

Commercial Cannabis Uses	Eligible Sites	Businesses	Building sf
Cultivation, Distribution, and Manufacturing Within Cannabis Innovation Zone	0	0	0
Cannabis Retailers	5,420	21	700,000
Testing Laboratories	0	0	0
Totals	5,420	21	700,000

The elimination of cannabis cultivation, distribution, manufacturing, and testing facilities in this alternative will reduce the significant impacts associated with air quality to a less than significant level, and further reduce greenhouse gas emissions; however, not to a less than significant level. Additionally, this alternative would achieve the Project objectives of “...accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s), as well as provide access to adult use cannabis, while imposing sensible regulations on the use of land to protect the city's residents, neighborhoods, and businesses from disproportionately negative impacts.” However, eliminating the permitting process for these types of cannabis businesses would prevent the City from fully realizing the full economic opportunity offered by the cannabis industry.

Conclusion and Relationship to Project Objectives

Under the Retail Only Project Alternative, the Project would i) include 21 retail cannabis businesses, 5,420 eligible sites, and 55,000 sf of retail cannabis space, ii) reduce testing facilities from unlimited to zero, eligible sites from 13,660 to zero, and from 100,000 sf, and iii) reduce cultivation, distribution, and manufacturing businesses from eight to zero, eligible sites from 154 to zero, and from 350,000 sf to zero sf. Furthermore, the Reduced Project Alternative – Retail Only does not meet the Project objectives to “Develop a program that encourages cannabis cultivators, manufacturers, distributors and retail sellers to operate legally and secure necessary permits and licenses to operate in full compliance with City regulations, maximizing the proportion of activities within the City and minimizing unlicensed activities;”, and the City would not fully realize the economic opportunity presented by these aspects of the cannabis industry.

Environmentally Superior Alternative

CEQA requires that the City identify an Environmentally Superior Alternative. Based on the findings of the Final EIR, the No Project Alternative would be the Environmentally Superior Alternative; however, if the No Project Alternative is the Environmentally Superior Alternative, the City must identify an Environmentally Superior Alternative among the other alternatives considered in the EIR (CEQA Guidelines, Section 15126.6). The alternatives analysis in the Final EIR includes three other Project alternatives – the Alternative B- Medicinal Only, Alternative C- No Retail, and Alternative D- Retail Only. Based on the evaluation of the three alternatives, the Alternative D - Retail Only would reduce significant and unavoidable environmental impacts to unnecessary electrical energy usage, while fulfilling most of the objectives of the proposed Project and is therefore the Environmentally Superior Alternative. However, Alternative D would not meet certain Project Objectives, such as:

- Develop a program that encourages cannabis cultivators, manufacturers, distributors and retail sellers to operate legally and secure necessary permits and licenses to operate in full compliance with City regulations, maximizing the proportion of activities within the City and minimizing unlicensed activities;
- Encourage the commercial cultivation, manufacturing, distribution, testing and retail sales of high-quality local cannabis products that meet the demand for Fresno area cannabis and cannabis products, including the needs of medical patients and their caregivers, as well as adult personal use as authorized under Proposition 64;
- Develop a legal, local cannabis industry to improve the City's tax base in balance with other objectives;
- Regulate sites and premises used for commercial cultivation, manufacturing, distribution, testing and retail sales to avoid the risks of criminal activity, degradation of the visual setting and neighborhood character, obnoxious odors, hazardous materials, and fire hazards;
- Ensure cannabis is cultivated, manufactured, distributed, tested and sold in a manner that supports public health and safety;
- Promote energy and resource efficiency in cannabis cultivation, manufacturing, distribution, testing and retail sales of cannabis products.