



January 7, 2014

San Luis Obispo County Planning Commissioners  
976 Osos Street, Room 200  
San Luis Obispo, CA 93408-2040

**RE: 1/8/15 Agenda Item 3 Continuation of Oster/Las Pilitas/Hwy. 58 Quarry Conditional Use Permit and Reclamation Plan (DRC2009-00025)**

Honorable Commissioners,

Margarita Proud is a non-profit community organization that represents a diverse group of San Luis Obispo county residents committed to the safety, livability and character of Santa Margarita, CA and surrounding areas. We support responsible planning principles that result in economic and aesthetic well being for the entire community.

As the hearing to consider a large scale industrial proposal that significantly impacts it's immediate surroundings as well as the entire community of Santa Margarita continues, concerns previously expressed on a variety of levels remain. As the project applicant continues to introduce additional information, much of which may not be pertinent to the process currently underway, we strongly encourage your Commission to remain focused on relevance to process and on factual evidence. With that intent, the following overview is presented:

**1. Process, Conditional Use Permit (CUP), Environmental Impact Report (EIR)**

- A CUP exists because certain land uses do not precisely fit into existing zones (Land Use Categories) but may be considered through a discretionary use permit process. Purpose of a CUP is to evaluate suitability to site and surrounding uses (compatibility) and consistency with the adopted framework for planning on a project by project basis.
- Mining is an "allowable use" within the Rural Lands (RL), Residential Rural (RR), and Agriculture (AG) Land Use Categories subject to a Conditional Use Permit (CUP).
- A CUP is not a guaranteed entitlement as was well communicated to the applicant early in the process.
- A CUP goes with the land, not individuals. Applicants come and go - projects are bought and sold - CUPs carry forward.

- Initial Study Summary found evidence project may have significant effect on the environment, and therefore an Environmental Impact Report (EIR) was prepared.
- This proposal is large (out of scale to it's surroundings) and industrial in nature. The associated impacts are significant in several categories and would forever compromise the character and livability of an entire community.
- The EIR identified significant and unavoidable impacts.
- The EIR provided evidence and information to support staff's conclusions.
- Planning staff (research staff to decision makers) conducted CEQA review and used the Final EIR and the framework for planning to inform an objective analysis.
- Staff analysis determined Project is not consistent with the General Plan.
- Staff analysis determined the Findings of Fact necessary to approve a CUP cannot be made and that there are insufficient economic, social, technological, or other benefits of the project to override it's significant unavoidable environmental impacts.
- Staff's recommendation to Deny the application for a Conditional Use Permit and Reclamation Plan is well supported by factual evidence and policy.

## **2. Aggregate Supply and Demand, 50-Year Projected Demand**

Margarita Proud has submitted a paper into the record entitled "Supply and Demand: Aggregate Resources in San Luis Obispo-Santa Barbara Counties" covering this topic in detail. A brief summary is as follows:

- The California Geological Survey (CGS) Special Report 215 (SR-215) forecasts a 50-yr. projected demand for construction aggregate of 263 million tons, of which 137 million tons must be concrete-grade aggregate. 75 million tons of permitted concrete-grade aggregate are identified in the San Luis Obispo-Santa Barbara Production-Consumption Region.
- The stated supply of 75 million tons of concrete-grade aggregate only considers material that is currently permitted and only the currently permitted phase within Specific Plans for several large scale quarry operations as being available to fulfill future demand.
- This accounting does not accurately represent the bank account existing in the ground. Both currently permitted and proven resources earmarked within Specific Plans need to be accounted for in order to be representative of the actual aggregate reservoir available to fulfill future needs.
- Due in large part to this accounting deficiency, the 50-year projected demand put forth in SR-215 is inadequate as a stand alone conclusion.
- No need exists to permit new quarries that create significant impacts determined to be incompatible with surrounding uses and that cause degradation of the character of communities.

## **3. Importation of Aggregate into SLO County**

There has been some discussion about importation of aggregate from outside of the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region. The project applicant has stated that importation occurs but has not provided factual evidence needed to determine applicability of such claims to the Conditional Use Permit process. A few reasons why small amounts of material may be imported in the P-C Region are:

- Specific material type does not naturally occur in the La Panza Granitic Area. (e.g., washed non-reactive sand utilized in ready-mix concrete formulas).
- In certain instances, it may be shorter in distance to haul material from outside the P-C Region to a needed location. P-C Regions that follow county lines do not seamlessly align with Geological Mapping. This creates artificial boundaries. One such example exists at The

Diamond Rock Mine and Processing Facility located just outside of the SLO-SB P-C Region near the intersection of SLO, SB, Kern, and Ventura counties.

- Certain contractors may own, or be associated with production sites outside of the SLO-SB P-C Region. The goal of vertically integrated companies is to utilize cost savings associated with buying from themselves.
- Demand for specialty material that meets contract specifications may not provide an economic benefit great enough to produce in large quantities. One example appears to be a product used in chip sealing. A small amount of this material is used in this county. Material suitable to produce this product does exist in the La Panza Granitics Area (where two local sources of aggregate already operate). It appears to be most efficiently manufactured utilizing wet processing. Las Pilitas Resources claims they will not be washing aggregate.

Finally, not only can the material needed to meet chip seal specifications be produced at the two already existing quarries in the La Panza Granitic Area, it most certainly would be produced if sufficient market demand to ensure profitability existed. A third quarry within the same mineral deposit will not produce any product not already able to be produced locally and in this case due to the absence of washing (wet processing), the production capabilities are much more limited and would not contribute to any future need for concrete-grade aggregate.

#### **4. Waiver Requested for Crushing of Asphalt and Concrete Debris**

Don Ritter, a consultant for the project applicant, appears to have recently submitted correspondence regarding the project component being referred to as “Recycling”. The submittal as well as the original letter requesting the waiver contain inaccurate, and therefore potentially misleading information regarding the request to waive Land Use Ordinance 22.30.380. The LUO states that recycling facilities are an allowable use in the Land Use Category Rural Lands only when in conjunction with an approved waste disposal site.

- The claim is made that the “exact same waiver was granted to the Hanson Quarry in 1991, for the same reasons”.
  - Research indicates the Conditional Use Permit (CUP D9000038D, 1991 via Resolution 91-60) being presented as precedent was approved based on an asphalt batch plant (permitted in 1971) that existed at the Hanson location prior to the adoption of the current Land Use Ordinance. It was noted (in the permit file) that the reason for approval was because the “site already has an asphalt batch plant”. It is the only such facility in SLO county not located in an Industrial zoning.
  - It is also important to note that the original application made by Las Pilitas Resources, LLC included an asphalt batch plant that was removed from the application after a Land Use Ordinance Interpretation Hearing upheld the language within LUO Allowable Use Table 2-2.<sup>1</sup>
  - The project sites and characteristics are not similar and “the exact same waiver” cannot be granted for “the same reasons” because the required Findings cannot be made.

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<sup>1</sup> Planning Commission LUO Interpretation Hearing (Feb. 2, 2010) Board of Supervisors LUO Interpretation Hearing (March 9, 2010)

## **5. EX-1 Combining Designation**

The project applicant's September 20, 2010 request for a LUO waiver contains the following statement; "The proposed Las Pilitas Quarry project is on a site zoned Rural Lands (RL) with an extractive overlay, meaning it is zoned for mining". This statement has been repeated often by the project applicants and was also cited often, and without explanation, by supporters of Las Pilitas Resources at the Dec. 11, 2014 Hearing. While it's true the site is within the Land Use Category (RL) and a Combining Designation (EX-1) is present, the sum of the two does not add up to "zoned for mining". Consider the following:

- Location within an EX-1 Combining Designation is not required to qualify Mines/Quarries as an "allowable use" within certain Land Use Categories (Table 2-2 LUO).
- The presence of a mineral resource (EX-1 Combining Designation) does not remove need to make Findings of Fact necessary to approve a Conditional Use Permit.
- The fundamental purpose of land use planning to assess compatibility between uses remains with or without presence of a resource.
- The Lead Agency is required to consider the presence of resources identified at state level when considering local land use decisions. The Staff Report takes this requirement into account.
- While the applicant argues the State Mining and Geology Board's (SMGB) currently incomplete designation process outweighs the local land use decision currently being considered, the SMGB clearly states otherwise; "The Lead Agency (i.e. County) ultimately determines whether it will grant a permit for mining or other proposed land use within designated areas. Pursuant to §2774.2(A), the SMGB cannot exercise permitting authority on issues pertaining to air, traffic, noise, and buffer zones or setbacks; such authority resides with the County."<sup>2</sup>

## **6. Distance Matters**

The project applicant has submitted "A Note on the Environmental Costs of Aggregate", a working paper authored by Peter Berck (2005) into the record.

- The paper was submitted without any explanation of it's relevance to this specific project proposal.
- The paper accurately points out that transportation is a significant component in the price of delivered aggregate.
- Location, and related distance, influence vehicle miles traveled (VMT), not the addition of a project.
- Although the intent of this submittal is not entirely clear, one possibility could be that the project applicant implies the location of what would be a third aggregate quarry in the La Panza Granitics Area reduces VMT.
- Location of project and distance to Hwy.101 transportation corridor are easily calculated and suggest an increase in VMT would be the more likely result.<sup>3</sup>

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<sup>2</sup> State Mining and Geology Board Executive Officer's Report, Response to Comments, Agenda Item No. 2, San Luis Obispo-Santa Barbara Production-Consumption Region, Designation Regulation Adoption Consideration (August 14, 2014), pg. 23 of 43.

<sup>3</sup> Driving distances calculated in Google Earth and verified by odometer reading taken driving all routes

**Table 1**

	<b>Hanson (A)</b>	<b>Rocky Canyon (B)</b>	<b>Proposed (C)</b>
To 58/101 interchange	5.1 miles	7.5 miles	5.2 miles
To Santa Barbara Rd/ 101 interchange	5.0 miles	2.7 miles	8.9 miles via El Camino 10 miles via 101

Any definitive conclusion regarding VMT's would require the introduction of numerous factors not possible to assign values for unless the final destination of loads were to be known. Obviously it would not be possible to predict the future location of projects that material entering and exiting this project proposal would be associated with. What we can say with certainty is:

- Northbound truck traffic diverted from Rocky Canyon would add at least 6.2 miles per trip.
- Northbound truck traffic diverted from Hanson Santa Margarita would add at least 3.9 miles per trip.
- Southbound truck traffic diverted from Rocky Canyon would subtract 2.4 miles per trip.
- Southbound truck traffic diverted from Hanson Santa Margarita would add .1 miles per trip.

The inappropriate location proposed by Las Pilitas Resources, LLC threatens the future safety, livability, and character of Santa Margarita, the residential areas surrounding the project, and everyone and everything else along the industrial transportation corridor it would create.

Please adhere to the intentions and policies within San Luis Obispo County's Comprehensive General Plan, Land Use Element, and Land Use Ordinance by supporting your staff's recommendation to DENY this project.

Respectfully Submitted,



Roy Reeves, President