

## CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA  
7575 METROPOLITAN DRIVE, SUITE 103  
SAN DIEGO, CA 92108-4402  
(619) 767-2370



# F8 a & b

## Addendum

October 4, 2010

To: Commissioners and Interested Persons

From: California Coastal Commission  
San Diego Staff

Subject: Addendum to **Item 8 a & b**, Coastal Commission Permit Application  
**#A-6-COR-08-98 & 99 (Hotel Del Partners)**, for the Commission  
Meeting of October 15, 2010.

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Staff recommends the following changes be made to the above-referenced staff report:

At the bottom of page 17, the following change shall be made to Special Condition #14:

**14. As-Built Plans.** WITHIN 60 DAYS FOLLOWING COMPLETION of the improvements to the Paseo del Mar beachfront walkway project, the applicant shall submit for review and written approval of the Executive Director, as-built plans of the approved walkway and revetment, including a formal legal description and graphic depiction of the development, showing the footprint of the revetment and the elevation of the revetment referenced to NGVD (National Geodetic Vertical Datum).

The as-built plans shall specifically indicate the following:

- a. The location of the toe of the as-built revetment.
- b. The maximum elevation of the top of the as-built revetment.

Said plans shall also include certification by a registered engineer, with measurements taken on the site, that the project has been built consistent with the approved plans required by Special Condition #5 of this permit.

In addition, WITHIN 60 DAYS FOLLOWING COMPLETION of the conference center, final as-built foundation plans shall be submitted for review and written approval of the Executive Director.

F8a : b

FORM FOR DISCLOSURE  
OF EX PARTE  
COMMUNICATIONS

Name or description of project, LCP, etc.: Appeal No. A-6-COR-08-098 & 099  
(Hotel Del Coronado, Coronado)

Date and time of receipt of communication: 9/29/10, 10:00 am

Location of communication: Office of the Board of Supervisors,  
Santa Cruz, CA

Type of communication: Telephone Conference

Person(s) initiating communication: Donna Andrews  
Bill Dodds  
Edgar Gutierrez

Person(s) receiving communication: Mark Stone

Detailed substantive description of content of communication:  
(Attach a copy of the complete text of any written material received.)

This was a telephone conference with the applicant and representatives. They concur with the preliminary staff report on all recommendations. The recognized and addressed three issues. 1. The Fault Zone. They worked with staff and redesigned the building so that it is out of the no-build zone around the fault. They appreciated working with staff on this issue and came up with what they feel is a good result. 2. The In-Lieu Fee. They are agreeing to pay the full fee and even visited some sites with staff that may be good low cost accommodation projects. 3. View Corridors. They met with the neighbors from the near-by high rise condos who brought up the issues of the obstruction of public views. They analyzed the suggestion of moving the conference center to the other side of the historic hotel and their decision that moving the center is not feasible and would interfere with the historic structure too much.

Date: 7/29/10 Signature of Commissioner: Signature on file

If the communication was provided at the same time to staff as it was provided to a Commissioner, the communication is not ex parte and this form does not need to be filled out.

If communication occurred within seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used; such as facsimile,

Ex Parte Communication

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DISCLOSURE OF EX PARTE COMMUNICATIONS

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**Name or description of project:**

Appeal Nos. A-6-08-COR-08-098 & 099. Appeal by Commissioners Wan and Krueer and Concerned Citizens of Coronado from decision of City of Coronado granting permit with conditions to Hotel Del Partners LP for the Hotel del Coronado Master Plan to include relocation of the conference center, guestrooms, and repositioning of the Paseo del Mar public easement. The south beach guestrooms are proposed to be developed with up to 85 limited term occupancy condominium hotel units and 30 resort/hotel managed commercial units under a separate coastal development permit at Hotel del Coronado, 1500 Orange Avenue, City of Coronado, San Diego County.

**Date and time of receipt of communication:**

October 4, 2010 @ 10:00 am

**Location of communication:**

Phone

**Type of communication:**

Teleconference

**Person(s) in attendance at time of communication:**

Bill Dodds, Anne Blemker

**Person(s) receiving communication:**

Bonnie Neely


**Detailed substantive description of the content of communication:**

(Attach a copy of the complete text of any written material received.)

I received a briefing from the project representatives in which they described the Hotel Del Coronado's efforts to respond to the Commission and staff's concerns at the June 2010 hearing. Specifically, we discussed the Hotel's August resubmittal to staff in which they 1) relocated all new development outside of staff's identified seismic "no build" zone, 2) formally agreed to pay the \$1,080,000 in-lieu mitigation fee for low cost overnight accommodations, and 3) analyzed bulk and scale issues raised by the appellants. They referred me to graphics depicting the improvements to public views. They also discussed the appellant's suggested alternative siting of the proposed conference facilities and explained the historic resource problems associated with such an alternative. The applicant is in agreement with the staff recommendation.

Date: October 4, 2010

*Signature on file*

  
\_\_\_\_\_  
Bonnie Neely, Commissioner

**FORM FOR DISCLOSURE OF  
EX-PARTE COMMUNICATIONS**

Name or description of the project:: A-6-COR-08-99- Hotel Del  
Time/Date of communication: 10/6/10, 3:30pm  
Location of communication: 22350 Carbon Mesa Rd, Malibu  
Person(s) initiating communication: Donna Andrews, Bill Dobbe, Edgar Gutierrez  
Person(s) receiving communication: Sara Wan  
Type of communication: phone call

Believe they have made the changes to deal with the Commission's concerns and are in agreement with staff

- 1- moved out of the fault zone by redesigning and reducing the size and footprint
- 2- have agreed to the in-lieu fee as per staff
- 3- views- looked at moving the convention center to the north side but the historical groups do not want that.

I asked for them to send me the visual simulations because it was difficult to use the digital ones, I also said that in the staff report it indicated that there was no specific information on the building setbacks on Avenida del Sol. I asked that they show the specifics at the hearing

Date: 10/6/2010

*Signature on file*

\_\_\_\_\_  
Commissioner's Signature

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## DISCLOSURE OF EX PARTE COMMUNICATIONS

**Name or description of project:**

Appeal Nos. A-6-08-COR-08-098 & 099. Appeal by Commissioners Wan and Kruer and Concerned Citizens of Coronado from decision of City of Coronado granting permit with conditions to Hotel Del Partners LP for the Hotel del Coronado Master Plan to include relocation of the conference center, guestrooms, and repositioning of the Paseo del Mar public easement. The south beach guestrooms are proposed to be developed with up to 85 limited term occupancy condominium hotel units and 30 resort/hotel managed commercial units under a separate coastal development permit at Hotel del Coronado, 1500 Orange Avenue, City of Coronado, San Diego County.

**Date and time of receipt of communication:**

October 4, 2010 @ 11:00 am

**Location of communication:**

Santa Monica

**Type of communication:**

In-person meeting

**Person(s) in attendance at time of communication:**

Bill Dodds, Anne Blemker

**Person(s) receiving communication:**

Richard Bloom

**Detailed substantive description of the content of communication:**

(Attach a copy of the complete text of any written material received.)

I received a briefing from the project representatives in which they described the Hotel Del Coronado's efforts to respond to the Commission and staff's concerns at the June 2010 hearing. Specifically, we discussed the Hotel's August resubmittal to staff in which they 1) relocated all new development outside of staff's identified seismic "no build" zone, 2) formally agreed to pay the \$1,080,000 in-lieu mitigation fee for low cost overnight accommodations, and 3) analyzed bulk and scale issues raised by the appellants. They referred me to graphics depicting the improvements to public views. They also discussed the appellant's suggested alternative siting of the proposed conference facilities and explained the historic resource problems associated with such an alternative. The applicant is in agreement with the staff recommendation.

Date:

10/11/10

Signature on file

Signature of Commissioner:

RECEIVED

OCT 12 2010

California  
San Diego Coast District

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**FORM FOR DISCLOSURE OF  
EX-PARTE COMMUNICATIONS**

Name or description of the project: Agenda Item F.8.a. & b. Appeal No. A-6-COR-08-98 & A-6-COR-08-99  
(Hotel del Partners LP, Coronado)

Time/Date of communication: October 7, 2010, 4:00 pm

Location of communication: Oceanside City Hall

Person(s) initiating communication: Dave Grubb, speaking for Sierra Club San Diego

Person(s) receiving communication: Esther Sanchez

Type of communication: Meeting

We support the staff recommendation to approve the permit with conditions, including a mitigation fee of \$1,080,000 to fund provision of low-cost visitor accommodations in the area.

The applicant has revised the project plan to avoid the earthquake fault, as requested by the commission.

Date: October 7, 2010

*Signature on file*

\_\_\_\_\_  
Esther Sanchez

Received  
OCT 11 2010  
California  
San Diego  
Commission  
Coast District

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F82:b

October 1, 2010

Diana Lilly, Coastal Program Analyst  
California Coastal Commission  
San Diego District Office  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108-4421

**RE: Coastal Development Permit Application #A-COR-08-098 and #A-COR-08-099**

Dear Ms. Lilly,

I am writing to you on behalf of Concerned Citizens for Keeping the Hotel Del Beautiful. We are in disagreement with the California Coastal Commission's staff recommendation to APPROVE the de novo permit for the 2010 Amended Master Plan for the Hotel Del Coronado.

Concerned Citizens hoped the staff report would have recommended to DENY the permit application for this project or send it back for a redesign because one of the three substantial issues stated in the Commission's June 17, 2010 letter to William J. Dodds has not been addressed: **Visual Impacts**.

### **Three Substantial Issues**

The Commission did not approve the permit application during its June 9, 2010 meeting because of three substantial issues of concern: 1) geologic concerns and structural stability, 2) visual impacts, and 3) lower-cost overnight accommodations.

### **Two Substantial Issues Addressed**

Hotel Del Partners LP's 2010 Amendment addresses the first and third substantial issues. The building is pulled back approximately 30 feet to ensure that the Commission's no-build zone is respected and a \$1,080,000 in-lieu fee will be paid.

### **One Substantial Issue Not Addressed**

The June 17, 2010 letter to Mr. Dodds was done as a follow-up to the June 9, 2010 hearing and it affirmed the need to address visual impacts, "Therefore, before the project can be scheduled for further review by the Commission, *design alternatives that address these specific public view, bulk, and scale issues identified by the appellants must be submitted and further analyzed.*" These issues include:

- "Impacts of bulk and scale of the proposed developments on public views and the scenic and visual quality of the area."
- "Impact that the bulk of the building would have on the public street and sidewalk and Avenida Del Sol due to the lesser street setback compared with the approved plan."
- "Impact to views from ocean end of Avenida Del Sol, given the proposed construction would occur approximately 44 feet closer to the beach than in the approved plan."
- "Impact of bulk and scale on public access due to increase of intensity of use."

**Letter from Appellants**



Hotel Del Partners, LP has **ignored** the Commission's concerns as has the staff report. The 2010 Amended Plan states on page 3-1: "In addition, these modifications [for the earthquake fault line] have not resulted in any changes to the following elements of the plan:

- "No change to any building height or grade elevations. No change to building elevations, setbacks, or views along Avenida Del Sol or the Paseo. The only change is along the north end of the Conference Center where the building depth was reduced by approximately 30 feet."

- "No changes to grading plan, other than the small area to the north of the Conference Center which has changed from building footprint to landscape area."

All problems identified by the Commission still exist in the 2010 Amendment.

### **Staff Report**

Concerned Citizens believes that the staff report **does not reflect the Commissioners concerns** as outlined in the June 17, 2010 letter and Concerned Citizen's Formal Complaint. As the appellant we continue to press for the aforementioned issues to be remedied by a redesign of the 2010 Amended Plan.

1. The Commission's staff report states that *"the project will not be out of character with surrounding development"* (page 44). Concerned Citizens disputes this sentiment. The Hotel Del Coronado occupies 28 acres (see aerial photo). The only substantial building on the site is the main hotel. All other structures are clustered into separate *village-like* elements:

- Beach Village
- Ocean Towers
- California Cabana Building
- Oxford Building
- Facilities Building

Adding a 145,600 square foot building that is over 400 feet long on the south side of the property is completely out of character of the current Hotel Del Coronado layout and village-like feel it creates. This proposed structure's size, bulk, and scale are exactly what make it "out of character." The 2002 Approved Plan kept the village-like atmosphere.

2. The staff report states, *"The proposed structure will be considerably smaller in scale than the existing towers that surround it"* and *"The proposed structure will certainly be highly visible from the beach, but the bulk and scale of the structure will be well within the community character"* (page 42). The Coronado Shores were developed with sight lines in mind. The reason the Coronado Shores are built with large spaces in between each building is to keep the views open from the Hotel Del Coronado, Avenida Del Sol, Silver Strand Blvd., and the beach. In the 1970's, the California Coastal Commission worked with the architects to ensure that there would be no massive long blocks of buildings in the Shores complex. The Shores are built like a village, much like the Beach Village complex at the Hotel Del.

The very problem that was averted in the Coronado Shores complex will exist if the 2010 Amended Master Plan is allowed to go forward. From Avenida Del Sol and Silver Strand Blvd., the 2010 Amended Plan will permanently block pedestrian views of the:

- Historic and *iconic* front of the Hotel Del Coronado
- Broad expanse of the beach
- Point Loma and its surrounds

3. The staff report states, *"Currently, views across from the site from the sidewalk are of a chain link fence, parking lot, and shrubbery. Under the proposed project, the sidewalk will be widened, and more extensive landscaping will provide a buffer between the sidewalk and the building, which may improve the pedestrian experience compared to existing situation"* (page 43). Hotel Del Partners, LP have only made landscaping improvements to the back of the Hotel Del, which includes removing the chain link fence, removing overgrown shrubbery, and planting smaller-scale plants. These changes allow the back to be more clearly seen. The back parking lot still exists. The historic and *iconic* front has not had these kinds of improvements. If the fence was removed and the front re-landscaped in the same way as the back, the beauty of this view would be vastly improved. Placing a 145,600 square foot building along Avenida Del Sol that blocks most of the *iconic* front of the Hotel Del is not a vast improvement.

4. The staff report states, *"SOHO's (Save Our Heritage Organization) mission is to preserve, promote and support preservation of the architectural, cultural and historical of the San Diego region. Mr. Coons states that the location planned for the Conference Center under the Approved Master Plan would have blocked the view to the historic hotel from various locations on Orange Avenue, from Pomona Street, and from the Boathouse. He concludes that the revised location of the conference center will have the least impact on views from many locations"* (page 43-44). The staff letter also cites agreement from Milford Wayne Donaldson, California State Historic Preservation Officer. Concerned Citizens has great respect for SOHO's and the State Historic Preservation's mission.

- It **baffles** Concerned Citizens that there is no will to preserve the *iconic* front view of the Hotel. This is the only view in which you know this is the Hotel Del Coronado. If the Conference Center were on the north side, only a corner view of the back of the Hotel from Orange Avenue would be impeded. The full back of the Hotel would be preserved for pedestrians to see from all of R.H. Dana Place (see photos). With the proposed new development, there will be no front view of the Hotel from Avenida Del Sol other than if the pedestrian stands right across from or in the new vehicle guest entrance or a visitor enters the Hotel property and stands between the new development and the *iconic* front.

- It does not make sense to construct a building with faux-Victorian features that will block the real Victorian front of a National Historic Landmark Hotel built in 1888. This structure will look like the back of the Hotel in terms of a non-descript appearance. Add in truck delivery and it will be as if the Hotel has two backs and no *iconic* front.

- Both Hotel Del Partners, LP and SOHO are interested in preserving the back view of the Hotel. Concerned Citizens would like views of the whole Hotel to be preserved. However, with plans for development, some views will be impacted. Concerned Citizens contend that the *iconic front* of the Hotel Del is a highly important view to preserve.

5. SOHO's December 1, 2008 letter to the Commission states that, "*Save Our Heritage Organization ("SOHO") opposed the original Master Plan and ultimately entered into a binding agreement with the Hotel Del which provided for modification of the original plans to preserve some of the historic buildings on site.*"

- SOHO letter states that they are interested in saving the laundry building and power plant. Concerned Citizens is pleased that these buildings will be preserved. In the 2002 Approved Plan, the laundry was to be removed and the power plant would have been incorporated into a Conference Center and guestroom building. Because of the earthquake fault, nothing can be built where these two buildings currently exist. So it would not make sense to tear them down. Because of this, the view of the Hotel from Pomona, the Boathouse, and Orange Avenue by these two buildings will be preserved forever. A redesign would not threaten these views.

6. The staff report states, "*The new development would not block views of the Hotel from Orange Avenue any more than they are currently blocked with existing landscaping*" (page 44). As the 2010 Amended Plan is designed, this statement is accurate. The Conference Center is placed on the south side in front of the *iconic* Hotel front which is on Avenida Del Sol. The back of the Hotel is seen from Orange Avenue. Because of the earthquake fault, there are only two views that have potential to be impeded:

- The historic and *iconic* front of the Hotel Del Coronado, or
- The back corner of the Hotel Del on Orange Avenue

Concerned Citizens contend that the most important view to preserve is the *iconic* front.

### **Design Solutions**

Concerned Citizens continues to propose a number of design solutions to reduce the bulk and scale of the proposed development:

- Build Conference Center next to Grande Hall to create a Conference Center Complex. This allows for a redesign of the guest rooms to address the bulk and scale concerns of the Commissioners and Concerned Citizens.
- Reduce room size to a range of 350 to 450 square feet.
- Reduce the number of rooms in the development.
- Vary the height of the guestroom building instead of building one long continuous structure, which would be easier to do with the Conference Center relocated to north side.
- Place some guest rooms into the Oxford Building as shown in the 2002 Plan.
- Eliminate the 44 feet of building that extends towards the beach.
- Bring back green space along Avenida Del Sol as shown in the 2002 Approved Plan.
- Move the guest vehicle entrance onto hotel property or widen Avenida Del Sol.

### **Option 1: Conference Center**

The Hotel Del Coronado is famously recognized by the *iconic* front, with its signature round rotunda. While the whole building is historic, it is the front that is *iconic*. The Conference Center in the 2010 Amended Plan is to be built right in front of the main part of this *iconic* view.

Moving the Conference Center to the north side is the one design change would eliminate the bulk and scale of the proposed structure and save the panoramic view of the front. Avenida Del Sol is the only street from which a full view of the front is seen. A near full view is seen from Silver Strand Blvd, with sight lines hindered only by existing buildings on the Hotel property.

Concerned Citizens wants the Hotel Del Coronado to be viable and successful. We are proposing that all the elements of the project will be retained. With a redesign, they will simply be placed in a different configuration.

If there is not a redesign, the panoramic view of the National Historic Landmark will be blocked forever by a 145,600 square foot structure. This will permanently alter the public's experience of visiting Coronado and the Hotel Del Coronado.

In order to reduce the bulk and scale of the 2010 Amended Plan so that the historic and *iconic* front of the Hotel Del Coronado, the beach, and Point Loma can be preserved, as well as reduce the impact of traffic on Avenida Del Sol, Concerned Citizens continues to propose moving the Conference Center to the north side.

Hotel Del Partners LP does not want this redesign, stating that it is unfeasible. Hotel Del Partners has drawn the Conference Center onto an aerial photo showing that it does fit into the space next to Grande Hall (see aerial photo). Hotel Del Partners, LP is willing to reduce the south side structure by 26,000 square feet, so it is unclear if the image is of the 55,000 square foot building or the reduced-size Conference Center building.

It makes sense business-wise to have a Conference Center attached to guest rooms so that during lunch and dinner breaks, guests would use the facilities on the Hotel property. Concerned Citizens believes that conference attendees would be more likely to travel into town to browse, shop, or dine. This design change would benefit the merchants of Coronado. It is a law of propinquity. You have a relationship with the things that are in closest proximity to you. Concerned Citizens met with Coronado's new Chamber of Commerce president to discuss the benefits to merchants of placing the Conference Center on the north side. Their board has already endorsed the 2008 Amended Plan. The previous past president of the Chamber is the Hotel Del Coronado's general manager.

If there was the will and desire to place the Conference Center on the north side, it would be done. This new structure could be given great design features and a garden in front that would be beautiful and welcoming to visitors to Coronado.

All delivery truck service would then occur on R.H. Dana Place, a wide commercial street that already accepts all Hotel truck delivery service. This is a main reason to move the Conference Center, so that Avenida Del Sol, a small beach access cul-de-sac is not negatively impacted by these large trucks (up to 10 a day including 18-wheel semi's). Beachgoers, who are not guests of the Hotel, would not have to contend with increased traffic on this small street as they head towards the beach.

### **Option 2: Reduce Guestroom Size**

The Commissioners will need to determine whether it is appropriate for 144 hotel rooms to be sold as condominiums. The increase in room size is linked to condo-hotel rooms. Kitchen, eating areas, and full living rooms have been added to half of the rooms with a lock-out attached to the larger room.

In January 2009, Jim Holliman, a senior vice-president of San Diego National Bank, is quoted as saying, "Going forward, it's plain vanilla. We as lenders are not going to underwrite condos anymore. We as lenders are going to want you to produce a hotel for a cost, and you can't use crazy things on top of it... Whatever your plans are for the next 10 years, it's got to work as a hotel only."

A couple of condo-hotel projects have entered into bankruptcy in California, including the Terranea in Rancho Palos Verdes and the Sé San Diego Hotel in Downtown San Diego. Only two of the 82 condominiums at Terranea have sold. Terranea is listed by Hotel Del Partners, LP as their direct competitor.

To address bulk and scale, the size of the rooms can be reduced to a size closer to what was approved in 2002. The size of the development grew from 58,600 square feet in the 2002 Plan to 90,600 square feet in the 2008 Plan, an increase of 32,000 square feet, which is where the much of the bulk and scale comes from (the other factor is the 55,000 square feet attached conference center). If the 144 rooms were to be standard non-condo-hotel rooms at 350 square feet, the total square footage would be 50,400 and at 450 square feet, it would be 64,800. These size rooms would reduce the bulk and scale by 25,800 to 40,200 sq. ft.

The reduction in room size would also allow for:

- The guestroom structure's 44 foot extension towards the beach to be eliminated
- Additional street setback that is closer to the 2002 Approved Plan
- Garden or green space at the terminus of Avenida Del Sol to be similar to the 2002 Approved Plan.

There is not an industry-wide movement to make rooms larger. Some hotel developers are building smaller rooms. The traditional hotel room at the Hilton New York is 320 square feet (see "The Next Small Thing," New York Magazine, April 12, 2010).

### **Option 4: Reduce Number of Rooms**

If the size of the guestroom is of utmost importance, reduce the number of rooms. This option also allows for bulk and scale issue to be addressed. With fewer rooms, the guestroom building can be redesigned to open up sightlines to the *iconic* front of the Hotel, the beach, and Point Loma.

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**Option 3: Vary Height of Guestroom Structure**

There would be more space to vary the height of the guestroom structure if the Conference Center is moved to the north side and/or the guestrooms square footage is reduced. Varying the height would break up the long continuous wall of the 2010 Amended Plan design. Much like what was done in the design of Beach Village on the north side, the south side structure can also have variation in height.

**Option 4: Place Guestrooms in Oxford Building**

The Oxford Building is a free-standing Victorian Hotel that was moved onto the Hotel Del Property. In the 2002 Approved Plan, a percentage of guestrooms were to be placed in this building. Guests would view Coronado Bay and bridge.

In the 2002 Approved Plan, guestrooms were to be located in three separate buildings (keeping to the village feel of the Hotel Del property). This design preserved the panoramic view of the *iconic* front of the Hotel Del Coronado. The Oxford Building could be easily converted to hotel rooms, which would move rooms out of the 2010 guestroom structure and allow for a redesign that would reduce the bulk and scale of this building.

**Summary**

Concerned Citizens want to keep the Hotel Del Beautiful. We also want the Hotel to be viable and successful. We consider it the crown of our city. Concerned Citizens seek to have the property appropriately developed so that through time and various owners it will continue to be a beautiful historic landmark for all to enjoy, including those who do not stay at the Hotel. We want Avenida Del Sol to continue to be a street that is easy to access and welcoming for visitors who come to our beach and where the view of the beach and Point Loma is open and expansive.

The Commissioners have stated that the current project is too massive in bulk and scale and therefore needs to be redesigned. The 2010 Amended Plan does not offer a redesign that addresses these problems. Concerned Citizens is looking for solutions that create a win/win for everyone involved. We have made a number of suggestions for design changes that will allow the project to go forward and be a happy success for all who care about the Hotel Del Coronado.

Thank you for your attention.

S *Signature on file*

Deirdra Price  
Concerned Citizens for Keeping the Hotel Del Beautiful  
1710 Avenida Del Mundo, #1109  
Coronado, CA 92118

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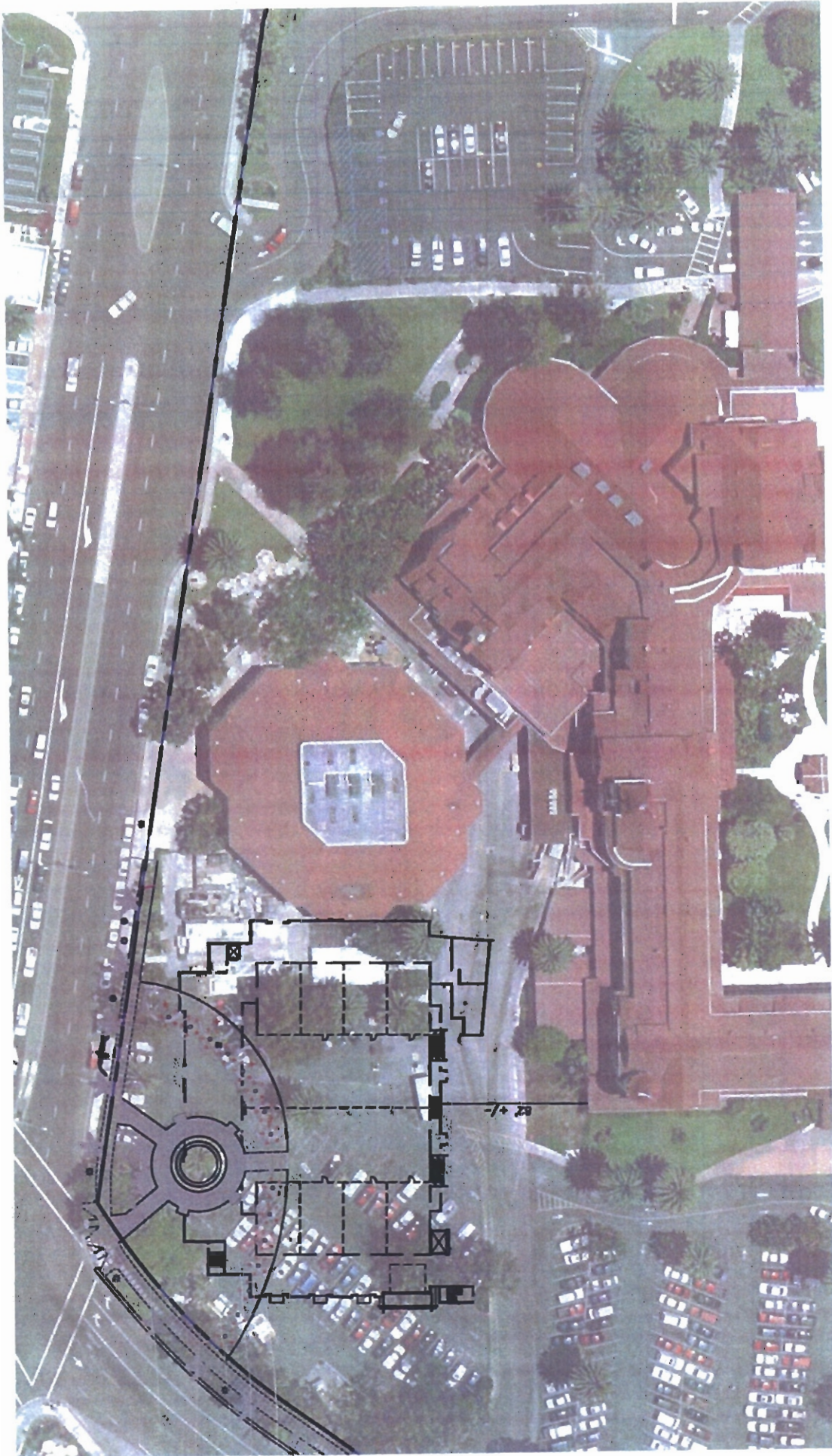


Existing Hotel Complex

EXHIBIT NO. 2
APPLICATION NO.
A-6-COR-08-98 & 99
Existing Hotel Site
California Coastal Commission

16





Aerial view – Alternate Conference Center Location









# Intelligencer

TOPIC

## The Next Small Thing

The Yotel chain—purveyors of tiny, chic hotel rooms inspired by Tokyo's famous "Kapseru Hoteru" capsule lodgings—recently announced plans to open an outpost in Times Square. Inexpensive "Kapseru Hoteru" are the SROs of Japan—some capsule-hotel "rooms" are simply three-foot-high sleeping units stacked on top of one another. But the Yotel is a higher-end version, part of a larger city trend toward smaller accommodations.

CHRISTINE WHITNEY

### YOTEL AMENITIES

Large single bed, foldout desk and stool, private bathroom with shower, flat-screen TV, free wi-fi. "We use the language of first-class airline travel," says Yotel founder Simon Woodroffe. The company's three existing hotels are all near European airports—London's Gatwick and Heathrow and Amsterdam's Schiphol.

### A ROOM IN NYC'S POD HOTEL.

### NOT YET TURNING JAPANESE

The Japanese capsule trend began with the 1972 opening of a Tokyo apartment building, Nakagin Capsule Tower, that catered to businessmen with 140 rooms the size of shipping containers (104 square feet). The first capsule hotel opened in 1979. Most are equipped with only a radio and a small TV that hangs down from the ceiling like the screens on buses and airplanes.



**"In general in the industry there's a movement toward more efficient rooms, and companies like Yotel are capitalizing on that."**

—ALEX CALDERWOOD, CO-OWNER OF THE ACE HOTEL, WHICH RECENTLY OPENED IN A FORMER SRO

### CAPSULE FACTS

109	21.5	18	16
Number of capsule hotels currently in Tokyo	SQUARE FEET Average size of Japanese capsule-hotel unit (cost: \$38)	SQUARE FEET Size of smallest available Japanese unit	SQUARE FEET Size of an average casket

### MINI-ROOMS

A traditional hotel room at the **Hilton New York** in midtown is **320** square feet and rents for \$309. But cool new hotels are going smaller:

### THE STANDARD

**245** square feet (meat-packing district) **\$195**

### YOTEL

**170** square feet (planned, midtown) **\$150**

### THE ACE

**140** square feet (Flatiron) **\$209**

### THE POD

**70** square feet (midtown) **\$99**

### THE JANE

**50** square feet (West Village) **\$99**

### WHITEHOUSE

**24** square feet (Bowery SRO turned hotel) **\$33.50**



PHOTOGRAPHS, FROM TOP, COURTESY OF THE POD HOTEL, NORA BIBEL/LAIF/REDUX

F8a:b

RECEIVED

SEP 27 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

September 21, 2010

CALIFORNIA COASTAL COMMISSION  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108

Attention: Ms. Diana Lilly, Coastal Planner

Subject: Hotel del Coronado  
Visual Impact Issues

Dear Ms. Lilly:

Heritage Architecture & Planning (Heritage) has been providing as-needed preservation consulting services for the Hotel del Coronado as part of Master Plan Update and Coastal Development Permit process. This letter addresses the visual impact issues raised by the "Concerned Citizens for Keeping the Hotel Del Beautiful" in their August 28, 2010 letter.

As a consultant to the design team, Heritage has reviewed the design and location of the proposed new buildings as well as their relationship to Hotel del Coronado (The Del). As stated in my December 1, 2008 letter, Heritage feels that the proposed location is the best site on the hotel's property to locate the new buildings for the following reasons:

1. The proposed southwest portion of the property will keep the new buildings as far away from The Del as possible and at an elevation ten feet lower than The Del.
2. The proposed site will not significantly block or obscure public views of The Del from Orange Avenue/Silver Strand Highway or R.H. Dana Place.
3. A large portion of the proposed new building is located between the existing seven story Ocean Towers and 17-story Coronado Shores condo towers. This midrise context reduces the visual impact of the new three story building.

The Concerned Citizens group has suggested that the proposed Conference Center should be located to the north of The Del adjacent Grande Hall, at the intersection of R.H. Dana Place and Orange Avenue, where there is currently an entry garden and parking lot. This location was looked at by the design team as one of only two possible locations for the Conference Center due to the "no build" seismic zone. However, the north site was quickly dismissed to avoid significant negative impacts to The Del that are outlined below.

In my previous letter I addressed the problems inherent with the Concerned Citizens site adjacent to Grande Hall. In summary, the items that violate *The Secretary of the Interior's Standards for the Treatment of Historic Properties* are [underlines added]:

Letters of Support



September 21, 2010  
Hotel del Coronado  
Visual Impact Issues  
Page 2

- Introducing a new building or site feature that is out of scale of otherwise inappropriate design.
- Locating any new construction on the building site in a location which contains important landscape features or open space.
- Introducing new construction onto the building site which is visually incompatible in terms of size, scale, design, materials, color, and texture; which destroys historic relationships on the site; or which damages or destroys important landscape features.
- Designing a new addition that obscures, damages, or destroys character-defining features of the historic building.

The biggest problem with locating the new buildings north of The Del rather than where they are proposed is that it would destroy historic relationships and obliterate views of the hotel from the intersection of R.H. Dana Place and Orange Avenue, where the vast majority of visitors first see the hotel. Photo simulations showing the dire visual impact of this scenario have been provided by The Del and the obstruction of views is clear. The Del would become virtually invisible to the public from this vantage point.

Interestingly, the Concerned Citizens group has suggested that the south façade of the Hotel del Coronado is the “front” of the hotel while the north façade (that they propose screening) is dismissed as the “back.” A review of historical images from 1888 onward show that The Del has never had a true front or a back. One of the character-defining features of The Del is that it is a four-sided landmark with unique and important facades in every direction – not to mention the courtyard facades. There were primary entrances to the building from the south, north, and east. One could argue that the west, beach-facing façade is the true “front” or face of The Del because it is so regularly featured in postcards and promotional material.

What cannot be argued by anyone familiar with the City of Coronado is that the current view of the north and east facades as seen from the intersection of R.H. Dana Place and Orange Avenue is the most publically viewed aspect of The Del. This is the route were almost every visitor to the hotel approaches after passing over the Coronado Bay Bridge and through the Village. This view is the first unveiling of the Hotel Del Coronado, in all its Victorian glory. The Concerned Citizens’ proposal to locate the Conference Center in this location would be an architectural abomination.

A telling aspect of the Concerned Citizens’ letter is that they don’t bother to argue the fact that their proposed northern location for the Conference Center would place the new building much closer to the historic hotel than the southern location proposed in the application. They argue that their site adjacent to Grande Hall “would be no closer to the Hotel Del than the closest condominium in the

HERITAGE  
ARCHITECTURE & PLANNING



September 21, 2010  
Hotel del Coronado  
Visual Impact Issues  
Page 3

Beach Village complex." Of course the Beach Village structures are already constructed and are significantly smaller than the proposed Conference Center, both in footprint and height.

In conclusion, it is our professional opinion that the proposed location south of The Del is the best place on the hotel's property to locate the South Beach Guestrooms and Conference Center. We ask that you reject the design alternative being proposed by the Concerned Citizens group based on the severe visual impact to this important historical resource. Clearly their agenda has nothing to do with preserving history or public views.

Please call me if you have any questions or need to discuss any of these issues further. Thank you.

Sincerely,

*Signature on file*

David Marshall, AIA, NCARB  
President  
C24785

cc. Hotel del Coronado

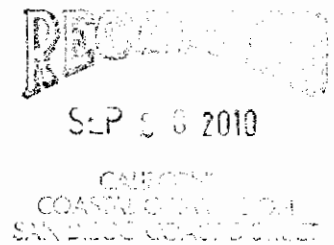
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23



September 12, 2010

California Coastal Commission  
Chairperson Bonnie Neely and Honorable Commissioners  
c/o Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, Ste. 103  
San Diego, CA 92108



Re: Hotel del Coronado Amended Master Plan

Dear Commissioners:

As a member of Save our Heritage Organisation, author of *San Diego County Victorians*, and a long-time San Diego County resident, I am writing to support the Hotel del Coronado and the Amended Master Plan.

The Hotel del Coronado is a wonderful example of Victorian architecture that must be preserved. It is a national historic landmark and arguably one of premiere historic treasures in our region. The best way to preserve this resource is to make sure that it can continue to thrive as a popular resort destination, while preserving its historic value. Preserving this resource includes ensuring that historic views are preserved. In photographing Victorian houses for my recent book, there were numerous locations where walls, landscaping, and other man-made features eliminated views to the property. Doing so is the equivalent of locking up an Old Masters painting in a closet and throwing away the key!

As I understand it, the Hotel del Coronado plans to construct a new conference center and additional guestrooms to remain competitive in the resort hotel market. The City of Coronado has already approved a plan, which features the new structures being built on the south side of the property, adjacent to Avenida del Sol. This is the best location for the new buildings because it follows historic resource guidelines in keeping the new buildings at a lower elevation than the historic hotel. Locating the new buildings on this part of the property also preserves critical views of this historic hotel from Orange Avenue.

As I also understand it, there are some local interests pushing an alternative plan that would locate the new buildings in direct conflict with maintaining historic views to the hotel. They are willing to sacrifice the hotel's historic significance to achieve their own selfish interests. Please don't support these myopic, self-serving opponents to the Amended Master Plan.

Anyone who truly cares for San Diego and its heritage has to be thrilled that the Hotel del Coronado is now in the hands of a thoughtful and preservation-friendly owner. Approving the Amended Master Plan developed by the current owner will help ensure the historically significant view of the hotel and pave the way for future restoration of this important national and local landmark.

Please vote to approve the Amended Master Plan with its current design.

Sincerely,

Eric C. Pahlke  
San Diego County Victorians

cc: William Dodds  
Vice President of Development  
Hotel del Coronado  
✓ Bruce Coons  
Executive Director  
Save Our Heritage Organisation

24

DL  
September 24, 2010

RECEIVED

SEP 29 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

Chair and Honorable Commissioners  
California Coastal Commission  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108

Re: Appeal No. A-6-COR-08-098 and 099

Dear Chair and Commissioners:

This letter is written in support of the Hotel Del and its Amended Master Plan. As a residential homeowner and person who works in Coronado, I'm supportive of the numerous benefits provided by the Amended Master Plan. As a huge fan of the existing Paseo del Mar, the potential extension of the beachfront walkway and connection at Avenida del Sol, is a much welcomed improvement for all to enjoy. In addition to keeping The Del beautiful, the continued build-out of the Master Plan, with its new conference center, additional guestrooms and underground parking, is necessary for the hotel to remain competitive with other newer hotels and conference centers that continue to enter the market place.

As a business traveler and mother of two, room size is of great importance to me. Scaling the rooms down to 350 square feet would be doing this project and the Del a disservice. I don't know any person for business or leisure that doesn't want and expect spacious rooms with all the amenities.

The Del is a wonderful hotel and provides endless benefits to locals as well as over night guests. Approving this Amended Master Plan is the key to building an economical and sustainable future for the City of Coronado.

The Hotel Del Coronado is a gift to us all and I respectfully request the Coast Commission vote to approve the Hotel Del Amended Master Plan so the Hotel can continue to fuel our local economy for the generations to come.

Sincerely,

*Signature on file*

Karen A. Finch  
844 E Avenue  
Coronado, CA 92118

25



dy

RECEIVED

OCT 05 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

September 30, 2010

Chair and Honorable Commissioners  
California Coastal Commission  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108



Re: Appeal No. A-6-COR-08-098 and 099

Dear Chair and Commissioners:

As a Coronado resident, I am writing to urge you to support the Hotel Del and its Amended Master Plan. The recent improvements have been a wonderful addition to the Hotel that benefits the entire community, such as the new entry garden, widened sidewalks along R.H. Dana Place and Orange Avenue, and of course the Paseo beachfront walkway. The entry garden serves as a beautiful welcome to the Del, showing visitors their first view of the Hotel and making a connection to the village of Coronado. Locating the Conference Center on this side of the property would take away this beautiful amenity and block views to the Hotel from the village.

Each year, many thousands of visitors come to Coronado to experience its small-town beach community character which is intertwined with the historic charm of the Hotel Del. The Amended Master Plan, with its new Conference Center and guestrooms, will allow the Hotel to continue to thrive and to attract visitors to our community for many years to come. Please support the Amended Master Plan for the Hotel del Coronado and the many benefits it will bring to our community.

Sincerely,

 *Signature on file* 

DL  
September 15, 2010

Chair and Honorable Commissioners  
California Coastal Commission  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108

RECEIVED

OCT 04 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

Re: Appeal No. A-6-COR-08-098 and 099


Dear Chair and Commissioners:

As a resident of Coronado, I am writing to encourage you to support the Hotel Del and its Amended Master Plan. Recent improvements to the Hotel Del such as the entry garden, widened, landscaped sidewalks, and the Paseo beachfront walkway have made the Hotel more beautiful and accessible not just for guests, but for community residents and visitors alike.

With the Amended Master Plan, the Del will add a new Conference Center and guestrooms. These new amenities are needed so that the Hotel Del can continue to thrive. The new main entrance will improve traffic safety and provide a safe way to cross SR-75 at Avenida del Sol to get to the beach. The improvements to the Paseo beachfront walkway, connecting to the boardwalk in front of the Coronado Shores, will be enjoyed by everyone who walks, bikes or runs along this walkway.

Please support the Hotel Del and approve the Amended Master Plan.

Sincerely,

*Signature on file* 

Lisa Creech  
631 J ave. Coronado

27

DL

RECEIVED

OCT 04 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

September 15, 2010

Chair and Honorable Commissioners  
California Coastal Commission  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108

Re: Appeal No. A-6-COR-08-098 and 099

Dear Chair and Commissioners:

As a resident of Coronado, I am writing to encourage you to support the Hotel Del and its Amended Master Plan. Recent improvements to the Hotel Del such as the entry garden, widened, landscaped sidewalks, and the Paseo beachfront walkway have made the Hotel more beautiful and accessible not just for guests, but for community residents and visitors alike.

With the Amended Master Plan, the Del will add a new Conference Center and guestrooms. These new amenities are needed so that the Hotel Del can continue to thrive. The new main entrance will improve traffic safety and provide a safe way to cross SR-75 at Avenida del Sol to get to the beach. The improvements to the Paseo beachfront walkway, connecting to the boardwalk in front of the Coronado Shores, will be enjoyed by everyone who walks, bikes or runs along this walkway.

Please support the Hotel Del and approve the Amended Master Plan.

Sincerely,

*Signature on file*

\_\_\_\_\_  
Brian Creech  
631 J ave. Coronado

20

September 22, 2010

California Coastal Commission  
Chairperson Bonnie Neely and Honorable Commissioners  
c/o Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, Ste. 103  
San Diego, CA 92108

RECEIVED

SEP 23 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

Re: Hotel del Coronado Amended Master Plan

Dear Commissioners:

As a member of Save of our Heritage Organisation and a local San Diego-area resident, I am writing to support the Hotel del Coronado and the Amended Master Plan. The Hotel del Coronado is a national historic landmark and a historic treasure of our region. The best way to preserve this resource is to make sure that it can continue to thrive as a popular resort destination, while preserving its historic value.

As I understand it, the Hotel del Coronado needs a new conference center and guestrooms to remain competitive in the resort hotel market, and to continue to restore and protect this national landmark. The City of Coronado has already approved a plan, which features the new structures being built on the south side of the property, adjacent to Avenida del Sol. This is the best location for the new buildings because it follows historic resource guidelines in keeping the new buildings at a lower elevation than the historic hotel.

To move the location would also erase the significant improvements that have been done to bring back the Del to its historic relationship with Orange Avenue that has begun with the new entry garden opening the north side up to the village of Coronado, allowing the historic and significant views of the Hotel from Orange Avenue to be preserved and enhanced.

As a member of SOHO and a concerned citizen it has been decades since a thoughtful and preservation-friendly owner has been involved with the Del. I am not in favor in any way of this historic resource being detrimentally affected by a new building on the north side. It is both inappropriate, non-historic and an impact to the community at large.

With the Amended Master Plan, the historically significant view of the hotel from this approach is preserved and prepares the way for future restoration of this important national landmark.

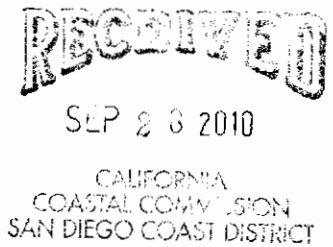
Please vote to approve the Amended Master Plan with its current design.

Sincerely,  
Bryan Auerbach & Judith Ciampoli  
2510 San Marcos Ave.  
San Diego, CA 92104

cc: William Dodds  
Vice President of Development  
Hotel del Coronado

9/19/2010

California Coastal Commission  
Chairperson Bonnie Neely and Honorable Commissioners  
c/o Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, Ste. 103  
San Diego, CA 92108



Re: Hotel del Coronado Amended Master Plan

Dear Commissioners:

Having been a local Coronado resident for many years, I am writing to support the Hotel del Coronado and the current Amended Master Plan. The Hotel del Coronado is a national historic landmark and a historic treasure of our region.

As I understand it, the Hotel del Coronado needs a new conference center and guestrooms to remain competitive in the resort hotel market, and to continue to restore and protect this national landmark. The City of Coronado has already approved a plan, which features the new structures being built on the south side of the property, adjacent to Avenida del Sol. This is the best location for the new buildings because it follows historic resource guidelines in keeping the new buildings at a lower elevation than the historic hotel.

To move the location would also erase the significant improvements that have been done to bring back the Hotel Del to its historic relationship with Orange Avenue that has begun with the new entry garden opening the north side up to the city of Coronado, allowing the historic and significant views of the Hotel from Orange Avenue to be preserved and enhanced.

As someone who is very interested and involved with the history of Coronado, I am not in favor in any way of this historic resource being detrimentally affected by a new building on the north side. It is both inappropriate, non-historic and an impact to the community at large. The Hotel Del is an important part of Coronado's history and it should not be hidden from view. The Coronado Shores block the view of the ocean for all the residents on Glorietta Blvd. Why should the wants of a few impact the entire town?

With the Amended Master Plan, the historically significant view of the hotel from this approach is preserved and prepares the way for future restoration of this important national landmark.

Please vote to approve the Hotel Del Amended Master Plan, with its current design.

Sincerely,  
Lisa Krause  
2018B Bath Street  
Santa Barbara, CA

cc: William Dodds  
Vice President of Development  
Hotel del Coronado

September 19, 2010

RECEIVED

SLP 2 5 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

California Coastal Commission  
Chairperson Bonnie Neely and Honorable Commissioners  
c/o Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, Ste. 103  
San Diego, CA 92108

Re: Hotel del Coronado Amended Master Plan

Dear Commissioners:

As a member of Save our Heritage Organisation and a local San Diego-area resident, I am writing in support the Hotel del Coronado and the Amended Master Plan. Please vote to approve the Amended Master Plan with its current design. This is the best way to preserve a major landmark that everyone in San Diego loves.

The Hotel Del does need help. It's easy to picture the famous view of the hotel from the beach, but for years one had to try to forget the public view from Orange Ave. Thankfully the Del now has owners who are doing something about the public view and beach access.

We support their efforts to keep the hotel economically viable by building a new conference center and guest rooms while keeping the historic character of the hotel. We ask you to also support it.

Sincerely,

Mr. and Mrs. Michael T. Gehl  
4301 Hermosa Way  
San Diego, CA 92103

cc: William Dodds  
Vice President of Development  
Hotel del Coronado

DL  
September 23, 2010

Chairperson Bonnie Neely and Honorable Commissioners  
c/o Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, Ste. 103  
San Diego, CA 92108

RECEIVED

SEP 27 2010

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

Re: Hotel del Coronado Amended Master Plan

Dear Chair and Honorable Commissioners:

As a Coronado resident very familiar with the Hotel del Coronado Amended Master Plan, I am writing in support of the Plan.

In the course of the approval process with the City of Coronado, the suggestion was made that the new Conference Center be located on the other side of the property, adjacent to Grande Hall. It is clear to me for a number of reasons that this is not a good alternative.

1. As part of the Hotel Del redevelopment project, considerable effort and expense has been directed to restore many historic features of the original building. This includes the north side of the structure that faces Orange Avenue. A conference building on the north parking lot would block the view of these historic improvements from downtown Coronado.

2. One of the great improvements of the completed plan to date is the removal of the fence on Orange Avenue and the construction of a beautiful entry Garden to the property from Orange Avenue. This garden, "Connects" the hotel property with Orange Avenue in a wonderful way. A Conference Center on the north would eliminate this fantastic improvement.

3. The south parking lot location for the conference center is at a lower elevation so the overall height of the project is considerably less than it would be on the north parking lot.

Finally, I find it disingenuous that a group of people living in ten, fifteen story buildings over 180 feet in height (The Shores) are leading the objection to a project with maximum height of three stories. Given the height and footprint of the Shores and the size of the original historic Hotel Del building, this project is clearly, "In Context" with the surrounding area structures.

Coronado as a resort destination depends upon the ~~the~~ future growth and success for the hotel will benefit the entire community. Additionally, the Plan includes substantial public improvements such as a signalized intersection with pedestrian crosswalk, widened landscaped sidewalks around the property, and an improved Paseo del Mar beachfront walkway. If approval is further delayed, or additional exactions imposed, the Plan may never go forward. Please vote to approve the Amended Master Plan without further delay.

Sincerely,

*Signature on file*

PHIL MONROE  
28 Bahama Road  
Coronado, CA 92118

31

October 8, 2010

California Coastal Commission  
c/o Diana Lilly, Coastal Planner  
7575 Metropolitan Drive, Suite 103  
San Diego, Ca 92108

Hotel Del Coronado Amended Master Plan  
Coastal Development Permit Application #A-COR-08-098 and #A-COR-08-099

Dear Ms. Lilly,

I am writing in support of the Hotel Del Coronado and the Amended Master Plan as previously approved by the City of Coronado.

The hotel needs the upgrade of the facility to stay relevant and competitive in the market and effectively compete with alternate conference hotel resorts.

Some have called for the proposed conference center to be located on the North side of the historic hotel near Grande Hall. That would be a huge mistake resulting in walling off the hotel from the community. It would also undo the progress of recent improvements where the view from the Coronado Village was restored by removing fencing and trees along R.H. Dana Place and Orange Avenue. An Entry Garden with a fountain was constructed on the corner, reconnecting the hotel to the community.

The Amended Master Plan includes so many Public Benefits that it is hard to understand how the project could be denied. The benefits include the Entry Garden already constructed, as well as planned improvements to the beach-front Paseo, pedestrian safety improvements at Avenida del Sol, increased on-street public parking, new traffic signalization at Orange Avenue, new public sidewalks and street edge landscaping, Orange Ave median landscaping, relocation of the existing unsafe Del drive entry to a much safer location, architectural restoration of the Historic Main building exterior and much needed façade improvements to Grande Hall.

Opposition to the plan based on the proposed building height is misguided when you consider the new guestroom building as proposed is three stories while the existing condo buildings on Avenida del Sol are seventeen stories. The proposed development meets all of the City of Coronado's strict building height restrictions.

The residents in the condos are apparently upset about their potential loss of private views, although from what I understand they do not have a right to those private views and that private views are not a consideration when determining the decision to approve or deny this coastal permit issue.

**RECEIVED**  
OCT 11 2010  
CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT



The current owner of the Del has been a great steward and caretaker of this historic treasure. Based on the numerous improvements to the Del over the last few years, the future development would be expected to be executed in a similar high quality fashion and be complimentary to the Historic Hotel's Victorian style, much like the highly successful and very well done Beach Village phase recently constructed.

I respectfully request that the Coastal Commission vote to approve the Hotel Del Amended Master Plan.

Sincerely,

Michael R. Haslett  
1787 S Point Dr  
Bonita, Ca 91902

Coronado Historical  
Association



Museum of History and Art

October 8, 2010

California Coastal Commission  
Chairperson Bonnie Neely & Honorable Commissioners  
C/O Diana Lilly, Coastal Planner  
San Diego District Office  
7575 Metropolitan Drive, #103  
San Diego, CA 92108

Honorable Commissioners,

The mission of the Coronado Historical Association is to "encourage and promote the appreciation, knowledge and understanding of Coronado's unique art, architecture, history, and other historical resources." We do this in a myriad of ways. We operate a state-of-the-art historical archive where Coronado's wonderful history is captured in everything from 1880s newspapers and glass plate negatives to historic garments and artifacts. Our education program reaches all 3<sup>rd</sup> grade students in Coronado and fulfills state standards for their studies of local history. Exhibits are well researched and deal with a myriad of topics pertaining to our community. And, we educate and encourage the community about historic preservation.

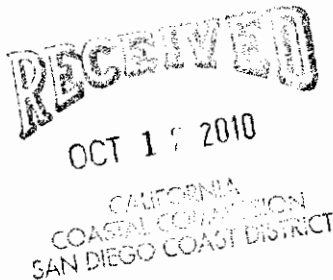
We are concerned about the suggestion that the Hotel Del Coronado amend its master plan to move the proposed conference center to the north side of the property, at the intersection of Dana Place and Orange Avenue. After much discussion, and thoughtful consideration, the Coronado Historical Association believes that it is important to preserve the historic view of the north side of the Hotel Del Coronado and we are opposed to any new construction that would obscure that historic view.

We appreciate the opportunity to contribute our comments to your discussions.

Sincerely,

*Signature on file*

Bob Balfour  
President, Coronado Historical Association



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blank***

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**Daniel Parker Orr**

**320 Second Street**

**Coronado CA 92118**

**619.435.3496 – 619.787.0692 – danielparkerorr@yahoo.com**

*Feb 16*

October 4, 2010

**RECEIVED**

OCT 07 2010

California Coastal Commission  
San Diego Coast District  
7575 Metropolitan Drive, Suite 103  
San Diego, CA 92108

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

Attn: Permit number: A-6-COR-08-098/A-6-COR-08-099

I intend to be present to speak in support of the Hotel del Coronado's coastal permit application at your meeting schedule for October 15, 2010. On the off chance that I can't make it up Oceanside I would appreciate you accepting this letter as evidence of that support.

The Hotel Del is the private sector economic engine for Coronado and needs to be encouraged and supported as they endeavor to retain their preeminent position in the travel and leisure market. Not being in that business I am unqualified to speak to what their needs are. However, I trust their judgment as professionals in their business and as citizens of Coronado to make development choices that both satisfy their economic needs and are sensitive to the community of Coronado.

This they have done! On every possible level the Hotel Del has been a model corporate citizen and I believe they have earned to right to make the decisions about what is best for their business without being constantly second guessed by the Commission and some of their neighbors.

The idea that some outside parties would try, through the Commission's process, to tell the Hotel Del what size and type of hotel rooms they should construct is ludicrous to me. The neighbors of the Hotel are simply grasping at straws in order to preserve ocean views they think will be lost. Speaking of "lost" is the irony lost on anyone that people living in fifteen story towers on the beach would be worried about views being blocked?

Please approve the Hotel Del's application so they can get on with upgrading and improving their property.

Sincerely, *DP*

*Signature on file*

*DP*  
Dan Orr

**LETTERS OF OPPOSITION**

*37*

October 1, 2010

Bonnie Neely  
Chairperson of California Coastal Commission  
Board of Supervisors  
825 Fifth Street, Room 111  
Eureka, CA 95501

**RE: Coastal Development Permit Application A-6-COR-08-098 & A-6-COR-08-99**

Dear Chairperson Neely,

I disagree with the California Coastal Commission's staff report recommendation to APPROVE the de novo permit for the 2010 Amended Master Plan for the Hotel Del Coronado.

I hoped the staff report would have recommended to DENY the permit application or send it back for a redesign because one of the three substantial issues stated in the Commission's letter of June 17, 2010 to William J. Dodds has not been addressed: **Visual Impacts.**

The Commissioners were very clear at the June 9, 2010 hearing and in the June 17, 2010 letter stating that, "*design alternatives that address these specific public views, bulk, and scale issues identified by the appellants must be submitted and further analyzed.*"

The 2010 Amended Plan does not address the Commissioners or Concerned Citizens issues with the project. The 2010 Amended Plan states that there are "*No changes to any building height or grade elevations. No Change to building elevations, setbacks, or views along Avenida Del Sol or the Paseo.*"

I hope you will vote the DENY the permit application or send it back for a redesign. I support Concerned Citizens for Keeping the Hotel Del Beautiful request for a redesign that would preserve panoramic views of the *iconic* front of the Hotel Del Coronado, the beach and Point Loma as well as ensure that Avenida Del Sol, a beach access street, will be easily accessible for visitors to Coronado.

Sincerely

5 Submittals of this form letter

 Signature on file in

1770 Av. del Mundo, #1002, Coronado,  
Ca 92118

✓ cc: Diana Lilly-San Diego District Office

Dear Ms. Neely - This plan is very undesirable from an ~~aesthetic~~ aesthetic standpoint - too high density as well. (traffic problems made worse). Such a beautiful, historic site... will be ruined... Respectfully, Sandra Weislin

**CALIFORNIA COASTAL COMMISSION**

SAN DIEGO AREA  
7575 METROPOLITAN DRIVE, SUITE 103  
SAN DIEGO, CA 92108-4421  
(619) 767-2370



# F8 a&b

49th Day: Waived  
Staff: Diana Lilly-SD  
Staff Report: September 28, 2010  
Hearing Date: October 13-15, 2010

**STAFF REPORT AND RECOMMENDATION ON APPEAL**

LOCAL GOVERNMENT: City of Coronado

DECISION: Approval with Conditions

APPEAL NO.: A-6-COR-08-98 & A-6-COR-08-99

APPLICANT: Hotel Del Partners, LP

**PROJECT DESCRIPTION:** Revisions to the approved master plan to include relocation of the proposed conference center and south beach guest rooms, relocation of the on-site bus staging area from adjacent to R.H. Dana Place to Orange Avenue, the addition of surface parking adjacent to the entry garden and R.H. Dana Place; retention of the laundry facility; and the repositioning of the southerly end of the Paseo del Mar public easement to connect to the public easement/walkway adjoining the Coronado Shores development. Conversion of all 144 new hotel rooms previously approved to condo-hotel ownership. These multiple room suites, referred to as the south beach guest rooms, would have 144 rooms available for rent, subdivided as 85 limited term occupancy condominium hotel units and 30 resort/hotel managed commercial units (non-habitable management condominium units, e.g. lobby and maintenance closets).

**PROJECT LOCATION:** 1500 Orange Avenue, Coronado (San Diego County)  
APN 537-630-35

**APPELLANTS:** Coastal Commissioners Patrick Kruer and Sara Wan; Concerned Citizens for Keeping the Hotel Del Beautiful

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**STAFF NOTES:**

At its June 9, 2010 hearing, the Commission found Substantial Issue exists with respect to the grounds on which the appeal was filed. This report represents the de novo staff recommendation.

**SUMMARY OF STAFF RECOMMENDATION:**

Staff recommends the Commission APPROVE the de novo permit. The primary issues raised by the subject development relate to the Coastal Act and LCP requirements that

new development be designed in such a way as to minimize geologic hazard and to provide and promote lower cost, overnight visitor serving facilities. The proposed project is a redesign of a previously approved hotel expansion and renovation project resulting from the discovery of an earthquake fault line running through the southern portion of the site, approximately 200 feet north of Avenida del Sol (see Exhibit #3).

Thus, the original master plan was redesigned to avoid the placement of new structures within 20 feet on either side of a 10-foot wide fault zone, for a total 50 foot wide buffer or “no-build zone” through the site. However, the appropriate size of the no-build zone has been a matter of contention, and the project has gone through several different redesigns to accommodate varying fault zone widths. Most recently, at the June 2010 hearing, the Commission’s geologist recommended to the Commission that the no-build zone be expanded 11 feet to 26 feet larger than was proposed by the applicant at that time. The item was postponed to allow the applicant further time to examine project alternatives that would accommodate the no-build zone recommended by Commission staff.

Since that time, the applicant has revised the project to conform to the recommended no-build zone. Accommodating this no-build zone required a redesign to the northern side of the proposed new conference center/guestroom/underground parking garage to reduce the total square footage proposed by approximately 26,000 sq.ft. The conference center has been revised to reduce its size from approximately 55,000 sq.ft. to approximately 50,000 sq.ft., the underground parking garage was reduced by approximately 17,000 sq.ft., and the guestroom space was reduced from approximately 90,600 sq.ft. to approximately 86,000 sq.ft.

Thus, as revised, the development has now been designed to meet the LCP requirement to assure the stability and structural integrity of the proposed development, and to minimize risks to life and property.

Another concern raised by the proposed development is the impact the proposed new high-end condo hotel rooms have on the availability of affordable overnight accommodations and public access and recreation. Ideally, development on such a prime visitor-serving oceanfront lot would be for high-priority visitor-serving uses, such as traditional hotel rooms, restaurants, or public recreational facilities, rather than low-priority condo-hotels. But condo-hotels, if conditioned to ensure that owner occupancy is strictly limited and monitored, do provide additional overnight accommodations for the public--just not as many as if the site were developed with a traditional hotel with the same number of hotel units. Special Conditions have been added that will ensure the condo-hotels operate as visitor-serving uses.

In addition, the room rates at the new condo-hotel will be very high end. The Coastal Act and the certified LCP promote the development of lower-cost visitor and recreational facilities. New overnight accommodations in prime visitor-serving locations should serve people with a range of incomes, either directly on site or indirectly through contribution of a fee towards the construction of lower cost overnight accommodations.

The project includes a number of public benefits in its design, however, the various improvements and dedications do not mitigate for the loss of land area that could otherwise have been used for affordable accommodations, or address the growing inability of much of the public to enjoy overnight visits to the coast because of the lack of affordable accommodations. In past actions, this problem has been addressed through special conditions or suggested modifications. For the City of Oceanside LCPA #1-07, the Commission required payment of a fee of \$30,000 for 50% of the number of new high-cost units being developed when the proposal also involves the loss of existing hotel/motel units. This provision is designed to mitigate the loss of oceanfront land that could otherwise have been available to develop with lower-cost facilities, and was intended to encourage rehabilitation of existing hotel/motel inventory. For the high-end hotel in the Port of San Diego at Lane Field, the Commission required that the applicant fund a program, in partnership with the Port District, for construction of a non-profit hostel in the downtown area providing a minimum of 400 beds, or pay a mitigation fee of \$30,000 for 25% of the approximately 800 higher cost units constructed (approximately \$6,000,000).

Similarly, in the case of the proposed project, a special condition requires that a fee of \$30,000 be assessed for 25% of the 144 proposed luxury units (36 units), for a total fee of \$1,080,000, to be used for the construction of lower cost overnight visitor serving facilities in the area.

Project opponents have also raised the potential for significant impacts to public views and the visual aesthetics of the area. However, the project's impacts on views from surrounding public areas is expected to be minimal and consistent with surrounding development. The proposed development will not block any existing significant public views, and views from the proposed relocated public walkway should be substantially improved. Special conditions on the project will ensure that landscaping is limited where public views are available.

Other issues raised by the project include the potential for flooding, shoreline stability, and impacts to public access and recreation from the proposed relocation of the public walkway. These issues have been addressed through special conditions requiring flooding mitigation measures and prohibiting any development from encroaching further seaward than existing development.

Although the City approved the proposed building construction and the condo-hotel conversion as separate coastal development permits, both permits describe the 144 new rooms as condo-hotel units, and thus, the conversion to condo-hotels must be considered part of both the Master Plan permit and the condo-conversion permit. Therefore, both City permits are the subject of this report.

Standard of Review: The certified City of Coronado LCP and public access policies of the Coastal Act.

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SUBSTANTIVE FILE DOCUMENTS: Appeal Applications by Commissioners Kruer and Wan dated 10/27/08; Appeal from Concerned Citizens for Keeping the Hotel Del Beautiful dated 10/23/08; Appeal from UNITE HERE Local 30 dated 10/27/08 (since withdrawn); Coronado Resolution #10-08 & #8315; Certified City of Coronado Local Coastal Program (LCP).

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**I. PRELIMINARY STAFF RECOMMENDATION:**

The staff recommends the Commission adopt the following resolutions:

1. **MOTION:** *I move that the Commission approve Coastal Development Permit No. A-6-COR-08-098 pursuant to the staff recommendation.*

**STAFF RECOMMENDATION OF APPROVAL:**

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

**RESOLUTION TO APPROVE THE PERMIT:**

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of the certified LCP and the public access policies of Chapter 3 of the Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

2. **MOTION:** *I move that the Commission approve Coastal Development Permit No. A-6-COR-08-099 pursuant to the staff recommendation.*

**STAFF RECOMMENDATION OF APPROVAL:**

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

**RESOLUTION TO APPROVE THE PERMIT:**

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of the certified LCP and the public access policies of Chapter 3 of the

Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

## II. Standard Conditions.

See attached page.

## III. Special Conditions.

The permit is subject to the following special conditions:

**1. Lower Cost Overnight Accommodations Mitigation Fee. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall provide evidence, in a form and content acceptable to the Executive Director, that a fee of \$30,000 per room for 25% (36 units) of the total number of luxury overnight visitor accommodations (144 units) in the approved project for a total fee of \$1,080,000, has been paid in lieu of providing lower cost accommodations on-site.

The required in-lieu fee of \$1,080,000 shall be deposited into an interest-bearing account, to be established and managed by one of the following entities approved by the Executive Director of the Coastal Commission: City of Coronado, Hostelling International, California Coastal Conservancy (Conservancy), California Department of Parks and Recreation or a similar entity. The purpose of the account shall be to establish lower cost overnight visitor accommodations, such as new hostel beds, tent campsites, cabins or campground units, at appropriate locations within the coastal area of Coronado or South San Diego County. All development funded by this account will require review and approval by the Executive Director of the Coastal Commission and a coastal development permit if in the coastal zone. If any portion of the fee remains five years after it is deposited into the interest-bearing account required by this condition, the Executive Director may require that the funds be transferred to another entity that will provide lower cost visitor amenities in a Southern California coastal zone jurisdiction..

**PRIOR TO EXPENDITURE OF ANY FUNDS CONTAINED IN THIS ACCOUNT,** the Executive Director shall review and approve, in writing, the proposed use of the funds as being consistent with the intent and purpose of this condition. In addition, any entity, other than the Conservancy, accepting the in-lieu fee funds required by this condition shall enter into a memorandum of understanding (MOU) with the Commission, which shall include, but not be limited to, the following: (1) a description of how the funds will be used to create or enhance lower cost accommodations in the Coastal Zone; (2) a requirement that the entity accepting the funds must preserve these newly created lower cost accommodations in perpetuity; and (3) an agreement that the entity accepting the funds will obtain all necessary regulatory permits and approvals, including but not limited to, a coastal development permit for development of the lower cost accommodations

required by this condition. If the funds are provided to the Conservancy, they must be used in accordance with the terms of an MOU entered into between the Commission and the Conservancy related to the use of in lieu fee mitigation funds.

**2. Condominium Hotel Operations.** The approved development is subject to the following conditions/restrictions:

- a) Definitions applicable to this Section:
  - i. Condominium Hotel is defined as the 144 guestrooms that are the subject of this coastal development permit (identified as Lot 3 on the Tentative Map dated August 2010 where ownership is in the form of separate condominium interests, as defined in California Civil Code Section 1351(f)). The primary function of the Condominium Hotel is to provide overnight transient visitor accommodations on a daily basis year round, providing both general public availability and limited owner occupancy of these guestrooms/units that are in the form of separate condominium ownership interests.
  - ii. Guestroom is defined as an individual room made available to the general public for hotel rental. Unit is defined as a condominium unit as described in Civil Code Section 1351(f), which may consist of one or more guestrooms, and which is subject to individual ownership with limited owner occupancy.
  - iii. Hotel Operator is defined as the entity that operates the traditional guestrooms at the Hotel del Coronado, and that manages the Condominium Hotel guestrooms/units as provided herein.
  - iv. Hotel Owner is defined as the fee owner of the Hotel del Coronado and/or its affiliated ownership entities.
- b) A maximum of 226 guestrooms in the facility as a whole (i.e., the Hotel del Coronado) may be configured as condominium hotel units and sold for individual ownership.
- c) The Hotel Owner and/or Hotel Operator shall retain control through ownership, lease, easements, or other legal means, of all recreational amenities, meeting space, restaurants, “back of house” and other non-guest unit facilities. The Hotel Operator must be the same entity for both the traditional hotel guestrooms and the Condominium Hotel guestrooms/units.
- d) The Hotel del Coronado, including the Condominium Hotel facility, shall have an on-site Hotel Operator to manage booking of all guestrooms/units (both traditional and Condominium Hotel guestrooms/units). Whenever any individually owned Condominium Hotel guestroom/unit is not occupied by its owner(s), that guestroom/unit shall be available for hotel rental by the general public, through the Hotel Operator or a rental agent other than the Hotel

Operator, or through the owner directly, on the same basis as a traditional hotel room.

As used in this Section, the term “to book” or “booking” shall mean the confirmation of a reservation request for use of a Condominium Hotel guestroom/unit by either the owner of the guestroom/unit, the owner’s permitted user or by a member of the public, and the entry of such confirmation in the Hotel Operator’s reservation data base.

Each owner of a Condominium Hotel unit shall have the right, in his or her sole discretion, to engage either the Hotel Operator or a rental agent of his or her choice to serve as the rental agent for his or her guestroom/unit, or to rent his or her guestroom/unit directly, but any engagement of a rental agent other than the Hotel Operator shall be on a non-exclusive basis. The Hotel Operator shall have the right and obligation to offer for public rental all time periods not reserved by a Condominium Hotel unit owner for his or her personal use, or for the use of an owner’s permitted user, or reserved for use by a public renter procured by an owner or by an owner’s rental agent who is not the Hotel Operator. Whether or not the Hotel Operator is selected as an owner’s exclusive rental agent, the Hotel Operator shall manage the booking and the reservation of all guestrooms/units in the Condominium Hotel. All Condominium Hotel unit owners, and their rental agents, must comply with the following restrictions:

- i. Condominium Hotel unit owners shall not discourage rental of their guestrooms/units or create disincentives meant to discourage rental of their guestrooms/units;
  - ii. As more fully described in Section (r), below, Condominium Hotel unit owners shall report and certify the rental rate and terms of any rental of the owner’s guestroom/unit made independently of the Hotel Operator, and the Hotel Operator shall book all guestroom/unit reservations in the Hotel Operator's reservation database, a service for which the Hotel Operator may charge the Condominium Hotel unit owner a reasonable fee;
- e) Based on its own rentals and also those certified by those owners who have reported rentals made by them directly or by another rental agent they have selected, the Hotel Operator shall maintain records of usage for all guestrooms/units and the rental terms of such usage, and shall be responsible for reporting Transient Occupancy Taxes for all guestrooms/units, services for which the Hotel Operator may charge the Condominium Hotel unit owner a reasonable fee.
- f) The Hotel Operator shall market all rooms to the general public. Owners of individually owned Condominium Hotel units may also independently market

their guestrooms/units, but all booking of reservations shall be made by and through the Hotel Operator.

- g) The Hotel Operator shall manage all guestrooms/units of the Condominium Hotel as part of the hotel inventory of the facility as a whole (i.e. the Hotel del Coronado), which management will include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing guestrooms/units for use by guests/owners, a service for which the Hotel Operator may charge the unit owner a reasonable fee.
- h) If the Hotel Operator is not serving as the exclusive rental agent for an individually owned Condominium Hotel unit, then the Hotel Operator shall nevertheless have the right, working through the individually owned units' owners or their designated agents, to book any unoccupied room to fulfill public demand. The owner or an owner's rental agent may not withhold guestrooms/units from use, unless they have already been reserved for use by the owner, consistent with the owner's maximum use right, as set forth in Section (l), below. In all circumstances, the Hotel Operator shall have full access to the guestroom/unit's reservation and booking schedule so that the Hotel Operator can fulfill its booking and management obligations hereunder.
- i) All guestroom/unit keys shall be electronic and created by the Hotel Operator upon each new occupancy to control the use of the individually owned Condominium Hotel guestrooms/units.
- j) All individually owned Condominium Hotel guestrooms/units shall be rented at a rate similar to that charged by the Hotel Operator for traditional hotel rooms of a similar class or amenity level.
- k) The Hotel Operator shall maintain records of usage by owners and guests and rates charged for all Condominium Hotel guestrooms/units.
- l) Each individually owned Condominium Hotel unit shall be used by its owner(s) (no matter how many owners there are) or their guests for not more than 90 days per calendar year with a maximum of 25 days of use during any immediately preceding 50 day time period.
- m) The occupancy limitations identified in Section (l) above, shall be unaffected by multiple owners of an individually owned Condominium Hotel unit or the sale of a unit to a new owner during the calendar year, meaning that all such owners of any given unit shall be collectively subject to the occupancy restriction as if they were a single, continuous owner.
- n) No portion of the Condominium Hotel may be converted to full-time occupancy of a condominium or other use that differs from the approved Condominium

Hotel, except that Condominium Hotel guestrooms/units may be converted to traditional hotel guestrooms, with approval of an amendment to this CDP.

- o) The Hotel Owner shall be required to submit, **PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, for the review and written approval of the Executive Director of the Coastal Commission (“Executive Director”), a Declaration of Restrictions or CC&Rs (Covenants, Conditions & Restrictions) approved by the City of Coronado, which shall include:
  - i. All the specific restrictions listed in Sections (b) through (n) above;
  - ii. Acknowledgement that these same restrictions are independently imposed as condition requirements of the coastal development permit;
  - iii. A statement that provisions of the CC&Rs (Declaration of Restrictions) that reflect the requirements of Sections (b) through (n) above, cannot be changed without a coastal development permit amendment. However, minor changes that do not conflict with Sections (a) through n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Executive Director that an amendment is not legally required. If there is a section of the CC&Rs (Declaration of Restrictions) related to amendments, and the statement provided pursuant to this paragraph is not in that section, then the section on amendments shall cross-reference this statement and clearly indicate that it controls over any contradictory statements in the section of the CC&Rs (Declaration of Restrictions) on amendments.
- p) The CC&Rs (Declaration of Restrictions) described above shall be recorded against all individual property titles prior to the close of the first escrow for the Condominium Hotel units.
- q) The Hotel Owner and Hotel Operator or any successors-in-interest shall maintain the legal ability to ensure compliance with the terms and conditions stated above at all times in perpetuity and shall be responsible in all respects for ensuring that all parties subject to these restrictions comply with the restrictions. Each owner of an individual Condominium Hotel unit is jointly and severally liable with the Hotel Owner and Hotel Operator for any and all violations of the terms and conditions imposed by the special conditions of the coastal development permit with respect to the use of that owner’s guestroom/unit. Violations of the coastal development permit can result in penalties pursuant to Public Resources Code Section 30820.
- r) All documents related to the marketing and sale of the condominium interests, including marketing materials, sales contracts, deeds, CC&Rs and similar documents, shall notify buyers of the following:

- i. Each owner of any individual Condominium Hotel unit is jointly and severally liable with the Hotel Owner and Hotel Operator for any violations of the terms and conditions of the coastal development permit with respect to the use of that owner's guestroom/unit; and
  - ii. The occupancy of a Condominium Hotel unit by its owner(s) and their guests is restricted to 90 days per calendar year with a maximum of 25 days of use during any immediately preceding 50 day time period, and when not in use by the owner, the guestroom/unit shall be made available for rental by the Hotel Operator to the general public pursuant to the terms of the coastal development permit and that the coastal development permit contains additional restrictions on use and occupancy; and
  - iii. Each owner of a Condominium Hotel unit who does not retain the Hotel Operator as his or her rental agent shall be obligated by the governing documents of the Condominium Hotel to truthfully report to the Hotel Operator (and to certify each such report) on an annual basis each effort, if any, he or she has made to rent his or her guestroom/unit to a member of the public, and the terms and conditions of any such offer, and the terms and conditions of each rental offer which has been accepted by a member of the public.
- s) The Hotel Owner and any successor-in-interest Hotel Owner, and each future individual Condominium Hotel unit owner shall obtain, prior to the sale of individual Condominium Hotel units, a written acknowledgement from the buyer that occupancy by the owner is limited to 90 days per calendar year with a maximum of 25 days of use during any immediately preceding 50 day time period, that the guestroom/unit must be available for rental to the general public when not occupied by the owner, and that there are further restrictions on use and occupancy in the coastal development permit and the CC&Rs (Declaration of Restrictions).
- t) The Hotel Operator and any successor-in-interest Hotel Operator shall monitor and record Condominium Hotel occupancy and use by the general public and the owners of individual Condominium Hotel units throughout each year. The monitoring and record keeping shall include specific accounting of owner usage for each individual Condominium Hotel unit. The records shall be sufficient to demonstrate compliance with the restrictions set forth in Sections (b) through (n) above. The Hotel Operator shall also maintain documentation of rates paid for Condominium Hotel occupancy and of its advertising and marketing efforts. All such records shall be maintained for ten years and shall be made available to the Executive Director and to any auditor required by Section (u) below. Within 30 days of commencing Condominium Hotel operations, the Hotel Operator shall submit notice to the Executive Director of commencement of Condominium Hotel operations.

- u) Within 120 days of the end of the first calendar year of Condominium Hotel operations, the Hotel Operator shall retain an independent auditing company, approved by the Executive Director to perform an audit to evaluate compliance with the special conditions of the coastal development permit which are required by this Section regarding occupancy restrictions, notice, recordkeeping, and monitoring of the Hotel Operator. The Hotel Operator shall instruct the auditor to prepare a report identifying the auditor's findings, conclusions and the evidence relied upon, and such report shall be submitted to the Executive Director, within six months after the conclusion of the first year of Condominium Hotel operations.–

Within 120 days of the end of each succeeding calendar year, the Hotel Operator shall submit a report regarding compliance with the special conditions of the coastal development permit which are required by this Section regarding occupancy restrictions, notice, recordkeeping, and monitoring of the Condominium Hotel to the Executive Director. The audit required after the first year of operations and all subsequent reports shall evaluate compliance by the Hotel Operator and owners of individual Condominium Hotel units during the prior one-year period. After the initial five calendar years, the one-year reporting period may be extended to two years upon written approval of the Executive Director. The Executive Director may grant such approval if each of the previous reports revealed compliance with all restrictions imposed above. The Executive Director may, by written notice to the Hotel Operator, require a third party audit regarding the subject matter of the reports required in this section for the prior three (3) or fewer calendar years if he or she reasonably believes that the foregoing submitted reports are materially inaccurate. The governing documents for the Condominium Hotel shall require the Hotel Operator and each owner of a Condominium Hotel unit to fully cooperate with and to promptly produce any existing documents and records which the auditor may reasonably request. The expense of any such audit shall be payable by the owner's association for the Condominium Hotel project.

- v) If the Hotel Owner and the Hotel Operator are or at any point become separate entities, the Hotel Owner and the Hotel Operator shall be jointly and severally responsible for ensuring compliance with the requirements identified above, and for reporting material non-compliance to the Executive Director. If the Hotel Owner and Hotel Operator are or become separate entities, they shall be jointly and severally liable for violations of the terms and conditions (restrictions) identified above.

**3. Surveyed Revetment Plans. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT** the applicant shall submit to the Executive Director for review and written approval, a survey of the existing revetment, prepared by a licensed surveyor. The plans shall identify permanent benchmarks from the property line or another fixed reference point from which the elevation and seaward limit of the



revetment can be referenced for measurements in the future, and shall specifically indicate the following:

- a. The location of the toe of the existing revetment.
- b. The maximum elevation of the top of the revetment.

**4. Final Building Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit for review and written approval of the Executive Director, final site, floor, foundation, and elevation plans for the on-site development, that have been approved by the City of Coronado, in substantial conformance with the plans attached to the approved Coronado Coastal Permit (CP 6-08), except as modified in the Amended Master Plan dated August 2010.

The applicant shall undertake the development in accordance with the approved project. Any proposed changes to the approved project shall be reported to the Executive Director. No change to the project shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is required.

**5. Final Beachfront Walkway Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit for review and written approval of the Executive Director, final plans for the Paseo del Mar beachfront walkway, that have been approved by the City of Coronado, in substantial conformance with the plans prepared by Hale Engineering dated 5/12/09, that show the revetment modifications. Said plans shall explicitly indicate that the location of the toe of the revetment and the maximum elevation of the top of the revetment is no further seaward or higher in elevation than shown in the measurements done per Special Condition #3 of this permit, except as shown modified in the 5/12/09 Hale Engineering plans, where new rock will be placed at an existing gap in the revetment at the northwest limits of the proposed walkway improvements.

Notes on said plans shall state the following:

1. during construction of the approved development, disturbance to sand and intertidal areas shall be minimized to the maximum extent feasible. All excavated beach sand shall be redeposited on the beach. Local sand, cobbles or shoreline rocks shall not be used for backfill or for any other purpose as construction material.

The applicant shall undertake the development in accordance with the approved plans. Any proposed changes to the approved project shall be reported to the Executive Director. No changes to the plans shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is required.

**6. Long-Term Monitoring Program. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit for review and written approval of the Executive Director, a long-term monitoring plan for the modified revetment approved herein. The purpose of the plan is to monitor and identify damage/changes to the revetment such that repair and maintenance is completed in a timely manner to avoid further encroachment of the revetment on the beach. The monitoring plan shall incorporate, but not be limited to the following:

- a. An evaluation of the current condition and performance of the revetment, addressing any migration or movement of rock which may have occurred on the site and any significant weathering or damage to the revetment that may adversely impact its future performance.
- b. Measurements taken from the benchmarks established in the as-built survey as required in Special Condition #14 of CDP #A-6-COR-08-98 & 99 to determine settling or seaward movement of the revetment. Changes in the beach profile fronting the site shall be noted and the potential impact of these changes on the effectiveness of the revetment evaluated.
- c. Recommendations on any necessary maintenance needs, changes or modifications to the revetment to assure its continued function and to assure no encroachment beyond the permitted toe.
- d. The above-cited monitoring information shall be summarized in a report prepared by a licensed engineer familiar with shoreline processes and submitted to the Executive Director for review and written approval. The report shall be submitted to the Executive Director and the City of Coronado after each winter storm season but prior to May 1st of each year starting with the first May after the public walkway is relocated to the existing revetment. Monitoring shall continue throughout the life of the revetment or until the revetment is removed or replaced under a separate coastal development permit.

The applicant shall undertake development in accordance with the approved monitoring program. Any proposed changes to the approved program shall be reported to the Executive Director. No changes to the program shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

**7. Final Landscaping Plan. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit a final landscape plan for the review and written approval of the Executive Director. Said plan shall include the following:

- a. All landscaping located on the seaward (southwest) side of the approved South Beach guestrooms shall be mainly low-lying shrubs maintained at a low level to maintain views as shown on the visual simulation Figure 5-H, Amended Master

Plan August 2010, "View from Avenida del Sol cul-de-sac," attached to this staff report as Exhibit #13. As shown on this concept exhibit and the draft landscape plan, which is depicted on Figure 5-G, Amended Master Plan August 2010, "South Beach Guestrooms Landscape Concept," also attached to this staff report as Exhibit #13, individual freestanding palm trees with narrow trunks may be located adjacent to the approved building, and as accents next to beach access points on the revetment; otherwise, only low-lying shrubs are permitted on the seaward side of the building.

- b. All landscaping on the site shall emphasize the use of drought-tolerant native species. Use of drought-tolerant, non-invasive ornamental species and lawn area is allowed as a small component. No plant species listed as problematic and/or invasive by the California Native Plant Society, the California Invasive Plant Council, or as may be identified from time to time by the State of California shall be employed or allowed to naturalize or persist on the site. No plant species listed as 'noxious weed' by the State of California or the U.S. Federal Government shall be utilized.
- c. The planting plan shall be implemented within 60 days of completion of each phase of construction.
- d. All required plantings shall be maintained in good growing condition, and whenever necessary, shall be replaced with new plant materials to ensure continued compliance with applicable landscape screening requirements described in subsection (a).
- e. Rodenticides containing any anticoagulant compounds (including, but not limited to, Warfarin, Brodifacoum, Bromadiolone or Diphacinone) shall not be used.
- f. Five years from the date of issuance of the coastal development permit, the applicant shall submit for review and written approval of the Executive Director, a landscape monitoring report, prepared by a licensed Landscape Architect or qualified Resource Specialist, which certifies the on-site landscaping is in conformance with the landscape plan approved pursuant to this Special Condition. The monitoring report shall include photographic documentation of plant species and plant coverage.

The applicant shall undertake the development in accordance with the approved plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the plans shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

**8. Construction Staging Areas. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall submit to the Executive Director for review and written approval, a plan identifying the location of the construction staging

areas. Said plan shall include the following criteria specified via written notes on or attached to the plan:

- a. Access corridors shall be located in a manner that has the least impact on public access and existing public parking areas. Use of sandy beach and public parking areas outside the actual construction site, including on-street parking, for the interim storage of materials and equipment is prohibited.
- b. No work shall occur on the beach during the summer peak months (start of Memorial Day weekend to Labor day) of any year.
- c. Equipment used on the beach shall be removed from the beach at the end of each workday.

The applicant shall undertake development in accordance with the plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the plans or schedule shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

**9. Tsunami Information Plan: PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit, for the review and approval of the Executive Director, a Tsunami Preparedness Plan. The plan shall include, at a minimum:

- a. An education component for both employees and visitors, which may include such efforts as:
  - i. Training and drills for employees
  - ii. Educational materials in hotel rooms and public areas
  - iii. Informative maps and signs.
- b. An evacuation component that covers all at-risk areas on hotel property, which may include maps, signs, sirens or public address system warnings, and other informative efforts, and provides for coordination with local emergency personnel (Fire Department/lifeguards) for evacuation of public access paths and the beach along hotel property. The evacuation plan should be coordinated with the local Fire Department as lead agency to insure consistency with plans for the area.
- c. Identification of a staff position (existing or new) that will be responsible for maintaining and updating the Plan to insure that the educational component provides accurate and up-to-date information on tsunamis; that there are on-going efforts to educate new staff about tsunamis and provide refresher materials for older staff; and that the evacuation plan remains functional (for example, that no barriers have been erected across an evacuation route or that the local OES has not made changes to the local evacuation plan that overlap with the applicant's plan).

To the extent practicable, the tsunami preparedness plan shall use existing educational materials, if appropriate, and in situations where new materials are necessary, the applicant shall make those materials available to the local OES and for other users.

The applicant shall undertake the development in accordance with the approved project. Any proposed changes to the approved project shall be reported to the Executive Director. No change to the project shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is required.

**10. Coastal Trail Signage. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall submit a sign program documenting that a minimum of one sign marking the California Coastal Trail shall be installed on Avenida del Sol, as approved by the City of Coronado.

The applicant shall undertake the development in accordance with the approved project. Any proposed changes to the approved project shall be reported to the Executive Director. No change to the project shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is legally required.

**11. Flood Control Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall submit, for the review and approval of the Executive Director, a flood control plan that includes measures that will be implemented during major storm events to protect the new development from floods. The plan shall be prepared to cover any event predicted to exceed an annual (one-year return period) event, and shall include: (1) all measures that might be used for flood protection; (2) the time periods prior to and after each event during which flood protection measures will be installed and removed; (3) a site plan identifying all possible locations for flood protective measures, with such measures limited to the inland side of the public accessway; (4) staff personnel responsible for installing and removing any flood protection measures; (5) a requirement that flood protective measures shall not restrict or in any way interfere with public access to or along the beach; and (6) a requirement that no beach sand shall be used in any flood protective measures.

The applicant shall undertake the development in accordance with the approved project. Any proposed changes to the approved project shall be reported to the Executive Director. No change to the project shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is required.

**12. Deed Restriction. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and

content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

**13. Final Off-Site Improvement Plans.** PRIOR TO COMMENCEMENT OF CONSTRUCTION, the applicant shall submit for review and written approval of the Executive Director, final plans for the approved off-site improvements on Avenida del Sol and surrounding street and sidewalks, that have been stamped and approved by the City of Coronado, in substantial conformance with the plans attached to the approved Coronado Coastal Permit (CP 6-08).

The applicant shall undertake the development in accordance with the approved project. Any proposed changes to the approved project shall be reported to the Executive Director. No change to the project shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is required.

**14. As-Built Plans.** WITHIN 60 DAYS FOLLOWING COMPLETION of the improvements to the Paseo del Mar beachfront walkway project, the applicant shall submit for review and written approval of the Executive Director, as-built plans of the approved walkway and revetment, including a formal legal description and graphic depiction of the development, showing the footprint of the revetment and the elevation of the revetment referenced to NGVD (National Geodetic Vertical Datum).

The as-built plans shall specifically indicate the following:

- a. The location of the toe of the as-built revetment.
- b. The maximum elevation of the top of the as-built revetment.

Said plans shall also include certification by a registered engineer, with measurements taken on the site, that the project has been built consistent with the approved plans required by Special Condition #5 of this permit.

In addition, final as-built foundation plans shall be submitted for the proposed conference center.

**15. No Future Seaward Extension of Shoreline Protective Devices.** By acceptance of this Permit, the applicant agrees, on behalf of itself and all successors and assigns, that no future repair or maintenance; enhancement; reinforcement; modifications to address rising sea level, increased risk of flooding or other hazards; or any other activity affecting the existing shoreline protective device, shall be undertaken if such activity extends the footprint of the approved revetment seaward of its as-built location, as documented by and measured in the as-built plans required by Special Condition #14 of CDP #A-6-COR-08-98 & 99. By acceptance of this Permit, the applicant waives, on behalf of itself and all successors and assigns, any rights to such activity that may exist under Public Resources Code Section 30235.

**16. Minimization of Geologic Hazards. PRIOR TO COMMENCEMENT OF CONSTRUCTION** of the Conference Center with underground parking and the South Beach Guestrooms approved pursuant to this coastal development permit, the applicant shall submit, for the review and approval of the Executive Director, evidence that: (1) a licensed geotechnical engineer has reviewed seismic loading and liquefaction hazard and that any resulting recommendations have been incorporated in the final project design; (2) the geologic setback as shown on Exhibit #6 attached to this staff report has been incorporated into final plans such that no development of habitable structures will occur in the designated “no-build zone;” and (3) a licensed structural engineer has reviewed and approved all final construction and foundation plans in conformance with the above recommendations and with the California Building Code.

The applicant shall undertake the development in accordance with the approved plan. Any proposed changes to the approved plan shall be reported to the Executive Director. No change to the plan shall occur without a Commission-approved amendment to the permit unless the Executive Director determines that no such amendment is legally required.

**17. Public Access Along Paseo del Mar Beachfront Walkway:** Except for the temporary disruptions that may occur during the construction of the permitted development, the applicant shall ensure the Paseo del Mar beachfront walkway shall remain open for public access daily. During construction, the applicant shall provide signage to direct the public to alternative access opportunities. The applicant shall maintain the Paseo del Mar beachfront walkway in a reasonable and safe state of repair so that it fulfills its purpose as a public access path as described above.

By acceptance of this permit, the applicant agrees to apply for an amendment to this permit to relocate and/or rebuild the walkway landward, as necessary, to preserve public access if the approved walkway is threatened by rising sea level, flooding or other hazards.

**18. Maintenance Activities.** The applicant shall be responsible for the maintenance of the existing riprap revetment in its approved state, until such time as the revetment is relocated or removed under an approved coastal development permit. However, if it is determined that repair and/or maintenance to the revetment is necessary, the permittee shall contact the Commission’s San Diego office to determine whether an

amendment to this permit is necessary. Based on the information and recommendations contained in the monitoring report required in Special Condition #6 of CDP #A-6-COR-08-98 & 99 above, any stones or materials that become dislodged or any portion of the revetment that is determined to extend beyond the approved toe shall be removed from the beach, after authorization by the Commission.

**19. Other Special Conditions from City of Coronado.** Except as provided by this coastal development permit, this permit has no effect on conditions imposed by the City of Coronado pursuant to an authority other than the Coastal Act.

**20. Waiver of Liability.** By acceptance of this permit, the applicant acknowledges and agrees (i) that the site may be subject to hazards from waves, overtopping, flooding and seismic activity; (ii) to assume the risks to the applicant and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.

#### IV. Findings and Declarations.

The Commission finds and declares as follows:

**1. Project Description/History.** In June 2002, the Coronado City Council approved a coastal development permit for the Hotel del Coronado Master Plan authorizing numerous changes and upgrades to the property, including an increase of approximately 144 guestrooms, a 19,700 sq.ft. conference center, relocation of the health spa and tennis courts, improvements to the southern and eastern facades of the main Hotel building, exterior improvements to Grande Hall, relocation of the Hotel driveway entrances, development of below-grade parking structures, landscape and walkway enhancements, an off-street bus drive and staging area off of R.H. Dana Place, and a total of 1,170 on-site parking spaces. The permit was appealed by the Commission because of concerns about impacts to public access and recreation (A-6-COR-02-111).

As a result, the City withdrew the permit, and coordinated with Commission staff to revise the project to address the coastal issues raised by the City's approval of the project. On August 27, 2002, the Coronado City Council approved issuance of an appealable coastal development permit amendment for the Hotel Del Coronado Master Plan (CP 3-02). The amended permit was not appealed.



The hotel is located on the seaward side of the City of Coronado, at the northernmost portion of the Silver Strand, at the northwest intersection of Orange Avenue and Avenida del Sol and south of R.H. Dana Place.

#### A-6-COR-08-98

On October 7, 2008, the Coronado City Council approved the two subject appealable coastal development permits addressing numerous revisions to the approved Master Plan. The first permit (City of Coronado Hotel del Coronado 2008 Amended Master Plan CP 5-08 and CDP #A-6-COR-08-098) covers a variety of physical improvements to the hotel site. The revisions to the Master Plan have been proposed in response to the discovery of an earthquake fault line through the Hotel del Coronado property. Thus, the previously approved new guestrooms and a conference center on the east side of the property, at the intersection of Orange Avenue and Highway 75, have been relocated to the western side of the property, adjacent to the beach and the terminus of Avenida del Sol. Other physical changes include moving the on-site bus staging area from adjacent to R.H. Dana Place to Orange Avenue; the addition of surface parking adjacent to the entry garden and R.H. Dana Place; improvements to Avenida del Sol, including raising the street to improve drainage; and repositioning of the southerly end of the Paseo del Mar public easement to connect to the public easement/walkway adjoining the Coronado Shores development (see Exhibits #3 and #4). No changes are proposed to the existing Historic Hotel, the recently approved North Beach Village Cottages and Villas, the existing California Cabana Building or the existing Ocean Towers building.

Overall, the proposed square footage of buildings on the site would increase from approximately 868,360 sq.ft. to 968,163 sq.ft. The total number of new guestrooms would remain at 144, and the proposed new buildings heights would remain approximately the same at a maximum 44 feet. As approved by the City, the major changes to the floor area of the primary proposed new buildings can be summarized as follows:

	Previously Approved (Area, sq.ft.)	Proposed (Area, sq.ft.)	Net Change (Area, sq.ft.)
South Beach Guestrooms	58,600 sf	90,600	+32,000 sf
Conference Center Conference Space	50,000	55,000	+ 5,000
Conference Center Guestrooms	10,000	35,200	+25,200

Since that time, in response to concerns raised by Commission staff about the proximity of the building to the fault zone, the applicant has revised the project and the building sizes have been reduced by approximately 26,000 feet, including a reduction in the size of the underground parking structure. The approximately 55,000 sq.ft. conference center is now proposed to be approximately 50,000 sq.ft., the underground parking garage was reduced by approximately 17,000 sq.ft., and the guestroom space was reduced from approximately 90,600 sq.ft. to approximately 86,000 sq.ft.

The previously approved master plan would have removed the laundry building and a portion of the existing power plant building adjacent to Orange Avenue; the proposed plan will retain all of the laundry and power plant buildings. The Oxford building, on the corner of Avenida del Sol and Orange Avenue, was to be converted to guestrooms; under the proposed plan, the Oxford Building will remain as administrative offices. A total of 21 new public parking spaces would be created.

The proposed new South Beach Guestrooms would be located approximately 44 feet seaward of the previously-approved location, and as a result, the existing public walkway, now located between a parking lot and a berm, would be relocated approximately 44 feet seaward, and cut into the seaward side of the existing berm/revetment, next to public sandy beach.

The project also involves street improvements to Avenida del Sol and regrading the street to slope easterly towards Orange Avenue to correct flooding that currently can occur at the street end, and to install storm drain improvements to improve water quality. As part of these improvements, the street end would be raised approximately 5 feet in height, new parking spaces would be provided, and the existing Paseo del Mar public walkway would be extended around the existing street cul-de-sac to connect with the public walkway in front of the Coronado Shores property. Currently, there is no direct connection between the two public walkways and pedestrians usually walk across the middle of the cul-de-sac to connect to each other which is a less than ideal pedestrian/vehicle condition. A new concrete ramp for pedestrians and lifeguard vehicles would be constructed from the cul-de-sac to the beach in the same location where access is available today. Existing stray riprap located around the street end on the sandy beach would be removed.

#### A-6-COR-08-99

The second appealable permit (CP 6-08 and CDP #A-6-COR-08-099) approved conversion of all 144 new hotel rooms previously approved to condo-hotel ownership. These multiple room suites, referred to as the South Beach Guest rooms, would have 144 rooms available for rent, subdivided as 85 limited term occupancy condominium hotel units and 30 resort/hotel managed commercial units (non-habitable management condominium units, e.g. lobby and maintenance closets).

Although the City approved the condo-hotel conversion as a separate coastal development permit, it is important to note that both permits describe the 144 new rooms as condo-hotel units, and thus, the conversion to condo-hotels must be considered part of both the Master Plan permit and the condo-conversion permit. Therefore, both City permits are the subject of this report.

The permits were approved with a number of special conditions and limitations on use of the condominiums. Occupancy by the same persons is limited to not more than 25 consecutive days, and unit owners are allowed to occupy a unit up to a total of 90 cumulative days per calendar year, not exceeding 25 consecutive days at any one time. Unit owners are further limited to a maximum of 25 days of use within any immediately

preceding 50 day time period. In other words, owners can occupy units for up to 90 days in a year, which can be used in blocks up to 25 days at a time, but not more than 25 days of any 50-day period.

### Fault Zone

The project approved by the City was designed to avoid an earthquake fault zone identified as 10 feet in width, with a 20 foot-wide setback on both sides of the fault zone, for a total no-build zone of 50 feet. However, the appropriate size of the no-build zone has been a matter of contention, and the project has gone through several different redesigns to accommodate varying fault zone widths. As noted, in response to Commission staff concerns about geologic safety and stability, the proposed no-build zone has been revised to be consistent with that recommended by the Commission's staff geologist. Exhibit #5 shows the fault zone identified by the Commission's geologist on the southeast side of the main trace of the fault (where the development is proposed) 30-51 feet in width. Exhibit #4 shows the proposed plan as revised to accommodate the fault zone.

The standard of review is the certified City of Coronado LCP and public access policies of the Coastal Act.

## **2. Geotechnical Issues.** The relevant LCP and Coastal Act policies are as follows:

### **A. SHORELINE ACCESS**

1. Preserve existing shoreline access over public lands

### **B. RECREATION AND VISITOR SERVING FACILITIES [...]**

3. That no new development shall be permitted on existing sandy beach areas. An exception would be allowed for new or expanded permanent lifeguard facilities, restroom facilities, or bike paths if it can be determined that adverse impacts to public beaches are negligible or when public safety or health requires it, and provided that no less environmentally damaging alternatives exist. [...]

### **E. DIKING, DREDGING, FILLING AND SHORELINE STRUCTURES**

1. Require that new development shall assure coastal stability and structural integrity, and neither create nor contribute significantly to erosion or geologic stability.
2. Permit revetments, breakwaters, groin, harbor channels, seawalls, cliff retaining walls, and other such construction that alters natural shoreline processes when required to serve coastal-dependent uses or to protect existing structures or public beaches in danger from erosion and when designed to eliminate or mitigate adverse impacts on local shoreline sand supply. [...]

## G. HAZARD AREAS

1. Require that new development in areas of high geologic, flood or fire hazard be designed in such a way to minimize risks to life and property.
2. Require that new development be designed in such a way to assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

### Geologic Hazard

The Coronado fault traverses the subject site. This earthquake fault has been defined as an active (Type B) fault by the State of California, and in 2003, portions of the Hotel Del site were designated as being within an Alquist-Priolo Earthquake Fault Zone. The Alquist-Priolo Earthquake Fault Zoning Act of 1972 was passed by the legislature as a result of the San Fernando earthquake in southern California. The Act is intended to deal with the specific hazard of active faults that extend to the earth's surface, creating a surface rupture hazard. The Act requires that the State Geologist (the head of the California Geological Survey – CGS) designate zones approximately ¼-mile wide along known active faults. Within these zones, a site-specific fault hazard investigation must be prepared for development proposals.

The purpose of such an investigation is to accurately locate the fault and all its branches in order to ensure that no structure for human habitation will be placed across the trace of a known active fault. Because of the difficulty in assuring that all branches of a fault have been encountered, the Act further states that unless proven otherwise, the area within fifty feet of an active fault is presumed to be underlain by active branches of the fault. The fault investigation is used to determine (A) the location and width of the fault zone and (B) the appropriate building setback from the identified fault zone.

The Commission's geologist, Dr. Mark Johnsson, has reviewed the various reports and testing done at the subject site by the applicant. According to Dr. Johnsson, ideally, a fault hazard investigation would make use of multiple trenches through the younger materials at a site. In the trench, experienced geologists would be able to see if any of the soil or sediment horizons have been offset by faults, and materials in the soils and sediments can be dated by radiocarbon or other means to establish the timing of movement along these faults. The applicant has indicated that trenching was not attempted at the subject site because the applicant's consultants felt that the combination of sandy soils and a high ground water table would make the trenching difficult and dangerous.

Instead, a series of transects of conventional borings and Cone Penetrometer Test (CPT) borings were performed. In addition, seismic reflection surveys along these transects were undertaken for imaging of sediment layers, and two-dimensional cross sections

were obtained. Based on these investigations, the applicant recommended a 20 foot wide “no-build” zone on either side of a 10-foot wide fault zone as satisfying the requirements of the Alquist-Priolo Act, and the City of Coronado accepted this Fault Zone Designation pursuant to the Alquist-Priolo Act.

Although the Coastal Commission has no responsibility for administering the Alquist-Priolo Act, the Commission can use the provisions of the Act as guidance in determining if the LCP requirement that new development in areas of high geologic hazard be designed in such a way to minimize risks to life and property and assure stability and structural integrity, has been met.

The applicant has noted that subsequent to the City action, project opponents filed an action in the Superior Court of San Diego regarding the adequacy of the CEQA study and Alquist-Priolo Act investigation. On December 4, 2009, the court issued a favorable ruling for the City in the case of Unite Here Local 30 vs. City of Coronado in which the petition was denied on all grounds. In the ruling, the court found that the City did not violate CEQA, the Alquist-Priolo Act or the Public Records Act. The court found that there was substantial evidence in the record to support the City's decision to approve the project.

Legally, this decision does not affect the Commission's review under the Coastal Act. In addition, for the seismic issues, the Court deferred to the City's determination of Alquist-Priolo compliance. It did not examine the evidence itself to see if in its own opinion the requirements of Alquist-Priolo were met. In other words, the Court did not hold that there was no evidence of additional faulting, it simply upheld the City's resolution of this issue as adequate.

In addition to the studies submitted by the applicant, the former project appellant, UNITE HERE, has submitted numerous responses, rebuttals, and reinterpretations of the applicant's data. Specifically, UNITE HERE's re-interpretation of the data identifies several possible faults both east and west of the main trace, and identifies these faults, together with the main trace of the Coronado fault, as a “negative flower structure.” Such a feature, common in strike-slip faults such as the Coronado fault, takes the form of numerous secondary faults radiating outward from the main fault as the trace of the fault is followed to the surface.

The applicant's consultants disagree with the identification of many of the potential secondary faults; they contend that any secondary faults that do exist would only exhibit minor movement during an earthquake; they contend that a mat foundation proposed for the buildings would be able to resist such modest movement; and they reiterate that the identified 10-foot wide fault zone plus the recommended 20 foot setbacks (“no build zone”) are adequate.

After additional meetings and exchanges between the applicant's and UNITE HERE's geologists, UNITE HERE issued a revised Fault Hazard Zone encompassing what it considered to be the minimum adequate “structural setback” or “no-build” zones.

Referring to the transect lines shown and described in Exhibit #16, it concluded that the no-build zone should be widened relative to the recommendations as follows (from south to north, perpendicular to the fault):

Line C: 30 feet west and 35 feet east of the fault zone

Line B: 20 feet west and 25 feet east of the fault zone

Line D: 20 feet west and 30 feet east of the fault zone

UNITE HERE further opined that secondary faults not included in this zone will have movements of a few inches or less, and that the applicant's structural engineer indicates that the structure will be built to accommodate this amount of movement. As a result of those discussions, the applicant revised the proposed project to conform to the above "no build zone", and minor adjustments were made to the northwest side of the proposed guesthouse/conference center/parking structure such that no buildings would be sited within the "no build zone." UNITE HERE subsequently withdrew its appeal of the Coastal Development Permit, and this revised project was presented to the Commission at the June 2010 hearing.

However, after review of the voluminous reports submitted by both the applicants and UNITE HERE, Dr. Johnsson determined that the identification of several possible faults both east and west of the main trace and the presence of numerous secondary faults radiating outward from the main fault is a reasonable, and perhaps likely, interpretation of the faulting present at the subject site.

Dr. Johnsson's review of the data, in combination with discussions with Chris Wills of the California Geological Survey, has led to his conclusion that either a more conservative (larger) interpretation of the potential fault zone or a wider setback from the fault is appropriate in this case. The Coastal Act does not distinguish between primary or secondary faulting nor does it find that secondary faulting is not a geologic hazard. Dr. Johnsson has identified secondary faulting as a geologic hazard. Furthermore, he cannot support the applicant's contention that the "secondary" faults will have movement of only a few inches. On the contrary, Dr. Johnsson believes the entire fault movement in the next earthquake could easily be taken up by any one of the traces—or a new trace—rather than the trace that has been identified as the "main" trace. Finally, because there was no trenching across the fault zone that would have allowed for direct observations of the fault traces, it is prudent to establish wider setback zones to account for the uncertainty inherent in using indirect means of identifying fault zones.

Pursuant to the LCP, the Commission is required to undertake an analysis of the geologic conditions of the site and make a determination about the ability of this new development to minimize risks to life and property from geologic hazards. Based on his review of the data, Dr. Johnsson concluded that the no-build zone described above was still too narrow—that is, it did not include all of the secondary faults suggested by the existing data—and further, that secondary faults cannot be assumed to only be capable of a few inches of movement in the next earthquake. In addition, Dr. Johnsson notes the applicant has confused the issue of geologic fault hazard (which can result from main or secondary

faulting) with mitigation of possible movement through structural design. The steps for the analysis of fault hazard are to first develop a good understanding of the fault zone, then to establish a setback from the fault zone, where the setback depends to a great extent upon the quality of the data used to define the active fault zone. Once the fault zone and setback are established, then engineering options can be considered that minimize the remaining risks.

Dr. Johnsson believes that there is clear indication of an offset of stratigraphic units beyond the zone identified above (the applicant's identified no-build zone, as modified by UNITE HERE). Specifically, there are concerns with indications of an offset between CPT borings CPT-24 and CPT-210 in Line B (which runs parallel to the shoreline, in the central portion of the new conference facility); and between CPT borings CPT-312 and CPT-314 in Line C (which runs parallel to the shoreline, close to the existing Ocean Tower buildings). Such an offset is a warning flag that a fault may lie between these borings, and certainly warrants further investigation. Especially in Line C, data are sparse and thus a conservative interpretation (i.e. wide fault zone delineation) is necessary in order to have a reasonable degree of confidence that the identified fault zone encompasses all of the likely faults.

With more data (either from trenches, more CPT borings, or seismic reflection profiles of better resolution than currently available), it might be possible to better delineate or narrow the fault zone. In the absence of such data, Dr. Johnsson's recommendation is that the fault zone be extended to include these offsets. A conservative approach would extend the fault zone to the easternmost boring in each line (CPT-210 in line B and CPT-314 in line C). When the only information about the fault boundary is that it likely lies somewhere between the two points, the conservative assumption is that the fault could extend almost to the point where no additional offset is observed, and the point without offset would set the outer limit of the fault zone. However, after discussing the uncertainties involved with Mr. Wills, Dr. Johnsson has concluded that a less conservative approach is adequate. This less conservative approach assumes that the fault zone does not extend beyond the outermost point of observed offset. This approach extends the fault zone only to the westernmost borings (CPT-24 in line B and CPT-312 in line C).

Staff also disagrees with the characterization of the offsets observed at the outer zone as being secondary faults that are capable of only a few inches of displacement. As noted previously, neither the Coastal Act nor the LCP distinguish between main and secondary faults. Also, there is no evidence that the next large movement of the Coronado fault will occur only along the zone that the applicant has identified as the main fault. Dr. Johnsson has concluded that future displacement could occur along any portion of the fault zone and that this displacement could be larger than a few inches. Using a methodology that correlates potential displacement with fault length, rupture depth and magnitude, Dr. Johnsson has estimated that the Coronado fault could have a maximum displacement of 11.8 inches (See Exhibit #16, April 29, 2010 memo) during a major earthquake on the fault. Avoidance of the fault zone would place the proposed development away from the zone that could experience the impacts resulting from up to 11.8 inches of displacement

during some future seismic event. Even with avoidance of the fault zone, the proposed development would experience major shaking from an earthquake on the Coronado fault, similar to the amount of shaking that would be experienced by other structures near the fault.

Thus, Dr. Johnsson recommends that the fault zone be identified as follows (see Exhibit #5):

Line C: 46 feet east of the fault zone

Line B: 51 feet east of the fault zone

Line D: 30 feet east of the fault zone

Only the eastern limit of the fault zone has been defined, because this is the side of the fault that structures (specifically, the guest room/conference center/underground parking building) are proposed. These limits establish staff's recommended fault zone. Staff further recommends that there be no additional development setback that would extend beyond the fault zone boundaries. Therefore, staff's recommended fault zone is also the recommended no-build zone. All structural foundation elements must be located outside of the fault/no-build zone as defined above. This recommendation requires that the proposed guest room/conference center/parking structure be redesigned to accommodate a no-build zone that is between 11 feet and 26 feet larger than that proposed by the applicant at the time of the June 2010 Commission hearing.

As noted, the quality and quantity of the data is not ideal, and an even more conservative interpretation of the potential fault zone could certainly be made. In addition, it could be argued that requiring an additional building setback from the fault zone would be most protective of life and property. However, the LCP standard is that new development in areas of high geologic hazard must be designed in such a way to minimize risks to life and property. The Commission finds the appropriate geologic standard for minimizing risks where there is an identified fault zone is to locate new structures outside the fault zone. Given that the fault or "no-build" zone has been defined in such a manner as to give a reasonably high degree of confidence that all of the faults have been captured, the Commission believes this recommendation reflects a balanced, reasonable approach to ensuring that the proposed structure is not located over an active fault.

Over the years, the Commission has seen numerous examples along the coast where both geologic analyses and engineering reports have indicated, for example, that a proposed structure would be safe for its economic or structural life; and yet, sometimes within a few years, the Commission is presented with requests for some form of shoreline protection because the previous risk analysis fails. Even when such technical analyses use the best information and science available, it is impossible to be exact when dealing with natural forces that are not predictable in any absolute terms. Therefore, it is prudent to assume a reasonably conservative interpretation of the available information and delineate a broader fault zone, and then preclude construction altogether within it.



In response to the staff recommendation and testimony presented at the June 2010 Commission hearing, the applicant has revised the project to accommodate the no-build zone recommended by Dr. Johnsson. Exhibit #6 demonstrates that the redesigned conference center/room/parking structure lies entirely out of the fault zone. Special Condition #16 requires submittal of evidence demonstrating that a licensed geotechnical engineer has reviewed seismic loading and liquefaction hazard and that any resulting recommendations have been incorporated in the final project design, that geologic setback as shown on Exhibit #6 attached to this staff report has been incorporated into final plans, and that a licensed structural engineer has reviewed and approved all final construction and foundation plans in conformance with the above recommendations and the California Building Code. As a result, the revised project can be found to minimize the known hazard risks to life and property.

In summary, the subject site is located in an area of high geologic hazard. The available data for determining the faults on the site is less than ideal, and many potential faults on the site cannot be ruled out. Therefore, using the information available, the Commission's geologist has defined a no-build zone on the subject site to include all reasonably identifiable geological faults. The applicant has revised the project such that no structural elements of the proposed project will be located within the no-build zone. While it is not possible to avoid all potential geologic risk, the Commission finds that restricting the placement of any structural building elements within the fault zone will minimize geological hazards consistent with the LCP requirements that new development be designed in such a way to assure stability and structural integrity.

#### Encroachment on the Beach/Flooding/Sea Level Rise

The proposed new South Beach Guestrooms would be located approximately 44 feet seaward of the approved location, and as a result, the existing public walkway, known as the Paseo del Mar, would be relocated approximately 44 feet seaward as well. The Paseo is located on Hotel del Coronado property within an easement dedicated to the City for public purpose uses. The path is currently located between the hotel parking lot and an iceplant-covered sandy berm (underlain by riprap) on the beach. Views towards the water are limited or non-existent from this portion of walkway because it is lower in elevation than the adjacent berm. As proposed, the new relocated walkway would be placed on top of, and partially cut into the side of the berm, and will not encroach any further seaward than the existing berm, except at a small existing break in the revetment at the northwestern end of the project area, where the revetment will be filled in and the walkway placed on top (see Exhibits #8 and 9). Thus, as proposed, the relocation of the walkway will significantly improve public views from the Paseo.

However, moving this public amenity and the proposed guestroom building closer to the water raises concerns that in the future, shoreline protection that encroaches on the beach and impacts public access and recreation, might be necessary to protect the subject development from flooding and wave action. The project site is within an area subject to flood inundation. At this time, the threat of flooding comes more from the inland (bayward) side of the site than from the ocean side, but flooding from the ocean side is

clearly possible and sea level rise expected over the next decades will only exacerbate the threat.

The applicant has acknowledged there is a risk of flooding and intends to address it by elevating the finished floor of the guest rooms and conference center to +14 and +16 feet MSL respectively, and temporary sandbagging if ever necessary. The Commission's staff coastal engineer, Lesley Ewing, has reviewed the proposed project and the potential risk of flooding. According to Ms. Ewing, the main concern for the property and the proposed development will be from waves overtopping the revetment and the water that will be carried onto the property from the overtopping. The applicant anticipates that there could be almost 1.5 feet of water on the site if sea level is 2.5 feet higher than present and a high wave event were to coincide with a high tide. High tides are a regular occurrence, so there is a high likelihood that with rising sea level there will be overtopping of the revetment during times of high storm waves. The overtopping would make it very dangerous to use the public accessway. It would also inundate the low-lying areas of the site. In addition, the proposed parking under the conference center would be subject to flooding when there is wave overtopping or when the site is subject to flooding from overland flows. There is little guarantee that hotel staff will be able to successfully deploy sand bags or flood shields to prevent site inundation. The hotel may opt to undertake such efforts within the hotel grounds; but, the sand bag option alone would not be adequate to address flood risks to the proposed development. In addition, if the structure exceeds its anticipated life, or if sea level accelerates beyond that anticipated for the next 75-years, flooding will be an even more regular occurrence.

However, Ms. Ewing has concluded that the proposed finished floor elevations for the buildings would be above the level that could be expected to be inundated under current flooding conditions and above the inundation levels that could be expected with the 3.5 to 4-feet of sea level rise, the high end of the rise that is predicted to occur in the next 75 years.

In addition, if flooding should become a concern in the future, there will be options to address the flood problem that will not require augmentation of the revetment. There is room on the landward side of the accessway and revetment to install flood barriers if such protection becomes needed in the future. There may also be options to erect vertical barriers next to the buildings or allow the lower story to accommodate floodwaters and move the habitable portions of the hotel property onto the second floor. Such measures are not anticipated to be necessary in the coming 75 years, but are options for addressing future flooding that would not include modifications to the revetment. An option to minimize the risk from flooding of the parking facility could be to close the parking facility whenever there is a chance of flooding and require that all vehicles leave the parking areas. Special Condition #11 requires submittal of a flood control plan that includes measures that will be implemented to protect the new development from floods.

The proposed project site is adjacent to an area that could be subject to potential tsunami inundation. The tsunami inundation maps recently issued by the California Emergency Management Agency show the inundation zone to be seaward of the existing sand berm

and revetment. The proposed walkway would be in the potential inundation zone and many of the hotel patrons could be expected to spend part of their hotel time at the beach where they would be at risk from tsunamis. In order to protect hotel guests and visitors using the more seaward walking path from tsunami risk, Special Condition #9 requires submittal of a tsunami information plan requiring that the hotel develop information for both employees and guests on tsunami evacuation options.

The proposed project would involve the placement of approximately 700 sq.ft. of concrete on the sandy beach to create a new ramp from the improved street at Avenida del Sol to the beach. The new ramp will be in the same location as the existing ramp, but will be rebuilt to accommodate the road elevation. The new ramp would provide public access to the beach for pedestrians and lifeguard vehicles, and will replace the existing beach stairway, which would be removed as part of the street elevation, storm drain improvements, and public accessway improvements at the street end. As part of these improvements, the existing scattered riprap located on the beach around the street end will be removed. As noted above, there is an existing gap in the revetment which will be filled in, but overall, the amount of material removed from the beach as part of the street end improvement is expected to be significantly greater than the amount of concrete placed on the beach. Thus, any adverse impacts to the beach from this portion of the project would be negligible, consistent with the certified LCP.

In order to ensure that the proposed project will not adversely impact public access and recreation, or create a risk to life and property, several conditions have been imposed. The Commission is interested in establishing the seaward extent of shoreline protective devices in this area to preserve public access. To ensure no expansion of the revetment beyond that shown on the preliminary plans and approved herein, Special Condition #3 requires that a survey be taken of the existing revetment, to determine the existing toe and elevation. The survey must document the toe of the revetment relative to a fixed reference point such as a surveyed property line or street monument. Special Condition #5 requires final plans for the walkway that demonstrate the proposed walkway and revetment improvements do not encroach beyond the existing revetment except for the permitted location at the existing gap at the northern extent of the project (see Exhibit #9).

Special Condition #6 requires a long-term monitoring plan to monitor and record the changes in beach profile fronting the site and to identify damage/changes to the revetment such that repair and maintenance is completed in a timely manner to avoid further encroachment of the revetment on the beach. Special Condition #18 provides that the applicant is responsible for removing any stones or materials that become dislodged or any portion of the revetment that is determined to extend beyond the approved toe. The applicant must first contact the Coastal Commission's San Diego district office to determine if a coastal development permit amendment is necessary. If the survey indicates that rocks have fallen from the revetment seaward of its toe, then the rocks must be replaced in a location that is landward of the toe. These conditions will assure revetment maintenance will occur in a timely and orderly way and without adverse impacts to public access.

Other conditions include a requirement that no seaward expansion of the berm/revetment be permitted in the future and a waiver of rights to future shoreline protection for the proposed development (Special Condition #15), and an agreement that the public accessway be maintained and kept open to the public and, if necessary, relocated landward in order to preserve public access (Special Conditions #17). Special Condition #12 requires the applicant to record the permit conditions so that the title to the property will reflect the obligations of the subject permit conditions.

Due to the inherent risk of shoreline development, Special Condition #20 requires the applicant to waive liability and indemnify the Commission against damages that might result from the proposed development. Although the Commission has sought to minimize these risks, the risks cannot be eliminated entirely, and there is still a possibility of damage from wave uprush, storm surge and high tides particularly in the future as sea level continues to rise. Given that the applicant has chosen to do work on the shoreline despite these risks, the applicant must assume the risks.

In summary, Special Conditions have been placed on the project to ensure that the risk of flooding and tsunami are minimized. No adverse impacts from flooding to public access and recreation will result from relocation of the public walkway. Special conditions ensure that the impact to the beach and the public from relocation of the public walkway will be less than significant. Therefore, as conditioned, the proposed project can be found consistent with the geotechnical policies of the LCP.

**3. Public Access and Recreation.** Relevant policies in the certified LUP include the following:

### III. ADOPTED POLICY

It is the policy of the City of Coronado to:

#### B. RECREATION AND VISITOR SERVING FACILITIES

2. Maintain the quality and number of existing visitor accommodations at or above their present levels, and encourage the provision of new low-cost visitor accommodations and the expansion of existing low-cost visitor accommodations.

### IV. ADOPTED ACTION PROGRAM

The following actions are adopted goals of the City of Coronado:

8. That the City encourage preservation of the City's visitor-accommodations.

The City's Implementation Plan includes the following policies for properties in the Hotel-Motel Zone, including the subject site:

**Chapter 86.32****H-M – HOTEL-MOTEL ZONE****86.32.010 Purpose and intent.**

It is the purpose and intent of this chapter to provide for areas in appropriate locations where centers providing for the needs of tourists, travelers and transient occupants may be established, maintained and protected. The regulations contained herein are designed to encourage the provision of “transient rental” facilities (other than “time-share complexes”), restaurants, and other activities providing for the convenience, welfare or entertainment of the transient.

**86.32.020 Principal uses permitted.**

The following uses shall be allowed in the H-M Zone:

- A. Hotels and motels which provide habitable or dwelling units of which not more than six units or 15 percent (whichever is greater) shall be occupied by a resident occupant;
- B. Restaurants with entertainment facilities subject to the provisions of CMC 86.56.030;
- C. Restaurants serving food and beverages only within buildings and/or adjoining patios;
- D. Assembly halls, theaters, or other public or semi-public buildings subject to the provisions of CMC 86.55.280;
- E. Private clubs and lodges except those the chief activities of which are a service customarily carried on as a business subject to the provisions of CMC 86.55.280;
- F. Art galleries;
- G. Gift shops;
- H. Other uses that, in the opinion of the Planning Commission, are consistent with the intent and purpose of this chapter.

Coastal Act public access policies include the following:

**Section 30210**

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

**Section 30211**

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

**Section 30213**

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred...

**Section 30221**

Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

**Section 30222**

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

**Lower-Cost Visitor-Serving Facilities**

Pursuant to the public access policies of the Coastal Act, and particularly section 30213, the relevant portions of which are echoed in the Coronado LCP, the Commission has the responsibility to both protect existing lower-cost facilities, and to ensure that a range of affordable facilities be provided in new development along the coastline of the state. In light of current trends in the marketplace and along the coast, the Commission is increasingly concerned with the challenge of providing lower-cost overnight accommodations consistent with the Coastal Act. Research in support of a Commission workshop concerning hotel-condominiums showed that only 7.9% of the overnight accommodations in nine popular coastal counties were considered lower-cost. Although statewide demand for lower-cost accommodations in the coastal zone is difficult to quantify, there is no question that camping and hostel opportunities are in high demand, and that there is an on-going need to provide more lower-cost opportunities along California's coast. For example, the Santa Monica hostel occupancy rate was 96% in 2005, with the hostel being full more than half of the year. State Parks has estimated that demand for camping has increased 13% between 2000 and 2005. Nine of the ten most popular campgrounds are along the coast.

The proposed 144 hotel-condo rooms themselves would consist entirely of high-end luxury units, thus encouraging exclusive uses on the shoreline. The existing Hotel del Coronado has a starting room rate of approximately \$270 per night. The applicant has not stated what the rates would be for the proposed units, but it is reasonable to conclude that they will be at least as high as those for the existing property. When exclusive visitor accommodations are located on the shoreline, they occupy area that would otherwise be available for lower cost visitor and recreational facilities. There is a place for higher-end

facilities in the City of Coronado, but they should be as one component of a wide range of overnight accommodations available to serve all segments of the population, to ensure the shoreline is available to everyone.

The applicant has submitted an "informal" survey of overnight accommodations in the Coronado and South Bay region, with rates for a one-night stay on or about Tuesday, September 22, 2009 (see Exhibit #17). The survey was not intended to be comprehensive, but rather to give a snapshot of rates in the region. As a side note, the survey is not comparable to the survey of room rates performed by Commission staff in 2007 that was done to determine a formula for "affordability" in room rates (ref. CDP A-6-IMB-07-131/Seacoast Inn). For that survey, Commission staff surveyed average daily room rates for all hotels in California during the peak season room (July and August). To ensure that the lower cost hotels and motels surveyed meet an acceptable level of quality, including safety and cleanliness, only AAA rated properties were surveyed. In contrast, the survey submitted by the applicant looked at the lowest available room rate for a Tuesday in the late fall, and includes facilities that may not meet AAA standards. Thus, it is possible that the room rates included in this survey are significantly lower than the average for a one or two star hotel on a weekend during the peak summer season.

The applicant's survey found that in the City of Coronado, there are 17 visitor accommodations with a total 1,947 rooms. Out of these, only 110 rooms (6%) have room rates starting at less than \$100 per night, even at that off-season time. Out of the 751 hotel rooms listed in the survey for National City, 578 were available at less than \$100 a night, but none of these hotels are located in the Coastal Zone. The one hotel that is in the Coastal Zone in National City, the Best Western Marina Gateway, averages \$109 per night for a Tuesday in late September.

Similarly, there are very few hotels or motels of any kind in the Coastal Zone in Chula Vista, although the survey found a number of low-cost motels clustered around E Street, east of Interstate 5. The survey indicates that at the one hotel in the Coastal Zone, the Good Nite Inn, the starting room rate is \$47.

Imperial Beach's supply of overnight accommodations continues to shrink. In September 2009, the Seacoast Inn was shut down due to safety code violations and demolition of the Inn just recently began. Until such time as the Inn is rebuilt, Imperial Beach's only hotel is the Sand Castle Inn, (14 rooms) starting at \$130.

The survey demonstrates that overall, opportunities for affordable overnight accommodations near the shoreline even in the relatively moderate-cost south San Diego Bay cities are very limited. In comparison, Coronado is fairly well served with hotels and motels, reflecting its status as a major vacation destination city. It also demonstrates that even in the off-season, 94% of the accommodations in Coronado start at over \$100 a night. All of the three waterfront hotels (beach or bay) are high-end only resorts.

There is a place for higher-end facilities in and along the shoreline, but it should be as one component of a wide range of overnight accommodations available to serve all

segments of the population, to ensure the shoreline is available to everyone. The proposed project involves the addition of new condo-hotel accommodations, which cannot be considered high-priority uses but can be visitor-serving, when appropriately conditioned (see condo-hotel discussion, below). However, when no lower cost units are proposed as part of a new overnight accommodation project, the Commission has typically required mitigation to ensure a range of accommodation rates are made available to visitors. When high end or even moderately priced visitor accommodations are located on the shoreline, they occupy area that would otherwise be available for lower cost visitor and recreational facilities. Thus, the expectation of the Commission, based upon several precedents, is that developers of sites suitable for overnight accommodations will provide facilities which serve people with a range of incomes. If development cannot provide for a range of affordability on-site, the Commission requires off-site mitigation.

The applicant has submitted a detailed list of the public amenities and improvements associated with the proposed development (see Exhibit #18). These include improvements such as an improved beach walkway and access along the seaward side of the project, improved sidewalks, storm drains, street median improvements on Orange Avenue, 21 new public street parking spaces, and \$1,000,000 cash contribution to the City for miscellaneous public improvements. The applicant also notes that when the first phase of the hotel master plan was approved, the applicant dedicated 2.1 acres of sandy beach to public use. Many of these improvements were required as part of the original master plan and some have already occurred. According to the applicant, these improvements provide \$20,000,000 worth of public benefits.

While laudable, staff believes that these improvements and dedications do not provide adequate mitigation for the loss of land area that could otherwise have been used for affordable accommodations. The sidewalks and intersection improvements are appropriate upgrades given the amount of new vehicle and pedestrian traffic expected to result from the proposed development and the proposed relocation of the public walkway is required to accommodate the proposed development. The money given to the City is not required to be used for improvements to public access and recreation, or for improvements in the vicinity of the hotel. The dedication of sandy beach area and the proposed removal of riprap on the beach and access improvements to Avenida del Sol clearly are positive benefits to the public. But they do not address the inability of much of the public to enjoy overnight visits to the coast because of the lack of affordable accommodations. As such, the project would have a significant adverse impact on public access to and along coast.

What the proposed improvements do not address in any way is the scarcity of lower-cost overnight accommodations within the Coastal Zone and directly along the shoreline. In order to be consistent with the LUP policy requiring that lower cost visitor facilities be protected, encouraged, and, where feasible, provided, a mechanism by which to promote the future development of lower cost accommodation is necessary. In past actions, this problem has been addressed through special conditions or suggested modifications. Although the Commission prefers the actual provision of lower-cost accommodations in



conjunction with projects, where necessary, the Commission has used in-lieu fees to provide lower-cost opportunities. For example, the Commission has required an in-lieu fee in permits to convert the Highlands Inn in Monterey County and the San Clemente Inn to timeshares. In addition, the Commission required a similar in-lieu fee for the conversion of a 130-unit hotel (not yet constructed) located on the bluffs in Encinitas to a 100-unit condo-hotel, with 30 units required to remain as traditional hotel units (6-92-203-A4/KSL), for the Surfer's Point Resort development in Encinitas (#A-6-ENC-07-51), and for Oceanside LCPA #1-07 (Downtown District), the Commission approved a requirement that a \$30,000 fee be paid for 50% of the number of new high-cost units being developed, when existing units are demolished, in order to mitigate the loss of oceanfront land that could otherwise have been available to develop with lower-cost overnight facilities. The fee is to be used for the specific purpose of constructing lower-cost overnight accommodations (such as a hostel, tent campsites, etc.) in the coastal zone in the vicinity of the development in question.

For the high-end hotel in the Port of San Diego at Lane Field, the Commission required that the applicant fund a program, in partnership with the Port District for construction of a non-profit hostel in the downtown area providing a minimum of 400 beds, or pay a mitigation fee of \$30,000 for 25% of the approximately 800 higher cost units constructed (approximately \$6,000,000).

The \$30,000 fee amount for the Port project was established based on figures provided to the Commission by Hostelling International (HI) in a letter dated October 26, 2007. The figures provided by HI are based on two models for a 100-bed, 15,000 sq. ft. hostel facility in the Coastal Zone. The figures are based on experience with the existing 153-bed, HI-San Diego Downtown Hostel. Both models include construction costs for rehabilitation of an existing structure. The difference in the two models is that one includes the costs of purchase of the land and the other is based on operating a leased facility. Both models include "Hard" and "Soft Costs" and start up costs, but not operating costs. "Hard" costs include, among other things, the costs of purchasing the building and land and construction costs (including a construction cost contingency and performance bond for the contractor). "Soft" costs include, among other things, closing costs, architectural and engineering costs, construction management, permit fees, legal fees, furniture and equipment costs and marketing costs. Based on these figures, the total cost per bed for the two models ranges from \$18,300.00 for the leased facility to \$44,989.00 for the facility constructed on purchased land.

In looking at the information provided by HI, it should be noted that while two models are provided, the model utilizing a leased building is not sustainable over time and thus, would likely not be implemented by HI. In addition, the purchase building/land model includes \$2,500,000.00 for the purchase price. Again, this is not based on an actual project, but on experience from the downtown San Diego hostel. The actual cost of the land/building could vary significantly and as such, it makes sense that the total cost per bed price for this model could be too high, or it could be too low. In order to take this into account, the Commission found that a cost per bed generally midrange between the

two figures provided by HI is most supportable and likely on the conservative side. Therefore, the in lieu fee assessed in that particular case, was \$30,000.00 per bed.

Accordingly, the Commission has typically required that 25% of new, higher cost units should be mitigated at a fee of \$30,000 per high-end unit. The subject development is for 144 hotel rooms, thus, a mitigation fee should be assessed for 25% (36) of the rooms, to offset the cost of constructing new lower cost accommodations. This works out to be a total of \$1,080,000. Therefore, Special Condition #1 requires payment of this fee into an interest-bearing account, to be established and managed by the City of Coronado, Hostelling International, the California Coastal Conservancy, the California Department of Parks and Recreation or a similar entity, as approved by the Executive Director. The funds are to be used to establish lower cost overnight visitor accommodations, such as new hostel beds, tent campsites, cabins or campground units, at appropriate locations within the coastal area of Coronado or South San Diego County. All development funded by this account requires review and approval by the Executive Director of the Coastal Commission, and a coastal development permit if in the coastal zone. If, after five years, any portion of the fee remains, the Executive Director may require that it be given to another entity to provide lower cost accommodations along the coast of Southern California.

In summary, the required mitigation fee will offset the loss of prime beachfront land to high end accommodations. Therefore, as conditioned, public access to and along the coast will be enhanced, and lower-cost overnight accommodations encouraged, consistent with the public access and recreation policies of the Coastal Act.

#### Condo-Hotels and Permitted Use

The subject site is zoned and designated H-M Hotel-Motel Zone, which allows the following uses:

- A. Hotels and motels which provide habitable or dwelling units of which not more than six units or 15 percent (whichever is greater) shall be occupied by a resident occupant; [...]

The City of Coronado found that the proposed condo-hotels are permitted at the subject site because condo-hotels are the same use as a hotel. The Commission respectfully disagrees. A condo-hotel is a distinct use not identical to a traditional hotel, because a portion of the time the units can be occupied by owners and not the general public. It is a mix of hotel and residential uses. The subject site is the only H-M zoned site located adjacent to the beach and the Hotel del Coronado is the only hotel located immediately adjacent to the beach in the City (the City does have two bayfront hotels). While in concept any addition to the hotel stock is supported by the recreational policies of the Coastal Act, the Commission is concerned that cumulatively the construction of new condo-hotels will eliminate opportunities for traditional hotels to locate and expand in prime visitor-serving locations. Due to its prime location adjacent to the beach, public amenities, and accessibility, it would be most appropriate to develop the subject site only

with a use that truly and exclusively serves the visiting public by providing year-round overnight accommodations in all rooms.

However, the City's Hotel-Motel zone is somewhat unusual in that it allows a 15% residential component within hotel projects (or 6 units, whichever is greater). There are currently 697 existing traditional hotel rooms at the Hotel del Coronado, and 78 condo-hotel units (the Beach Village condo-hotels, approved by the Commission in August 2006 as A-6-COR-06-46). The proposed 144 condo-hotel units would bring the number of condo-hotel units to 222, which would be 25% of the total 901 units on the site, over the 15% residential allowed within in HM zone.

However, condo-hotels are only *partially* residential in nature. One way of looking at condo hotels is that for the proposed project, condo owners may occupy their units a maximum of 25% of the time. Thus, only 25% of the 222 condo-hotels can be strictly defined as residential, bringing the total number of "residential" units on the site to 56, or approximately 6% of the total number of units.

In addition, as noted, the Commission previously found that condo-hotels can be found a permitted use at this location, when special conditions are placed on the permit to ensure the units operated as close to a traditional hotel as possible.

As required by the approved permit, the Commission has received data on how the Beach Village condo-hotels (located on the northwestern portion of the Hotel Del site) have been operating for the periods of June 2007 through July 2008, August 2008 through July 2009, and August 2009 through July 2010. Exhibits #19 through #21 are tables showing the use, occupancy and average daily rate for the condo hotels for these periods. The data shows that the vast majority of the time the units are occupied, they are occupied by non-owners. For example, for the month of July 2010, the 78 units had 2,418 available room nights (78 units x 31 days). Owner occupied room nights totaled 193 (8%), while guest occupied room nights totaled 1,695 (70%). The remaining room nights were vacant. Vacancy rates in the period were lowest in August 2010, when the total occupancy was almost 86%, consisting of 4% owners, 82% guests.

When these units were first proposed, the applicants suggested that most owners would likely make their units available for rental during the summer, because owners receive a percentage of the room rental fees, and rates (thus, their income) are higher during the summer. Owners would then use their rooms during the off-season, when hotel occupancy is typically low. The data do not entirely support this; for example, in 2010, of the three months with the highest percentage of room nights occupied by owners, two were in the summer (June and July). Nevertheless, the most recent data in 2010 show that whether in the peak summer months or the offseason, the overwhelming majority of the rooms nights are being rented by guests—from the most popular month in August, (82% guests, 4% owners), to the least popular in January (19% guests, 2% owners). Because vacancies occur even in the peak season, is clear that use by owners is not preventing the public from using the casitas.

Because of the economic recession, it is possible that the pattern of last three years occupancy rates for the luxury casitas are unusual, and the Commission will continue to monitor the yearly reports. Use patterns for the proposed units may also show a distinct pattern; the proposed units will have a level of amenities closer to the existing hotel than the individual casitas previously approved. However, the data up to this point demonstrates that the condo-hotel units on this site are being occupied primarily by guests, not by owners, and that the units do have availability during the peak summer season, and thus, are serving as a visitor-serving resource.

Therefore, because of the unusual nature of the City's H-M zone, and past Commission action allowing condo-hotels on the subject site, in this particular case, the proposed condo-hotel can be found consistent with the allowable uses as long as the use remains primarily visitor-serving and strict conditions are placed on the operation of the condo-hotel units to ensure the development functions as an overnight accommodation.

The City did place special conditions on the project similar to those typically proposed by the Commission, but with several significance differences. Thus, Special Condition #2, requires modifications to the approved CC&Rs to require the applicant or any successor-in-interest as hotel owner-operator to maintain the legal ability to ensure compliance with the terms and conditions of the permit at all times in perpetuity and be responsible in all respects for ensuring that all parties subject to this permit comply with the terms and conditions of this permit. The condition requires that each owner of an individual condominium unit be jointly and severally liable with the hotel owner-operator for violations of the terms and conditions of this permit, and this condition recorded on each individual deed, so that every owner will be aware of the responsibility and liability associated with ownership of these units.

The condition places restrictions on the use, rental and marketing of the units, prohibits conversion to timeshare or residential use, and contains detailed provisions for the monitoring and recording of hotel occupancy and use by the general public and the owners of individual hotel units throughout each year, to ensure that the restrictions set forth in the special conditions are being complied with.

The condition also specifically prohibits the conversion of any part of the project to full-time occupancy condominium. While most of the marketing and advertising of the condo-hotel rooms will likely be performed by the hotel operator, each individual condominium owner will retain the right to market or advertise their unit on their own.

Special Condition #2 contains detailed provisions for the monitoring and recording of hotel occupancy and use by the general public and the owners of individual hotel units throughout each year, to ensure that the restrictions set forth in the special conditions are being complied with.

The project could have an adverse impact on public access and recreation if construction vehicles significantly impacted the ability of the public to reach the shoreline. Special Condition #8 requires access corridors and staging areas to be located in a manner that

has the least impact on public access and traffic flows on coastal access routes, and prohibits work from occurring on the beach during the summer peak months of any year. No storage of materials and equipment is allowed on the sandy beach or in public parking areas, outside the actual construction site (for example, the on-street parking on Avenida del Sol will be impacted only when the street/drainage improvements are being undertaken). The applicant has proposed to improve public access by working with the City of Coronado to add signage to Avenida del Sol marking that street as part of the official California Coastal Trail; Special Condition #10 memorializes this.

In summary, given the history of visitor and non-visitor-serving uses permitted and approved on the site, the Commission finds that in this particular case, if conditioned, the proposed condo-hotel project could be found a permitted use. Special conditions ensure that construction impacts will not have a significant adverse impact on public access. Thus, as conditioned, the project is consistent with the certified Land Use Plan and the public access policies of the Coastal Act.

**4. Visual Quality.** Relevant policies in the LCP include the following:

**IV. ADOPTED ACTION PROGRAM**

It is the policy of the City of Coronado to: [...]

**B. RECREATION AND VISITOR SERVING FACILITIES**

6. Maintain high standards for visual aesthetics and preserve these scenic qualities as recreational resources. [...]
8. That new hotel/motel facilities may be developed as permitted uses within designated commercial use areas provided that such development also maintains the scale, height, and bulk requirements of surrounding development. [...]

**H. VISUAL RESOURCES AND SPECIAL COMMUNITIES**

1. Consider and protect as a resource of public importance of scenic and visual qualities of the community.
2. Require that permitted development be sited and designed to safeguard existing public views to and along the ocean and by shores of Coronado, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. [...]
10. Require that development in the entire community generally be compatible in height and bulk with existing development to preserve the scale and character of the community.

#### IV. ADOPTED ACTION PROGRAM

The following actions are adopted goals of the City of Coronado: [...]

#### H. VISUAL RESOURCES AND SPECIAL COMMUNITIES

8. That the City adopt a program of shoreline improvement to insure maximum esthetic value with particular emphasis on the removal of rip-rap.

The previously approved master plan and the proposed master plan differ in many ways, but the most significant changes have to do with the general shift of structures away from Orange Avenue and towards Avenida del Sol and the beach.

Exhibit #2 shows an aerial view of the existing hotel, Exhibit #3 shows the approved master plan, and Exhibit #4 depicts the proposed master plan. New conference rooms proposed at the existing Facilities Buildings along Orange Avenue will instead be located on the existing parking lot near Avenida del Sol. Existing historic structures at the Facilities Area will be retained, while other structures will be removed and landscaping and pedestrian improvements installed along Orange Avenue. Both the approved and the proposed plan include relocating the main entrance to the hotel from Orange Avenue to a driveway off of Avenida del Sol.

Guestrooms previously approved to be located at the corner of Avenida del Sol and the beach, referred to as the South Beach Guestrooms, have been revised and expanded to run along the length of much of Avenida del Sol. An area previously proposed as a surface parking lot next to Avenida del Sol would now contain guestrooms, conference rooms, and underground parking.

The roof line of the proposed development would be slightly higher than the approved structure (55.5 feet as measured from Mean Sea Level compared to 54 feet MSL), with the same maximum height of 60 feet MSL (see Exhibits #12 and #13).

The potential impacts to public views resulting from the proposed redesign occur in three main areas: from the beach and public walkway; from Avenida del Sol, and from Orange Avenue/SR 75.

#### Beach and Paseo Views

The proposed (South Beach Guest rooms building) would be located approximately 44 feet further seaward than the approved structure, but would step down from three to two to one story towards the beach, unlike the approved structure, which maintains three stories on the beach side. As discussed above, the existing Paseo del Mar public walkway is also being relocated seaward and being cut into the top of the existing berm. As proposed, the setback between the relocated Paseo and the seaward edge of the new building would be approximately 54 feet, a greater distance than the 45 feet setback that would have been between the existing walkway and the approved building. The

proposed structure will be located roughly the same distance from the relocated Paseo that the existing Ocean Towers and California Cabana Building hotel buildings (adjacent and up coast) are from the existing Paseo. As approved by the City, no portion of the building may “extend seaward of a straight line connecting the tower elements of the southwesterly or seaward corners of the existing Hotel del Coronado Ocean Towers building and the closest Coronado Shores building.” Thus, combined with the proposed stepping down of the building, the new structure is not expected to “tower” above or overshadow pedestrians and bicycles as they move along the walkway.

The proposed structure will be considerably smaller in scale than the existing towers that will surround it. The adjacent Ocean Towers hotel building consists of two 7-story towers, while the Coronado Shores condominium towers on the south side of Avenida del Sol consist of ten 15-story towers. The proposed structure will certainly be highly visible from the beach, but the bulk and scale of the structure will be well within the community character.

#### Avenida del Sol

The proposed Master Plan improvements would have the most significant impact on public views as seen from Avenida del Sol, under either the approved plan or the proposed plan. Avenida del Sol is not a designated view corridor, a scenic highway, or a major coastal access route. It is, however, a public street that is often used to access the shoreline, as there is free parallel parking along both sides of the street, and beach access at the end of the cul-de-sac. Currently, the area on the site next to the street consists of surface parking for the hotel. There are no views of the water down the street or across the hotel property from the inland side of Avenida del Sol, until the crest of the street is reached approximately half way down the street towards the ocean. At this point, views of the water are available from the street and sidewalk, which expand as one moves closer to the water.

Under the approved plan, the 3-story South Beach Guestrooms would have been located alongside the length of approximately one half of the street towards the street end, with a parking structure, partially below grade and partially above grade towards the Orange Avenue end of the street. Under the proposed plan, approximately three quarters of the street would be lined with the new 3-story conference/guest room/underground parking structure. The approved guestroom would have been set back from the street end to create a small landscaped area at the street end, which might have opened up views from the street end and sidewalk, although the area would have been landscaped and gated. The proposed structure would have a landscaped strip varying between 15 and 23 feet between the building and the sidewalk, and would not be set back as far from the street end as the approved building, although the precise difference between the approved and existing plan is unclear (final plans were never prepared for the new structure, so an exact comparison is difficult to make).

The proposed structure would be similar in bulk and scale to the approved guestroom building, but likely larger and taller than the parking structure would have been. The

proposed plan has somewhat more architectural differentiation in the façade than the previously approved structure. Overall, it is unlikely that the difference in size or setback between the previously approved and the proposed plan will be significant as experienced from the public street or sidewalk. Existing views from the sidewalk across the subject site are clearly more open to the sky than post-construction views will be, but there are no public ocean views across the site. Currently, views across the site from the sidewalk are of a chainlink fence, parking lot, and shrubbery. Under the proposed project, the sidewalk will be widened, and more extensive landscaping will provide a buffer between the sidewalk and the building, which may improve the pedestrian experience compared to the existing situation.

Existing views of sea and sky from the public street will be slightly altered (see discussion below), but will remain generally open and available towards the street end. The approved plan may have provided a greater seascape viewshed to the north from the street end, but the proposed plan will relocate the Paseo to provide much improved views from along that walkway. On balance, this is an improvement to public views.

The proposal to raise the street end approximately 5 feet will have a minor impact on views of the water from Avenida del Sol. The first glimpse of water views which now occurs approximately half way down the street will likely be delayed by several hundred feet. Views from the street end will remain the same, however, and the improved walkway and beach accessway will serve to offset the brief loss of water views as seen from halfway down the street.

Overall, the project is not expected to have a significant adverse impact on views from Avenida del Sol. It appears that the most significant impact the proposed Master Plan revisions would have on views would be from some of the condominiums at the Coronado Shores Towers inland towards the historic Hotel structure. However, these private views are not protected under the LCP. The existing views from the street towards the water are significant towards the seaward side of the street end, and with the proposed structures, the raising of the street end, and the relocation of the walkway, views will generally be maintained, and in some cases, improved. To ensure that open views towards the ocean across the property are not blocked by landscaping, Special Condition #6 requires submittal of a landscape plan that obliges the applicant to install only low-lying shrubs, with occasional slender-trunked palms on the seaward side of the proposed guestrooms.

#### Orange Avenue/SR 75

As described, the proposed revisions to the Master Plan would preserve additional historic buildings previously approved for demolition, including the laundry building. Bruce Coons, Executive Director of Save Our Heritage Organization (SOHO) has reviewed the project (see Exhibit #22). SOHO's mission is to preserve, promote and support preservation of the architectural, cultural and historical of the San Diego region. Mr. Coons states that the location planned for the Conference Center under the approved Master Plan would have blocked the view to the historic hotel from various locations on



Orange Avenue, from Pomona Street, and from the Boathouse. He concludes that the revised location of the conference center will have the least impact on views from many locations. The new development would not block views of the hotel from Orange Avenue any more than they are currently blocked with existing landscaping. The Commission agrees that the proposed conference room will not adversely impact views of the historic hotel from Orange Avenue, nor are there any significant views across the site from Orange Avenue that would be impacted by the proposed development.

### Alternatives

Several alternatives to the proposed project have been analyzed. Moving the proposed new buildings to the north side of the property, adjacent to Orange Avenue and the existing Grande Hall, might accommodate the proposed expansion, but SOHO and the California State Historic Preservation Officer, Milford Wayne Donaldson, have both expressed strong opposition to any new structures in this location, which would obscure the views of the historic portions of the hotel.

Other alternatives could include condensing the two proposed guestroom wings into one structure, which would reduce the overall size, bulk and scale of the structure. The applicant estimates this alternative would result in either an interior row of guestrooms with no exterior windows, balconies or patios, or require the loss of 73 out of the 144 proposed new guestrooms, both of which would make the project infeasible, according to the applicant.

While the no-project alternative is possible in this case—the site contains a working hotel which will continue operations regardless of the proposed expansion—the impacts to the public from leaving the existing parking lot in its current state would not be preferable to the proposed project. There are currently no significant views across the existing site, and the views from the street end will generally be maintained or improved. Relocating the entryway is not expected to adversely impact views from Orange Avenue. The addition of new condo-hotel rooms, as conditioned to provide a lower-cost accommodations mitigation fee, the additional public parking spaces, the proposed public walkway improvements, and the surrounding street improvements will be a positive contribution to the visitor-serving and public access facilities in the area.

### Summary

In summary, the proposed revisions to the Master Plan would increase the bulk and scale of development adjacent to Avenida del Sol. However, the proposed structures will not block any significant public views, existing views will be largely maintained or enhanced from the street end, and the project will not be out of character with surrounding development. The site is fairly constrained at this point given the size of the required “no-build” zone associated with the earthquake fault. While other revisions made to the size of the building might not require the loss of additional hotel rooms, or at least a loss of fewer rooms, it is not clear that any significant improvements to public views could be achieved through minor revisions in the building’s layout or size. The proposed project

will improve some views of the historic hotel as seen from surrounding areas, and the views from the proposed relocated public walkway will be greatly improved. Therefore, as proposed, the project can be found consistent with the visual protection policies of the certified LCP.

**5. Water Quality/Biological Resources/Landscaping.** Relevant policies of the LCP include the following:

### III. ADOPTED POLICY

It is the policy of the City of Coronado to:

#### D. WATER AND MARINE RESOURCES/ENVIRONMENTALLY SENSITIVE HABITAT AREAS

5. Maintain, enhance and, where feasible, restore marine resources. Special protection shall be given to areas and species of special biological or economic significance. Uses of the environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.
6. Maintain and, where feasible, restore the biological productivity and the quality of coastal waters and wetlands appropriate to maintain optimum populations of marine organisms and for the protection of human health through minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and encouraging waste water reclamation, and maintaining natural vegetation buffer areas that protect riparian habitats.
7. Protect against any significant disruption of habitat values in environmentally sensitive habitat areas; only allow uses dependent on such resources within such areas, and encourage mitigation of adverse environmental impacts resultant within such areas from permitted development. Efforts improving the quality of such habitat shall be encouraged.

Avenida del Sol currently crowns near Orange Avenue. with approximately the easterly  $\frac{1}{4}$  of the length of the street sloping and draining east. The remaining  $\frac{3}{4}$  of the length of the street slopes and drains westerly towards the beach, to the cul-de-sac, into a single catch basin which drains to the public sandy beach. The cul-de-sac frequently floods during high tides, storm surges, or heavy rain events and also accumulates sand, kelp, and debris due to the low elevation of the cul-de-sac and its inability to drain. The May 7, 2002 Hotel del Coronado Master Plan EIR Mitigation Monitoring & Reporting Program includes extensive drainage and water quality mitigation measures, including eliminating storm drain beach outfalls and connecting storm drain systems into the City's

drainage/sewer system with dry weather diverters that will divert all nuisance and first flush water into the sanitary sewer system.

Per the City of Coronado's direction, the proposed project includes raising the Avenida del Sol cul-de-sac from its current elevation of approximately 8 feet above MSL, to an approximate elevation of 13 feet MSL. This would allow stormwater to collect in basins at Avenida del Sol and Orange Avenue and then discharge to the Bay, versus directly to the ocean as it does currently. The Commission's water quality staff has reviewed the project, and concur that it will have a positive impact on water quality.

The existing berm where the new Paseo will be constructed is covered with iceplant and other exotic ornamental vegetation. A biological resource survey of the subject site did not identify any sensitive plant or animal resources within the area where the proposed improvements would occur. Proposed landscape improvements include enhancing the dunes with native, drought tolerant dune plants and grasses; however, a final landscape plan has not yet been developed, and the project does not specifically disallow the use of all invasive plant materials. Special Condition #6 requires submittal of a landscape plan prohibiting the use of invasives. Thus, as conditioned, the project can be found consistent with the resource protection policies of the LCP.

**6. Parking/Traffic.** Relevant policies of the LCP include the following:

**III. ADOPTED POLICY**

It is the policy of the City of Coronado to:

**J. LOCATING AND PLANNING NEW DEVELOPMENT**

2. Assure that new development permitted within the City be designed to maintain public access to the coast by:
  - A. Providing adequate parking facilities or providing substitute means of serving the development with public transportation.
  - D. Encouraging nonautomobile circulation within the development when feasible.

The original 2001 EIR for the approved Master Plan did not identify significant impacts resulting from project implementation on any roadway segment or intersections affected by project traffic. The approved project included relocation of the main hotel entryway to Avenida del Sol. The proposed amended Master Plan proposes a minor revision to the location of this entryway; the entry would occur approximately 120 feet west of the Orange Avenue/Avenida del Sol intersection, as compared to 200 feet in the approved plan. Thus, the amended EIR for the current project evaluated potential traffic impacts with particular regard for circulation and the potential for stacking along Avenida del Sol, and identified no new impacts or required mitigation measures.

The proposed project would have more conference space than the previously approved project, but the same number of guest units as the previously approved project, thus, the amended EIR concluded impacts to traffic would be less than significant. The proposed amended Master Plan would increase the number of onsite parking spaces to approximately 1,192, compared to the 1,170 in the approved Master Plan, 89 spaces more than the minimum required by the Municipal Code.

As a result of the recent project revisions to reduce the size of the proposed parking garage to provide the geologic setback recommended by the Commission's staff geologist, all parking in the underground parking will be valet, rather than self-park (self park will remain available in other parking areas). However, the same number of cars (165) will still be accommodated in the proposed garage. The hotel has also developed a transportation demand management program to encourage the use of transit, carpools, bicycles, and other alternative modes of transportation for guests and employees.

Therefore, the proposed project can be found consistent with the parking and circulation policies of the certified LCP.

**7. Local Coastal Planning.** As described above, the proposed project has been revised and conditioned to be consistent with the geologic hazard policies of the LCP. The proposed structures are located in an area of high geologic, and flood hazard, but have been redesigned in such a way to minimize risks to life and property and to assure that stability and structural integrity is maintained. The proposed project has been further conditioned to avoid impacts on visitor-serving accommodations and public access, and as such, will be consistent with the certified LCP. Therefore, the Commission finds that approval of the conversion of the hotel to a condominium hotel will not prejudice the ability of the City of Coronado to continue to implement its certified LCP.

**8. California Environmental Quality Act (CEQA).** Section 13096 of the Commission's administrative regulations requires Commission approval of a Coastal Development Permit to be supported by a finding showing the permit is consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

As described above, the proposed project has been redesigned and conditioned to avoid the fault zone identified by the Commission's geologist and the project is not expected to result in significant risk to life and property nor to the stability and structural integrity of the proposed building. Mitigation measures including those ensuring the condo-hotel units will operate like a traditional hotel, and requiring monitoring and reporting of usage patterns, will minimize all adverse environmental impacts. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and is consistent with the requirements of the Coastal Act to conform to CEQA.

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

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