

CALIFORNIA COASTAL COMMISSION

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original staff report

W #18b

Addendum

July 8, 2014

To: Commissioners and Interested Persons

From: California Coastal Commission
San Diego Staff

Subject: Addendum to **Item 18b**, Coastal Commission Permit Application
#PMP-6-PSD-14-0002-6 (Port of San Diego), for the Commission
Meeting of July 9, 2014.

Staff recommends the following changes be made to the above-referenced staff report. Language to be added is underlined and language to be deleted is ~~struck out~~.

1. The first paragraph of page 2 shall be corrected as follows:

One of the possible three hotels proposed for development at this time is being sought by Sunroad Marina Partners, LP. The proposed Sunroad hotel would be situated at the east end of Harbor Island. Sunroad Resort Marina currently has a 50 year lease with the District for a 600-slip marina on East Harbor Island that will expire in 2037. The proposed Sunroad hotel would be built on the same leasehold and operate in conjunction with the marina and includes a 175-room, four-story limited service hotel with ancillary meeting and fitness space, common areas, an exterior pool, and surface parking on East Harbor Island. The hotel would replace an existing locker building and parking spaces, with the existing marina offices to remain. The marina locker building would be reconstructed west of the 175-room hotel.

2. The second paragraph of page 6 shall be corrected as follows:

The proposed amendment was the subject of an Environmental Impact Report under the California Environmental Quality Act. The Environmental Impact Report and the proposed master plan amendment were subject to public review and hearing and ~~was were~~ adopted by the Board of Port Commissioners on March 4, 2014 as Resolutions #2014-52 and #2014-53, respectively.

3. The first paragraph of page 8 shall be corrected as follows:

In December 2009, the Port District prepared a Draft EIR for a PMPA for a Sunroad Harbor Island Hotel project proposed to replace the existing marina locker building with a 175 room four-story limited service hotel on a site currently leased to Sunroad Marina Partners, LP, located east of the hotel site evaluated in the 1990 PEIR. In 2011, a lawsuit was filed which claimed the Final EIR was inadequate with respect to analyzing the potential impacts of the development of multiple hotels. ~~In August 2012, the Port District certifies an Environmental Impact Report for the East Harbor Island that addresses the identified concerns and finalized revisions in July 2013. Additional analysis was completed in 2013 and on March 4th, 2014, the Port District passed Resolution 2014-52 to certify the Revised Final EIR and Resolution 2014-53 to approve the proposed PMPA and accompanying July 2013 Revisions to the EIR.~~

4. The second paragraph of page 8 shall be corrected as follows:

No changes to ~~land~~ or water use designations are proposed.

[...]

adding language to the introductory Planning District 2 text that indicates that as each hotel development on Harbor Island is developed or redeveloped it will: (1) prepare and implement a public access plan; (2) provide or participate in shuttle service to and from the airport and expand the Port's bayside shuttle system; (3) prepare a parking management program; and (4) provide public access and view corridors in between structures and conform to bulk and scale requirements on East Harbor Island and (5) provide lower cost visitor serving accommodations or an in lieu fee contribution for such units;

5. The last paragraph of page 16 shall be corrected as follows:

Further to the west, it only requires the promenade be constructed concurrent with hotel redevelopment. Across Harbor Island Drive to the south, the PMPA requires construction on the bayward side of the Island Prime restaurant only if the restaurant changes the footprint along with demolition of more than 50% of exterior walls.

6. Starting on the last paragraph on page 17, continuing on to page 18, the following revisions shall be made:

Based on the above, an argument could be made that the entire bayside public promenade should be constructed concurrent with development of the first hotel development. As proposed, the PMPA assures the promenade will be located bayward of all the development on the Sunroad Marina Resort and new hotel leasehold prior to occupancy. However, the proposed amendment ~~does not require~~ only requires that the promenade be extended westward and/or constructed concurrent with adjacent leasehold ~~with any leasehold development or redevelopment, or change in lease.~~ As proposed, the text ~~only requires the promenade in connection with future hotel development. It does not include~~

~~language to ensure a continuous pathway is constructed to mitigate for the significant impact of hotel development on the entire public's ability to use public trust resources. This might not occur for many years, and would thus could delay the construction of a continuous pathway indefinitely, resulting in insufficient mitigation for the project's impacts on public trust resources that must be provided under the California Constitution, Section 4 of Article X.~~

7. The second paragraph of page 22 shall be corrected as follows:

Commission staff has suggested incorporating the following language in the PMPA to ensure the provision of additional lower-cost overnight accommodations ~~within the vicinity on the PMPA site or within the vicinity through a future PMPA~~ in order to mitigate coastal resource impacts caused by the proposed hotel development on East Harbor Island:

A minimum of one-third (166 units) of the new 500 hotel rooms on East Harbor Island will be lower-cost overnight accommodations. As a special condition of the coastal development permit for any hotel development, redevelopment or change in lease that adds hotel rooms to East Harbor Island, the hotel developer will develop or designate its fair-share of on-site or off-site lower-cost overnight accommodations or pay an in-lieu fee based on a study conducted by the District that will designate the location and timeframe for construction of lower-cost accommodations within or adjacent to the District. An alternate location for the lower cost overnight accommodations required in this subarea may be considered through a future ~~OMOA~~ PMPA, pursuant to the results of the study.

8. The first paragraph of page 23 shall be corrected as follows:

To determine the adequacy of the proposed parking supply to accommodate the projected demand associated with the proposed PMPA, parking demand was calculated based on the Port District's Tideland Parking Guidelines (2001) using Port District parking rates developed specifically for ~~the South Embarcadero~~ Harbor Island.

9. The third paragraph of page 23 shall be corrected as follows:

Prior to the demolition or removal of any parking spaces in the existing west marina parking lot which are required for the shared parking of the existing marina and the proposed 175-room hotel; the project applicant will be required to submit to the Port District for review a Parking Management Plan that provides adequate parking.

10. The first paragraph of page 24 shall be corrected as follows:

The summer of 2012 saw the first implementation of a summer season shuttle system for the Embarcadero region. The Port has reported that the program was extremely successful, and plans are underway to expand both the range and duration of the project. The Port District, through this PMPA, is specifically committing to ~~implementation of a low coast bayside shuttle that will serve the project area and the surrounding region~~ expanding the Port District bayside shuttle system to serve Harbor Island, to ensure that long term public access is preserved and enhanced. The proposed language establishes specifically that the shuttle will be in operation by the time the hotel expansion is open.

W18b



Environmental and Land Use Management Department
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July 7, 2014

FOR INCLUSION IN STAFF REPORT

VIA EMAIL

Ms. Amanda Sackett
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 10
San Diego, CA 92108-4402

**SUBJECT: Port Master Plan Amendment #46 – East Harbor Island Subarea
REVISIONS TO REVISED SUBMITTAL REGARDING PUBLIC PROMENADE**

Dear Ms. Sackett,

In response to recent conversations between California Coastal Commission and Port District staff, please accept the following revised Port Master Plan Amendment (PMPA) submittal, which is reflected in the revised language below.

Promenade West of Existing Marina Leasehold

The following paragraph replaces the proposed language in Port District correspondence dated July 2, 2014 and is consistent with staff conversations:

At such time as the current leases for the western half of the subarea terminate or are amended or concurrent with the development of the 175-room hotel, whichever occurs first, a provision for the construction of a temporarily aligned 10-foot wide shoreline promenade, which may include a fence and will include coastal access signage, indicating that the promenade is open and accessible to the public will be required. The temporary promenade will be installed by the developer of the adjacent marina and up to 175-room hotel, as a special condition of that hotel's coastal development permit, if a hotel development has not been selected for the one or two hotels with up to 325 remaining hotel rooms on the western half of the subarea. If a temporarily aligned 10-foot wide shoreline promenade is installed on the western half of the subarea, it will be required to be replaced with a permanent 10-foot wide shoreline promenade, as a special condition of the coastal development permit(s) for the one or two hotels with up to 325 rooms, prior to issuance of a coastal development permit for that hotel site.

The full revised PMPA submittal, dated July 7, 2014, is included as an attachment to this email. Please include this letter and the revised PMPA submittal in the addendum to your staff report.

Responses from Applicant 5

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Again, Port staff and the Sunroad team would like to thank you, Sherilyn Sarb, Deborah Lee, and Diana Lilly for working so hard to resolve the remaining outstanding issues for the proposed PMPA. .

Sincerely,



Lesley Nishihira
Manager, Land Use Planning
Environmental & Land Use Management

Attachment

Revised PMPA submittal dated 7/7/14

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JUL 02 2014

FOR INCLUSION IN STATE REPORT
CALIFORNIA COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

July 2, 2014

VIA EMAIL

Ms. Amanda Sackett
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 10
San Diego, CA 92108-4402

**SUBJECT: Port Master Plan Amendment #46 – East Harbor Island Subarea
LOWER COST OVERNIGHT ACCOMMODATIONS**

Dear Ms. Sackett,

As applicant, we truly appreciate all of Coastal staff's efforts in working towards a resolution for the two issues raised in the June 27, 2014 staff report for the East Harbor Island Subarea Port Master Plan Amendment (PMPA). While the Port and Commission staff are in agreement on most aspects of the proposed PMPA, the staff report states that there are two issues which remain unresolved – lower cost overnight accommodations and the timing of construction of the promenade. This letter addresses the lower cost overnight accommodations and the promenade is addressed in a separate letter.

The PMPA proposes language to address the issue of lower cost overnight accommodations, which is identical to language that the Commission required only 4 month ago for the San Diego Convention Center and Hilton Hotel expansion PMPA. The revised findings adopted by the Commission for that PMPA at the February 2014 meeting explained:

"The revised PMPA also includes language requiring that as a special condition of the Coastal Development Permit for the hotel expansion, the impacts to low-cost overnight accommodations be mitigated by developing or designating a fair-share of on-site or off-site lower cost visitor accommodations or payment of an in-lieu fee based on a study conducted by the Port District." (Hilton Hotel Exp. revised findings, p. 3; italics added.)

Commission staff, moreover, agreed with essentially the same requirement a little over a year ago in connection with the Port's approval of a CDP for the Shelter Island Kona Kai Hotel.

The Port approved and submits the same language to the Commission, which should be approved in this PMPA, as proposed.

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Commission staff, instead, has departed from the Commission's recent decisions and suggested an "inclusionary" lower cost visitor accommodation concept, which the District cannot agree for several reasons. Most importantly, the District believes that the Coastal Act specifically forecloses an "inclusionary" requirement. Section 30213 of the Coastal Act states:

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

The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities. (Italics added.)

It is important to note that the staff report at page 11 quotes only the first paragraph of Section 30213, but omits the key second paragraph which, as discussed below, prohibits an inclusionary requirement that fixes overnight room rental rates.

Coastal Commission staff proposes that the following italicized language be added to the PMPA:

A minimum of one-third (166 units) of the new 500 hotel rooms on East Harbor Island shall be low-cost overnight accommodations. As a special condition of the coastal development permit for any hotel development, redevelopment or significant improvement that adds hotel rooms to East Harbor Island, the hotel developer or redeveloper will develop or designate its fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District that will designate the location and timeframe for construction of lower cost accommodations within or adjacent to the District. An alternate location for the lower cost overnight accommodations required in this subarea may be considered through a future PMPA, pursuant to the results of the study. (Italics added to reflect staff's language to which the Port objects.)

The requirement that "[a] minimum of one-third (166 units) of the new 500 hotel rooms on East Harbor Island shall be low-cost overnight accommodations" and that a future PMPA be required for an alternative location, which must be located in this subarea is

problematic. Section 30213 expressly prohibits the fixing of hotel room rates, whether the hotel proposed is located on public or private lands. If the staff's language were adopted, the only way to enforce an "inclusionary" requirement would be a permit condition setting the room rental rates (i.e., at or below \$XX per a room) and the further obligation on the Port to monitor the room rates set required of the hotel operator. Section 30213 specifically forecloses this and the fact that the District would impose the room rates instead of the Coastal Commission does not cure this fundamental legal defect.¹

We emphasize our understanding that the prohibition in Section 30213 on fixing hotel room rental rates was added by the Legislature in 1981 after the Commission imposed that type of restriction on two hotels proposed in Marina del Rey. Ultimately, those hotels were approved instead with conditions requiring the payment of in-lieu fees, funds ultimately applied to the construction of youth hostels. The language applying the restriction to "hotel, motel, or other similar visitor-serving facility located on either public or private lands" was necessary because, like here, the proposed hotels at issue were located on public (County) land in Marina del Rey.

The language in the PMPA proposed here (and noted above in the revised findings the Convention Center and Hilton Hotel expansion) requires a fair share payment by the hotel developer pursuant to a study the District is currently conducting on low-cost accommodations on District tidelands and the surrounding area. It is anticipated that the study will analyze what constitutes "low-cost" in the area, identify currently available low-cost accommodations, as well as propose rates for low-cost accommodations and a methodology for an in-lieu fee based on the collected data. As a result of the study, the District expects that a policy will be adopted by the Board of Port Commissioners that will identify potential sites and opportunities for low-cost accommodations and a timeline for developing the identified accommodations. This policy may also be proposed to the Coastal Commission. However, at this time it is premature to identify the sites or a timeline for development. The District's consultant has been coordinating with Coastal Commission staff on the study. Unfortunately, the proposed language is not only prohibited under the Coastal Act, but it usurps this effort. Commission staff's language would require that 166 low-costs overnight rooms be built at a location that may be inappropriate and restricts an alternative location to the subarea, which also may be inappropriate. Additionally, as you know, the Commission's current in-lieu fee for provision of lower cost overnight accommodations is calculated based on 25 percent of the new rooms being developed (Number of New Rooms x 0.25 [i.e., 25%] x \$30,000 = \$ Total In-Lieu Fee). Yet, the proposed language would require 1/3 of the 500 hotel rooms to be set aside a low-cost overnight accommodations without any rationale for the percentile increase and contrary to the current requirement.

¹ The Port Master Plan must be consistent with the Coastal Act and any Coastal Development Permit (where the "low-cost" enforcement mechanism would be located) must be consistent with the Port Master Plan. Cal. Pub. Res. Code §§ 30711, 30714, 30715, 30715.5, 30716

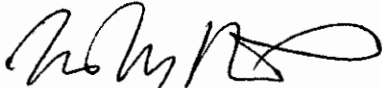
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In sum, the PMPA proposes the following language, consistent with the Commission's very recent decision on the San Diego Convention Center and Hilton Hotel expansion PMPA:

As a special condition of the coastal development permit for any hotel development or redevelopment that adds hotel rooms to Harbor Island, the hotel developer or redeveloper will develop or designate its fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District.

The Port District respectfully asks the Commission to approve the PMPA with that language. We thank you for your consideration.

Sincerely,



Lesley Nishihira
Manager, Land Use Planning
Environmental & Land Use Management

W 18b

*San Diego Unified Port District
Port Master Plan Amendment*



DRAFT

*East Harbor Island Subarea
Port Master Plan Amendment*

*Existing/Proposed Plan Text
and Plan Graphics*

March 2014

Approved by Board of Port Commissioners on 3/4/14

Revised 7/7/14

Note: Text to be ~~deleted~~ shown ~~stricken~~ and text to be added shown underlined.

Revised PMPA Submitted

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The 1980 Port Master Plan was certified by vote of the California Coastal Commission (CCC) on January 21, 1981. Subsequent amendments, all of which have been incorporated into this copy, are listed below:

Amendment Title	BPC Res. No.	CCC Certification Date
Coronado Tidelands	83-133	12 Apr 1984
Convention Center and Option Site Hotel	84-290	14 Mar 1985
Bay Mooring and Anchorage Management Plan	84-304	25 Apr 1985
Chula Vista Bayside Park Extension	84-379	27 Aug 1985
Crosby Street Site	86-365	27 Feb 1987
Shelter Island Roadstead	88-212	15 Nov 1988
Coronado Boatyard/The Wharf	89-383	11 Apr 1990
East Harbor Island Hotel	90-170	14 Sep 1990
Seaport Village Street Relocation	92-74	11 Jun 1992
NASSCO Ways Modification	92-118	11 Jun 1992
Solar Turbines Incorporated	92-190	13 Oct 1992
Lindbergh Field Immediate Action Program	92-406	13 Apr 1993
Driscoll Boatyard Expansion	93-033	14 May 1993
National City Marina	94-152	11 Aug 1994
Design Refinements to IAP	95-223	15 Dec 1995
San Diego Convention Center Expansion	95-389	12 Jan 1996
A-9 Cruiser Anchorage	95-266	11 Apr 1996
Convair Lagoon	96-135	12 Nov 1996
Imperial Beach Oceanfront	97-187	10 Dec 1997
--Chula Vista Industrial Business Park Expansion	97-227	10 Mar 1998
South Embarcadero Redevelopment Program I	98-136	15 Oct 1998
North Embarcadero Alliance Visionary Plan	2000-83	14 Mar 2001
Former Naval Training Center Land Transfer	2000-166	12 Jun 2001
D Street Fill Mitigation Site	2001-86	11 Sep 2001
South Embarcadero Redevelopment Program 2	2001-72	12 Dec 2001
National Distribution Center, National City	2001-99	12 Dec 2001
South Bay Boat Yard, Chula Vista	2001-190	12 Dec 2001
Glorietta Bay Redevelopment	2001-65	05 Feb 2003
America's Cup Harbor	2002-120	12 Jun 2003
Fifth Avenue Landing Spinnaker Hotel	2004-66	12 Aug 2004
Old Police Headquarters	2006-29	10 Aug 2006
National City Aquatic Center	2006-162	15 Feb 2007
Broadway Pier Cruise Ship Terminal	2009-37	03 Feb 2009
Chula Vista Bayfront Master Plan	2010-79	09 Aug 2012
San Diego Marriott Improvements	2011-179	15 Nov 2012
East Harbor Island Subarea	2014-XX	XX XX 2014

**TABLE 4
PORT MASTER PLAN
LAND AND WATER USE ALLOCATION SUMMARY**

<u>LAND USE</u>	<u>ACRES</u>		<u>WATER USE</u>	<u>ACRES</u>		<u>TOTAL ACRES</u>		<u>% OF TOTAL</u>	
	Existing	Revised		Existing	Revised	Existing	Revised	Existing	Revised
COMMERCIAL	373.6	374.2	COMMERCIAL	383.0		756.6	757.2	14%	
Marine Sales and Services	18.8		Marine Services Berthing	17.7					
Airport Related Commercial	38.0		Commercial Fishing Berthing	18.8					
Commercial Fishing	8.3		Recreational Boat Berthing	335.4					
Commercial Recreation	304.4	304.8	Sportfishing Berthing	11.1					
Sportfishing	4.3								
INDUSTRIAL	1206.4		INDUSTRIAL	217.7		1424.1		26%	
Aviation Related Industrial	152.9		Specialized Berthing	170.5					
Industrial Business Park	113.7		Terminal Berthing	47.2					
Marine Related Industrial	322.1								
Marine Terminal	149.6								
International Airport	468.1								
PUBLIC RECREATION	280.6	279.9	PUBLIC RECREATION	681.0		961.5	960.9	18%	
Open Space	49.0	17.6	Open Bay/Water	681.0					
Park/Plaza	146.4								
Golf Course	97.8								
Promenade	47.3	18.1							
CONSERVATION	399.2		CONSERVATION	1058.6		1457.8		27%	
Wetlands	304.9		Estuary	1058.6					
Habitat Replacement	94.3								
PUBLIC FACILITIES	222.9	222.8	PUBLIC FACILITIES	394.3		647.2	617.1	12%	
Harbor Services	2.7		Harbor Services	10.5					
City Pump Station	0.4		Boat Navigation Corridor	284.6					
Streets	249.8	219.7	Boat Anchorage	25.0					
			Ship Navigation Corridor	50.0					
			Ship Anchorage	24.2					
MILITARY	25.9		MILITARY	125.6		151.5		3%	
Navy Fleet School	25.9		Navy Small Craft Berthing	6.2					
			Navy Ship Berthing	119.4					
TOTAL LAND AREA	2508.4		TOTAL WATER AREA	2860.3					
MASTER PLAN LAND AND WATER ACREAGE TOTAL						5368.6		100%	

Draft

Development of unleased parcels on Harbor Island is expected to be completed with the construction of the hotels on the east basin. Along Harbor Drive, from the Navy Estuary to the Coast Guard facility, planning concepts focus on providing a sense of entry into downtown San Diego for travelers coming via Lindbergh Field and Point Loma, with activities and landscape features that strengthen the image of San Diego as a pleasant place to visit. Considerable attention must be paid to improvements in the general appearance of existing industrial uses and the planned expansion of these uses. Public park, pedestrian promenade and open space are reserved on the bayside and in the circulation gateway of Harbor Island. Coastal access along San Diego Bay is enhanced by a shoreline park with leisure facilities, including restroom, and a 1.3 mile bayside public pathway.

Individual public access plans will be prepared concurrent with the coastal development permit application for each hotel development on Harbor Island and implementation of such plans as a special condition of the hotel's coastal development permit for the development or redevelopment project(s). The public access plans will include information on signage, amenities, and other information to inform and encourage the public to and around Harbor Island and downtown San Diego.

All hotel developments on Harbor Island shall provide or participate in shuttle service to and from the airport. All development shall provide information regarding other transportation opportunities. The District's bayside shuttle system will be expanded to serve Harbor Island. The bayside shuttle system is intended to serve visitors as part of an integrated waterfront access and parking program that the Port District will develop in coordination with the City of San Diego and San Diego Metropolitan Transit System. All hotel developments or redevelopments on Harbor Island shall participate on a fair share basis in the cost

of the District's implementation of its transportation system. The fair share will be determined by the District according to the nature, size and scope of the proposed development or redevelopment and the District's transportation system in operation at the time an application for a coastal development permit is submitted. Participation in a shuttle program will be required as a special condition of the coastal development permit.

A parking management plan will be prepared for each hotel development on Harbor Island. The hotels are developed or redeveloped to maximize public access and recreational opportunities. The tenant shall submit their parking management plan for review and written approval of the District prior to the issuance of the respective coastal development permit for any hotel development or redevelopment on Harbor Island. All required parking must be accommodated on-site and address development on the hotel project sites and may include shared or off-site parking. In addition, to facilitate public recreational waterfront access opportunities, each of the proposed hotels is required to provide public parking. The 175-room hotel will provide a minimum of 5 public parking spaces, and the remaining one or two hotels will provide a cumulative total of at least 10 public parking spaces, for a total of 15 public parking spaces on the hotel project sites. Signage for the public parking spaces will be visible from the public roadway.

As a special condition of the coastal development permit for any hotel development or redevelopment that adds hotel rooms to Harbor Island, the hotel developer or redeveloper will develop or designate its fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District.

Land and Water Use Allocations

The Harbor Island/Lindbergh Field Planning District contains an approximate

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total of 996 acres, consisting of about 816 acres of tidelands and 180 acres of submerged tidelands. **Table 8** summarizes the land and water use allocations proposed in the Precise Plan. As in the Shelter Island Planning District, a significant portion of the area is already developed and is under long term lease commitment. ~~The east end of the Harbor Island peninsula is vacant and thus offers development potential uncomplicated by the presence of structures or lease interest.~~ A balanced allocation of use activities is provided within the major use categories of commercial, industrial, public recreation, and public facilities.

The use allocation table, the **Precise Plan Map**, and the following text supplement the general plan guideline presented in the preceding part of this document.

Harbor Island/Lindbergh Island Planning Subareas

Planning District 2 has been divided into nine subareas (**Figure 1**) provide a more specific explanation of the content of the Plan.

Spanish Landing Park

Spanish Landing Park, subarea 21, extends along the north bank of the Harbor Island West Basin and occupies 11.2 acres of land. Another 1.3 acres is designated for promenade in the form of a bicycle and pedestrian path. This area is completely developed except for the possibility of a fishing pier near the west end. Approximately one mile of public access to the shore is provided by this park. Historic markers located in the park commemorate Juan Rodriguez Cabrillo's discovery of San Diego Bay in 1542, and the exploratory party of Gaspar de Portola in 1769-70.

West Harbor Island

West Harbor Island, subarea 22, has been completely developed with commercial

recreational uses such as hotels, restaurants, marinas, and marine related commercial business. No changes to this 37.7-acre commercial recreation area are anticipated.

East Harbor Island

The east end of Harbor Island, subarea 23, ~~has been~~ is the last subarea to complete phased development and is designated for Commercial Recreation uses. ~~The last project, a Future development of this subarea includes up to three hotels with a combined total of no more than high quality hotel of approximately 500 rooms.~~ The hotels would be located on the marina parcel or west of the marina parcel (former airport employee parking lot); no hotels would be located on the restaurant parcel on the east (most end) of the island. These hotels will be sited to be responsive to views of San Diego Bay, the airport, and the downtown San Diego skyline. Maximum building heights will be established consistently with adopted aircraft approach paths and Federal Aviation Administration (FAA) regulations. The hotel complex may include typical supporting facilities and ancillary uses such as swimming pools, spas, commercial retail shops, restaurants, cocktail lounges, meeting and conference space, and recreational facilities, including piers, and ancillary uses. A marina of approximately 550 slips is located adjacent to the hotels and occupies most of the basin.

The eastern end of the peninsula is anchored by restaurants in two structures, which are uniquely sited on the water's edge.

The existing promenade along the southern side of Harbor Island Drive will be extended to the eastern portion of the East Harbor Island subarea and along Harbor Island East Basin. The extended promenade will be located to provide views of the San Diego Bay, the downtown San Diego skyline, and the

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Harbor Island East Basin. It will be located immediately adjacent to the shoreline except at the southeast end of the peninsula where it moves inland briefly due to an existing restaurant structure. At such time when the cumulative redevelopment of the restaurant structures exceeds demolition and relocation of more than 50% of the exterior walls (excluding maintenance, repairs, and window replacement), the promenade will be relocated adjacent to the shoreline.

The promenade will provide pedestrian access around East Harbor Island and will connect the hotel developments, marina, and restaurants to the rest of Harbor Island. For each development or redevelopment on the western half of East Harbor Island, completion of the public bayside promenade along that development or redevelopment site will be required by the Port. On each hotel project site, the shoreline promenade will be a minimum of 10-foot wide and that respective portion must be fully completed prior to the completion of any new structure requiring the issuance of a final Certificate of Occupancy on the hotel project site. The promenade will include connections across the hotel project sites to the public sidewalk adjacent to the north side of Harbor Island.

At such time as the current leases for the western half of the subarea terminate or are amended or converted with the development of the 175-room hotel, whichever occurs first, a provision for the construction of a temporarily aligned 10-foot wide shoreline promenade, which may include a fence and will include coastal access signage, indicating that the promenade is open and accessible to the public will be required. The temporary promenade will be installed by the developer of the adjacent marina and up to 175-room hotel, as a special condition of that hotel's coastal development permit, if a hotel development has not been selected for the one or two hotels with up to 325 remaining hotel rooms on the western half of the subarea. If a

temporarily aligned 10-foot wide shoreline promenade is installed on the western half of the subarea, it will be required to be replaced with a permanent 10-foot wide shoreline promenade, as a special condition of the coastal development permit(s) for the one or two hotels with up to 325 rooms, prior to issuance of a coastal development permit for that hotel site.

At the Sunroad Resort Marina, the 10-foot wide promenade will be continued on the shoreline of the marina office and west locker buildings when the cumulative redevelopment of the marina office and west locker buildings exceeds demolition of more than 50% of the exterior walls and substantial structural components.

Any hotel project on the Sunroad Resort Marina leasehold that is developed before the aforementioned cumulative marina office and west locker buildings redevelopment shall provide public access along the bayside length of the marina leasehold. Within the marina's existing swimming pool enclosure and bayward of the west locker building, the walkway may be reduced to a minimum 5-foot wide shoreline public promenade which will be open for public use prior to the issuance of a final Certificate of Occupancy for that hotel project.

When the promenade is located within a private leasehold or on a Port development site, improvements and the promenade will be sited to allow uninterrupted pedestrian flow. Benches and viewing decks adjacent to the promenade will be sited to provide multiple viewing opportunities in a manner that does not obstruct pedestrian flow. Public access and other path-finding signage, as well as signage identifying that the promenade is open to the public, will be placed at strategic locations throughout East Harbor Island to guide guests and visitors to and from public use areas, restaurants, and other facilities.

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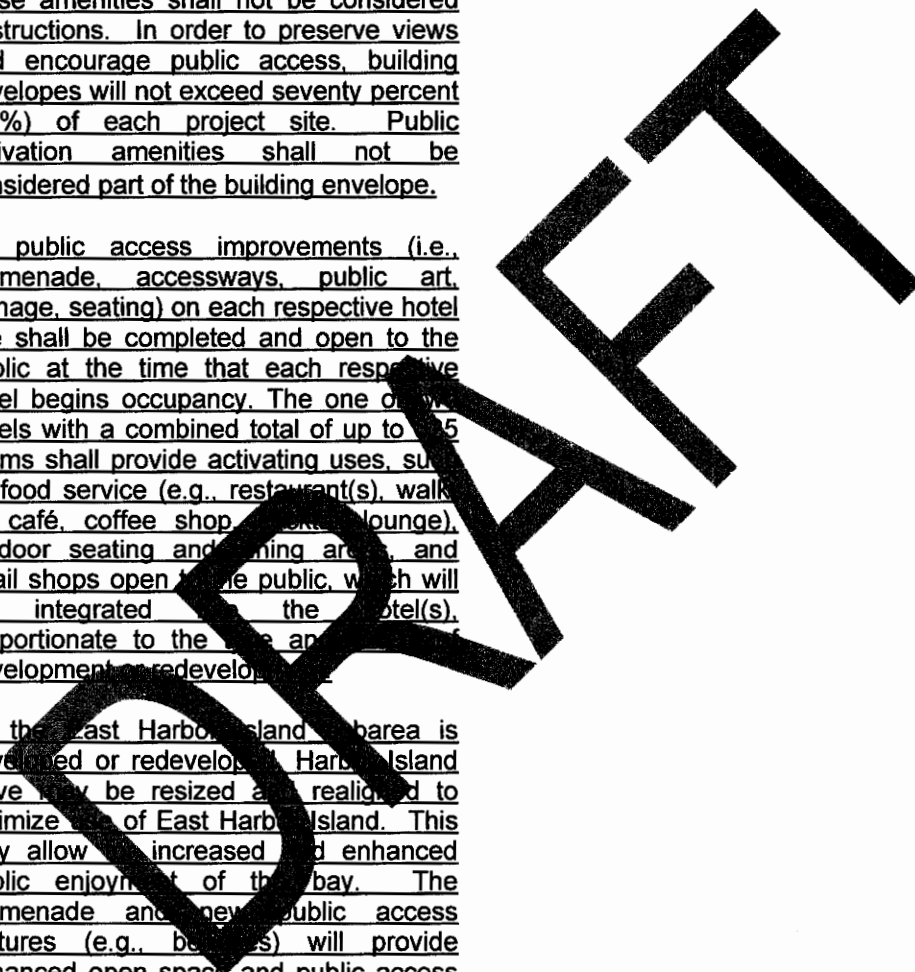
Public access corridors that provide views will be located between hotel structures to allow visual and physical access and connectivity to the Harbor Island East Basin, San Diego Bay, and Harbor Island Drive. These public accessways will be kept free of obstructions. Public accessways may include public activation amenities such as benches, lighting, signage, parking, and landscaping and these amenities shall not be considered obstructions. In order to preserve views and encourage public access, building envelopes will not exceed seventy percent (70%) of each project site. Public activation amenities shall not be considered part of the building envelope.

Utility capacity is expanded to meet increased service needs

All public access improvements (i.e., promenade, accessways, public art, signage, seating) on each respective hotel site shall be completed and open to the public at the time that each respective hotel begins occupancy. The one of five hotels with a combined total of up to 15 rooms shall provide activating uses, such as food service (e.g., restaurant(s), walk up café, coffee shop, lounge), outdoor seating and dining areas, and retail shops open to the public, which will be integrated into the hotel(s), proportionate to the size and scope of development or redevelopment.

As the East Harbor Island subarea is developed or redeveloped, Harbor Island Drive may be resized and realigned to optimize use of East Harbor Island. This may allow for increased and enhanced public enjoyment of the bay. The promenade and new public access features (e.g., benches) will provide enhanced open space and public access opportunities within the East Harbor Island subarea.

A public promenade parallels the active ship channel of the bay and ensures pedestrian and bicycle coastal access. Landscaped open space on Harbor Island Drive is retained with the street design of an upgraded and modified "T" intersection.



**TABLE 8
Precise Plan Land and Water Use Allocation**

HARBOR ISLAND/LINDBERGH FIELD: PLANNING DISTRICT 2

LAND USE	ACRES		WATER USE	ACRES	TOTAL ACRES		%OF TOTAL
	Existing	Revised			Existing	Revised	
COMMERCIAL	90.6	91.3	COMMERCIAL	105.8	496.4	197.1	20%
Airport Related Commercial	38.0						
Commercial Recreation	62.6	53.3	Recreational Boat Berthing	105.8			
INDUSTRIAL	631.8		INDUSTRIAL	11.2	643.0		65%
Aviation Related Industrial	130.6						
Industrial Business Park	33.1		Specialized Berthing	11.2			
International Airport	468.1						
PUBLIC RECREATION	26.2	25.6	PUBLIC RECREATION	45.0	74.2	70.6	7%
Open Space	7.6	6.1	Open Bay/Water	45.0			
Park	16.4						
Promenade	2.3	3.1					
PUBLIC FACILITIES	66.8	66.7	PUBLIC FACILITIES	18.0	84.8	84.7	8%
Harbor Services	1.3		Harbor Services	5.3			
Streets	65.5	65.4	Boat Navigation Corridor	12.7			
TOTAL LAND AREA	815.4		TOTAL WATER AREA	180.0			
PRECISE PLAN LAND AND WATER ACREAGE TOTAL					995.4		100%

Note: Does not include:

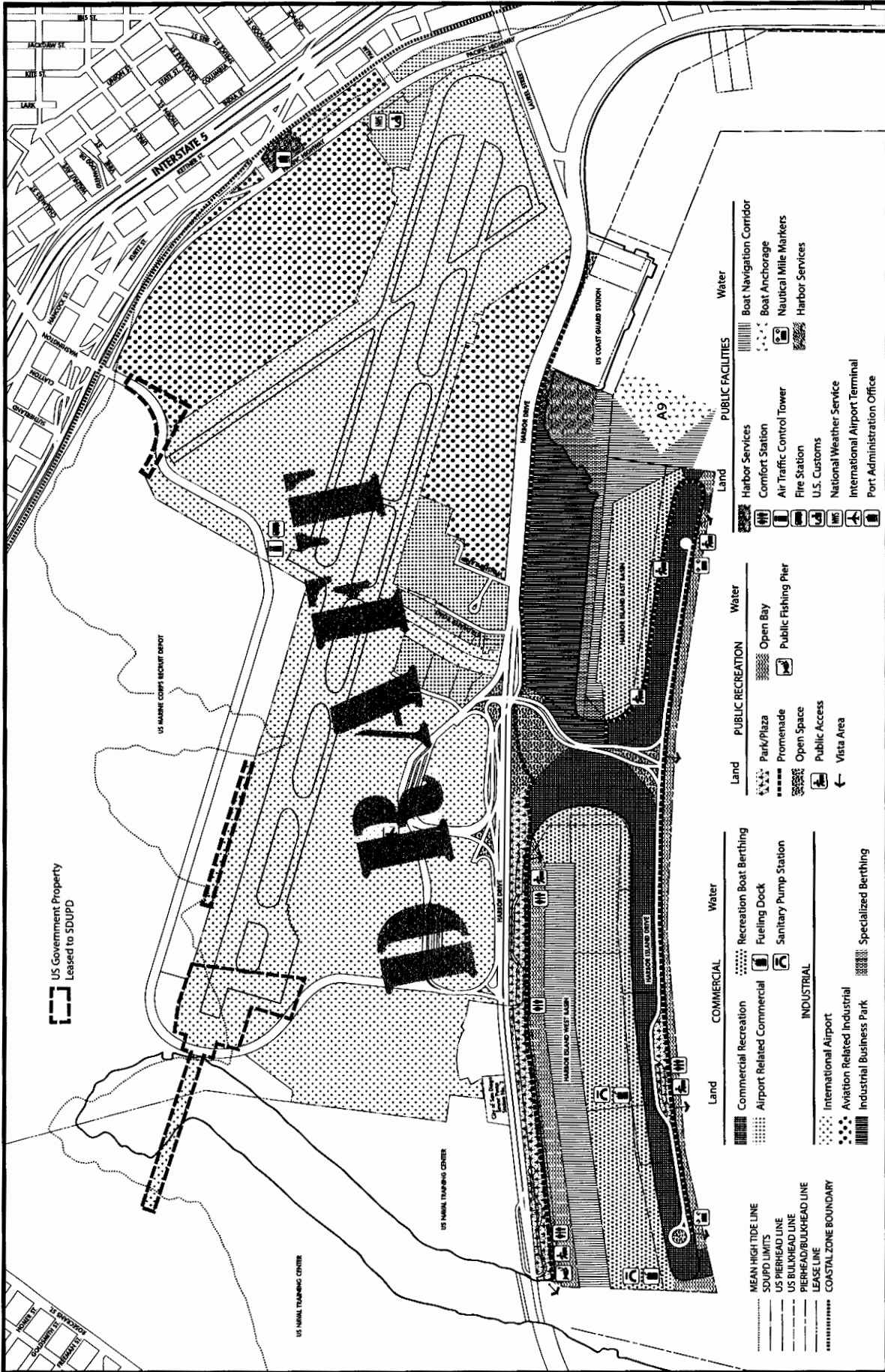
Leased Federal Land 22.5 acres
 State Submerged Tidelands 41.3 acres
 Leased Uplands 4.1 acres

Revised acreage includes:

East Harbor Island Subarea PMPA – CCC on XXXX XX, 2013

Revised: 06-20-13

Draft



scale approx.

0 200' 400'

Land Use Planning

FILE TITLE: Pldh2_Lmpa_DRAFT_HR hotel plan

DATE: June 2014

DWYV / CHK: T.O.-A.B.

FIGURE 9

Planning District 2
LINDBERGH FIELD/HARBOR ISLAND
PRECISE PLAN

Project List

A listing of projects and appealable classifications is shown in Table 9.

TABLE 9: PROJECT LIST		APPEALABLE ↓			FISCAL YEAR
HARBOR ISLAND/LINDBERGH FIELD: PLANNING DISTRICT 2		DEVELOPER ↓			
SUBAREA ↓					
1.	HOTEL(S)-COMPLEX: <u>on western half of Subarea 23: up to two hotels 500 with a combined total of no more than 325 rooms, food service (e.g., restaurant(s), walk-up café, coffee shop, cocktail lounge), meeting and conference space; parking; landscaping; bayside public promenade</u>	23	T	Y	1993- 942017- 2020
2.	PORT ADMINISTRATION BUILDING RENOVATION: Renovate building; Construct parking structure; install landscaping	29	P	N	1993-95
3.	AIRPORT ACCESS ROAD: Construct	27	P	Y	1995-96
4.	FUEL FACILITY: Expansion to north side of airport	25	P	N	1992-93
5.	ACCESS ROADS: Revise airport internal road system	26	P	N	1993-94
6.	LAUREL STREET: Widen between Harbor Drive and Pacific Highway	27	P	Y	1994-95
7.	NEW AIRPORT TERMINAL: Construct facility; apron; taxiway	26	P	N	1993-95
8.	ANCHORAGE FACILITY: Install perimeter marker buoys at Anchorage A-9	23	P	Y	1995-96
9.	CONVAIR LAGOON: Sediment remediation	24	T	N	1996-97
10.	INTERIM EMPLOYEE PARKING LOT: Construct airport employee parking lot and staging area for taxis, shuttle vans and charter buses; replace storm drain	26	P	N	2001-03
11.	<u>HOTEL: up to 175 rooms adjacent to marina, including limited meeting space; surface parking; landscaping; bayside public promenade; realignment of traffic circle and roadway</u>	23	I	Y	2014- 2016

P- Port District N- No
T- Tenant Y- Yes

Draft

Lodging Industry Association

W18b

June 30, 2014

Mr. Steve Kinsey, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Support for East Harbor Island Subarea Port Master Plan Amendment and Sunroad Harbor Island Hotel Project

Dear Chair Kinsey and Members of the Commission:

I am writing on behalf of the Board of Directors of the San Diego Lodging Industry Association, and the over 12,000 local hotel rooms they represent, to express their strong support for the Sunroad Harbor Island Hotel Project and approval of the San Diego Unified Port District's East Harbor Island Subarea Port Master Plan Amendment. This hotel project will be a valuable addition to lodging options on the San Diego bayfront.

The amendment and the Sunroad Harbor Island Hotel project will add another vibrant tourist destination on East Harbor Island by complimenting and enhancing the visitor serving opportunities in several ways. Public access will be improved for visitors and locals as the existing shoreline promenade is extended along the entire perimeter East Harbor Island. The promenade extension, coupled with the addition of public parking and public amenities on the hotel sites, will activate a portion of the waterfront that has long been underutilized by residents and visitors. The hotel projects contemplated by the amendment will also create economic benefits for the region through the creation of short term construction jobs and long term hospitality jobs.

I thank you for your consideration and respectfully request the California Coastal Commission approve the Port Master Plan Amendment for the East Harbor Island Subarea.

Sincerely,



Mike McDowell,
President & CEO

CC: Commissioners

California Coastal Commission
San Diego Coast District Office
Deborah Lee, District Manager
7575 Metropolitan Drive, Ste, 103
San Diego, CA 92108

RECEIVED

JUL 02 2014

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

San Diego Unified Port District
Anna Buzatis, Associate Redevelopment Planner
3165 Pacific Highway
San Diego, CA 92101

Letters of Support

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W18b



**SAN DIEGO STATE
UNIVERSITY**

**L. Robert Payne School of
Hospitality & Tourism Management**

June 27, 2014

Mr. Steve Kinsey, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Support for East Harbor Island Subarea Port Master Plan Amendment and Sunroad Harbor Island Hotel Project

Dear Chair Kinsey and Members of the Commission:

As Director of a School of Hospitality & Tourism Management here in San Diego, I am writing to express my support for the Sunroad Harbor Island Hotel Project and approval of the San Diego Unified Port District's East Harbor Island Sub-area Port Master Plan Amendment.

The project will create a needed tourist destination on East Harbor Island by enhancing the visitor serving opportunities through the proposed hotel projects. Public access will be vastly improved for visitors and locals as the existing shoreline promenade is extended through East Harbor Island. The promenade extension, coupled with the addition of public parking and public amenities on the hotel sites, will activate a portion of the waterfront that is currently underutilized by residents and visitors. The hotel projects will also create economic benefits for the region through the creation of short term construction jobs and long term hospitality jobs. These jobs are essential to our students and many others who work in hospitality.

I thank you for your consideration and respectfully request the California Coastal Commission approve the Port Master Plan Amendment for the East Harbor Island Subarea.

Sincerely,

Carl Winston, Director

CC: Commissioners

California Coastal Commission
San Diego Coast District Office
Deborah Lee, District Manager
7575 Metropolitan Drive, Ste, 103
San Diego, CA 92108
Via email to: Deborah.Lee@coastal.ca.gov

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San Diego Unified Port District
Anna Buzatis, Associate Redevelopment Planner
3165 Pacific Highway
San Diego, CA 92101
Via email to: abuzati@portofsandiego.org



W18b

RON ROBERTS

SUPERVISOR, FOURTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

July 1, 2014

Mr. Steve Kinsey
Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Dear Chairman Kinsey:

It is a pleasure to offer my support for the proposed Sunroad Harbor Island Hotel Project, along with the necessary San Diego Unified Port District's (Port) East Harbor Island Subarea Port Master Plan amendment, for approval from the California Coastal Commission.

Thoughtful development of Harbor Island is critical as the Port continues its efforts to enhance the offerings of the San Diego Bay waterfront. San Diegans have high expectations for any new development in this area. Quality additions that provide adequate public access, parking, view corridors and other amenities, while preserving community character and economic vitality, are highly desirable. This proposed project will move toward achieving those important goals, adding to San Diego's already impressive bayfront tourism offerings and continuing its growth as a great place to live, work and play.

Your consideration of this proposal and recognition of the value it brings to San Diego is much appreciated. I respectfully request the California Coastal Commission approve both the Sunroad Harbor Island Hotel Project and the necessary Master Plan Amendment for the East Harbor Island Subarea.

Sincerely,

RON ROBERTS
Supervisor, Fourth District
County of San Diego

RECEIVED

JUL 03 2014

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

cc: Commissioners, California Coastal Commission

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BOARD OF DIRECTORS
William Hall, Chairman
4 LIBERTY
*George Palermo, Vice Chairman
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Craig Anderson
SOLAR TURBINES
Raymond Ashley
MARITIME MUSEUM OF SAN DIEGO
Richard Bartell
BARTELL HOTELS
Susan Baumann
BALI HAI & TOM HAM'S LIGHTHOUSE
Gregory Boeh
GB CAPITAL HOLDINGS, LLC
Terry Buis
BAE SYSTEMS SAN DIEGO SHIP REPAIR
***Raymond Carpenter**
R.E. STAITE ENGINEERING
Paul Corso
DIXIELINE LUMBER AND HOME CENTERS
Thomas Driscoll
DRISCOLL INC.
Michael Feinman
COHN RESTAURANT GROUP
Uri Feldman
SUNROAD ENTERPRISES
Tom Fetter
T. FETTER & CO
Gregg Fracassa
KONA KAI RESORT
Ken Franke
SPORTFISHING ASSOCIATION OF CALIFORNIA
Craig Ghio
ANTHONY'S SEAFOOD GROUP
Scott Hermes
SHERATON SAN DIEGO HOTEL & MARINA
Kip Howard
ALLEGIS DEVELOPMENT
Sean Hower
BNSF RAILWAY
Barrett Jung
DOLE FRESH FRUIT CO.
Jennifer Klein
BNSF RAILWAY
Eric Leslie
HARBOR ISLAND WEST MARINA
Russell McCarthy
CONTINENTAL MARITIME
Mac McLaughlin
USS MIDWAY MUSEUM
Nusrat Mirza
CORONADO ISLAND MARRIOTT
Jack Monger
INDUSTRIAL ENVIRONMENTAL ASSOCIATION
Reyna Novelo
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John Pasha
PASHA AUTOMOTIVE SERVICES
***Edward Plant**
HARBORSIDE REFRIGERATED SERVICES
***H.P. "Sandy" Purdon**
SHELTER COVER MARINA
Bill Roberts
SHELTER ISLAND BOATYARD
Todd Roberts
MARINE GROUP BOAT WORKS
John Schafer
MANCHESTER GRAND HYATT SAN DIEGO
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GENERAL DYNAMICS NASSCO
***James Unger**
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Claudia Valenzuela
SDG&E
Bruce Walton
TERRAMAR RETAIL CENTERS
Perry Wright
CONSIDINE & CONSIDINE

DIRECTOR EMERITUS
*Arthur Engel
*Rick Ghio
Douglas Manchester
Karen McElliott
*Lee Wilson

STAFF
Sharon Bernie-Cloward
PRESIDENT
Sophie Silvestri
DIRECTOR OF OPERATIONS

*SDPTA Past Chairmen



W18b

SAN DIEGO PORT TENANTS ASSOCIATION

July 2, 2014

Mr. Steve Kinsey, Chair
California Coastal Commission
45 Freemont Street, Suite 2000
San Francisco, CA 94105

RE: Support for East Harbor Island Subarea Port Master Plan Amendment and Sunroad Harbor Island Hotel Project

Dear Chair Kinsey and Members of the Commission:

I am writing to express the San Diego Port Tenants Association's (SDPTA) strong support for the Sunroad Harbor Island Hotel Project and approval of the San Diego Unified Port District's East Harbor Island Subarea Port Master Plan Amendment. The SDPTA is a coalition of businesses and industries on San Diego Bay dedicated to enhancing trade, commerce, and tourism on the tidelands, while protecting the area's environment.

The amendment and the Sunroad Harbor Island Hotel project will add another vibrant tourist destination on East Harbor Island by enhancing the visitor serving opportunities. Public access will be improved for visitors and locals as the existing shoreline promenade is extended along the entire perimeter East Harbor Island. The promenade extension, coupled with the addition of public parking and public amenities on the hotel sites, will activate a portion of the waterfront that has long been underutilized by residents and visitors. The hotel projects contemplated by the amendment will also create economic benefits for the region through the creation of short term construction jobs and long term hospitality jobs.

SDPTA thanks you for your consideration and respectfully requests the California Coastal Commission approve the Port Master Plan Amendment for the East Harbor Island Subarea.

Most sincerely,

Sharon Cloward, President
San Diego Port Tenants Association

CC: Commissioners

California Coastal Commission
San Diego Coast District Office
Deborah Lee, District Manager
7575 Metropolitan Drive, Ste. 103
San Diego, CA 92108
Via email to: Deborah.Lee@coastal.ca.gov

San Diego Unified Port District
Anna Buzatis, Associate Redevelopment
Planner
3165 Pacific Highway
San Diego, CA 92101
Via email to: abuzati@portofsandiego.org

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July 7, 2014

Mr. Steve Kinsey, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: Support for East Harbor Island Subarea Port Master Plan Amendment and Sunroad Harbor Island Hotel Project

Dear Chair Kinsey and Members of the Commission:

I am writing to express my strong support for the Sunroad Harbor Island Hotel Project and approval of the San Diego Unified Port District's East Harbor Island Subarea Port Master Plan Amendment.

The amendment and the Sunroad Harbor Island Hotel project will add another vibrant tourist destination on East Harbor Island by enhancing the visitor serving opportunities. Public access will be improved for visitors and locals as the existing shoreline promenade is extended along the entire perimeter East Harbor Island. The promenade extension, coupled with the addition of public parking and public amenities on the hotel sites, will activate a portion of the waterfront that has long been underutilized by residents and visitors. The hotel projects contemplated by the amendment will also create economic benefits for the region through the creation of short term construction jobs and long term hospitality jobs.

I thank you for your consideration and respectfully request the California Coastal Commission approve the Port Master Plan Amendment for the East Harbor Island Subarea.

Sincerely,

Mark E. Payne
Vice President, Division Manager

CC: Commissioners

California Coastal Commission
San Diego Coast District Office
Deborah Lee, District Manager
7575 Metropolitan Drive, Ste. 103
San Diego, CA 92108
Via email to: Deborah.Lee@coastal.ca.gov

San Diego Unified Port District
Anna Buzatis, Associate Redevelopment Planner
3165 Pacific Highway
San Diego, CA 92101
Via email to: abuzati@portofsandiego.org

16798 West Bernardo Drive, San Diego, CA 92127
Tel: 858.622.4040 Fax: 858.622.4044

26

W18b

Sackett, Amanda@Coastal

From: Delaplaine, Mark@Coastal
Sent: Monday, June 30, 2014 10:42 AM
To: Sackett, Amanda@Coastal; Lee, Deborah@Coastal
Subject: FW: Replacement to email letter of 6/30/14

From: Scott Andrews [mailto:scott300@earthlink.net]
Sent: Monday, June 30, 2014 10:29 AM
To: Delaplaine, Mark@Coastal
Subject: Replacement to email letter of 6/30/14

ITEM 18b

"Please support Staff recommendation to oppose triplicate Sunroad hotel development on underparked San Diego Bay Tidelands. Port board is grossly out of compliance with Coastal Act/ Port Master Plan public element requirements."

June 30, 2014

Dear Coastal Commissioners,

For the Port board, the San Diego Region remains a Coastal Act/Port Master Plan implementation and mitigation free zone.

At July's CCC hearing, on consent calendar, is a three [3] new tideland hotel package for the Sunroad developer. A three hotel package!

This port board is out of control, pushing total wall-off of the South Embarcadero, North Embarcadero, and Harbor Island.

Port board trustees' active mass tideland development plans are making a mockery of the Coastal Act in California's second largest city.

California's second largest city does not have to cede it's bay front to a wall of commercial hotels:

1) San Diego Coastal Act Port Master Plan designated downtown San Diego Bay public elements:

A "major" oval park, "extensive waterside parks", Navy Pier "memorial park", "active" parks for "play", 3 public/recreational piers, and "unobstructed views west of Harbor Drive."

This great planned public realm was described as "ranging from parks and plazas to pedestrian

promenades, public art

Letter of Opposition

and museums, all of it oriented to the water. ... the 28 acres of greenbelt and open space in the overall North
Embarcadero
plan would string along the bay like a necklace of gems.” Wayne Rafflesberger, Dir. Centre
City Redevelopment Corporation SDUT 4/05/06

2) “**The State Lands Commission's (SLC) Public Trust Doctrine** states that “uses that do not accommodate
promote, foster, or
enhance the statewide public’s need for essential commercial services or their enjoyment [of] tidelands are
not appropriate uses
for public trust lands.” (SLC Public Trust Doctrine statement, p. 7) It goes further, stating that such uses
that are not
appropriate for public trust lands “include commercial installations that could easily be sited on uplands”
(Ibid)”

This quote from CCC staff’s opposition to the Sunroad Port Master Plan amendment should rule the issue.

An appointed developer-packed port board’s decades long refusal to implement 1) and 2), or to fully mitigate same,
is an outrage to the law, the citizen tideland owners, the coastal access tourism industry, and the
environment.

Finally, please know that for the first time in history the acts of a rogue port board are being challenged:

- Public stakeholder groups are growing in number — **Save Everyone’s Access (SEA), Save Our NTC, Inc., Save Our San Diego Coalition (SOS), and the Grande Caribe Island Task Force.**
- New port San Diego Bay consultant **HKS** is, for the first time in history, quantifying tideland parcel acreage, and dramatically challenging port failure to “balance” development under Coastal Act and Port Act language. HKS president Randall Morton recently stated the city is “park starved”, noting the port board

has allotted
San Diego Bay tidelands for but 8.1% park and nearly 70% commercial development.

Best,

Scott Andrews

ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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SOUTH SAN FRANCISCO, CA 94080-7037

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SACRAMENTO OFFICE

520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4721

TEL: (916) 444-6201

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DANIEL L. CARDOZO
THOMAS A. ENSLOW
TANYA A. GULESSERIAN
MARC D. JOSEPH
ELIZABETH KLEBANER
RACHAEL E. KOSS
JAMIE L. MAULDIN
MEGHAN A. QUINN
ELLEN L. TRESKOTT

July 7, 2014

Via Overnight Delivery and Facsimile

Chair Steve Kinsey
and Honorable Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105
Fax: (415) 904-5400

W18b

Re: San Diego Port Master Plan Amendment No. 46 (PMP-6-PSD-14-0002-6) East Harbor Island

Dear Chair Kinsey and Commissioners:

We write on behalf of UNITE HERE Local 30 to urge the California Coastal Commission to deny the Port Master Plan Amendment ("PMPA") prepared for San Diego Unified Port District lands in the East Harbor Island subarea of Planning District 2, Harbor Island/Lindbergh Field. The PMPA will allow up to three hotels in two areas of the East Harbor Island subarea, with a maximum of 500 rooms. One of the hotels proposed to be built is the Sunroad Harbor Island Hotel, a 175-room hotel located at 955 Harbor Island Drive.

The Commission should deny the PMPA because the PMPA fails to provide sufficient detail for the Commission to determine whether the PMPA is consistent with the Coastal Act, and substantial evidence shows that the PMPA, as drafted, violates public access, recreation and other policies of the California Coastal Act.

In *La Costa Beach Homeowners' Association v. California Coastal Commission* (2002) 101 Cal.App.4th 804, the California Court of Appeal upheld the Coastal Commission's decision to allow offsite mitigation for impacts to views and public access from construction of new homes because the homeowners:

1. Provided evidence of the location of the parcel;
2. Purchased the parcel;

2421-060cv

July 7, 2014

Page 2

3. Restricted the deed on the parcel to provide for public views and public access; and
4. Tendered the parcel to the Coastal Conservancy, which agreed to assume ownership and implement a public access plan.

Based on these factors and others, the court held that substantial evidence supported the Commission's findings and its decision to accept the mitigation parcel for public views and public access.

Unlike *La Costa*, the record contains no evidence that the PMPA will not impede public access to the coast; instead, the PMPA will practically result in privatization of public tidelands on East Harbor Island. There is no evidence the PMPA ensures protection of lower cost visitor facilities: there is no evidence that a hostel has been identified, there is no evidence that a parcel will be provided in the coastal zone, no party has purchased or secured a lease on a parcel, no deed restrictions are in place to ensure continued use of a parcel for a hostel, a parcel has not been tendered or subleased to a hostel operator to mitigate impacts to public access; the number of affordable units required has not been identified for up to three hotels on public tidelands; no in lieu fee has been identified; and there is no timetable for ensuring lower cost facilities will be developed. There is no evidence that the PMPA will not result in degradation to scenic and visual qualities from development of up to three hotels and related infrastructure, impediments to public access from increased traffic congestion, insufficient marina, public and hotel parking, impacts to recreational boating and impacts to public safety associated with flooding and sea level rise.

Simply put, the PMPA fails to provide sufficient detail for the Commission to determine whether the PMPA is consistent with the Coastal Act, and substantial evidence shows that the PMPA, as drafted, violates public access, recreation and other policies of the California Coastal Act. The PMPA's allowance of three hotels in this small subarea of East Harbor Island constitutes privatization of public tidelands, violates the Coastal Act and is nothing short of poor planning.

I. THE PMPA WOULD ALLOW DEVELOPMENT THAT IS INCONSISTENT WITH THE COASTAL ACT AND THE PORT MASTER PLAN

1. The PMPA is inconsistent with section 30210 of the Coastal Act, which provides for maximum access and recreational opportunities in a manner that is consistent with public safety; section 30211 of the Coastal Act, which states that development shall not interfere with the public's right of access to the sea; and section 30212, which states that public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects.
 - Failure to ensure a public promenade around the perimeter of East Harbor Island impedes public access and practically discourages public use of public tidelands on East Harbor Island.
 - Increased and significant traffic congestion will compromise emergency vehicle access to hotel guests and the public, and therefore impact public safety.
 - Development will occur in an area subject to flooding from sea level rise, which impacts public safety.

2. The PMPA is inconsistent with section 30213 of the Coastal Act, which requires lower cost visitor and recreational facilities to be protected, encouraged and, where feasible, provided. Developments providing public recreational opportunities are preferred.
 - The PMPA site on State tidelands is a feasible location to ensure protection of lower cost visitor and recreational facilities.
 - The Sunroad Project is a 175-room high-end hotel and there is no assurance that the other 325 rooms allowed under the PMPA would provide lower cost accommodations.
 - Coastal Commission staff has reported that a high cost accommodation is "any rate above \$154.72."

July 7, 2014

Page 4

- According to the Errata to the Revised Final EIR, the Sunroad Hotel per key average daily rate would be \$165 – a high cost accommodation.
 - The PMPA fails to identify the number of affordable units required.
 - The PMPA fails to identify or acquire a site for a hostel in the coastal zone.
 - The PMPA fails to identify or require a timeframe for development of lower cost accommodations.
 - The PMPA fails to include an enforceable plan for providing a hostel with in lieu fees, even if the number of affordable units is identified.
3. The PMPA is inconsistent with section 30224 of the Coastal Act, which provides that increased recreational boating must be encouraged and non-water dependent land uses that congest access to, and preclude boating, must be limited.
- There will be significant traffic impacts to several intersections along North Harbor Drive.
 - Exclusive marina parking will be eliminated.
 - Increased traffic and decreased parking will limit access to recreational boating facilities.
4. The PMPA is inconsistent with Planning Goal VIII of the Port Master Plan and section 30251 of the Coastal Act, which provide for the protection and enhancement of scenic and visual qualities of coastal areas.
- The PMPA allows development of the majority of East Harbor Island with hotels, from four to ten stories high.

- The Port has not identified any design features that enhance, or even maintain, the aesthetic quality of the prime waterfront locations.
 - The hotels' bulk and mass will reduce the visual aesthetics and scenic qualities of the recreational uses along the bay, impacting the experience of bay visitors.
5. The PMPA is inconsistent with Planning Goal IX of the Port Master Plan, which provides that the Port will insure physical access to the bay, including parking.
- The PMPA will actually *impede* physical access to the bay.
 - There will be significant impacts on traffic intersections, current marina parking may be eliminated and *no* public parking will be provided.
 - The Port acknowledges the PMPA would result in significant impacts to parking but defers making a plan to address it.
 - Sunroad proposes to use 277 parking spaces at the existing marina parking lot, west of its hotel site, for hotel parking and marina parking.
 - Exclusive marina parking will be eliminated.
 - The existing marina parking lot is proposed for hotel development; so the 277 parking spaces would be displaced.
 - Mitigation for parking and related impacts to public access must be identified during the public review process; it cannot be deferred until after multiple hotels are approved.

II. THE PMPA WOULD ALLOW DEVELOPMENT THAT WILL EXPOSE PEOPLE AND STRUCTURES TO RISKS OF FLOODING AND INUNDATION FROM SEA LEVEL RISE WITHOUT ANY MEASURES TO MITIGATE THE RISKS.

The PMPA is inconsistent with section 30253 of the Coastal Act, which provides that development must minimize risks from flooding. Development will occur in an area subject to flooding from sea level rise. Impacts from sea level rise have not been adequately studied or mitigated.

1. First, the Port admits that sea level rise of 1.8 feet or more would flood the hotels, but says that this could occur by the year 2100 instead of by 2050.
 - Preeminent scientific experts conclude that sea level rise could be greater than 1.8 feet by 2050.
 - Projections from the National Research Council show that sea levels in Southern California are expected to rise 1.6 to 12 inches by 2030, 4.7 to 24 inches by 2050 and 16.5 to 66 inches by 2100.
 - Based on the Port's 1.8-foot trigger for flooding of the hotels, the hotels could experience flooding by 2050.
2. Second, by 2100, sea level rise could top the Port's 1.8-foot trigger by almost four feet.
 - The Port has not disclosed the extent of impacts from sea level rise by 2100 and deferred mitigation for these risks.
 - To mitigate impacts from sea level rise by 2100, the Port says a site-specific analysis should be conducted in the future for each proposed hotel. Then, if necessary, strategies, such as floodwalls around Harbor Island or a hotel, should be incorporated into the development.
3. The Port has not identified any mitigation to address risks from sea level rise on the hotel.

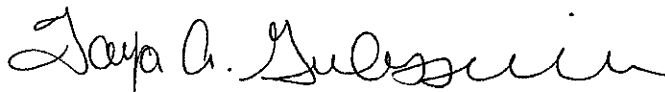
July 7, 2014
Page 7

4. A plan for mitigating impacts from sea level rise must be developed during the public review process, before the PMPA is approved. This is critical considering that construction of a floodwall *around Harbor Island* may be necessary, which undoubtedly would result in additional environmental impacts.

III. CONCLUSION

The Commission should deny the PMPA because the PMPA fails to provide sufficient detail for the Commission to determine whether the PMPA is consistent with the Coastal Act, and substantial evidence shows that the PMPA, as drafted, violates public access, recreation and other policies of the California Coastal Act.

Sincerely,



Tanya A. Gulesserian

cc: Sherilyn Sarb (email only)
Deborah Lee (email only)
Amanda Sackett (email only)

TAG:clv

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
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(619) 767-2370

**W18a**

June 26, 2014

TO: COMMISSIONERS AND INTERESTED PERSONS

**FROM: SHERILYN SARB, DEPUTY DIRECTOR, SAN DIEGO COAST DISTRICT
DEBORAH LEE, DISTRICT MANAGER, SAN DIEGO COAST DISTRICT
ALEXANDER LLERANDI, COASTAL PLANNER, SD COAST DISTRICT**

**SUBJECT: STAFF RECOMMENDATION ON CITY OF SAN DIEGO LCP AMENDMENT
No. LCP-6-CCP-14 -0606-1 (Centre City Industrial Buffer Overlay Zone) for
Commission Meeting of July 9-11, 2014**

SYNOPSIS

The subject LCP implementation plan amendment was submitted and filed as complete on April 29, 2014. It is one of two unrelated LCP amendments from the City of San Diego that constitute the City's first submittal for this calendar year. The other LCP amendment (LCP-6-LJS-14-060-1) in the submittal deals with the proposed seasonal closure of the Children's Pool during the harbor seal pupping season. As a whole, the LCP amendment submittal affects both the Land Use Plan (LUP) and Implementation Plan (IP) components of the City's certified LCP. At the June 2014 Commission hearing, a one year time extension was granted by the Commission on the Children's Pool LCP amendment. The Children's Pool LCP amendment is scheduled for Coastal Commission review in August 2014. Absent Commission action at the July hearing, for the subject matter, a time extension for this item would be necessary.

SUMMARY OF AMENDMENT REQUEST

The City has adopted code amendments to the Centre City Planned District Ordinance (PDO) to create a six-block Industrial Buffer Overlay Zone (IBOZ) to the east and south-east of the existing Solar Turbines industrial facility in the northern section of the Little Italy neighborhood of downtown San Diego. Specifically, the proposed 12-acre overlay zone runs north-south between Laurel Street and Grape Street (1,900 feet), and east-west between Pacific Highway and Kettner Boulevard (530 feet, excluding the southeastern-most block). The proposed overlay zone would prohibit uses deemed incompatible with the neighboring Solar Turbines industrial use, defined in the proposed amendment as "sensitive receptors," which includes residential, educational facilities (kindergarten through twelfth grade), child care facilities, hospitals, intermediate care facilities, and nursing facilities. Commercial uses, such as visitor serving commercial, retail, and hotels, that are called for in the certified Downtown Community Plan would still be permitted.

SUMMARY OF STAFF RECOMMENDATION

For the City of San Diego's Local Coastal Program (LCP), the Land Development Code (LDC) constitutes the primary element of the City's certified implementation plan and it

represents an integrating feature for the multiple community plan/land use planning areas. Within the LDC are PDO's, which are specific zoning regulations that, while still meeting the policies of the Land Use Plan (LUP), are applicable only in a specific community. The proposed code amendments will implement the IBOZ to the east and southeast of the existing Solar Turbines industrial facility, prohibiting "sensitive receptor" uses such as residential, educational facilities (kindergarten through twelfth grade), child care facilities, hospitals, intermediate care facilities, and nursing facilities within 650 feet of Solar Turbines.

Currently, the certified Downtown Community Plan, within which the area of the proposed IBOZ falls, designates the northern five blocks as Mixed Commercial and the one southernmost block as Employment/Residential Mixed-Use. The Mixed Commercial land use category is described in the Downtown Community Plan as accommodating a diverse array of uses, including residential, artist's studios and live/work spaces, hotels, offices, research and development, retail and allowing continuing operation of existing services and industrial uses – including light industrial and repair, warehousing and distribution, transportation, and communication services. The Employment/ Residential Mixed-Use land use category permits a variety of uses, including office, residential, hotel, research and development, educational and medical facilities. Thus, the proposed amendment would prohibit artist living spaces and residential use in the five Mixed Commercial blocks and residential, primary educational facilities, and many medical facilities in the single block of Employment/Residential Mixed-Use within the IBOZ.

Under the Coastal Act, visitor-serving uses which serve as an amenity to support coastal visitors and activate a coastal destination are seen as priorities in coastal neighborhoods such as Little Italy. Each of the City's certified community plans/LUPs contain provisions that encourage and support visitor-serving uses. Little Italy has a strong pedestrian-oriented atmosphere, and the proposed amendment will not prohibit any visitor-serving uses. The proposed code amendments do not modify any of the otherwise required development standards, such as parking or landscaping. Therefore, the proposed amendment can be found consistent with the City's certified Downtown Community Plan and no adverse impacts to any coastal resources, including public access, are anticipated. Staff therefore recommends the Commission approve the proposed LCP amendment as submitted.

The appropriate resolution and motion may be found on Page 5. The findings for approval of the Implementation Plan Amendment as submitted also begin on Page 5.

BACKGROUND

The City's first Implementation Plan (IP) was certified in 1988, and the City assumed permit authority shortly thereafter. The IP consisted of portions of the City's Municipal Code, along with a number of Planned District Ordinances (PDOs) and Council Policies. Late in 1999, the Commission effectively certified the City's Land Development Code (LDC) that includes Chapters 11 through 14 of the municipal code. It replaced the first IP in its entirety and went into effect in the coastal zone on January 1, 2000. The Commission has certified many IP amendments since 2000.

ADDITIONAL INFORMATION

Further information on the City of San Diego LCP Amendment No. LCP-6-CCP-14-0606-1 may be obtained from **Alexander Llerandi**, Coastal Planner, at (619) 767-2370.

PART I. OVERVIEW

A. LCP HISTORY

The City of San Diego has a long history of involvement with the community planning process; as a result, in 1977, the City requested that the Coastal Commission permit segmentation of its Land Use Plan (LUP) into twelve parts in order to have the LCP process conform, to the maximum extent feasible, with the City's various community plan boundaries. In the intervening years, the City has intermittently submitted all of its LUP segments, which are all presently certified, in whole or in part.

When the Commission approved segmentation of the LUP, it found that the implementation phase of the City's LCP would represent a single unifying element. This was achieved in January 1988, and the City of San Diego assumed permit authority on October 17, 1988 for the majority of its coastal zone. Several isolated areas of deferred certification remained at that time; some of these have been certified since through the LCP amendment process. Other areas of deferred certification remain today and are completing planning at a local level; they will be acted on by the Coastal Commission in the future.

Since effective certification of the City's LCP, there have been numerous major and minor amendments processed. These have included everything from land use revisions in several segments, to the rezoning of single properties, and to modifications of citywide ordinances. In November 1999, the Commission certified the City's Land Development Code (LDC), and associated documents, as the City's IP, replacing the original IP adopted in 1988. The LDC became effective in January, 2000.

B. STANDARD OF REVIEW

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present.

C. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires local governments to provide the public with maximum opportunities to participate in the development of the LCP amendment prior to its submittal to the Commission for review. The City has held Planning Commission and City Council meetings with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to each resolution.

- I. **MOTION:** *I move that the Commission reject the Implementation Program Amendment for the City of San Diego No. LCP-6-CCP-14-0606-1 as submitted.*

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Program Amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Implementation Program Amendment for the City of San Diego as submitted and adopts the findings set forth below on grounds that the Implementation Program Amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plans, and certification of the Implementation Program Amendment will meet the requirements of 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 Implementation Program Amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program, as amended.

PART III. FINDINGS FOR APPROVAL OF THE CITY OF SAN DIEGO IMPLEMENTATION PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The proposed code amendments will implement the six-block IBOZ to the east and southeast of the existing Solar Turbines industrial facility, prohibiting “sensitive receptor” uses such as residential, educational facilities (kindergarten through twelfth grade), child care facilities, hospitals, intermediate care facilities, and nursing facilities in the five blocks of Mixed Commercial and the one southernmost block of Employment/Residential Mixed-Use.

B. FINDINGS FOR APPROVAL

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP. The proposed amendment to the certified LCP would prohibit “sensitive receptor” uses such as residential, educational facilities (kindergarten through twelfth grade), child care facilities, hospitals, intermediate care facilities, and nursing facilities in the five blocks of Mixed Commercial designated properties and the one southernmost block of Employment/Residential Mixed-Use designated properties. No visitor serving commercial uses would be prohibited in the IBOZ. Thus, other uses called for in the Downtown Community Plan for those zones, such as hotels, retail, and research and development, would still be permitted. The purpose of these regulations is to ensure that incompatible uses are not introduced in proximity to existing industrial uses, such as the Solar Turbines industrial facility.

Under the Coastal Act, visitor-serving uses, such as overnight accommodations, restaurants, and retail, serve as an amenity to support coastal visitors and activate a coastal destination and are viewed as a land use priority. The certified Downtown Community Plan encourages such uses, especially at street level, so as to foster a pedestrian-oriented atmosphere that is already strongly present in the Little Italy neighborhood.

Section 3.1-G-1 through 3 of the Downtown Community Plan lists the goals of the LUP:

Provide a land use and development framework to guide downtown’s evolution as a premier regional and global center of commerce, residence, arts, education, and recreation.

Provide for an overall balance of uses – employment, residential, cultural, government, and destination – as well as a full compendium of amenities and services.

Allow service and support commercial uses – such as small hospitals, produce markets that serve restaurants, and repair shops – in specific locations to ensure availability of essential services within downtown.

The proposed code amendments still allow the above goals of the plan to be met both by limiting its impact to 6 blocks and by still allowing the overall intent of a mixed pattern of development to occur. The amendments do not modify any of the otherwise required development standards, such as parking or landscaping. The California Air Resources Board recommends a 1,000 foot buffer from industrial uses, and this recommendation is echoed in the City’s General Plan which, while uncertified, is applicable throughout the City. Because the proposed IBOZ is 635 feet at its widest point, the buffer area could have potentially encapsulated much more of the Little Italy neighborhood. However, by limiting the buffer zone’s reach to the reasonable minimum necessary to avoid impacts from incompatible uses, the City’s action still achieves its goals while avoiding overly broad and restrictive impacts. Therefore, the proposed amendment can be found

consistent with the City's certified Downtown Community Plan (LUP) and no adverse impacts to any coastal resources, including public access, are anticipated. The Commission therefore approves the proposed LCP amendment as submitted.

PART IV. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its local coastal program. The Coastal Commission and the Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP.

Nevertheless, the Commission is required in an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform to CEQA provisions. At the local level, the City found that the environmental review completed at the time of the original adoption of the Land Development Code remained valid and sufficient. The City concluded that the proposed amendment would not result in a substantially changed project, would not result in new impacts or changed circumstances that would require a new environmental document. In the case of the subject LCP amendment request, the Commission also finds that approval of the LCP amendment, as submitted, would not result in significant environmental impacts under the meaning of the California Environmental Quality Act. Therefore, the Commission finds that there are no feasible alternatives under the meaning of CEQA which would reduce the potential for any impacts which have not been explored and the LCP amendment, as submitted, can be supported.

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~

NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 15, ARTICLE 6, DIVISION 3 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 156.0302 AND 156.0307 AND FIGURE C, RELATING TO THE ESTABLISHMENT OF AN INDUSTRIAL BUFFER OVERLAY DISTRICT IN THE CENTRE CITY PLANNED DISTRICT.

§156.0302 **Definitions**

The following definitions apply to this Article. Where not otherwise specified, the definitions found in Chapter 11, Article 3, Division 1 of the Land Development Code shall apply. Each word or phrase that is defined in this Division or in Chapter 11, Article 3, Division 1 of the Land Development Code appears in the text in italicized letters.

Active commercial uses through *Senior housing* or *senior unit* [No change in text.]

Sensitive receptor means any of the following land uses: residential, educational facilities for kindergarten to grade 12, *child care facilities*, hospitals, intermediate care facilities, and nursing facilities.

Setback through *Urban open space* [No change in text.]

§156.0307 **Land Use Districts**

Twelve land use districts, shown in Figure B, define geographic areas that are subject to specific land use classifications. In addition, twelve overlay dis

EXHIBIT NO. 1
APPLICATION NO.
LCP-6-CCP-14-
0606-1
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 California Coastal Commission

shown in Figures C, D, and F, establish areas where additional requirements apply. Permitted land use classifications within each land use district are shown on Table 156-0308-A. Specific requirements for minimum and maximum percentages of *active commercial uses* on the ground-floor along *street frontages* are provided.

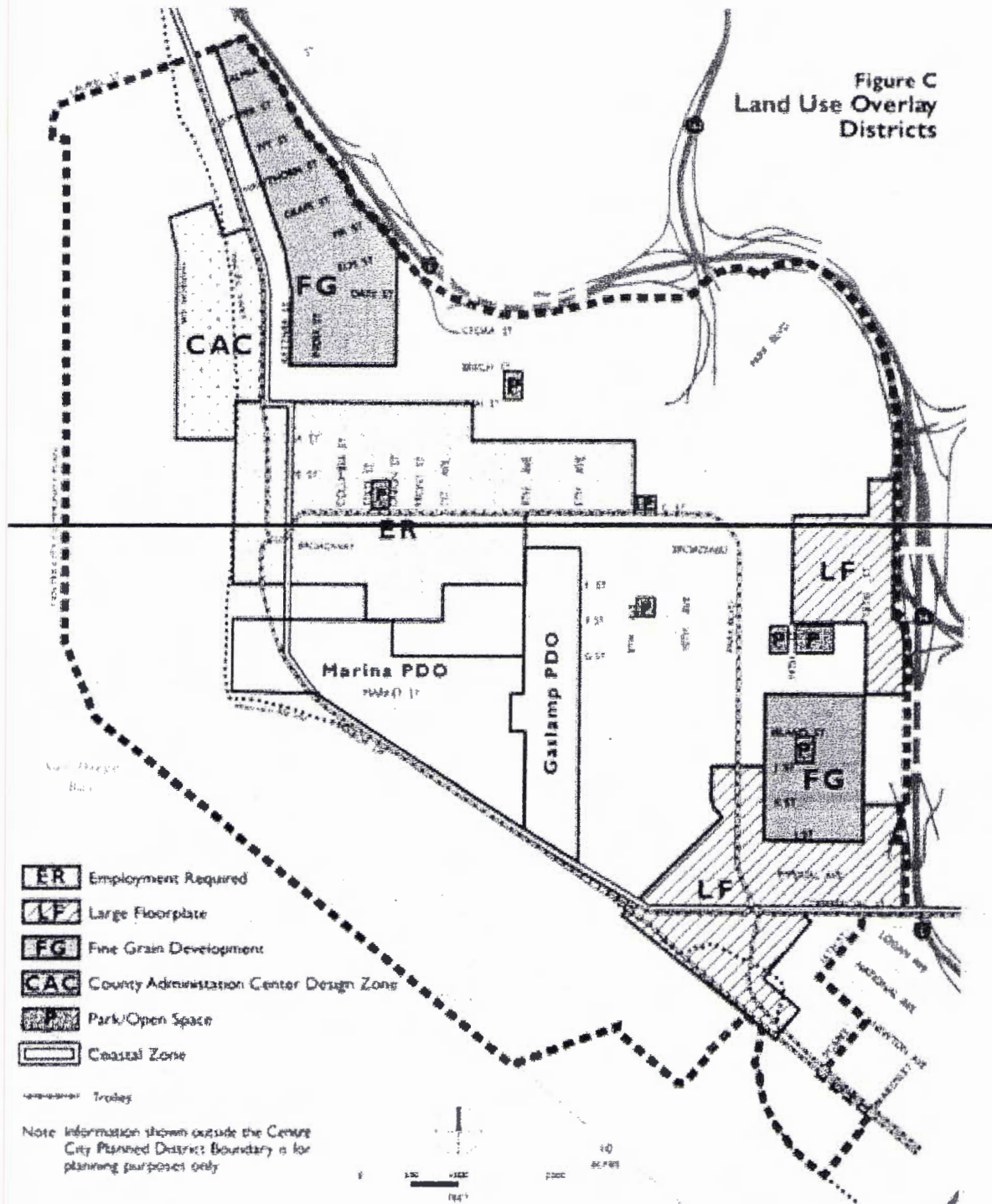
- (a) [No change in text.]
- (b) Overlay Districts

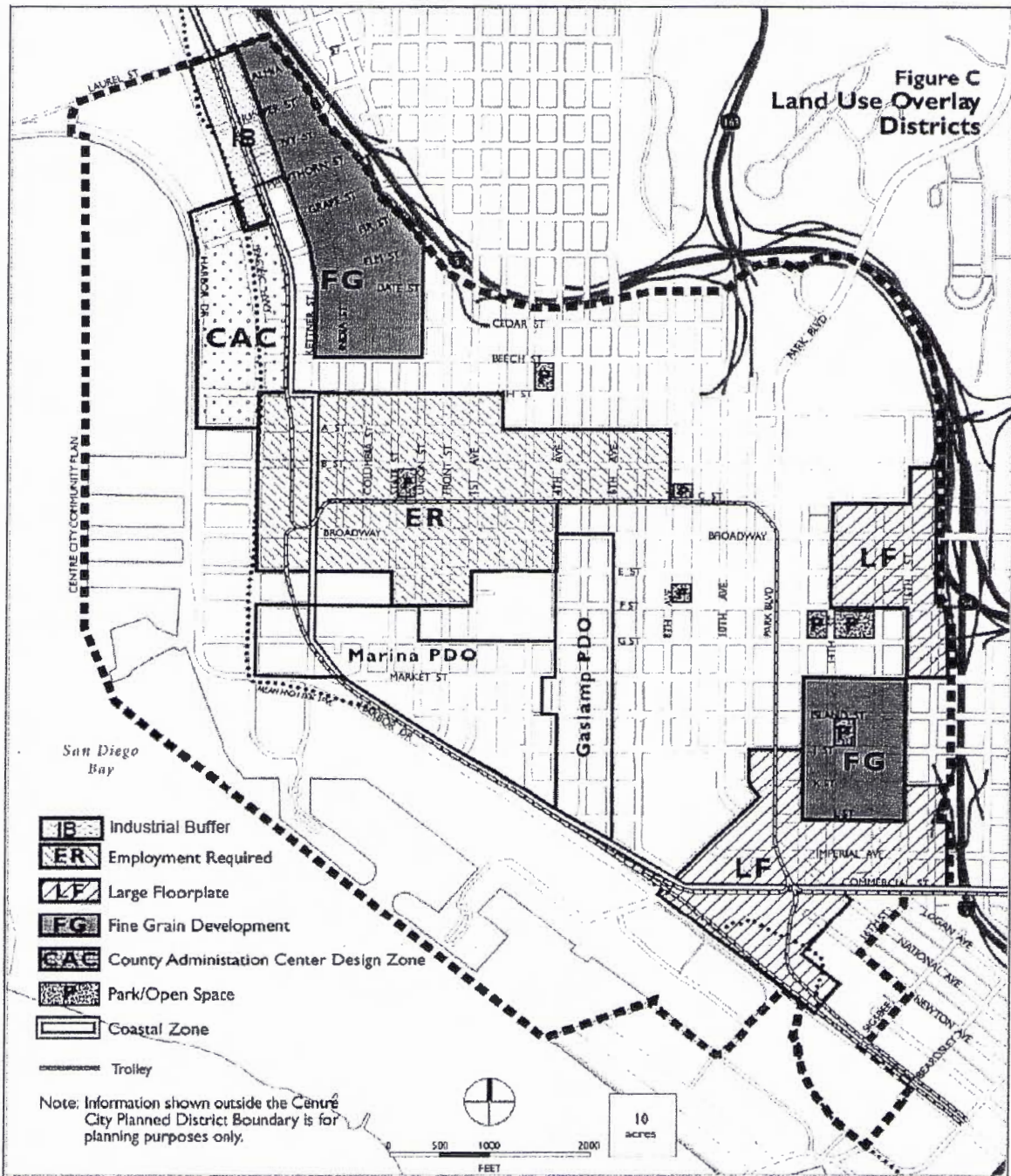
The following Overlay Districts apply as illustrated in Figures C, D, and F:

(1) through (12) [No change in text.]

(13) Industrial Buffer Overlay (IB). This overlay district establishes a buffer zone to protect industrial lands by minimizing potential land use incompatibilities that could result from proximity to sensitive receptors. Sensitive receptors are prohibited within the IB Overlay District.

Figure C
Land Use Overlay
Districts





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Or.Dept: Civic San Diego
Doc. No. 679951_2

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
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W18b

June 27, 2014

TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: SHERILYN SARB, DEPUTY DIRECTOR, SAN DIEGO COAST DISTRICT
DEBORAH LEE, DISTRICT MANAGER, SAN DIEGO COAST DISTRICT
AMANDA SACKETT, COASTAL PROGRAM ANALYST, SAN DIEGO COAST DISTRICT

SUBJECT: **Staff Recommendation on San Diego Unified Port District Port Master Plan Amendment No. 46 (PMP-6-PSD-14-0002-6) East Harbor Island.** For Commission consideration and possible action at the Meeting of July 9-11, 2014.

SUMMARY OF STAFF RECOMMENDATION:

Staff is recommending denial of the Port Master Plan Amendment (PMPA) as submitted, due to its inconsistency with the public access and recreation policies of the Coastal Act that protect and encourage lower-cost visitor and public recreational opportunities. Since the PMPA was originally submitted, Commission and Port staff have worked to make significant revisions to the PMPA to address the potential impacts to public access and coastal resources associated with redevelopment of this subarea, East Harbor Island. However, two key elements remain where our staffs were not able to reach agreement and therefore, the staff recommendation is denial. Those two elements address protection of opportunities to provide lower cost overnight accommodations within the Port District and timing of completion of the bayside public promenade within the subarea.

The existing Port Master Plan (PMP) includes a high quality hotel of up to 500 rooms on Subarea 23 of East Harbor Island. The amendment would allow development of two or three hotels of not more than 500 rooms, rather than a single 500-room hotel. The amendment would revise the text of the Precise Plan for Harbor Island Planning District 2 to change the 500-room hotel to allow up to three hotels in two areas, with a combined total of no more than 500 rooms, as well as include road and traffic circle realignment. It would also revise the Project List to add a 175-room hotel –referred to as Sunroad hotel– and up to two additional hotels and the land use acreage table to reflect proposed changes to the commercial recreation, promenade, open space and street use designations. The Port Master Plan amendment (PMPA) is seeking full development of Subarea 23 at this time; therefore, specificity is needed in this PMPA to guide the future proposals for development and to protect coastal resources and public access.

One of the possible three hotels proposed for development at this time is being sought by Sunroad Marina Partners, LP. The proposed Sunroad hotel would be situated at the east end of Harbor Island. Sunroad Resort Marina currently has a 50 year lease with the District for a 600-slip marina on East Harbor Island that will expire in 2037. The proposed Sunroad hotel would be built on the same leasehold and operate in conjunction with the marina and includes a 175-room, four-story limited service hotel with ancillary meeting and fitness space, common areas, an exterior pool, and surface parking on East Harbor Island. The hotel would replace an existing locker building and parking spaces, with the existing marina offices to remain.

Staff at the Coastal Commission and the Port of San Diego has reached agreement on proposed PMPA text language on several topics that affect coastal resources. The PMPA addresses parking management to protect public access and recreational opportunities and requires participation in the Port's shuttle system and the provision of activating uses. The Port will build upon and maintain alternate transit opportunities in conjunction with the City of San Diego and the San Diego Metropolitan Transit System to supplement existing transit services and provide a convenient and seamless alternate transit system for the public and patrons alike. Furthermore, the hotels will be constructed to protect public visual resources and would be required to conform to bulk and scale limits such that building envelopes would not exceed seventy percent (70%) of each project site. The PMPA includes a requirement for public access corridors in between hotel buildings to protect coastal access and visual resources to the scenic Harbor Island East Basin and City of San Diego skyline.

However, there remains significant discrepancy between Coastal Commission and Port staff on two key aspects including the provision of on-site low cost visitor serving amenities and the timing of the construction of the public promenade. The PMPA does not adequately protect coastal access and the right of access on public tidelands. All of East Harbor Island is subject to the reservation of public trust rights for the public to access the waters in the port's jurisdiction, due to their location on State tidelands. East Harbor Island remains inaccessible and existing development precludes easy shoreline access and in some places directly obstructs it. Specifically, the PMPA does not sufficiently address the need for the provision of lower-cost overnight accommodations. The nature of the proposed hotel is a moderate to high cost hotel; therefore, the net impact on the public trust resource will be that a majority of the public wouldn't be able to afford to use a majority of the site for public trust purposes because most of the site will only be available to paying guests of the hotel.

The proposed PMPA anticipates construction of up to three hotels within the subject Subarea 23, but does not include any specific requirement for the provision of lower-cost accommodations in the subarea. The plan language acknowledges the hotel developer(s) must contribute a fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District; however, the study has not been completed, and the policy does not establish or identify the number of affordable

units needed to meet public demand, or the potential location and timeframe for development of lower cost accommodations elsewhere within the Port District. The language proposed in this PMPA would be similar to that required in PMPA approved by the Commission in the recent Hilton Hotel addition associated with the convention center expansion; however, reliance on this language has not resulted in the actual provision of additional lower cost overnight accommodations within the Port District jurisdiction.

In January 2009, the Coastal Commission originally required that the Lane Field development participate in a hostel program to create actual units within the Port District, however, in February 2013 the program was discontinued and replaced with an in-lieu fee that has not resulted in the creation of additional lower cost units within or adjacent to the Port District. There is an increasing need for lower cost overnight accommodations within the Port District in the form of a specific program that will result in units as opposed to deferred collection of in-lieu fees. The subject subarea and proposed development is on public tidelands and is a potential location for lower cost overnight accommodations.

Staff is recommending denial of the PMPA because it does not include policy language that either reserves a portion of this subarea for lower cost hotel units or identifies an alternative location where such lower cost accommodations will be developed to which the in-lieu fees may apply. The Port as landowner is in the position to control development within the leaseholds in a manner that assures a range of affordability in overnight accommodations will be provided within the District consistent with the public access and recreation policies of the Coastal Act.

As provided in the revised submittal, the proposed amendment includes the provision of a public promenade as a public recreational amenity and to address the public shoreline access impacts that the proposed hotel developments would have on the subarea. The existing promenade goes along Harbor Island Drive, is routed inland around the Island Prime Restaurant and will be continued bayward of the approved restaurant to be constructed at the easternmost parcel of the subarea. The promenade is proposed to continue from the restaurant along the proposed Sunroad hotel on the bayward side of all structures and will temporarily be constructed on the bayward side of the existing Sunroad Resort Marina pool and locker building.

However, the PMPA language does not require that the remainder of the promenade be constructed concurrent with any leasehold redevelopment or changes in lease and requires the promenade to be constructed on the bayward side of the Island Prime restaurant only if there is demolition of more than 50% of exterior walls and a change in footprint; thus, allowing the entire restaurant to be reconstructed in the existing footprint, without provision of the bayside accessway. This could delay the construction of a continuous pathway indefinitely, resulting in insufficient public shoreline access. Future hotel developments will be required to construct a bayside public promenade upon site development or redevelopment yet there are currently no proposals for development for

the additional hotel room allotment provided in the PMPA. The majority of the shoreline at East Harbor Island, a public trust land, is currently inaccessible for the public and an indefinite delay in the construction of the public promenade will result in significant coastal resource impacts.

The appropriate motion and resolution can be found on Page 3. The findings for denial of the amendment as submitted begin on Page 5.

Port Master Plan Amendment Procedure. California Code of Regulations, Title 14, Section 13636 calls for port master plan amendments to be certified in the same manner as provided in Section 30714 of the Coastal Act for certification of port master plans. Section 13628 of the Regulations states that, upon the determination of the Executive Director that the master plan amendment and accompanying materials required by Section 13628(a) are sufficient, the master plan amendment shall be deemed submitted to the Commission for purposes of Section 30714 of the Coastal Act.

The subject amendment was deemed submitted on April 18, 2014. Within 90 days after this submittal date, the Commission, after public hearing, shall certify or reject the amendment, in whole or in part. If the Commission fails to take action on the amendment submittal within the 90-day period, the proposed amendment is deemed certified. The date by which the Commission must take action, absent a waiver by the Port District of the 90-day period, is July 17th, 2014.

Section 30700 of the Coastal Act states that Chapter 8 shall govern those portions of the San Diego Unified Port District located within the coastal zone, excluding any wetland, estuary, or existing recreation area indicated in Part IV of the Coastal Plan. The entire water area under the jurisdiction of the Port of San Diego is covered by Chapter 3 policies because San Diego Bay is mapped as an estuary and wetland in Part IV of the Coastal Plan, and on the maps adopted by the Commission pursuant to Section 30710 of the Act. The attached amendment reflects the Port's proposal.

STAFF RECOMMENDATION:

I. PORT MASTER PLAN SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to the resolution.

RESOLUTION I (Resolution to deny certification of Port of San Diego Master Plan Amendment No. 46)

MOTION I

I move that the Commission certify the Port Master Plan Amendment No. 46 as submitted by the port.

Staff Recommendation

Staff recommends a **NO** vote. Failure of this motion will result in rejection of the port master plan amendment and adoption of the following resolution and findings. The motion to certify passes only upon an affirmative vote of a majority of the Commissioners present.

Resolution I

Deny Certification of Amendment

The Commission hereby denies certification to San Diego Unified Port District Master Plan Amendment No. PMP-6-PSD-14-0002-6 and finds, for the reasons discussed below, that the amended Port Master Plan does not conform with or carry out the policies of Chapter 3 and Chapter 8 of the Coastal Act. Nor would certification of the amendment meet the requirements of the California Environmental Quality Act, as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the amendment.

II. FINDINGS AND DECLARATIONS.

The Commission finds and declares as follows:

A. Previous Commission Action. The Commission certified the San Diego Unified Port District Master Plan on October 14, 1980. The Commission has reviewed 45 amendments since that date.

B. Contents of Port Master Plan Amendments. California Code of Regulations Title 14, Section 13656 calls for port master plan amendments to be certified in the same manner as port master plans. Section 30711 of the Coastal Act states, in part, that a port master plan shall include all the following:

- (1) The proposed uses of land and water areas, where known.
- (2) The proposed design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.
- (3) An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative

and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impact.

- (4) Proposed projects listed as appealable in Section 30715 in sufficient detail to be able to determine their consistency with the policies of Chapter 3 (commencing with Section 30200) of this division.
- (5) Provisions for adequate public hearings and public participation in port planning and development decisions.

The Commission finds that the proposed port master plan amendment does not conform with the provisions of Section 30711 of the Coastal Act. The proposed changes in land and water uses do not contain sufficient detail in the port master plan submittal for the Commission to make a determination of the proposed amendment's consistency with the Chapter 3 and Chapter 8 policies of the Coastal Act.

The proposed amendment was the subject of an Environmental Impact Report under the California Environmental Quality Act. The Environmental Impact Report and the proposed master plan amendment were subject to public review and hearing and was adopted by the Board of Port Commissioners on March 4, 2014 as Resolution #2014-52.

C. Standard of Review. Section 30710 states that Chapter 8 shall govern those portions of the San Diego Unified Port District, excluding any wetland, estuary, or existing recreation area indicated in Part IV of the Coastal Plan. The entire water area under the jurisdiction of the Port of San Diego is covered by Chapter 3 policies because San Diego Bay is mapped as an estuary and wetland in Part IV of the Coastal Plan, and on the maps adopted by the Commission pursuant to Section 30710 of the Act. Sections 30714 and 30716 of the Coastal Act provides that the Commission shall certify a PMPA if it conforms with and carries out the policies of Chapter 8 of the Coastal Act or, if there is a portion of the proposed PMPA that is appealable to the Commission pursuant to section 30715 of the Coastal Act, then that portion of the PMPA must also be consistent with Chapter 3 policies of the Coastal Act. Pursuant to section 30715(a)(4) of the Coastal Act, a port-approved hotel, motel or shopping facility not principally devoted to the sale of commercial goods utilized for water-oriented purposes is appealable to the Commission. The proposed amendment involves changes to the text and project list of the Lindbergh Field/ Harbor Island Planning District 2. The proposed Sunroad and future hotel developments are appealable to the Commission and thus, that portion of the proposed PMPA must be consistent with Chapter 8 and Chapter 3 policies of the Coastal Act.

D. Summary of Proposed Plan Amendment/History.

1. Project Setting

The PMPA will apply to Harbor Island, which is located in the southern portion of San Diego County at the northern end of San Diego Bay (See Exhibit 1). East Harbor Island is designated as Subarea 23 of the Lindbergh Field/Harbor Island Planning District in the current PMP. Existing development within Subarea 23 include the Island Prime restaurant and the site of the approved Reuben E. Lee restaurant reconstruction project at the east end of East Harbor Island. The Sunroad Marina and commercial recreational uses associated with the marina facility include a marina, office, pool and parking lots are located north and west of the restaurants. Harbor Island Drive terminates in a traffic circle located in the eastern portion of the Subarea 23. The westernmost portion of East Harbor Island contains a parking lot that is currently used to park overflow rental cars and was formerly used as employee parking for the San Diego International Airport.

The proposed Sunroad Project includes a 175-room, four-story limited service hotel with ancillary meeting and fitness space, common areas, an exterior pool, and surface parking on east Harbor Island. The proposed hotel would be similar in quality and amenities to a Courtyard by Marriot or a Hilton Garden Inn. The proposed development would be located on the east end of the existing Sunroad marina leasehold and would replace an existing locker building and parking spaces, with the existing marina offices to remain. Sunroad Marina currently has a 50 year lease with the District for a 600-slip marina on Harbor Island that will expire in 2037. The proposed Sunroad hotel would be built on the same leasehold and operate in conjunction with the marina.

The Sunroad Project site and proposed future project sites are designated for visitor serving commercial uses and the area surrounding the site is developed with urban uses including the Sheraton to the west of the proposed future sites and the Sunroad Marina located on east Harbor Island.

2. History

In 1990 the Coastal Commission approved a Port Master Plan to allow: (1) the development of a resort-oriented, first class hotel of 400 to 500 guest rooms on Harbor Island, including restaurants, cocktail lounges, meeting and conference rooms, recreation facilities, such as swimming pool and tennis course, on-site parking and extensive landscaping; (2) the incorporation of 1.24 acres of adjacent land into the proposed hotel site; (3) the replacement of the main Harbor Island Drive traffic circle with a modified “T” intersection; and (4) the upgrading of sewer capacity to accommodate the proposed hotel development. The proposed hotel was to be located on approximately 7.56 acres of the westernmost portion of East Harbor Island. The 1990 Programmatic Environment Impact Report (PEIR) concluded that significant environmental impacts could occur associated with Traffic/Circulation/Parking, Visual Quality, and Endangered Species (California Least Tern) from the PMPA, but all impacts would be mitigated to below a level of significance with the recommended mitigation measures. The hotel project was evaluated in 1990 but never constructed.

In December 2009, the Port District prepared a Draft EIR for a PMPA for a Sunroad Harbor Island Hotel project proposed to replace the existing marina locker building with a 175 room four-story limited service hotel on a site currently leased to Sunroad Marina Partners, LP, located east of the hotel site evaluated in the 1990 PEIR. In 2011, a lawsuit was filed which claimed the Final EIR was inadequate with respect to analyzing the potential impacts of the development of multiple hotels. In August 2012, the Port District certified an Environmental Impact Report for the East Harbor Island that addressed the identified concerns and finalized revisions in July 2013. On March 4th, 2014, the Port District passed Resolution 2015-52 to certify the proposed PMPA and accompanying July 2013 Revisions to the EIR.

3. Amendment Description

The proposed Port Master Plan Amendment (PMPA) for the Sunroad hotel project involves changes under the Port District's Harbor Island Planning District 2 Precise Plan text and map (Exhibits 4 and 5), land use tables and project list. No changes to land or water use designations are proposed. There are five major components to the project: demolition of an existing marina locker room building, construction of Sunroad hotel project, realignment of traffic circle and public utilities, future construction of up to two hotels and the construction of a continuous public promenade.

The PMP Amendment would include the following:

- updating the Precise Plan map;
- updating the Lindbergh Field/Harbor Island Planning District 2 project list to change the 500-room hotel to no more than three hotels with a cumulative total of 500 rooms on two sites and include the traffic circle/road realignment;
- updating the land use acreage tables within the PMP to reflect increased promenade acreage, decreased street acreage, reduced open space acreage, and increased commercial recreation acreage; and
- adding language to the introductory Planning District 2 text that indicates that as each hotel development on Harbor Island is developed or redeveloped it will: (1) prepare and implement a public access plan; (2) provide or participate in shuttle service to and from the airport and expand the Port's bayside shuttle system; (3) prepare a parking management program; (4) provide public access and view corridors in between structures and conform to bulk and scale requirements and (5) provide lower cost visitor serving accommodations or an in lieu fee contribution for such units.

Sunroad Hotel Project

The hotel referenced in the existing certified PMP was proposed for the westernmost parcel of East Harbor Island (the parcel located west of the proposed 175-room hotel site). This parcel was previously used by San Diego International Airport (SDIA) for employee parking and is currently temporarily used to park overflow rental cars at the present time. Although the proposed project generally includes those uses outlined in this

description, the PMP would need to be amended to allow multiple hotels, including the proposed 175-room hotel project, on a broader area of East Harbor Island. The portion of the 175-room hotel project site that the hotel would be constructed on, as well as other areas within East Harbor Island where other hotels could occur, already has the proper land use designation for a hotel use—Commercial Recreation. The proposed changes to the traffic circle and roadway also warrant an amendment to the PMP and are part of the proposed 175-room hotel project.

The proposed 175-room hotel project involves the partial redevelopment of one leasehold, which is currently leased by Sunroad Marina Partners, LP, located at 955 Harbor Island Drive. This leasehold is currently developed with a marina, support buildings, and surface parking. The proposed redevelopment would only affect the land side of this leasehold.

The proposed 175-room hotel project includes the following physical changes to East Harbor Island:

- demolition of one existing locker building and parking lot east of the existing marina building;
- construction of a limited service 4-story hotel with a maximum of 175 rooms, fitness;
- limited meeting space (approximately 8,000 square feet), and common areas;
- reduction of the traffic circle and realignment of the road and leasehold lines;
- reconfiguration of existing paved areas as necessary to accommodate ingress and egress to the hotel and surface parking;
- enhanced public access along the Harbor Island East Basin; and
- realignment of existing sewer, water, and utility lines.

The floor area of the proposed 175-room hotel would total approximately 117,000 square feet and include a maximum of 175 rooms, fitness and meeting space, and common areas. The meeting rooms would facilitate functions and conferences for guests. The 175 rooms, which would make up approximately 94,000 square feet of the hotel, would be distributed over four floors. The height of the structure is proposed to be approximately 65 feet. Architectural details and fenestrations may cause the maximum building height to reach 75 feet. The maximum height approved by the Federal Aviation Administration and San Diego County Airport Land Use Commission for the proposed 175-room hotel project is 86 feet above mean sea level in order to accommodate features such as a flag pole.

Fitness and meeting rooms would total approximately 8,000 square feet. Common areas—including exterior features such as the pool and spa—would total approximately 15,000 square feet of the proposed 175-room hotel site. Specific lighting plans have not been developed. However, the structure is proposed to be lit at night for security and aesthetic purposes. All lighting will be consistent with the City of San Diego Outdoor

Lighting Regulations. The landscape improvements currently proposed as part of the 175-room hotel project are conceptual. A detailed landscape plan would be prepared for review and approval of the Port District prior to construction of the hotel. Certain mature and scenic trees would be incorporated into the exterior design of the hotel and common areas.

Following construction, the number of parking spaces within the vicinity of the proposed 175-room hotel would be reduced from 568 to 457. The proposed 175-room hotel project would include a total of 457 parking spaces for shared use with the hotel and marina guests. To accommodate the hotel and parking, lots immediately west and east of the hotel, 111 parking spaces of the existing 291-space lot currently located east of the marina building would be eliminated. A 72-space parking lot would be located east of the proposed 175-room hotel, and a 101-space lot would be located west of the proposed 175-room hotel. An additional 7 parking spaces would be located near the front entrance of the hotel. The configuration of the spaces in the existing 277-space lot west of the existing marina building may be modified as a part of the proposed 175-room hotel. However, the number of spaces in the existing 277-space lot would not be reduced. The existing 306-space parking area located east of the 175-room hotel project site is not a part of the proposed 175-room hotel. The existing parking available on the proposed 175-room hotel site is part of the leasehold and is utilized for marina use. Public parking in the vicinity of the project site is located on the southern side of Harbor Island Drive and will not be affected by the proposed 175-room hotel. The approved restaurant to be constructed at 880 Harbor Island Drive will include 10 public parking spaces with signage.

As part of the 175-room hotel project, the traffic circle would be reconfigured to accommodate the ingress and egress of the hotel and a realignment of the easternmost portion of Harbor Island Drive. The section of Harbor Island Drive located immediately south of the proposed 175-room hotel would be realigned. Harbor Island Drive would be reduced in width by approximately 12 feet by removing one of the two westbound lanes for a total distance of approximately 370 feet. The number of lanes in the vicinity of the hotel would be reduced from four to three, and would accommodate visitors to the hotel and maintain access to and from the Island Prime and Reuben E. Lee restaurants. Emergency access and fire lanes would be provided. Emergency vehicles would be able to access fire lanes in the 101-space lot west of the hotel.

Operation of the proposed 175-room hotel would increase demands on existing infrastructure systems including water supply and wastewater treatment. Water and sewer pipelines currently extend through the site of the proposed 175-room hotel. The Project Utility Plan for the 175-room hotel proposes that certain existing facilities be removed and new facilities would be placed underneath Harbor Island Drive. Water and sewer pipelines serving the proposed 175-room hotel would be connected with the realigned water and wastewater lines within Harbor Island Drive. Electrical, gas, telephone

connections, and a storm drain system serving the hotel are also proposed to be located beneath Harbor Island Drive.

Demolition associated with the proposed 175-room hotel would involve removal of one existing locker building and the existing parking lot located east of the marina building. Construction of the proposed 175-room hotel would occur in a single phase. Construction would involve excavation of approximately 10,000 cubic yards of material. The excavated material would be used on site or would be disposed of at an offsite landfill. The construction period is expected to be 15 to 18 months in duration. The construction staging area would be on the proposed 175-room hotel project site, east of the marina building and west of the proposed hotel footprint. During construction, the 277-space parking lot located west of the marina building would be available for marina use. The existing public parking spaces along East Harbor Island Drive would remain available for public use during construction. The foundation of the proposed hotel would be constructed using stone columns or Helical Earth Anchor Technology (HEAT anchors). The proposed 175-room hotel would not utilize pile driving.

Future Hotels

The proposed PMPA would not involve a land use change to accommodate the total allotment of 500 rooms by way of two or three hotels. The PMPA already has the proper land use designation to accommodate hotel use. All subsequent development projects (i.e., the 325 hotel rooms remaining from the originally allowed 500 hotel rooms) proposed as a result of the PMP Amendment would require additional project-level environmental analysis to ensure any unidentified impacts are addressed.

Exhibit 2, *The Existing Port Master Plan Planning District 2 Precise Plan Showing Possible Locations for Proposed Hotels*, shows the location of the proposed 175-room hotel and the location where up to two additional hotels could occur within the East Harbor Island Subarea. The potential locations where hotels can be located are limited to the western portion of East Harbor Island due to seismic faulting in the eastern portion of the subarea. In light of the location of the proposed 175-room Sunroad Harbor Island Hotel and geologic constraints on the eastern portion of the PMP area, the development of up to two additional hotels could only occur within the surface parking areas located west of the existing marina office.

The Port District has not received a proposal to develop any of the remaining 325 hotel rooms that would be allowed on East Harbor Island under the proposed PMP Amendment. The location where future potential hotels would be located under the PMPA is presently occupied by surface parking lots. All of the existing parking lots would have to be demolished to allow construction of the additional hotels allowed under the proposed PMPA.

Because no site specific proposal for the development of additional hotel(s) has been received, the EIR assumes that the hotel development allowed by the PMPA would consist of either (a) one additional hotel in the locations shown in Exhibit 3, providing up to 325 rooms and ancillary facilities in a structure up to 10 stories in height; or (b) two additional hotels developed in the location shown in Exhibit 4 with 325 rooms and ancillary facilities equally distributed between the hotels with surface parking.

The PMPA would require future hotel developments to include activating uses such as restaurants, outdoor seating and dining areas and retail shops open to the public would be integrated into the development of future hotels to maximize public recreation opportunities. The activating uses will allow the public to circulate through and around the site to utilize all elements of the site. Additionally, in order to reduce the bulk and scale of the hotel structures, building envelopes will not exceed seventy percent of each project site, not including ancillary uses.

Promenade

The existing promenade along the southern side of Harbor Island Drive will be extended to the eastern portion of East Harbor Island and along the Harbor Island East Basin frontage. The promenade will provide pedestrian access around East Harbor Island and will connect the hotel developments, marina, and restaurants to the rest of Harbor Island. The promenade will be located to provide views of the San Diego Bay, the downtown San Diego skyline and the Harbor Island East basin.

As proposed by the Port in the revised submittal, completion of the public bayside promenade will be required by the Port in conjunction with leasehold redevelopment along the site of that redevelopment. On each hotel project site, the shoreline promenade will be a minimum of 10-foot wide and that respective portion must be fully completed prior to the completion of any new structure requiring the issuance of a final Certificate of Occupancy on that hotel project site. The promenade will include connections across the hotel project sites to the public sidewalk adjacent to the north side of Harbor Island Drive. At the Sunroad Resort Marina, the 10-foot wide promenade will be continued on the shoreline side of the marina office and west locker buildings when the cumulative redevelopment of the marina office and west locker buildings exceeds demolition of more than 50% of the exterior walls and substantial structural components.

Any hotel project on the Sunroad Resort Marina leasehold that is developed before the cumulative marina office and west locker buildings redevelopment will provide bayside pedestrian public access along the length of the marina leasehold. Within the marina's existing swimming pool enclosure and bayward of the west locker buildings, the walkway may be reduced to a minimum 5-foot wide shoreline public promenade which will also be created and open for public use prior to the issuance of a final Certificate of Occupancy for that hotel project. Pedestrian access would also be available adjacent to the hotel building to provide access to Harbor Island Drive. Additional public access

enhancements include landscaping, benches, and signage adjacent to the pathways identifying the promenade as open to the public.

With anticipated hotel development, the entire promenade will be located immediately adjacent to the shoreline except at the east end of the peninsula where it moves inland briefly due to an existing restaurant structure (Island Prime). As proposed, only when the cumulative redevelopment of the restaurant structures exceeds demolition and relocation of more than 50% of the exterior walls (excluding maintenance and repairs) so as to change the footprint, will the promenade be relocated adjacent to the shoreline.

Public access and other path-finding signage, as well as signage identifying that the promenade is open to the public will be placed at strategic locations throughout East Harbor Island to guide guests and visitors to and from public use areas, restaurants, and other facilities.

E. Findings for Consistency with Chapter 3/Chapter 8 of the Coastal Act

The following Coastal Act policies are relevant and applicable:

1. Public Recreation/ Coastal Access

The following Coastal Act policies are relevant and applicable:

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 30212

(a) Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where:

(1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources,

(2) adequate access exists nearby, or,

[...]

Section 30213

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

Section 30220

Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

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 30708

All port-related development shall be located, designed, and constructed so as to:

[...]

(d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible.

Section 30252

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation....

Section 30253

New development shall do all of the following: [...]

(d) Minimize energy consumption and vehicle miles traveled. [...]

Public Access and Activating uses

Coastal Commission and the Port of San Diego staff have reached agreement on proposed PMPA text language on several topics that affect coastal resources. The proposed PMPA provides for the creation of a public promenade and requires future hotel developments to include activating uses for the public as part of development in order to enhance public recreational opportunities. The activating uses would include restaurants, food service, gift shops, benches, etc. As proposed, this area would be more accessible to the general public than the existing uses and will allow for some new public recreational opportunities and interaction with a public promenade.

Individual public access plans will be prepared concurrent with the coastal development permit applications and implemented for each hotel development on East Harbor Island as a special condition of the hotel's coastal development permit for development or redevelopment projects. The public access plans will include information on signage, amenities, and public information to inform and invite the public to and around Harbor Island and downtown San Diego.

All hotel developments on Harbor Island will provide or participate in shuttle service to and from the airport and will provide information regarding other transit opportunities. The District's bayside shuttle system will be expanded to serve Harbor Island and will be in operation to serve the future hotel development on East Harbor Island and will operate in coordination with the City of San Diego and the San Diego Metropolitan Transit Center.

However, Coastal Commission and Port of San Diego staff did not reach agreement on two key aspects addressed in the PMPA including the timing of the construction of the public promenade and the provision of on-site lower cost visitor serving accommodations or development of such facilities at an alternative location within the Port District.

Public promenade

The Commission is vested with the authority to assure that it acts in a manner consistent with section 30210 of the Coastal Act which requires the Commission to carry "out the requirement of Section 4 of Article X of the California Constitution" and provide for maximum access and recreational opportunities for all people. Section 4 of Article X of the California Constitution provides the following:

No individual, partnership, or corporation, claiming or possessing the frontage or

tidal lands of a harbor, bay, inlet, estuary, or other navigable water in this State, shall be permitted to exclude the right of way to such water whenever it is required for any public purpose, nor to destroy or obstruct the free navigation of such water; and the Legislature shall enact such laws as will give the most liberal construction to this provision, so that access to the navigable waters of this State shall be always attainable for the people thereof.

This section merges the common law public trust doctrine with the California Constitution. (See *Personal Watercraft Coalition v. Marin County Board of Supervisors* (2002) 100 Cal.App.4th 129, 144-145.) The Legislature, in furthering the goals of Article X, section 4 of the Constitution, enacted section 30210 of the Coastal Act to ensure the public can always attain access to navigable waters for recreational purposes. As such, through this legislative mandate, the Commission is charged with the duty of ensuring that proposed development is consistent with Section 30210 of the Coastal Act, and by extension, the public trust doctrine. Therefore, the Commission has the authority to review the proposed PMPA's consistency with the public trust doctrine.

The proposed amendment includes the provision of a public promenade as a public recreational amenity and to address the public shoreline access impacts that the proposed hotel developments would have on the subarea. The language in the PMPA does not specify timing on the completion of a continuous pathway, however, and only requires the hotel developments to construct the promenade as hotel leaseholds are developed and redeveloped.

The promenade is proposed to continue from the restaurants located at the east end of the subarea along the proposed Sunroad hotel on the bayward side of all structures and will be constructed on the bayward side of the existing Sunroad marina pool and locker building. Further to the west, it only requires the promenade be constructed concurrent with hotel redevelopment. Across Harbor Drive to the south, the PMPA requires construction on the bayward side of the Island Prime restaurant only if the restaurant changes the footprint along with demolition of more than 50% of exterior walls. As proposed, the text requires that hotel developments construct the promenade prior to occupancy. This could delay the construction of a continuous pathway indefinitely, resulting in insufficient public shoreline access; currently, there are no proposals for development for the additional hotel room allotment provided in the PMPA. The majority of the shoreline at East Harbor Island, which is public trust land, is currently inaccessible for the public and an indefinite delay in the construction of the public promenade will result in significant coastal resource impacts.

State Lands Commission's (SLC) Public Trust Doctrine statement¹ states that "uses that do not accommodate, promote, foster or enhance the statewide public's need for essential

¹ http://www.slc.ca.gov/About_The_CSLC/Public_Trust/Public_Trust_Doctrine.pdf

commercial services or their enjoyment [of] tidelands are not appropriate uses for public trust lands.” (SLC Public Trust Doctrine statement, p. 7) It goes further, stating that such uses that are not appropriate for public trust lands “include commercial installations that could easily be sited on uplands.” (Ibid.) While SLC and case law hold that a hotel may be an appropriate commercial public trust use, “the essential trust purposes have always been, and remain, water related, and the essential obligation of the state is to manage the tidelands in order to implement and facilitate those trust purposes for *all* of the people of the state.” (Ibid.) Further, the public trust doctrine, as codified in the California Constitution, Article X, section 4, does not “prevent the state from preferring one trust use over another...[nor] preclude the [Coastal] Commission from considering commerce as well as recreational and environmental needs in carrying out the public trust doctrine.” (Carstens v. California Coastal Commission (1986) 182 Cal.App.3d 277, 289.)

Here, since all of the parcels leased by Sunroad are subject to the same reservation of public trust rights for the public to access the waters in the port’s jurisdiction due to their location on public trust lands, the construction of a moderate to high-cost hotel over one of the parcels that significantly limits a majority of the public from enjoying the public trust lands upon which the hotel is sited is a significant enough impact on the public’s ability to use the entire parcel to access the water, such that it warrants the requirement to improve the shoreline with an accessway along the subject parcel and the adjacent car rental parcels. The use of an entire parcel for a commercial purpose that isn’t related to Port activities, and which could be sited in the uplands outside of public trust lands, while not entirely inconsistent with the public trust doctrine, is nonetheless not the highest priority use of public trust lands. Considering the cost of the overnight accommodations will be moderate to high-cost, only certain portions of the hotel development will likely be available to all the public while a majority of the finished project will be reserved for paying customers only. While it may be open for all the public, in reality only a very small percentage of the overall public will be able to pay to stay there and a vast majority of the public will be able to use only a small part of the site (i.e. the lobby area) free of charge. Thus, the net impact on the public trust resource will be that a majority of the public wouldn’t be able to afford to use a majority of the hotel site for public trust purposes. Given that, the portion of the project that is effectively unavailable to all people is inconsistent with the public trust doctrine, it would impact the public’s right to use the public trust property and must be mitigated through the construction of the promenade to access the waters of the state that is open to all and free of charge.

Based on the above, an argument could be made that the entire bayside public promenade should be constructed concurrent with development of the first hotel development. As proposed, the PMPA assures the promenade will be located bayward of all the development on the Sunroad Marina Resort and new hotel leasehold prior to occupancy. However, the proposed amendment does not require that the promenade be extended westward and/or constructed concurrent with any leasehold redevelopment or change in lease. As proposed, the text only requires the promenade in connection with future hotel development. It does not include language to ensure a continuous pathway is constructed

to mitigate for the significant impact of hotel development on the entire public's ability to use public trust resources. This could delay the construction of a continuous pathway indefinitely, resulting in insufficient mitigation for the project's impacts on public trust resources that must be provided under the California Constitution, Section 4 of Article X.

Staff had suggested text language that indicates completion of the public bayside promenade shall be required or provided by the Port as soon as possible or in conjunction with any leasehold redevelopment or change in lease. It is possible the rental car leaseholds could be renegotiated to allow some other interim use prior to hotel redevelopment of the parcel. The Commission finds the PMPA should acknowledge completion of the bayside public promenade should occur at that time, and not be delayed until a yet unknown hotel development is occupied.

Therefore, the Commission finds that the proposed port master plan amendment does not conform to the provisions of Section 30711 of the Coastal Act. The proposed changes in land and water uses do not contain sufficient detail in the port master plan submittal for the Commission to make a determination of the proposed amendment's consistency with the Chapter 3 and Chapter 8 policies of the Coastal Act.

Lower-cost overnight accommodations

The Coastal Act emphasizes the need to protect and provide for public access to and along the coast, and to provide lower-cost recreational facilities, particularly in new development projects. The proposed PMPA does not include any specific requirement for the provision of lower-cost accommodations on-site or in the subarea and does not meet the requirements of Section 30213. The proposed hotel developments will be located on public trust land and, as discussed above, the existing development pattern precludes easy shoreline access and in some places directly obstructs it which will be partially mitigated through construction of a bayside pedestrian promenade. In addition, the PMPA does not sufficiently address the need for the provision of lower-cost overnight accommodations. The nature of the proposed hotel is a moderate to high cost hotel; therefore, the net impact on the public trust resource will be that a majority of the public wouldn't be able to afford to use a majority of the site for public trust purposes because most of the site will only be available to paying guests of the hotel.

The proposed PMPA anticipates construction of up to three hotels within the subject Subarea 23, but does not include any specific requirement for the provision of lower-cost accommodations in the subarea. The plan language acknowledges the hotel developer(s) must contribute a fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District; however, the study has not been completed, and the policy does not establish any identification of the number of affordable units needed to meet public demand, or potential location and timeframe for development of lower cost accommodations within the Port District. The Port's provision on lower-cost accommodations is predicated on a plan that has not been completed and it

includes the option for payment of in-lieu fees which could still defer the ultimate provision of lower-cost accommodations.

The language proposed in this PMPA would be similar of that required in the recent PMPA for the convention center expansion which included an addition to the Hilton Hotel. The PMPA text is:

As a special condition of the coastal development permit for any hotel development or redevelopment that adds hotel rooms to Harbor Island, the hotel developer or redeveloper will develop or designate its fair share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District.

However, the Commission finds that inclusion of this language has not resulted in the actual provision of additional lower-cost overnight accommodations within the Port District jurisdiction. In addition, the proposed PMPA provides an opportunity for one of the proposed hotels to potentially be a lower cost accommodation.

In January 2009, the Coastal Commission, in permit A-6-PSD-08-4/A-6-PSD-08-101, originally required that the Lane Field development participate in a hostel program to create actual units within the Port District. The Commission made the following findings in the Staff Report:

As proposed by the applicant and approved by the Board of Port Commissioners as part of the required public access program, the applicant will work with the Port District to design and construct a non-profit hostel on Port controlled land, funding half of the construction costs. The hostel operator would have to provide a matching grant for the rest of the construction costs, and the land value of the hostel site would be the Port's contribution to the project.

The minimum number of lower cost units proposed to be constructed was derived from the Commission's past practice of requiring a mitigation fee based on a percentage of the number of high-cost hotel units being constructed. 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, for Oceanside LCPA #1-07 (Downtown District), the Commission approved a requirement that a fee be paid per hotel room for 25% of the total quantity of proposed new units that are not lower cost. The subject development is for 800 hotel rooms, thus, the Commission would typically require that a mitigation fee be assessed for 25% (200) of the rooms, to offset the cost of constructing new lower cost accommodations.

However, hostels often have varying room sizes than can accommodate different

numbers of people. So rather than assume that construction of 200 lower-cost units would be the most appropriate amount of mitigation, the applicant has proposed constructing a hostel with a minimum of 400 beds (200 hotel rooms would typically have 400 beds). The applicant has indicated that approximately 133 hostel rooms would accommodate 400 beds and thus be equivalent to providing 200 new units.

The plan acknowledges that developing a new hostel will take several years to implement, requiring a development program, a suitable site, entitlements under CEQA and the Port Master Plan, and design and construction. However, a strict timetable for meeting particular project goals is included in the plan. For example, prior to issuance of the coastal development permit, the applicant must enter into a memorandum of understanding or other legal arrangement with a qualified nonprofit hostel operator establishing the requirements and responsibilities contained in the Public Access Plan.

Within twelve months from issuance of the coastal development permit for the project, the applicant must identify one or more sites in conjunction with the Port and the hostel operator and complete an appropriate site feasibility analysis. Within six (6) months from completion of Task #1, the applicant must negotiate an agreement with the Port to establish a development program and an entitlement process for an approximately 133 unit hostel. And so on, until construction of a hostel commences.

If the milestones are not met on time, the Port must notify the Executive Director, and the Executive Director may at that time require the applicant to pay a fee in lieu of construction, consisting of \$30,000 for 25% of the units being, having been and to be constructed on Lane Field (\$6,000,000 total). 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), and for the Surfer's Point Resort development in Encinitas (#A-6-ENC-07-51). The \$30,000 fee amount was established based on figures provided to the Commission by San Diego Hostelling International USA (Hostelling International is a non-profit organization with more than 4,000 hostels in over 60 countries, including two in San Diego), in an October 26, 2007 letter. The figures provided by HI are based on two models for a 100-bed, 15,000 sq. ft. hostel facility in the Coastal Zone.

To ensure that mitigation funds would be available in the event the hostel program is not executed, prior to execution of the lease with the Port District, a bond or other financial instrument acceptable to the Port must be executed to ensure the fee amount, including any interest that would have accrued since issuance of the Coastal Development Permit, is paid.

If the hostel planning and design milestones are not met on time, the Executive Director also has the option of granting a time extension. The applicant could also apply for an amendment for a revised affordable accommodations proposal. Thus, in all cases, the Commission can be assured that a hostel will be built, a mitigation fee will be paid, or they will have the opportunity to review a revised proposal to ensure all impacts are fully mitigated. Special Condition #3 requires implementation of the Public Access Program.

To further ensure that the hostel will be constructed in the area most impacted by the proposed high-end hotel, Special Condition #4 requires that the location of the hostel be on Port Tidelands within the City of San Diego. Construction of the hostel will require a coastal development permit appealable to the Commission, and potentially a Port Master Plan Amendment, ensuring that the Commission will have oversight authority over the development.

The proposed program is expected to establish an on-going program and mechanism for the development of lower-cost units that future high-end development projects on Port Tidelands will be able to participate in. If the appraised value of the hostel exceeds the Coastal Commission's typical fee of \$30,000 for 25% of higher cost units constructed, any excess value can be credited to a Port "bank" to be applied to future Port projects. Those projects could pay an additional mitigation fee to offset the remaining impacts, or develop a similar program to establish low-cost overnight accommodations.

The proposed program is expected to establish an on-going program and mechanism for the development of lower-cost units that future high-end development projects on Port Tidelands will be able to participate in. If the appraised value of the hostel exceeds the Coastal Commission's typical fee of \$30,000 for 25% of higher cost units constructed, any excess value can be credited to a Port "bank" to be applied to future Port projects. Those projects could pay an additional mitigation fee to offset the remaining impacts, or develop a similar program to establish low-cost overnight accommodations.

However, in February 2013 the program was discontinued and replaced with an in-lieu fee that has not resulted in the creation of additional lower cost units with or adjacent to the Port District. There is an increasing need for lower-cost overnight accommodations within the Port District in the form of a specific program that will result in units as opposed to deferred collection of in lieu fees. The subject subarea and proposed development is on public tidelands and is a potential location for lower-cost overnight accommodations.

Staff is recommending denial of the PMPA because it does not include policy language that either reserves a portion of this subarea for lower cost hotel units or identifies an alternative location where such lower cost accommodations will be developed to which the in-lieu fees may apply. The Port as landowner is in the position to control development within the leaseholds in a manner that assures a range of affordability in overnight accommodations will be provided within the District consistent with the public access and recreation policies of the Coastal Act.

Commission staff has suggested incorporating the following language in the PMPA to ensure the provision of additional lower-cost overnight accommodations within the vicinity in order to mitigate coastal resource impacts caused by the proposed hotel development on East Harbor Island:

A minimum of one-third (166 units) of the new 500 hotel rooms on East Harbor Island will be lower-cost overnight accommodations. As a special condition of the coastal development permit for any hotel development, redevelopment or change in lease that adds hotel rooms to East Harbor Island, the hotel developer will develop or designate its fair-share of on-site or off-site lower-cost overnight accommodations or pay an in-lieu fee based on a study conducted by the District that will designate the location and timeframe for construction of lower-cost accommodations within or adjacent to the District. An alternate location for the lower cost overnight accommodations required in this subarea may be considered through a future OMOA, pursuant to the results of the study.

However, Port staff has indicated there is not adequate direction from the Port Board to accept such language and incorporate it into the revised PMPA submittal. The Commission finds that, as submitted, the proposed port master plan amendment does not conform with the provisions of Section 30711 of the Coastal Act . The proposed changes in land and water uses do not contain sufficient detail in the port master plan submittal for the Commission to make a determination of the proposed amendment's consistency with the Section 30213 of the Coastal Act.

Parking/ Transit

In evaluating the impact the proposed development will have on coastal access, it is important to keep several factors in mind. Redevelopment efforts often present challenges with regard to parking, traffic, and circulation patterns. The Coastal Act supports the construction of new development in existing developed areas to decrease sprawl and impacts to open space. Development in these locations will be designed to take advantage of existing mass-transit opportunities, and to supplement existing facilities with new alternate transit systems.

To determine the adequacy of the proposed parking supply to accommodate the projected demand associated with the proposed PMPA, parking demand was calculated based on the Port District's Tideland Parking Guidelines (2001) using Port District parking rates developed specifically for the South Embarcadero. Although these guidelines are not part of the certified Port Master Plan, the ratios used are within the range of parking ratios commonly approved for coastal cities in San Diego County. In addition, the EIR for the PMPA includes a parking study looking specifically at peak parking demand for the hotels under various circumstances. Under both standards, even with the removal of 111 parking spaces, the 381 parking spaces for the Sunroad hotel and the surface area available for the future hotels should be sufficient to meet the demand for parking at Subarea 23.

While the Sunroad Project would remove 111 existing marina parking spaces, based on a parking analysis conducted by traffic consultants Linscott Law and Greenspan; the leasehold is currently over parked and the project will contain adequate surface parking for both hotel and marina. The parking study conducted for the Sunroad Project concluded that the shared requirement would be 381 parking spaces, less than the proposed 457 spaces and 568 existing spaces. The traffic circle and the underlying utilities will be realigned to accommodate the Sunroad hotel project. In order to increase public parking, the Sunroad hotel will include 5 public parking spaces with adequate signage.

Prior to the approval of a coastal development permit for future hotel development on a hotel on the existing west marina parking lot, the design of the proposed hotel development will be required to provide adequate on-site parking in accordance with the Port District parking guidelines for the proposed hotel development and for the shared parking requirement of the existing marina and the proposed 175-room hotel. Prior to the demolition or removal of parking spaces; the project applicant will be required to submit to the Port District for review a Parking Management Plan that provides adequate parking.

Future hotel(s) would need to provide the required number of parking spaces based on how many rooms are proposed for each hotel. Additional parking may be required depending on the types and sizes of ancillary uses proposed for the future hotel(s). The future development of two approximately four-story hotels in this area will be required to provide adequate on-site parking. The PMPA also requires that in combination, future hotel development includes a minimum of 10 public parking spaces with adequate signage. Because public parking is not provided or allowed in the existing marina parking lot, future hotel development in this area would improve public parking space options in the area.

The summer of 2012 saw the first implementation of a summer season shuttle system for the Embarcadero region. The Port has reported that the program was extremely successful, and plans are underway to expand both the range and duration of the project.

The Port District, through this PMPA, is specifically committing to implementation of a low-cost bayside shuttle that will serve the project area and the surrounding region, to ensure that long term public access is preserved and enhanced. The proposed language establishes specifically that the shuttle will be in operation by the time the hotel expansion is open.

2. Visual Resources

Section 30251

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas....

Section 30251 requires permitted development to be sited and designed to protect views to and along the ocean and scenic coastal areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. Ideally, all new major redevelopment of existing structures in the Harbor Island planning region, particularly on public tidelands, should enhance and restore views to and along the ocean, but at a minimum, new projects should minimize impacts to visual resources. In addition to the importance of protecting existing views to and along the ocean and scenic coastal areas, the visual protection policies of the Coastal Act require development to be sited and designed to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas.

As proposed, the development permitted through the PMPA would have a significant effect on public views and the visual character of the area as seen from Harbor Drive, both positive and negative. As described above, the amendment will allow up to three new hotel buildings and includes a substantial expansion and improvement to the public promenade. The construction of several hotel buildings raises concerns regarding the compatibility of the bulk and scale of the proposed structure with the surrounding pedestrian orientation and the current blockage of public views along Harbor Drive to the city front skyline view.

Public views to the bay from the East Harbor Island region are considerably expansive, although various structures blocking views along this segment of the shoreline have arisen, including the Island Prime restaurant and the construction of a new land-side restaurant at 880 Harbor Drive. The on-going pressure to develop new and expanded structures that incrementally encroach upon the remaining public views to the bay and skyline is a challenge the Port and Commission must address on San Diego's historic

tidelands. Under these circumstances, it is particularly important that all new shoreline development be sited and designed to restore and enhance the visual quality of the area. The views that exist on East Harbor Island are a valuable public resource and the development of the subarea must maintain views to the marina, boat masts and city skyline by avoiding the creation of a wall of structures. In order to reduce the bulk and scale of the hotel structures and preserve public views of the basin and skyline views available, the building envelopes will not exceed seventy percent of each project site, not including ancillary uses.

The Port has asserted that the project will not significantly compromise existing views in the surrounding area. The development that would be permitted in the PMPA would not be located in a designated scenic view corridor and would not obstruct a protected view of the ocean or downtown skyline from or through the project sites. Viewing opportunities are available along Harbor Island Drive. The Sunroad hotel project is visually compatible with the character of the surrounding area and consistent with patterns of development.

Additionally, public access corridors that provide views will be located between hotel structures to allow visual and physical access and connectivity to the Harbor Island East Basin, San Diego Bay, and Harbor Island Drive. These public accessways will be kept free of obstructions. Public accessways may include public activation amenities such as benches, lighting, signage, parking, and landscaping and these amenities shall not be considered obstructions.

Conclusion

Thus, as proposed, this area will indeed be more accessible to the general public than the existing conditions, however substantial unmitigated impacts exist with regards to the construction of a continuous public walkway along the shoreline and the provision of lower-cost overnight visitor serving accommodations. Therefore, as proposed, the impacts to public recreation associated with the proposed PMPA cannot be found consistent with the public access and recreation policies of Chapter 3 and Chapter 8 of the Coastal Act. The Commission therefore cannot support the proposed PMPA for East Harbor Island.

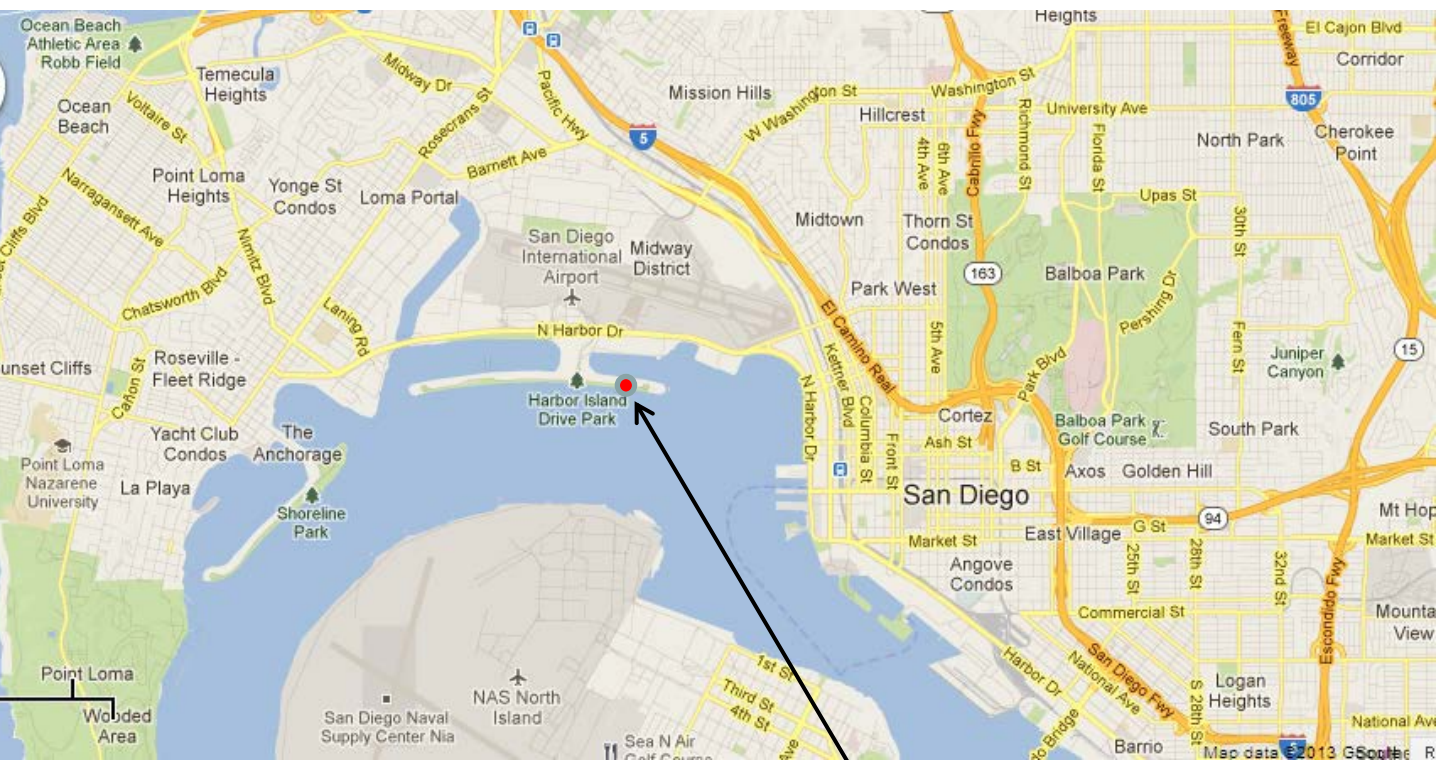
F. Consistency with the California Environmental Quality Act (CEQA).

The proposed amendment was the subject of an Environmental Impact Report under CEQA. The EIR was subject to public review and hearing and was adopted by the Board of Port Commissioners. The Port of San Diego is the lead agency for purposes of CEQA. In the final EIR the Port identified that even after adopting all feasible mitigation measures, there would be significant unavoidable environmental impacts on direct and cumulative Public Services and Utilities (Fire Protection Services) resulting from the

primary responding fire station being above its workload capacity, and cumulative Transportation, Traffic, and Parking (Traffic) impacts resulting from the Project's incremental contribution to Project area intersections and roadway segments.

The Port determined that specific economic, social, and other benefits of the proposed project outweigh the project's unavoidable adverse environmental effects. In making this determination, the Port made statements of overriding considerations. For example, the Port identified the following overriding considerations: that the project would increase employment opportunities, create new and improved public access and shoreline enhancements in the Project area, stimulate economic growth for the Port, the City of San Diego, and the overall region, and provide a benefit to the community by incorporating energy conservation and sustainability features into its design and construction that will provide energy and water efficiency equivalent to 15% in excess of standards required by Title 24 of the California Code of Building Regulations. Therefore, the Port determined that the benefits of the project outweigh its significant environmental impacts, and therefore, such impacts are considered acceptable.

However, the Commission has found that the PMPA cannot be found in conformance with Chapter 3 and Chapter 8 policies of the Coastal Act due to the potential for significant adverse impacts to the environment of the coastal zone, including the potential to result in significant individual or cumulative impacts to public access and recreation in the coastal zone. There are feasible alternatives or feasible mitigation measures available as described above which would substantially lessen any significant adverse effect which the amendment may have on the environment. Therefore, the Commission finds that the PMPA is inconsistent with the California Environmental Quality Act.



Subject Site

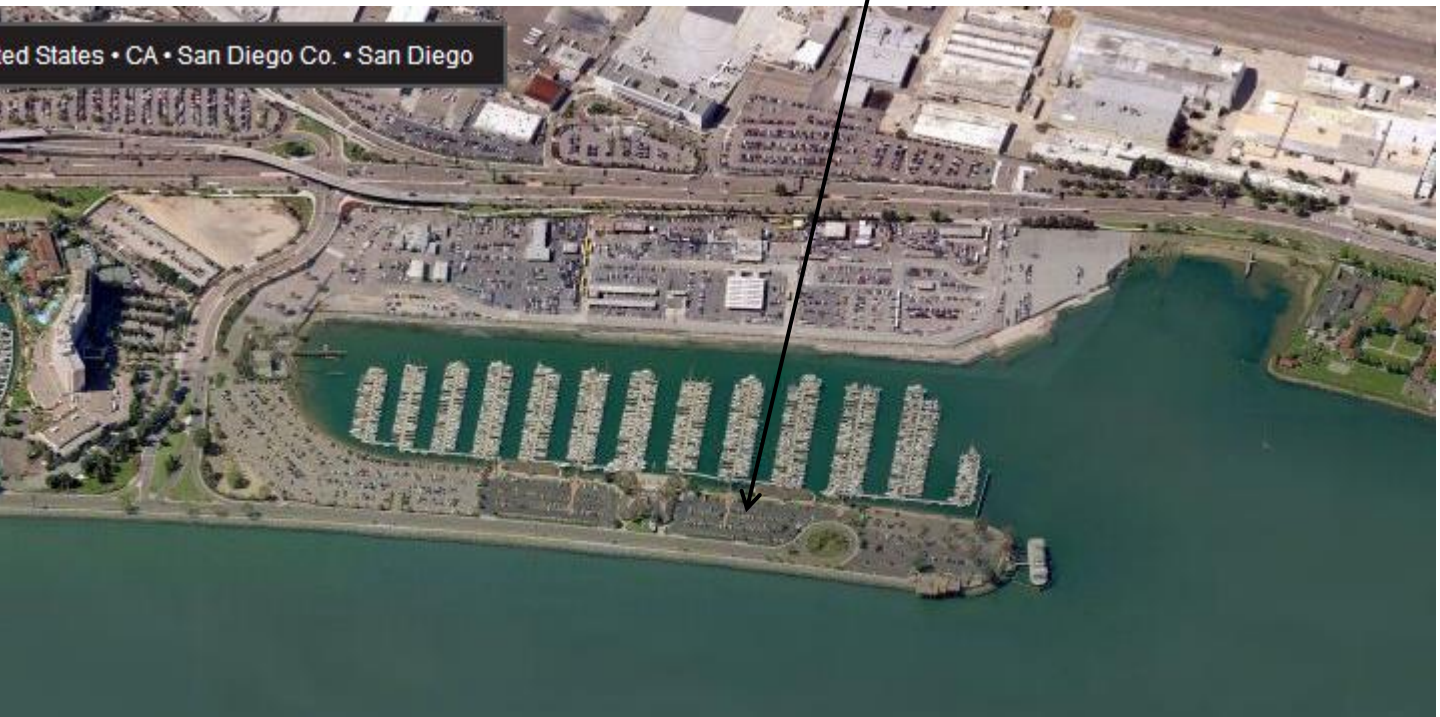
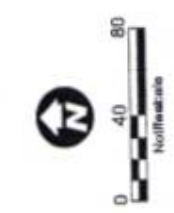
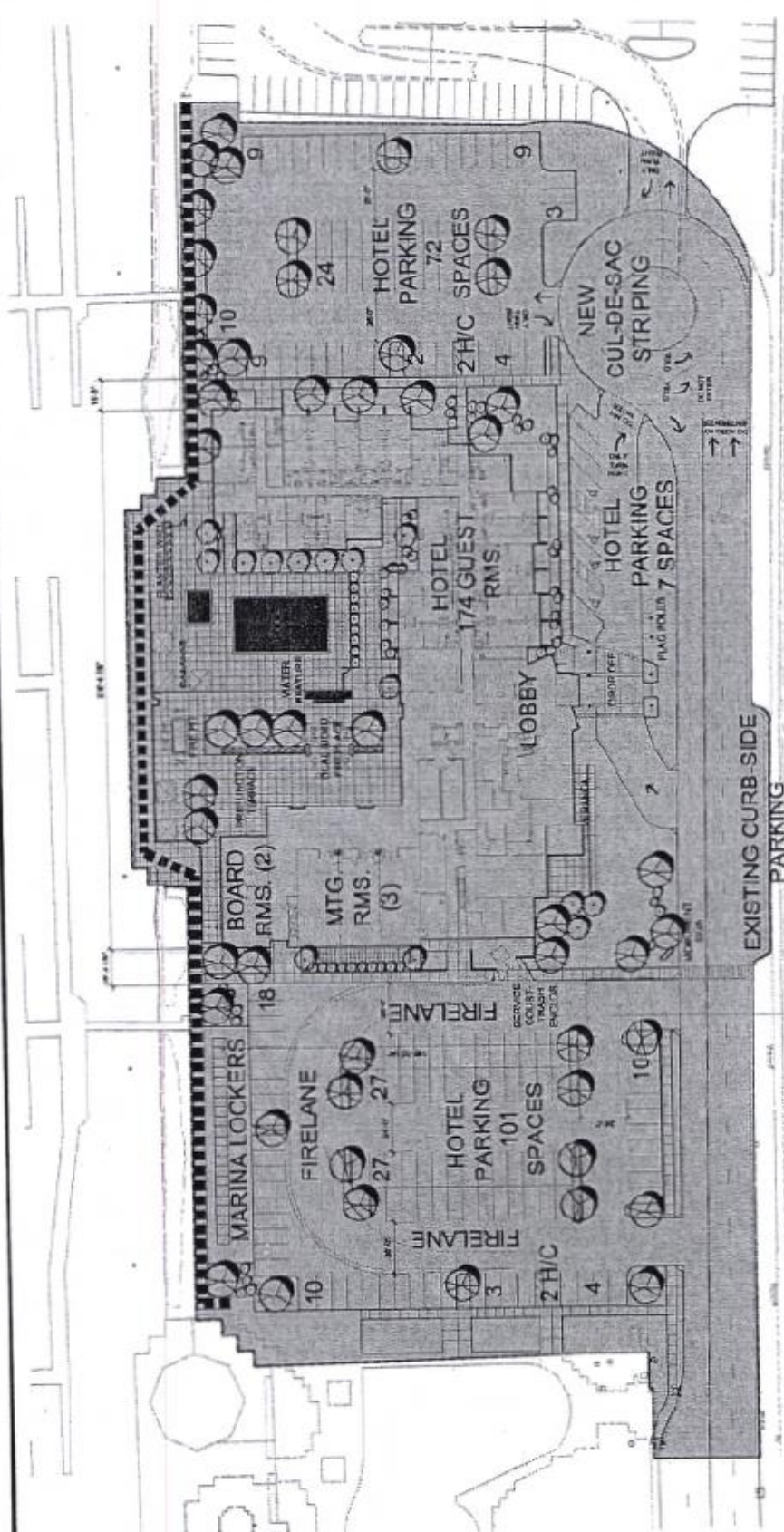


EXHIBIT NO. 1
Location Map
 Port of San Diego PMPA #46 California Coastal Commission



Proposed Hotel Site Plan

(2009)

EXHIBIT NO. 2
Sunroad Hotel Site Plan
Port of San Diego PMPA #46 California Coastal Commission

Potential Hotel Locations



EXHIBIT NO. 3
Possible Hotel Location
 Port of San Diego PMPA #46 California Coastal Commission



Location of Proposed 175-Room Hotel and Possible Location for Up To Two Additional Hotels

EXHIBIT NO. 4

Possible Hotel Locations

Port of San Diego PMPA #46
California Coastal Commission

*San Diego Unified Port District
Port Master Plan Amendment*



DRAFT

*East Harbor Island Subarea
Port Master Plan Amendment*

*Existing/Proposed Plan Text
and Plan Graphics*

March 2014

Approved by Board of Port Commissioners on 3/4/14

Revised 6/25/14

Note: Text to be deleted shown ~~stricken~~ and text to be added shown underlined.

EXHIBIT NO. 5

**Precise Plan Text, Map and
Project List**

Port of San Diego PMPA #46



California Coastal Commission

The 1980 Port Master Plan was certified by vote of the California Coastal Commission (CCC) on January 21, 1981. Subsequent amendments, all of which have been incorporated into this copy, are listed below:

Amendment Title	BPC Res. No.	CCC Certification Date
Coronado Tidelands	83-133	12 Apr 1984
Convention Center and Option Site Hotel	84-290	14 Mar 1985
Bay Mooring and Anchorage Management Plan	84-304	25 Apr 1985
Chula Vista Bayside Park Extension	84-379	27 Aug 1985
Crosby Street Site	86-365	27 Feb 1987
Shelter Island Roadstead	88-212	15 Nov 1988
Coronado Boatyard/The Wharf	89-383	11 Apr 1990
East Harbor Island Hotel	90-170	14 Sep 1990
Seaport Village Street Relocation	92-74	11 Jun 1992
NASSCO Ways Modification	92-118	11 Jun 1992
Solar Turbines Incorporated	92-190	13 Oct 1992
Lindbergh Field Immediate Action Program	92-406	13 Apr 1993
Driscoll Boatyard Expansion	93-033	14 May 1993
National City Marina	94-152	11 Aug 1994
Design Refinements to IAP	95-223	15 Dec 1995
San Diego Convention Center Expansion	95-389	12 Jan 1996
A-9 Cruiser Anchorage	95-266	11 Apr 1996
Convair Lagoon	96-135	12 Nov 1996
Imperial Beach Oceanfront	97-187	10 Dec 1997
--Chula Vista Industrial Business Park Expansion	97-227	10 Mar 1998
South Embarcadero Redevelopment Program 1	98-136	15 Oct 1998
North Embarcadero Alliance Visionary Plan	2000-83	14 Mar 2001
Former Naval Training Center Land Transfer	2000-166	12 Jun 2001
D Street Fill Mitigation Site	2001-86	11 Sep 2001
South Embarcadero Redevelopment Program 2	2001-72	12 Dec 2001
National Distribution Center, National City	2001-99	12 Dec 2001
South Bay Boat Yard, Chula Vista	2001-190	12 Dec 2001
Glorietta Bay Redevelopment	2001-65	05 Feb 2003
America's Cup Harbor	2002-120	12 Jun 2003
Fifth Avenue Landing Spinnaker Hotel	2004-66	12 Aug 2004
Old Police Headquarters	2006-29	10 Aug 2006
National City Aquatic Center	2006-162	15 Feb 2007
Broadway Pier Cruise Ship Terminal	2009-37	03 Feb 2009
Chula Vista Bayfront Master Plan	2010-79	09 Aug 2012
San Diego Marriott Improvements	2011-179	15 Nov 2012
East Harbor Island Subarea	2014-XX	XX XX 2014

**TABLE 4
PORT MASTER PLAN
LAND AND WATER USE ALLOCATION SUMMARY**

LAND USE	ACRES		WATER USE	ACRES		TOTAL ACRES		% OF TOTAL	
	Existing	Revised		Existing	Revised	Existing	Revised	Existing	Revised
COMMERCIAL	373.5	<u>374.2</u>	COMMERCIAL	383.0		756.5	<u>757.2</u>	14%	
Marine Sales and Services	18.8		Marine Services Berthing	17.7					
Airport Related Commercial	38.0		Commercial Fishing Berthing	18.8					
Commercial Fishing	8.3		Recreational Boat Berthing	335.4					
Commercial Recreation	304.4	<u>304.8</u>	Sportfishing Berthing	11.1					
Sportfishing	4.3								
INDUSTRIAL	1206.4		INDUSTRIAL	217.7		1424.1		26%	
Aviation Related Industrial	152.9		Specialized Berthing	170.5					
Industrial Business Park	113.7		Terminal Berthing	47.2					
Marine Related Industrial	322.1								
Marine Terminal	149.6								
International Airport	468.1								
PUBLIC RECREATION	280.5	<u>279.9</u>	PUBLIC RECREATION	681.0		964.5	<u>960.9</u>	18%	
Open Space	40.0	<u>17.8</u>	Open Bay/Water	681.0					
Park/Plaza	146.4								
Golf Course	97.8								
Promenade	47.3	<u>18.1</u>							
CONSERVATION	399.2		CONSERVATION	1058.6		1457.8		27%	
Wetlands	304.9		Estuary	1058.6					
Habitat Replacement	94.3								
PUBLIC FACILITIES	222.0	<u>222.8</u>	PUBLIC FACILITIES	394.3		647.2	<u>617.1</u>	12%	
Harbor Services	2.7		Harbor Services	10.5					
City Pump Station	0.4		Boat Navigation Corridor	284.6					
Streets	240.8	<u>219.7</u>	Boat Anchorage	25.0					
			Ship Navigation Corridor	50.0					
			Ship Anchorage	24.2					
MILITARY	25.9		MILITARY	125.6		151.5		3%	
Navy Fleet School	25.9		Navy Small Craft Berthing	6.2					
			Navy Ship Berthing	119.4					
TOTAL LAND AREA	2508.4		TOTAL WATER AREA	2860.3					
MASTER PLAN LAND AND WATER ACREAGE TOTAL						5368.6		100%	

Draft

Development of ~~unleased~~ parcels on Harbor Island is expected to be completed with the construction of the hotels on the east basin. Along Harbor Drive, from the Navy Estuary to the Coast Guard facility, planning concepts focus on providing a sense of entry into downtown San Diego for travelers coming via Lindbergh Field and Point Loma, with activities and landscape features that strengthen the image of San Diego as a pleasant place to visit. Considerable attention must be paid to improvements in the general appearance of existing industrial uses and the planned expansion of these uses. Public park, pedestrian promenade and open space are reserved on the bayside and in the circulation gateway of Harbor Island. Coastal access along San Diego Bay is enhanced by a shoreline park with leisure facilities, including restroom, and a 1.3 mile bayside public pathway.

Individual public access plans will be prepared concurrent with the coastal development permit application for each hotel development on Harbor Island and implementation of such will be a special condition of the hotel's coastal development permit for the development or redevelopment project(s). The public access plans will include information on signage, amenities, and public information to inform and invite the public to and around Harbor Island and downtown San Diego.

All hotel developments on Harbor Island shall provide or participate in shuttle service to and from the airport. All development shall provide information regarding other transit opportunities. The District's bayside shuttle system will be expanded to serve Harbor Island. The bayside shuttle system is intended to serve visitors as part of an integrated waterfront access and parking program that the Port District will develop in coordination with the City of San Diego and San Diego Metropolitan Transit System. All hotel developments or redevelopments on Harbor Island shall participate on a fair share basis in the cost

of the District's implementation of its transportation system. The fair share will be determined by the District according to the nature, size and scope of the proposed development or redevelopment and the District's transportation system in operation at the time an application for a coastal development permit is submitted. Participation in a shuttle program will be required as a special condition of the coastal development permit.

A parking management plan will be prepared for each hotel development on Harbor Island as the hotels are developed or redeveloped to maximize public access and recreational opportunities. The tenant shall submit their parking management plan for review and written approval of the District prior to the issuance of the respective coastal development permit for any hotel development or redevelopment on Harbor Island. All required parking must be accommodated on-site and address all development on the hotel project site and may include shared or joint-use parking. In addition, to facilitate public recreational waterfront access opportunities, each of the proposed hotels is required to provide public parking. The 175-room hotel will provide a minimum of 5 public parking spaces, and the remaining one or two hotels will provide a cumulative total of at least 10 public parking spaces, for a total of 15 public parking spaces on the hotel project sites. Signage for the public parking spaces will be visible from the public roadway.

As a special condition of the coastal development permit for any hotel development or redevelopment that adds hotel rooms to Harbor Island, the hotel developer or redeveloper will develop or designate its fair-share of on-site or off-site lower cost visitor accommodations or pay an in-lieu fee based on a study conducted by the District.

Land and Water Use Allocations

The Harbor Island/Lindbergh Field Planning District contains an approximate

total of 996 acres, consisting of about 816 acres of tidelands and 180 acres of submerged tidelands. Table 8 summarizes the land and water use allocations proposed in the Precise Plan. As in the Shelter Island Planning District, a significant portion of the area is already developed and is under long term lease commitment. ~~The east end of the Harbor Island peninsula is vacant and thus offers development potential uncomplicated by the presence of structures or lease interest.~~ A balanced allocation of use activities is provided within the major use categories of commercial, industrial, public recreation, and public facilities.

The use allocation table, the Precise Plan Map, and the following text supplement the general plan guideline presented in the preceding part of this document.

Harbor Island/Lindbergh Field Planning Subareas

Planning District 2 has been divided into nine subareas (*Figure 10*) to provide a more specific explanation of the intent of the Plan.

Spanish Landing Park

Spanish Landing Park, subarea 21, extends along the north bank of the Harbor Island West Basin and occupies 11.2 acres of land. Another 1.3 acres is designated for promenade in the form of a bicycle and pedestrian path. This area is completely developed except for the possibility of a fishing pier near the west end. Approximately one mile of public access to the shore is provided by this park. Historic markers located in the park commemorate Juan Rodriguez Cabrillo's discovery of San Diego Bay in 1542, and the exploratory party of Gaspar de Portola in 1769-70.

West Harbor Island

West Harbor Island, subarea 22, has been completely developed with commercial

recreational uses such as hotels, restaurants, marinas, and marine related commercial business. No changes to this 37.7-acre commercial recreation area are anticipated.

East Harbor Island

The east end of Harbor Island, subarea 23, ~~has been~~ is the last subarea to complete phased development and is designated for Commercial Recreation uses. ~~The last project, a~~Future development in this subarea includes up to three hotels with a combined total of no more than high quality hotel of approximately 500 rooms. The hotels would be located on the marina parcel or west of the marina parcel (former airport employee parking lot); no hotels would be sited on the restaurant parcel on the easternmost end of the island. These hotels is will be sited to be responsive to views of San Diego Bay, the airport, and the downtown San Diego skyline. Maximum building heights will be establish consistently with adopted aircraft approach paths and Federal Aviation Administration (FAA) regulations. The hotelHotels complex may includes typical supporting facilities and ancillary uses such as swimming pools, spas, ~~commercial~~ retail shops, restaurants, cocktail lounges, meeting and conference space, and recreational facilities, including piers, and ancillary uses. A marina of approximately 550 slips is located adjacent to the hotels and occupies most of the basin.

The eastern end of the peninsula is anchored by restaurants in two structures, which are uniquely sited on the water's edge.

The existing promenade along the southern side of Harbor Island Drive will be extended to the eastern portion of the East Harbor Island subarea and along Harbor Island East Basin. The extended promenade will be located to provide views of the San Diego Bay, the downtown San Diego skyline, and the

Harbor Island East Basin. It will be located immediately adjacent to the shoreline except at the southeast end of the peninsula where it moves inland briefly due to an existing restaurant structure. At such time when the cumulative redevelopment of the restaurant structures exceeds demolition and relocation of more than 50% of the exterior walls (excluding maintenance and repairs) so as to change the footprint, the promenade will be relocated adjacent to the shoreline.

The promenade will provide pedestrian access around East Harbor Island and will connect the hotel developments, marina, and restaurants to the rest of Harbor Island. For each development or redevelopment on the western half of East Harbor Island, completion of the public bayside promenade along that development or redevelopment site will be required by the Port. On each hotel project site, the shoreline promenade will be a minimum of 10-feet wide and that respective portion must be fully completed prior to the completion of any new structure requiring the issuance of a final Certificate of Occupancy on that hotel project site. The promenade will include connections across the hotel project sites to the public sidewalk adjacent to the north side of Harbor Island Drive.

At the Sunroad Resort Marina, the 10-foot wide promenade will be continued on the shoreline side of the marina office and west locker buildings when the cumulative redevelopment of the marina office and west locker buildings exceeds demolition of more than 50% of the exterior walls and substantial structural components.

Any hotel project on the Sunroad Resort Marina leasehold that is developed before the aforementioned cumulative marina office and west locker buildings redevelopment shall provide public access along the bayside length of the marina leasehold. Within the marina's existing swimming pool enclosure and bayward of the west locker building, the walkway may be reduced to a minimum 5-foot wide

shoreline public promenade which will be open for public use prior to the issuance of a final Certificate of Occupancy for that hotel project.

When the promenade is located within a private leasehold or on a Port development site, improvements and the promenade will be sited to allow uninterrupted pedestrian flow. Benches and viewing decks adjacent to the promenade will be sited to provide multiple viewing opportunities in a manner that does not obstruct pedestrian flow. Public access and other path-finding signage, as well as signage identifying that the promenade is open to the public, will be placed at strategic locations throughout East Harbor Island to guide guests and visitors to and from public use areas, restaurants, and other facilities.

Public access corridors that provide views will be located between hotel structures to allow visual and physical access and connectivity to the Harbor Island East Basin, San Diego Bay, and Harbor Island Drive. These public accessways will be kept free of obstructions. Public accessways may include public activation amenities such as benches, lighting, signage, parking, and landscaping and these amenities shall not be considered obstructions. In order to preserve views and encourage public access, building envelopes will not exceed seventy percent (70%) of each project site. Public activation amenities shall not be considered part of the building envelope.

All public access improvements (i.e., promenade, accessways, public art, signage, seating) on each respective hotel site shall be completed and open to the public at the time that each respective hotel begins occupancy. The one or two hotels with a combined total of up to 325 rooms shall provide activating uses, such as food service (e.g., restaurant(s), walk-up café, coffee shop, cocktail lounge), outdoor seating and dining areas, and retail shops open to the public, which will be integrated into the hotel(s).

proportionate to the type and extent of development or redevelopment.

As the East Harbor Island subarea is developed or redeveloped, Harbor Island Drive may be resized and realigned to optimize use of East Harbor Island. This may allow for increased and enhanced public enjoyment of the bay. The promenade and new public access features (e.g., benches) will provide enhanced open space and public access opportunities within the East Harbor Island subarea.

A public promenade parallels the active ship channel of the bay and ensures pedestrian and bicycle coastal access. Landscaped open space on Harbor Island Drive is retained with the street design of an upgraded and modified "T" intersection. Utility capacity is expanded to meet increased service needs

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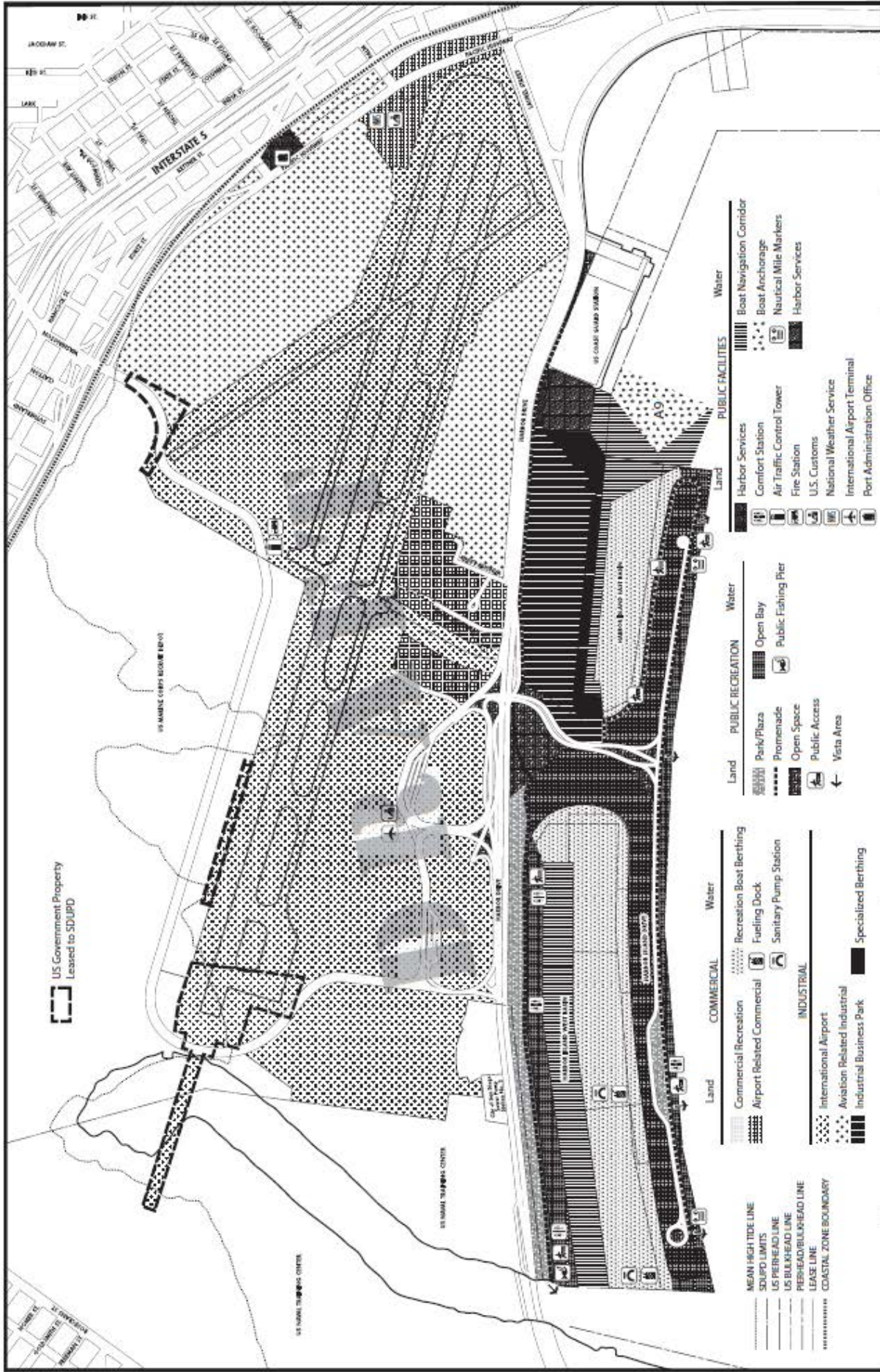
**TABLE 8
Precise Plan Land and Water Use Allocation**

HARBOR ISLAND/LINDBERGH FIELD: PLANNING DISTRICT 2

LAND USE	ACRES		WATER USE	ACRES	TOTAL ACRES		%OF TOTAL
	Existing	Revised			Existing	Revised	
COMMERCIAL	60.6	<u>91.3</u>	COMMERCIAL	105.8	408.4	<u>197.1</u>	20%
Airport Related Commercial	38.0						
Commercial Recreation	22.6	<u>53.3</u>	Recreational Boat Berthing	105.8			
INDUSTRIAL	631.8		INDUSTRIAL	11.2	643.0		65%
Aviation Related Industrial	130.6						
Industrial Business Park	33.1		Specialized Berthing	11.2			
International Airport	468.1						
PUBLIC RECREATION	28.2	<u>25.6</u>	PUBLIC RECREATION	45.0	71.2	<u>70.6</u>	7%
Open Space	7.6	<u>5.1</u>	Open Bay/Water	45.0			
Park	16.4						
Promenade	2.3	<u>3.1</u>					
PUBLIC FACILITIES	66.8	<u>66.7</u>	PUBLIC FACILITIES	18.0	84.8	<u>84.7</u>	8%
Harbor Services	1.3		Harbor Services	5.3			
Streets	65.5	<u>65.4</u>	Boat Navigation Corridor	12.7			
TOTAL LAND AREA	815.4		TOTAL WATER AREA	180.0			
PRECISE PLAN LAND AND WATER ACREAGE TOTAL					995.4		100%
<p><i>Note: Does not include:</i></p> <ul style="list-style-type: none"> Leased Federal Land 22.5 acres State Submerged Tidelands 41.3 acres Leased Uplands 4.1 acres <p><i>Revised acreage includes:</i></p> <p>East Harbor Island Subarea PMPA – CCC on XXXX XX, 2013</p>							

Revised: 06-20-13

Draft



FILE # 05
 Project Name: DBAIF-JR
 total plan

DATE: June 2014
 DRAWN: JCR
 IOL: AB

FIGURE 9

PRECISE PLAN

Planning District 2 LINDBERGH FIELD/HARBOR ISLAND

scale approx.

 Land Use Planning

- MEAN HIGH TIDE LINE**
SDUPD LIMITS
US PERHEAD LINE
PERSHEAD/BORHEAD LINE
LEASE LINE
COASTAL ZONE BOUNDARY
- COMMERCIAL**
 Commercial Recreation
 Airport Related Commercial
 International Airport
 Aviation Related Industrial
 Industrial Business Park
 Specialized Berthing
- INDUSTRIAL**
 International Airport
 Aviation Related Industrial
 Industrial Business Park
 Specialized Berthing
- Land**
 Harbor Services
 Comfort Station
 Air Traffic Control Tower
 Fire Station
 U.S. Customs
 National Weather Service
 International Airport Terminal
 Port Administration Office
- PUBLIC RECREATION**
 Park/Plaza
 Promenade
 Open Space
 Public Access
 Vista Area
- Water**
 Boat Navigation Corridor
 Boat Anchorage
 Nautical Mile Markers
 Harbor Services

US Government Property
 Leased to SDUPD

ST MARSH TOWER CENTER
 ST MARSH TOWER CENTER
 ST MARSH TOWER CENTER

RECREATION BOAT BERTHING
 FUELING DOCK
 SANITARY PUMP STATION
 OPEN BAY
 PUBLIC FISHING PIER

ST MARSH TOWER CENTER
 ST MARSH TOWER CENTER
 ST MARSH TOWER CENTER

RECREATION BOAT BERTHING
 FUELING DOCK
 SANITARY PUMP STATION
 OPEN BAY
 PUBLIC FISHING PIER

RECREATION BOAT BERTHING
 FUELING DOCK
 SANITARY PUMP STATION
 OPEN BAY
 PUBLIC FISHING PIER

Project List

A listing of projects and appealable classifications is shown in Table 9.

TABLE 9: PROJECT LIST		APPEALABLE ↓		FISCAL YEAR	
HARBOR ISLAND/LINDBERGH FIELD: PLANNING DISTRICT 2		DEVELOPER ↓			
		SUBAREA ↓			
1.	HOTEL(S)-COMPLEX: <u>on western half of Subarea 23: up to two hotels 600 with a combined total of no more than 325 rooms, food service (e.g., restaurant(s), walk-up café, coffee shop, cocktail lounge), meeting and conference space; parking; landscaping; bayside public promenade</u>	23	T	Y	1993-04 2017-2020
2.	PORT ADMINISTRATION BUILDING RENOVATION: Renovate building; Construct parking structure; install landscaping	29	P	N	1993-95
3.	AIRPORT ACCESS ROAD: Construct	27	P	Y	1995-98
4.	FUEL FACILITY: Expansion to north side of airport	25	P	N	1992-93
5.	ACCESS ROADS: Revise airport internal road system	26	P	N	1993-94
6.	LAUREL STREET: Widen between Harbor Drive and Pacific Highway	27	P	Y	1994-95
7.	NEW AIRPORT TERMINAL: Construct facility; apron; taxiway	26	P	N	1993-95
8.	ANCHORAGE FACILITY: Install perimeter marker buoys at Anchorage A-9	23	P	Y	1995-98
9.	CONVAIR LAGOON: Sediment remediation	24	T	N	1996-97
10.	INTERIM EMPLOYEE PARKING LOT: Construct airport employee parking lot and staging area for taxis, shuttle vans and charter buses; replace storm drain	26	P	N	2001-03
11.	HOTEL: <u>up to 175 rooms adjacent to marina, including limited meeting space; surface parking; landscaping; bayside public promenade; realignment of traffic circle and roadway</u>	23	T	Y	2014-2016

P- Port District	N- No
T- Tenant	Y- Yes

Draft

RESOLUTION 2014-53

**RESOLUTION APPROVING PORT MASTER PLAN
AMENDMENT AND DIRECTING FILING WITH THE
CALIFORNIA COASTAL COMMISSION FOR
CERTIFICATION**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the District has a certified Port Master Plan, which was prepared, adopted and certified pursuant to the Port District Act, the California Coastal Act and other applicable laws; and

WHEREAS, Sunroad Marina Partners, LP (Sunroad) currently has a 50-year lease with the District for a 600-slip marina at 955 Harbor Island Drive, in the City of San Diego, on east Harbor Island (Existing Leasehold) that will expire in 2037; and

WHEREAS, on June 14, 2011, the Board of Port Commissioners (Board) granted an option to lease agreement with Sunroad for a new 55-year lease located on the Existing Leasehold site for development of a 175-room, four-story limited service hotel with ancillary meeting and fitness space, common areas, an exterior pool, and surface parking (Sunroad Hotel Project) and the Sunroad Hotel Project would remove 111 parking spaces, an existing locker building and some parking, with the existing marina offices to remain; and

WHEREAS, the existing certified Port Master Plan allows for commercial recreational use at the Sunroad Hotel Project site and allows for a hotel of up to 500 rooms on the westernmost parcel of East Harbor Island (located west of the Sunroad Hotel Project site), which is currently used for temporary rental car parking and was formerly used by the San Diego International Airport for employee parking; and

WHEREAS, a Port Master Plan amendment is required for the Sunroad Hotel Project to be developed; and

WHEREAS, the proposed Port Master Plan amendment (Port Master Plan Amendment) includes, among other things, revisions to the precise plan text and maps, land use acreage tables, and project list for Planning District 2 and more specifically, the proposed Port Master Plan Amendment revises the precise plan text to (a) allow for development of two or three hotels on East Harbor Island, including the Sunroad Hotel Project, with a combined total of not more than 500



rooms, rather than a single 500-room hotel, (b) include the proposed road and traffic circle realignment, (c) revise the Project List to add the Sunroad Hotel Project and the other up to two hotels, and (d) revise land use acreage table to reflect proposed changes to the commercial recreation, promenade, open space (traffic circle), and street land use designations; and

WHEREAS, proposed Port Master Plan Amendment has been prepared and processed in accordance with the Port Act, Coastal Act and other applicable laws; and

WHEREAS, the Sunroad Hotel Project and proposed Port Master Plan Amendment are collectively referred to as the "Project"; and

WHEREAS, Sunroad is the applicant for the Sunroad Hotel Project; and

WHEREAS, a Revised Final Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA), CEQA Guidelines, and District procedures relative to the Project, has been prepared and certified and its contents considered.

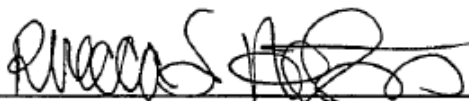
NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Port Master Plan Amendment pertaining to the Sunroad Hotel Project, on file in the office of the District Clerk as Document No. 61419 is approved, that the Executive Director or his designated representative is hereby authorized and directed to transmit said Port Master Plan Amendment, together with all relevant factual information, the certified Revised Final Environmental Impact Report, and the Coastal Act consistency analysis to the California Coastal Commission for its review, approval and certification pursuant to Public Resources Code Section 30714 and that the Executive Director or his designated representative is hereby authorized to amend the Port Master Plan application prior to the California Coastal Commission's certification; provided, however, that the Port Master Plan Amendment, as certified by the California Coastal Commission, shall be presented to the Board of Port Commissioner's for its final approval at a subsequent date.

BE IT FURTHER RESOLVED, consistent with Public Resources Code Sections 30714 and 30716, and California Code of Regulations Title 14, Section 13632(e), the Port Master Plan Amendment shall not be effective until: (a) the California Coastal Commission certifies the Port Master Plan Amendment; (b) the Board adopts the Port Master Plan Amendment as certified by the California Coastal Commission; and (c) the California Coastal Commission has received notice of such Board action and accepts the same as consistent with its certification.


BE IT FURTHER RESOLVED, that the Port Master Plan Amendment shall not be effective unless and until an indemnity agreement, as approved by the Executive Director or his designated representative, is entered into by Sunroad and the District, which provides for Sunroad to indemnify the District for all attorneys' fees, costs and other expenses incurred by the District in the event of any third party legal challenge to the Final Environmental Impact Report or the Master Plan Amendment.

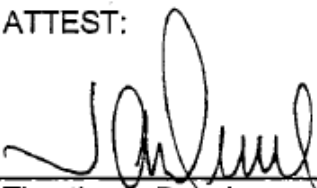
APPROVED AS TO FORM AND LEGALITY:
PORT ATTORNEY


By: ~~Assistant~~ Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 4th day of March, 2014, by the following vote:

- AYES: Bonelli, Malcolm, Merrifield, Moore, Nelson, and Valderrama
- NAYS: None.
- EXCUSED: None.
- ABSENT: None.
- ABSTAIN: Castellanos.


Robert E. Nelson, Chairman
Board of Port Commissioners

ATTEST:

Timothy A. Deuel
District Clerk

(Seal)