

CALIFORNIA COASTAL COMMISSION

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W10b

July 22, 1999

TO: Coastal Commissioners and Interested Parties

FROM: Susan Hansch, Chief Deputy Director
Jaime Kooser, Deputy Director
Alison Dettmer, Manager, Energy & Ocean Resources Unit
Moira McEnespy, Analyst, Energy & Ocean Resources Unit
Steve Monowitz, Analyst, Central Coast District Office

SUBJECT: Unocal Avila Beach Remediation Status Report

Staff Notes:

In a report dated April 22, 1999, (prepared for the May, 1999, Commission meeting), Coastal Commission staff provided a brief history of the Unocal Avila Beach oil spill; past Coastal Commission involvement, including permits issued for spill characterization, containment or remediation; current ongoing remediation activities; and future remediation activities and permitting requirements. This status report provides updates on the most recent activities.

Also note that Unocal's letter to Peter Douglas, dated July 14, 1999, (which Unocal handed to the Commissioners at the July meeting) responds to questions raised at the June meeting regarding Unocal's handling of claims and ownership of property in Avila.

ONGOING SITE ACTIVITIES, JULY 1999

To summarize major cleanup activities at Avila this past month:

Town Areas:

- Unocal is backfilling Cell 1B (western town); and
- Conducting asbestos abatement and testing for lead in preparing for cleanup in Cell 3 (eastern town).

Beach Areas:

- Unocal continues cleanup on the beach, moving from west to east;
 - Backfill of Cell 2A and a portion of Cell 2B; and
 - Excavation of a portion of Cell 2B and Cell 2C.

The project is proceeding fairly smoothly, and Unocal has worked to address the noise impacts:

Simultaneous demolition (seawall, sidewalk), excavation, and sheet pile driving elevate noise and vibration levels. Noise levels are relatively high in all areas with a line of sight view of sheet pile activities. Vibration propagation is higher in areas with harder subsurface soils, such as Cell 1B. Unocal's contractors have worked to reduce noise impacts by pre-drilling prior to installing sheet pile.

With respect to the Front Street Enhancement Plan:

The Front Street Enhancement Plan as incorporated in the Local Coastal Program provides guidelines for improvements along Front Street.

- The County Planning Commission approved Phase I on July 8, 1999, which involves replacing previously existing facilities such as the public bathrooms at the base of the pier and the beach access stairs west of the pier. Unocal will also rebuild the base of the pier, and establish an observation deck on the seaward side of Front Street at the end of San Miguel street (the set of bathrooms that previously existed at this location have been consolidated with the bathrooms at the base of the pier). At the request of Commission staff, the County incorporated a condition of approval that requires final engineering plans to be reviewed and approved by the Coastal Commission's Executive Director. This will ensure that the observation deck at the end of San Miguel Street, and the bulkhead proposed at the base of the pier, are engineered in a manner that appropriately addresses storm wave hazards and sand transport.
- "Phase II" of the project has been submitted to the County, and will address the replacement and improvement of beach access facilities on the west side of the pier. Also included in Phase II is a new access/seating area immediately west of the pier, the closure of a portion of Front Street to vehicular traffic to create a pedestrian plaza, and associated improvements to Front Street. Although this concept is proposed by the draft Specific Plan currently under review, it has yet to be incorporated into the LCP. Staff is working with the County and the applicant on how to best resolve this situation.

Other Issues

- The rebuilt pier design can accommodate the replacement of the Yacht Club building, and the County clean-up permit allows for its replacement at its previous location. The Yacht Club, Port San Luis Harbor District, Army Corps of Engineers, and others signed an agreement that

the Yacht Club building would be replaced in its pre-cleanup location in order to protect its historic value. There is, however, local controversy over its replacement location that has not yet been completely resolved.

With respect to the Specific Planning Process:

- The Central Coast District staff received the Public Review Draft of the Specific Plan and the Draft EIR, and provided comments on July 21, 1999. A copy of this comment letter is attached to this update.

With respect to Disbursement of the Settlement Agreement Monies:

- The Commission staff is working with the Department of Fish and Game's Office of Spill Prevention and Response ("OSPR") to disburse settlement monies held in trust by the OSPR per the MOU that was entered into by the CCC and the OSPR on September 16, 1998. Specifically, the staff has been working with the OSPR to develop a process to solicit, review, and rank specific project proposals. The process that has been discussed to date, which is subject to revision, is as follows:
 - In August, 1999, agencies with jurisdiction over the use of the settlement funds will develop one-page summaries of their application and review criteria (CCC and OSPR staff will coordinate).
 - In early October, 1999, the County will release a public mailer that explains the application and decision process, and includes the summaries;
 - In mid October, 1999, a public workshop will be held;
 - In mid November, 1999, application packets will be due;
 - The Commission staff will inform the Commission of the proposals received for review and comment as part of the monthly updates;
 - At a public workshop in February, 2000, agencies will present their initial rankings and draft restoration plan(s);
 - In March, 2000, agencies will review the public's reaction to the initial ranking/draft plan(s);
 - A subsequent public meeting may follow; and
 - Final projects and restoration plan(s) will be chosen.

CALIFORNIA COASTAL COMMISSION

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JUL 22 1999



July 21, 1999

CALIFORNIA
COASTAL COMMISSION

John Hand
San Luis Obispo County Department of Planning and Building
County Government Center
San Luis Obispo, CA 93408

Subject: ***Comments on the Public Review Draft Avila Beach Specific Plan and associated Draft EIR***

Dear Mr. Hand:

Thank you for the opportunity to comment on both the Avila Beach Specific Plan and associated environmental review. The Commission staff has enjoyed attending some of the community meetings that guided the development of this plan, and want to acknowledge the fine work that County staff, Supervisor Pinard, and the project consultants have done to encourage and respond to the various ideas, desires, and concerns expressed by members of the community and interested parties. The level of community interest and participation in this planning process, evidenced by the turnouts and lively discussions at the Community meetings we attended, has been truly impressive.

As you know, the Commission staff also has a keen interest in this plan, especially as it relates to the preservation of the unique character of Avila Beach that makes it a popular visitor destination; enhancing coastal access and recreation opportunities; and, protecting marine environment and visual resources. The following comments are intended to address the Specific Plan's relationship to these Coastal Act issues. As noted in the subject documents, and as we have previously discussed, the Specific Plan will need to be reviewed and approved by the Coastal Commission before it can be incorporated into the San Luis Obispo County Local Coastal Program (LCP). The plan's consistency with the Chapter 3 policies of the Coastal Act will be the standard of review applied by the Commission.

In general, the Commission staff supports the draft Specific Plan's approach to carrying out Coastal Act policies. For example, we agree with the Plan's proposal to establish specific design guidelines intended to maintain the "eclectic and funky" character of Avila Beach. We also appreciate the plan's effort to protect and encourage coastal access and recreation opportunities by providing and improving public parking facilities, enhancing pedestrian access to and along the beach, and expanding recreational areas.

Commission staff does, however, have some specific concerns regarding the plan's proposed expansion of areas where residential development can take place, and the impact this will have on visitor and recreation opportunities. We also question whether the draft Specific Plan provides for adequate parking and commercial facilities, particularly lower-cost overnight accommodations, needed to support existing and future coastal access and recreation demands. Other issues of concern to Commission staff include assuring that the overall community character of Avila will be protected and enhanced by the ultimate redesign of Front Street. Finally, the Commission staff would like to offer some suggestions for incorporating additional measures to protect coastal water quality and sensitive habitats within the specific plan, and requests that the exposure of new development to natural hazards, particularly

flooding, be addressed in more detail by the Final EIR. These comments and concerns are detailed below.

I. Land Use Designations and Development Standards

One of the most significant changes proposed by the draft Specific Plan, in comparison to the existing LCP, is the redesignation of Commercial Retail (CR) areas to Residential Multi-Family (RMF). Other existing land use designations that would also be converted to RMF include a portion of the Recreation (REC) designation along the railroad right-of way, and portions of the Public Facilities (PF) designation for "Earl's Alley" parking lot. In addition, the draft specific plan proposes to revise existing development standards for areas designated CR by allowing residential use as a "Principally Permitted" rather than a "conditional" use, and allowing residential use to occur on ground floor levels rather than being limited to second stories.

Coastal Act policies that apply to this proposal include: Section 30222, which states that "The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry"; and, Section 30223, which states that "Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible".

The Commission staff recognizes and supports the draft Specific Plan's attempt to protect and provide affordable housing opportunities in Avila Beach. We are concerned, however, that the proposed redesignation of CR areas to RMF, as well as opening up CR areas for residential purposes, will reduce the area available for visitor serving commercial developments that are needed to support coastal access and recreation opportunities.

The draft Specific Plan identifies that there is a high demand for visitor-serving commercial facilities in Avila Beach, and estimates that 70,000 square feet of retail commercial space, and a total of 272 hotel rooms, would be supportable. While it is stated on page 76 of the draft Specific Plan that 70,000 square feet of ground floor retail commercial space is provided by the Specific Plan, it is not clear exactly where and how this amount of retail will be realized or ensured, especially given the potential to utilize CR areas for residential purposes. We would like to underscore the importance that visitor-serving commercial facilities play in facilitating a wide variety of coastal recreation activities (e.g. surf shops, dive shops, swimwear shops, etc.). Thus, ensuring that there is adequate space and opportunity for such establishments will be an important component to protecting and enhancing coastal recreation opportunities.

Similarly, it is not clear that the Specific Plan will accommodate the estimated demand for 272 overnight accommodation units. The draft Plan assumes that only 80 to 90 such units are supportable in Avila Beach, based on the existence of 38 overnight units (32 at the Inn at Avila Beach and 6 at the San Luis Bay Inn), and the proposal to establish 147 units at the Port San Luis Harbor Terrace site. Commission staff notes that the Harbor Terrace development requires an amendment to the LCP, currently being processed, as well as subsequent Coastal Development Permit review and approval. We also note that the "lodge" type of development currently proposed at the Harbor Terrace site differs from, and may attract a different clientele, than the beach-oriented type of overnight accommodations that could be provided within Avila Beach.

Even with this estimate, only 56 overnight lodging units, to be located on the second floor of developments along Front street, are identified in the Conceptual Plan Development Summary on page 76 of the draft Specific Plan. And there is no assurance that these 56 overnight units will actually be provided, given the allowable option of locating residential uses, rather than visitor-serving accommodations, above Front Street commercial uses.

To resolve these issues, the Commission staff requests that the Specific Plan/EIR provide a more detailed assessment of the current and future demand for visitor-serving commercial facilities, particularly lower-cost visitor-serving accommodations¹, within the Avila Beach Planning area. In accordance with Coastal Act Section 30222, the Specific Plan should set aside specific area(s) to meet this demand, and include standards to ensure that residential development will not interfere with the ability to meet these needs. Based on the additional direction provided by Coastal Act Section 30221², we recommend that visitor-serving commercial facilities, particularly overnight accommodations, be given priority over residential use within second floor areas above Front Street retail commercial uses.

With respect to the REC area along the railroad right-of-way, we are concerned that the proposed redesignation to RMF could prejudice opportunities to utilize this corridor to enhance coastal access and recreation opportunities. For example, in recognition of the potentially significant adverse environmental impacts associated with the bicycle path extension proposed under the bridge crossing of San Luis Obispo Creek, it seems appropriate to considering the option of locating the bike path entrance into town along the existing railroad right-of-way. This is particularly true in the area near the traffic signal proposed at the intersection of Avila Beach Drive and San Francisco Street, which would provide a safe place for bicyclists to cross Avila Beach Drive. In addition, the traffic problems encountered along Avila Beach Drive during a typical summer weekend may warrant the consideration of, or, at a minimum, preserving future opportunities for, the establishment of rail or trolley service to Avila Beach along this right of way.

In the case of the portion of the PF area which is currently part of the Earl's Alley Parking Lot and proposed to be redesignated to RMF, we are concerned that this may diminish the ability to provide for adequate parking facilities needed to support coastal access and recreation, as discussed in detail below

Notwithstanding the above comments and suggestions, the Commission staff places a high priority on preserving the unique characteristics of the Avila Beach area that make it a popular visitor destination, pursuant to Coastal Act Section 30253(e)³. Thus, if the County or its consultants find that the above recommendations conflict with the character of Avila Beach, we are open to alternative means of addressing visitor serving needs and facilities. Similarly, to the degree that these comments may affect the Specific Plan's objectives with respect to the

¹ Coastal Act Section 30213 states in part: "Lower cost visitor and recreational facilities shall be protected, encouraged, and where feasible, provided. ..."

² Coastal Act Section 30221 states: "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 adequately provided for in the area."

³ Coastal Act Section 30253(e) requires that, where appropriate, new development shall "protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses."

provision of affordable housing, we request that alternative locations for such housing within the Avila Beach planning area be considered.

II. Parking and Circulation

The draft Specific Plan has done an admirable job of not only preserving, but increasing the pre-remediation number of public parking spaces available for coastal access and recreation. As noted on page 86 of the draft Specific Plan, the pre-existing supply of 935 parking spaces (not including the hillside residential area) will be increased to 952 spaces by the Specific Plan. Another important component of the plan, as stated on page 87, is that on-street parking in residential neighborhoods not included in the above parking count would continue to be uncontrolled so that beach-goers and tourists could still park on residential streets.

Although the public parking provided by the draft Specific Plan represents an improvement upon the existing parking situation, the plan identifies on page 86 that there will be a deficit of approximately 46 spaces in meeting beach user parking demand. This estimated deficit is based on what appears to be an optimistic assumption that 3.35 persons will be contained in each car. It also seems reasonable to expect that demand for parking spaces will increase beyond what is estimated in the draft Specific Plan as Avila Beach redevelops and other activities, in addition to beach recreation, become available.

Other parking revisions proposed by the specific plan include eliminating existing on-site parking requirements for retail and restaurant uses; establishing an in-lieu parking fee program under which retail and restaurant uses would help provide and manage the shared parking supply; and, reducing the amount of on-site parking required for multi-family residential uses. The elimination of on-site parking requirements for retail and restaurant uses is based on the fact that most patrons of these businesses are beach users, and that parking for dinner restaurants is readily available since most beach goers have vacated by late afternoon. The reduction in parking requirements for multi-family residential development is based on a low number of persons per household rate according to figures obtained in 1997 and from the 1990 Census.

While Commission staff supports the parking improvements proposed by the Specific Plan, and is in general agreement with the approach being applied with respect to retail and restaurant parking requirements, we are concerned about the overall deficit in meeting current and future parking demands. At the same time, we recognize that it would not be desirable or appropriate to designate significant amounts of Avila's limited space for parking uses that are needed only periodically. In an attempt to balance these competing interests, we suggest that further consideration be given to applying the proposed in-lieu fee towards the provision of additional parking spaces or alternative means of facilitating access to the beach and Front Street Commercial district, rather than towards maintaining existing parking supplies. Such alternatives may include, but not be limited to, a remote parking lot/shuttle program, and/or other public transportation improvements such as bus service or train or trolley service along the abandoned railway route. It is essential that the Specific Plan/EIR include a much more defined in-lieu fee program, and a more detailed assessment of its ability to meet parking demands, before it can be determined to be consistent with Coastal Act requirements. It is also essential that such a program be approved and operational before it is relied upon as a means of ensuring adequate parking facilities.

We are also concerned about the proposed reduction in on-site parking requirements for multi-family residential development, especially in light of the proposed expansion in areas available

for such development and the reduction in number of spaces available along Front Street, where Avila Beach residents are less likely to park. It does not appear that the low person per household rates cited in the draft Specific Plan take into account the seasonal increase in this rate we would expect to occur during summer months and weekends, when parking spaces are in greatest demand. Thus, more analysis of the affect of this change on parking necessary to serve coastal access and recreation is warranted.

With respect to circulation, the draft Specific Plan appears to provide some valuable improvements that will not only improve safety, but enhance coastal access and recreation. While the Commission staff is generally supportive of these changes, we have some specific comments and questions regarding a few of them:

- Extension of San Francisco Street and Second Street to Avila Beach Drive: this creates a three-way intersection at Avila Beach Drive that should be reviewed by traffic engineers in terms of safety and function.
- Pedestrian walkway from parking lot to base of pier: how will this right-of-way be acquired?
- Bicycle path terminus: as previously noted, use of the existing railroad right of way, after crossing Avila Beach Drive at San Francisco, should be considered. This would avoid impacts to creek and wetland habitats associated with an "under the bridge" crossing, and may be preferable to routing bicyclists down San Francisco Street, which may be congested with cars entering and leaving the parking lot.

Perhaps the most significant circulation change is the proposed closure of a portion of Front Street, between San Francisco and San Miguel Street at the base of the pier. The Commission staff is supportive of this concept in that it would enhance coastal access and recreation by preventing pedestrian/automobile conflicts in this busy section of town, and, more importantly, provide an open space area for people to enjoy the scenery and activity of Avila Beach. It appears that the draft Specific Plan has appropriately addressed the public parking loss associated with this closure by providing additional replacement spaces nearby. We also like the "drop off zones" at the seaward end of San Francisco and San Miguel Streets, so that those who might have more difficulty walking longer distances to the beach still have convenient access.

Notwithstanding our general support for this street closure concept, we recognize, from our attendance at Community meetings, that this proposal has caused some concern regarding the overall effect it will have on the character of Avila Beach. Although a majority of the participants in the Community meetings apparently were in favor of this street closure, there were also concerns expressed that it is not consistent with the pre-remediation character of Avila Beach, and that it would turn Avila into more of a "boutique" or "mall" type atmosphere. Given these concerns, it might be appropriate to consider a broader range of alternatives, and then compare their various effects on the overall town character unique to Avila. One alternative appropriate for such consideration would be a design that allows for temporary closures of this section of Front Street, such as during weekends and summer months, but also allows for limited vehicle access and parking during off-season periods.

III. Sensitive Habitats, Scenic Resources, and Water Quality

While the Specific Plan deals primarily with urban types of redevelopment issues, there are some important connections to, and opportunities for, the protection of sensitive habitats, visual resources, and water quality. Clearly, preserving the scenic and natural environment, and the opportunity to enjoy clean ocean water, are important components to the success of Avila Beach redevelopment.

In terms of terrestrial habitats, the primary considerations appear to be the woodland areas parallel to Avila Beach Drive, and the undisturbed portions of the hillside area previously used for oil storage (i.e., the "tank farm"). The draft Specific Plan proposes to preserve a portion of the woodland areas along Avila Beach Drive as open space, which would appear to have a beneficial effect towards habitat and scenic resource protection. However, the draft specific plan proposes new single and/or multi-family residential development along this corridor past San Miguel Street; the impact of such development on visual and biological resources (if any) should be identified and evaluated by the Specific Plan/EIR, and appropriately factored into the Plan's design.

With respect to the tank farm, the Specific Plan proposes recreational uses, consisting of a small, clustered, conference center in a natural setting with trails and open space. As part of such development, the site would be regraded to a more natural topography, and planted with native drought-tolerant vegetation. The draft specific plan states on page 61 that any existing vegetation on the site should be retained. This should apply to native vegetation only; revegetation of the area should include provisions to remove and control any non-native invasive species that could hinder revegetation efforts. The Commission staff is supportive of the proposed use of the site, recognizing that more detailed environmental and visual analyses will be required at such a time that a development is proposed. We also support the concept of providing a through pedestrian and bicycle link to Cave Landing Road through the site.

A potentially significant biological impact posed by the draft Specific Plan, of concern to Commission staff, is the construction of a bike path underneath the San Luis Creekbridge. As noted by the draft EIR, this could disturb habitats for sensitive species and impact wetlands. The draft EIR does not, however, elaborate on the specific impacts to sensitive habitats and species posed by bike path construction, or identify the quantity or quality of the wetland habitat that would be impacted. The Coastal Act has stringent regulations prohibiting the fill of wetlands, and requiring the protection of sensitive habitats. There also appear to be feasible alternatives that would avoid such impacts, as discussed above. Thus, a more detailed assessment and mitigation program needs to be developed before we can support this component of the draft Specific Plan.

In terms of beach and intertidal habitat, we did not find a reference in either the draft Specific Plan or Draft EIR to the fact that grunion spawn on this beach. Potential impacts posed by the draft Specific Plan with respect this resource should be evaluated in the final EIR, and would include the proposed lighting of the beach at the base of the seawall.

Finally, with regard to water quality, we would like to encourage the Specific Plan and redevelopment process to take full advantage of the opportunity to re-evaluate existing stormwater drainage infrastructure, and implement, where feasible, Best Management Practices and pollution control devices (e.g., oil/water separators) wherever feasible. Along these lines, we encourage the Specific Plan to pursue opportunities to collect and manage stormwater in a

manner that prevents direct discharges to the marine and beach environment, and allows for filtration, detention, and/or treatment of stormwater runoff before it is discharged to the beach or surface water bodies. Significant cost savings might be realized by implementing area treatment strategies and facilities. The current situation offers a unique opportunity for the town of Avila Beach in this regard. Commission staff may be able to assist the County and its consultants in responding to these suggestions; please do not hesitate to ask.

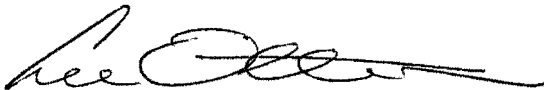
IV. Hazards

The draft Specific Plan identifies that portions of the planning area are within the flood plain of San Luis Obispo Creek. Based on the existing configuration and infrastructure of the town, avoiding development in this area appears to be infeasible. As a result, the Draft EIR suggests on page 100 that development located within the flood plain be "constructed one foot above the flood plain". We assume that this means that development would be located at least one foot above the 100-year flood elevation. In our opinion, the Specific Plan and EIR would benefit from a more detailed discussion of this issue that identifies what this elevation is, and what other considerations will need to be incorporated into foundation/construction designs, to ensure that the new development will not be subjected to flooding hazards.

In closing, I would like to reiterate the Commission staff's general support of the draft Specific Plan and our appreciation of all the hard work by the Community, the County, and its consultants that went into this plan. The Commission staff is committed to working with the County and the interested parties so that the plan can be incorporated into the San Luis Obispo County LCP in an efficient manner, and the town of Avila can move forward with redevelopment as soon as possible. Towards this end, we hope that these comments will help identify and resolve the Coastal Act issues and standards with which the plan must comply.

Of course, we trust that you recognize that this response represents the current state of our review; when and if further issues arise, we will make certain to communicate them to you. If you have any questions, or would like to discuss these comments further, please contact staff analyst Steve Monowitz at (831) 427-4863. Steve is also available to assist in the development and pursuit of best management practices for the control of polluted runoff as part of the Specific Plan, should such assistance be desired. Thank you again for the opportunity to comment and participate in this important planning process.

Sincerely,



Lee Otter
District Chief Planner
Central Coast District Office

cc: Supervisor Peg Pinard
Jay Elder, Port San Luis Harbor District
CCC Energy and Ocean Resources Unit

