

CALIFORNIA COASTAL COMMISSION

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January 24, 2001

To: Commissioners and Interested Persons

From: Tami Grove, Central Coast Deputy Director
Charles Lester, District Manager
Mike Watson, Coastal Program Analyst

Subject: **City of Morro Bay Local Coastal Program Major Amendment Number 1-99 Revised Findings & Time Extension.** For public hearing and Commission action at its meeting of February 15, 2001 at Embassy Suites, 333 Madonna Rd., San Luis Obispo.

STAFF NOTE:

At the Commission's meeting on March 16, 2000, the Commission opened the public hearing, took testimony and voted 8 to 0 (Vice-chair Potter, Commissioners Daniels, Desser, Detloff, McClain-Hill, Orr, Reilly, and Wooley) to continue the item. The Commission also requested that staff provide proposed modifications that would allow for approval of the proposed land use changes consistent with the Coastal Act. Although the Commission did not direct staff to change the staff recommendation, it did request that staff address issues relative to future residential development on the interior parcel and future use of the blufftop parcel, including management of polluted runoff from the proposed residential development and protection of open space and views from the bluff. Staff has addressed these issues in the suggested modifications found in Appendix A. At the Commission's May 11, 2000 meeting, the Commission acted on the City's LCP Amendment and voted 10-0 to approve the amendment with modifications. At that time staff did not have available findings to support the modifications; therefore, it is necessary to return to the Commission with the appropriate findings. Morro Bay also needs sufficient time in which to consider adopting these modifications, thus necessitating an extension of the normal six month time limit.

Eligible Commissioner's to vote are Dettloff, Estolano, Hart, Kruer, Orr, Potter, Reilly, Woolley, and Wan.

Synopsis

The City of Morro Bay has submitted a Local Coastal Program amendment request to revise the existing, certified land use designation and zoning on two adjacent parcels located in the west-central part of the City from visitor serving and mixed visitor serving/residential to residential. Staff ~~is had recommending~~ recommended that the LCP amendment request be denied.



California Coastal Commission
February 15, 2001 Meeting in San Luis Obispo

Staff: M. Watson, Approved by: Charles Lester *CL*

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The parcels proposed for redesignation, which together total approximately 4.5 acres, are bounded on the east by Main Street, on the south by Olive Street, on the west by the Embarcadero, and on the north by South Street (see Exhibit 3). The smaller parcel, about 1.55 acres, lies between Morro Avenue and the bluff overlooking the Embarcadero. The larger parcel, about 2.95 acres, lies to the east between Morro Avenue and Main Street. The larger parcel has a house on it. The smaller parcel is vacant. Both parcels are vegetated with iceplant and non-native grass. A small grove of Eucalyptus trees grows on the north-central part of the larger parcel.

Residential development lies across Main Street to the east of the site, across South Street to the north of the site, and across Olive Street to the south of the site. To the west is the southern end of the Embarcadero, which is a waterfront visitor-serving areas of the City.

In support of its amendment request, the City has provided economic information analyzing the amount of land in the City that is available for visitor serving uses. The information supplied by the City argues that there are sufficient lands available for visitor serving uses for at least the next 25-50 years, based on economic projections, historical visitor serving developments and the types of visitor serving uses that could be sustained in Morro Bay. Environmental information supplied by the City indicates that the Eucalyptus trees on the site provide autumnal roosting habitat for Monarch butterflies, but that the site currently is not suitable for over-wintering on Monarchs.

It should be noted that the proponent of the amendment, who wishes to create residential development on the site, has agreed to the blufftop parcel being designated and zoned as open space if the interior parcel is redesignated and rezoned for residential uses only. This is reflected in concept plans supplied to both the City and Commission staff. Additionally, City staff has indicated that the City would not oppose such a redesignation and rezoning of the blufftop parcel. Having the blufftop parcel in open space would guarantee views are protected and that the Eucalyptus habitat on the bluff parcel is enhanced, although Monarch habitat on the interior parcel may be adversely impacted.

~~Although the~~ The City has supplied an economic analysis that provides some basis for allowing the rezoning, although the question of meeting future visitor-serving land use demand is not easily quantified. ~~In other words, There are a number of qualitative assessments that must be made in order to evaluate this question, including In light of this, staff is recommending that the proposed rezoning and land use redesignation are not consistent with the Coastal Act policies that protect and provide for visitor serving development in the coastal zone. In particular, the size of the site: (1) is large, relative to other possible visitor-serving sites in the City of Morro Bay; and (the site is one of two large sites along the shoreline currently zoned for visitor-serving commercial development); (2) provides a unique the location along the shoreline with excellent relative to coastal views over the estuary to the sand spit separating the estuary from the ocean and to Morro Rock; (3) is directly adjacent to an improved the proximity of accessways to the Embarcadero, Tidelands Park, and the public boat launch; and (4) is only four to six blocks from proximity to both the central Embarcadero, where the majority of waterfront attractions are located, and from the City's downtown core. In addition, although the analysis submitted by the City makes quantitative~~



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~~economic projections concerning future demand for new visitor serving development in Morro Bay to support the redesignation proposal, these projections do not meet the level of analytic certainty required to justify a redesignation of these parcels from the high priority use of visitor serving commercial to a residential use. Staff recommends, therefore, that existing designations for the Caratan/Colmer parcels remain, and that the LCP amendment be denied.~~



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I. STAFF RECOMMENDATION

Staff recommends that the Commission, after public hearing, approved the revised findings and authorize a six month time extension for Morro Bay to act on the modifications.

A. Adoption of Revised Findings

MOTION: I move that the Commission adopt the revised findings in support of the Commission's action on May 11, 2000 approving with suggested modification Major Amendment #1-99 to the City of Morro Bay Local Coastal Program and that the Commission adopt the following resolution:

STAFF RECOMMENDATION: Staff recommends a YES vote on the motion which will result in the adoption of revised finding and resolution.

RESOLUTION: The Commission hereby adopts the findings set forth below for approval with suggested modification of Major Amendment #1-99 to the City of Morro Bay Local Coastal Program on that grounds that the findings support the Commission's decision made on May 11, 2000 and accurately reflect reasons for it. An affirmative vote by a majority of the Commissioners eligible to vote and present is required to pass the motion.

B. Time Limit Extension

MOTION: I move that the Commission grant a six-month time extension for Morro Bay to accept the modifications to Amendment #1-99.

STAFF RECOMMENDATION: Staff recommends a YES vote the effect of which will result in the adoption of the following resolution and extension of the six months time period. An affirmative vote by a majority of the Commissioners present is required to pass the motion.

RESOLUTION: The Commission hereby grants under Coastal Act Section 30517, a six-month extension of the November 11, 2000 expiration date of its certification with modifications of the Morro Bay LCP Amendment 1-99, on the grounds that good cause exists for a limited time extension.



II. RECOMMENDED REVISED FINDINGS

The following revised findings for denial and then approval with modifications are shown as changes from the staff report for May 11, 2000 in ~~strikeout~~ and underline text and are recommended for adoption.

A. *Description*

The City of Morro Bay has submitted a Local Coastal Program amendment request to revise the existing, certified land use designation and zoning on two adjacent parcels ("Caratan/Colmer site") located in the west-central part of the City from visitor serving and mixed visitor serving/residential to residential. The parcels, which together total approximately 4.5 acres, are bounded on the east by Main Street, on the south by Olive Street, on the west by the Embarcadero, and on the north by South Street (see Exhibit 3). The smaller parcel, about 1.55 acres, lies between Morro Avenue and the bluff overlooking the Embarcadero. The larger parcel, about 2.95 acres, lies to the east between Morro Avenue and Main Street. The larger parcel has a house on it. The smaller parcel is vacant. Both parcels are vegetated with iceplant and non-native grass. A small grove of Eucalyptus trees grows on the north-central part of the larger parcel.

Residential development lies across Main Street to the east of the site, across South Street to the north of the site, and across Olive Street to the south of the site. To the west is the southern end of the Embarcadero, which is a waterfront visitor-serving area of the City.

B. *Background*

Prior to incorporation of the City of Morro Bay on July 17, 1964, the Caratan/Colmer site was residentially zoned, R-3, according to the County Zoning Ordinance. In 1966 the site was rezoned to R-3-D, and in 1967 to R-4. Upon certification of the City's LCP in 1982, the zoning of the site was changed to Visitor Serving Commercial (C-VS) on the easterly half of the interior parcel along Main Street, and Visitor Serving Commercial/Medium Density Residential (C-VS/R-2) on the westerly half of the interior parcel and on almost all of the bluff parcel, except for the toe of the bluff parcel, which is zoned Open Area 2 (OA-2). That is the current zoning on the property (see Exhibit 5). According to section 17.40.070B of the Zoning Ordinance, the mixed C-VS/R-2 zoning allows residential use only as a secondary use, on the upper floor and/or occupying less than 50 percent of the site area; the commercial use (here visitor serving) is the dominant use. The land use designation is C-VS, Mixed Use Area "A" on the easterly half of the interior parcel, Residential Medium Density on the westerly half of the interior parcel and most of the blufftop parcel, and Open Space Recreation on the toe of the bluff (see Exhibit A).

If there is a conflict between the mapped zoning and the mapped land use designation, as here, the land use designation takes precedence. In this case, that would imply that residential uses would be expected on the top of the bluff parcel and the westerly half of the interior parcel. However, two Land Use Plan policies (2.03 and 7.06) refer to this area as a mixed commercial fishing and visitor serving recreational area. This is consistent with the zoning designations. With such conflicts, the Land Use Plan *text* takes precedence over the map, so that the expected land uses on the westerly half of the interior parcel and the top of the bluff parcel would be mixed commercial fishing and visitor serving recreational.



Subsequent to certification of the LCP, a proposal for a hotel/conference center on the site was denied by the City Council on November 12, 1985. The Council found that the scale and type of the project would have been out of character with the neighborhood, would have created unacceptable levels of traffic and noise, would have necessitated abandoning a portion of Morro Avenue, and that there was no identified need for the new hotel/motel rooms. That project would have consisted of a 4350 square foot community conference center, a 184 room hotel, four cottages, a 2700 square foot restaurant, a 1300 square foot lounge and bar, an 800 square foot coffee shop, and 1200 square feet of retail space.

No other proposals for site development have been formally considered by the City since the 1985 denial of the hotel/conference center. A post office and a commercial development on the site were discussed subsequent to 1985, but apparently community sentiment was not favorable. Neither of these potential projects was ever subject to a public hearing.

C. Visitor Serving Lands

The Coastal Act places a high priority on providing for visitor-serving and recreational land uses in the coastal zone. This is particularly true for oceanfront land.

Coastal Act Section 30213. Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

Section 30221. Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Section 30222. The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Section 30250. (a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

The City has a fairly large amount of visitor serving lands. Land designated and zoned Visitor-Serving Commercial (C-VS) in the City of Morro Bay is concentrated in the area known generally



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as the Embarcadero. There are five other areas in the City that are zoned C-VS, but none has as great an intensity or as great a diversity of visitor-serving uses as does the Embarcadero area. The existing visitor serving uses in the Embarcadero area include restaurants, motels, fishing gear sales and rentals, sportfishing charters, kayak rentals, a small aquarium, a recreational vehicle park, and miscellaneous retail shops. The other visitor-serving areas (and the existing uses there) include South Bay Boulevard/Quintana Road (recreational vehicle/travel trailer park), The Inn at Morro Bay (hotel), Highways 1 and 41 (restaurant, travel trailer parks, gas station, liquor store), West Atascadero Road (motel, arcade, roller skating rink), and Bonita Street (apartments, recreational vehicle/trailer park) (see Exhibit 6).

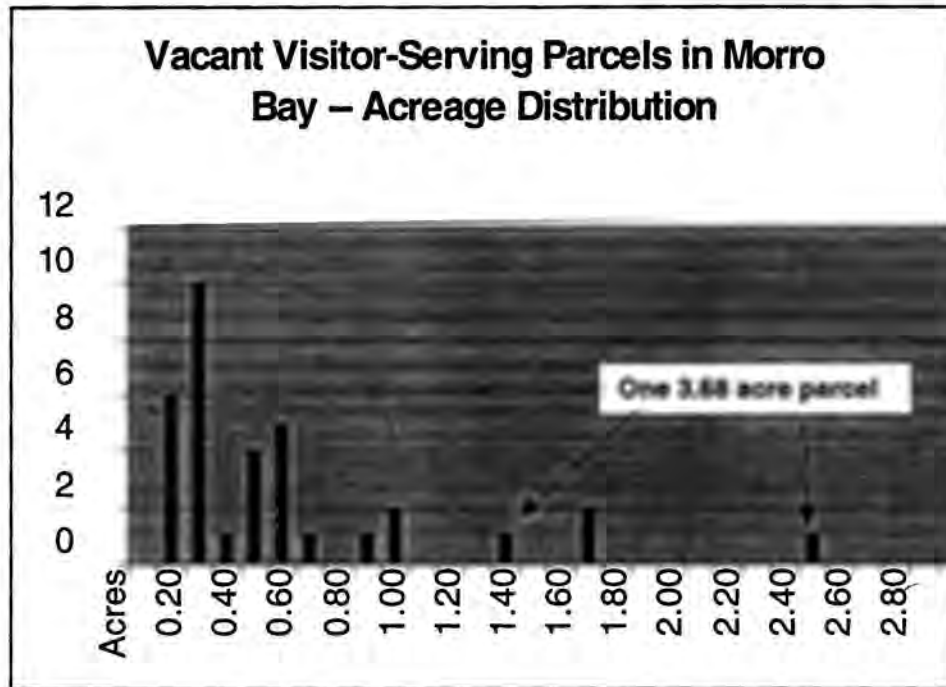
In addition to the C-VS zone district, most visitor-serving uses are also allowed in the Central Business (C-1) Zone District. Also, the base zoning district notwithstanding, visitor-serving commercial and recreation uses may be permitted in the area labeled "the Embarcadero" in the Coastal Land Use Plan/Coastal Element. That area is defined as the area between Beach Street on the north, Olive Street on the south, Main Street on the east and the waterfront on the west. This includes the Caratan/Colmer property and all of the land for eight blocks to the north and ranging from two to four blocks in width (please see Exhibit 7). LUP Policies 2.03 and 7.06A also refer to this area as one that "shall be considered a mixed commercial fishing and visitor-serving recreational" area. This area is currently developed with a variety of land uses including residential, office, general commercial, and visitor-serving commercial (hotel, motel, restaurant).

According to information submitted by the City in the *Visitor Serving Commercial (C-VS) Land Use Study*, there are almost 71 acres of land zoned Visitor-Serving Commercial (C-VS), with almost 16 acres currently vacant. The subject property constitutes about 6 percent of the C-VS zoned land in the City and about 27 percent of the vacant C-VS land in the City (please see Exhibit 8). The study, though, indicates that there is only one other C-VS site of similar size to the Caratan/Colmer site. That is a 3.68 acre site composed of two parcels near the high school on West Atascadero Road/Hwy 41 (please see Exhibits 6 & 9). That site is right at the inland edge of the sand dunes. Although any visitor-serving development there could provide excellent access to the beach and could have attractive views of the dunes and Morro Rock, the site is also directly across Atascadero Road from the wastewater treatment plant and the City's corporation yard. In addition, the site is farther from the central Embarcadero (about one mile) than is the Caratan/Colmer site.

As shown in the figure below, the remaining 32 vacant C-VS parcels in the City of Morro Bay are quite small, with 21 of the 32 being less than 0.5 acres. These 32 parcels total 10.67 acres; the average size is 0.33 acres.



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There is one much larger site in the City on which there has been speculation about visitor-serving development. That is the Tri-W site near the southeast end of Morro Bay Boulevard (see Exhibit 6). The 13 acre Tri-W site is located about one mile from the Embarcadero at one of the farthest points in the City from the waterfront and beaches. Litigation in 1993 resulted in a court order requiring the City to withdraw a request to rezone the Tri-W property to include areas zoned C-VS. Instead the Tri-W site was zoned C-1, which normally does allow most visitor serving uses. However, it is not clear if the court order meant only that none of the property could be zoned C-VS or that no visitor serving uses were allowed on the site, even under the C-1 zoning. Regardless, the Tri-W site would not provide a high quality visitor-serving location compared to the Caratan/Colmer site.

In addition to these areas, the City has noted that there are a number of other visitor-serving areas in the vicinity of Morro Bay that provide for adequate visitor-serving land uses. These include Montaña de Oro State Park south of the City, Morro Bay State Park in the southern part of the City, and Morro Strand State Beach in the northern park of the City.

A report evaluating the development potential for visitor-serving uses on the Caratan/Colmer site was prepared at the request of Commission staff (please see Exhibit 10 for the Executive Summary). The report investigated the visitor-serving retail market and the lodging market in Morro Bay as well as the suitability of the site for various kinds of visitor-serving developments, including hotel and conference center, moderately priced motel with retail, boutique hotel, recreational vehicle park, visitor attraction with support retail, and a parking lot for visitors to the Embarcadero. The report concluded that market demand for visitor serving retail space during the next 15 years would be 0.45 acres and that the market demand for lodging during the next 15 years



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would range from 0.4 to 3.37 acres (with a 30 year demand for 4.1 acres). The report also concluded that the Caratan/Colmer site is not suitable for any of the potential visitor-serving uses investigated.

While the report analyzes various economic data, it does not meet the level of analytic certainty required to justify a redesignation of the Caratan/Colmer site from the high priority use of visitor-serving commercial to a residential use. First, the economic projections used to support the finding that the site is not necessary for future visitor-serving development are not convincing. For example, the study acknowledges that there is insufficient hotel/motel occupancy rate data to project long-term future demand greater than fifteen years, even while the same data is sufficient, apparently, to project the 15 year demand:

As shown on Table 11, occupied room-nights have grown from 156,000 in 1993 to 177,000 in 1998, an increase of 2.6 percent per year for the period. Currently, Morro Bay has sufficient supply to host 328,135 potential room-nights (899 rooms occupied 365 days a year).

As indicated previously, 60 to 65 percent or more annual average occupancy is considered a breakeven point for an individual lodging establishment, and a lodging market is considered ready for new development when overall occupancy rates reach 65 to 70 percent. Using these assumptions, when the overall market reaches approximately 213,000 to 230,000 room-nights per year, additional hotel rooms could be supported. In the next 15 years, assuming a growth rate of 2.6 percent per year (based on historical room-night occupancy trends), the Morro Bay hotel/motel market will demand a total of 260,000 room-nights. This will create market support for approximately 30,000 to 46,000 more room-nights translating into additional market support for development of 117 to 195 potential rooms. Given that occupancy data is available for only six years and includes an economic downturn and recovery (and therefore may not be representative of long term growth), there is not sufficient quality data to use this method of estimates of 30 year demand (p.30).

The study goes on to use the 15 year projection, as well as a 30 year projection based on 10 years of motel revenue trends, to calculate the necessary acreage to provide for 23-195 rooms. This ranges from 0.4 to 3.37 acres (assuming 750 sq. feet per hotel room).

In addition to the fundamental uncertainty of the projection analysis, the study also provides somewhat contrary evidence that the visitor-serving economy in the City of Morro Bay is strong, which supports a finding to preserve a site such as Caratan/Colmer for future visitor-serving development. For example, the study cites the 1998 Economic Outlook for San Luis Obispo County, prepared by UCSB, which shows a 2.6 percent increase in visitors to SLO County from 1996 to 1997. Visitor expenditures in 1997 were up 7.2 percent from 1996. According the City's report, the UCSB report concludes that "the outlook for the tourism industry in the County is considered favorable . . . (p. 7)."



Specific to Morro Bay, the study documents that occupancy rates for retail space on the central Embarcadero is high – approximately 90-95 percent. The report concludes that “[b]ased on estimates of total retail square footage for [the Waterfront District], the District appears to be relatively healthy, grossing approximately \$175 to \$200 per square foot of retail space (p. 15).” The report also documents strong growth in overall visitor-serving spending in SLO County of approximately 0.7 percent annually. More significantly, the study documents an *annual* increase in hotel receipts in the City of 3.4% from 1993/94 to 1998/99; and a 14.2% increase in vacation rental receipts for the same period. Not surprisingly, the report cites interviews with two rental agencies in Morro Bay that indicated that vacation rental demand has been strong in the past several years, and that “an expanded supply of these units would be marketable” (p. 26).

According to information supplied by the City, most visitor-serving development is taking place or is proposed to take place in the central Embarcadero area where there are several vacant parcels and developed parcels that are proposed to be redeveloped.

A number of new visitor-serving developments have been built or are being planned recently as well, which also suggests that demand for visitor-serving development is strong. For example, the Ascot Inn and Suites, which has 31 rooms, opened in 1998. The City also recently received a development application for 10 new rooms at the site of the Harbor View Motel. The report also cites a proposed development of 80 hotel rooms along the Embarcadero, which is in the early conceptual stages of planning (Anthony’s Restaurant site). In short, recent and pending development proposals would suggest a strong market for new visitor-serving development.

In terms of planning and providing for visitor-serving development on a County-wide basis, section 30250 of the Coastal Act directs new visitor-serving development towards existing urbanized areas. Thus, in contrast to the rural areas of the San Luis Obispo County coastal zone, it is important to acknowledge that the Caratan/Colmer site is a logical urban location and important option for new visitor-serving development within the context of future *regional* demand for visitor-serving development sites.

Another difficulty with the quantitative analysis of the report analyzing future visitor-serving demand is that it diminishes the qualitative significance of the particular site through the aggregation of economic and acreage data. Thus, the comparison of the projection of a certain total acreage demand into the future with the total acreage available does not address the specific features of the Caratan/Colmer site that may or may not make it an important visitor-serving parcel in the future.

First, the report notes that the site is approximately one-half mile from the central Embarcadero, and concludes that this is “beyond the walking distance most lodging uses require from a central attraction.” ~~However, the~~ The site is within 3 or 4 blocks of the edge of the central business district and immediately adjacent to the southern end of the Embarcadero, which is not too far but is somewhat removed from this activity because it is located at a higher topographical elevation. An example of a lodging use being at a similar distance from a central attraction can be found on Cannery Row in Monterey. The Monterey Bay Aquarium is located at one end of Cannery Row. At the other end of the street is the Monterey Plaza Hotel, just under a half mile away. Although



the two situations are not exactly analogous because the Monterey sites mentioned are at the same elevation, there are similarities. Between both the aquarium and the Monterey Plaza Hotel and the Caratan/Colmer site and the central Embarcadero/downtown Morro Bay there are numerous visitor-serving uses including restaurants and gift shops. Ocean and/or bay views are afforded to those walking between the hotel and the aquarium and between the Caratan/Colmer site and the Embarcadero. ~~Were the site more remote from the Embarcadero, it might be appropriate to change the zoning and land use designation from visitor serving to residential or some other land use category. However, in this case, the Commission finds that the location and size of the site require that it remain available for visitor serving uses.~~

The subject property is also located in the central part of Morro Bay overlooking the Embarcadero and harbor area with excellent views of the sandspit, Morro Rock, and the ocean. It is also immediately adjacent to an improved accessway that connects the blufftop to the Embarcadero and the public boat launch below. ~~In addition, although~~ However, the study provided by the City argues that the site is unsuitable for a variety of visitor-serving development, much of this argument is based on the distance of the site from the central visitor activity area; the lack of freeway access; and the development costs of the site, such as addressing water and blufftop development constraints. The site is also surrounded by existing residential use and previous visitor-serving proposals have not been well received by the community. The Commission agrees therefore, that ~~None of these issues are compelling enough reasons for not preserving the visitor-serving opportunity of this unique site. The study also partially acknowledges this by concluding that "[a] moderately priced motel facility could be a suitable use on a portion of the site..." (p.41).~~

Therefore, ~~for the reasons discussed above,~~ the Commission finds that the requested amendment to the certified Local Coastal Program is inconsistent with Coastal Act Sections 30213, 30221, and 30222, and 30250(a) ~~and cannot be approved.~~

D. Environmentally Sensitive Habitat

Coastal Act Section 30240. (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas. (b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

The two lots involved in this proposed LCP amendment are mostly covered with non-native grasses and iceplant. Both lots have *Eucalyptus* growing on them, which, according to a biological survey prepared for the City by V.L. Holland, Dennis Frey, and Galene Tupen, provide autumnal roosting habitat for Monarch butterflies. The same survey concludes that the site is not suitable as overwintering habitat for Monarchs because it is too windy, the tree stands are too open, there is too much sunlight due to the open canopy, there is almost no mid-level understory, the vegetation is not dense enough, and the site consists of relative uniform roosting level canopy. Several groves of



Eucalyptus in the coastal zone in the Morro Bay, Los Osos, Pismo Beach, and Grover Beach areas of San Luis Obispo County are important sites for Monarch butterfly autumnal roosting and/or overwintering. These groves include Morro Bay State Park, Sweet Springs Marsh, Pecho Road, and Pismo State Beach (see Exhibits 1 & 2).

This LCP amendment request as submitted does not directly affect the *Eucalyptus* habitat. Any development on the site, though, whether visitor-serving or residential, would adversely impact the autumnal roosting habitat. The concept plan for proposed residential development on the site indicates removal of most of the *Eucalyptus* habitat on the interior parcel and enhancement of *Eucalyptus* habitat on the bluff parcel. It should be noted that the proponent of the amendment, who wishes to create residential development on the site, has agreed to the blufftop parcel being designated and zoned as open space with enhanced habitat if the interior parcel is redesignated and rezoned for residential uses only. This is reflected in concept plans supplied to both the City and Commission staff. Additionally, City staff has indicated that the City would not oppose such a redesignation and rezoning of the blufftop parcel. Having the blufftop parcel in open space would guarantee that views are protected and that the *Eucalyptus* habitat is enhanced.

According to the biological survey the historical record

suggests that monarchs used the site as an autumnal roosting during Fall of 1990, 1992, and probably Fall 1993. Substantial numbers of roosting monarchs were reported during November of 1990 (10,000); fewer in Fall of 1992 (1,000), but none of few were found on subsequent visits during December and January for those years by monarch expert Walt Sakai. The relative abundance in Fall 1990 and 1992 mirrors the relative abundance pattern at a key San Luis Obispo County overwintering site, Pismo State Park – North Campground (Frey 1995). It should be pointed out that "order of magnitude" year-to year differences in monarch abundance is not considered unusual for western North American monarch populations at overwintering sites.

An unknown number of trees were removed from the site prior to 1995. According to the biological survey, earlier photographic records

suggest that monarchs during these years may have been present throughout the overwintering season, i.e., monarchs may have used it as true overwintering habitat rather than just an autumnal staging ground.

Based on the historical information and the investigators recent observations, they conclude that the information

offers compelling evidence that this site was consistently used by monarch butterflies as an autumnal site and currently attracts monarchs during the fall. The historical data is less clear as to whether the site was regularly used for overwintering prior to tree removals and thinning. . . .The NBBB [Natural Diversity Data Base, maintained by the Dept. of Fish and game] record, as well as



Sakai & Calvert (1991), reported no roosting monarchs for December and February of the 1990-91 season. This was a year during which a record number of monarchs were present at the Pismo Beach site and was considered by many monarch experts as a season of high abundance state-wide (Frey 1995). In striking contrast to the absence of monarchs at the Colmer site, during 1990-91, roosting butterflies were present for the entire overwintering season at the Morro Bay Golf Course site, the Monarch Lane site, the site at Camp Kern in Montaña de Oro. . . .The absence of monarchs during the 1990-91 season and only 10 butterflies reported in January 1993 (NDDDB), suggests that the Colmer site may not have regularly "held" butterflies throughout the winter season prior to tree removal. . . .

In contrast to confirmed overwintering sites in San Luis Obispo County, the Colmer site has a much lesser density of trees (see Exhibit 12). According to that matrix, the Colmer site had less than one-half the density of the Pismo and Los Osos sites.

Notwithstanding the indications that the site has not been a significant overwintering site, the biological survey states that the development of the interior parcel as proposed in the concept plan

will cause loss of an autumn monarch roosting site as a result of tree removal and trimming. . . .The proposed development of the Interior Parcel would also prevent the long-term natural recovery of this site via eucalyptus recruitment and growth that might return it to a state similar to that prior to the extensive tree removal in 1994. Prior to these removals our review of the historical documentation of monarchs at this site suggests that during some seasons it may have been an overwintering site rather than just an autumn site. This natural recovery could be expected to take 25-30 years. We suggest that. . .habitat enhancement and preservation program be implemented by the developer under the City of Morro Bay significant (sic) public benefits to offset the loss of habitat in the Interior Parcel.

According to the biological survey,

The project's Bluff Parcel habitat enhancement plan may be regarded as speculative, but all restoration projects are speculative to a certain extent. The Xerces society in its Monarch Project's - Conservation and Management Guidelines cautions about overly optimistic predictions regarding enhancement success (Bell et al. 1993).

The biological report then briefly discusses apparently successful habitat enhancements at the Monarch Lane wintering site nearby in Los Osos and concludes that the

facts suggest that the return of monarchs to the Monarch Lane site simply mirrored the abundance and distribution patterns throughout the region rather than being a direct response to habitat modification.



Based on the information provided by the City and review of the biological survey by the Commission ecologist, the Commission finds that although the trees are not mapped as environmentally sensitive habitat and although the habitat on the interior parcel has been degraded, it appears that the site does meet the definition of an environmentally sensitive area as defined in Coastal Act Section 30107.5:

Any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.

This finding is consistent with past Commission practice and application of ESHA policies with respect to protection of the sensitive Monarch Butterfly species. In addition, while the LCP currently has ESHA protection policies that generally follow Coastal Act 30240, LCP Policy 11.05 requires that newly identified ESHA be incorporated into the Land Use Plan and treated accordingly:

... In areas of the City where sensitive habitats are suspected to exist but are not presently mapped or identified in the City's Land Use Plan, projects shall undergo an initial environmental impact assessment to determine whether or not these habitats exist. Where such habitats are found to exist, they shall be included in the City's environmentally sensitive habitat mapping included with the LUP.

In this case, the biological report prepared for the site definitely raises a suspicion that sensitive habitat exists on the site. Any future development of the Caratan/Colmer site will need to address the protection of environmentally sensitive habitat under the certified LCP. As proposed, the amendment does not fully accomplish this. It is thus inconsistent with Section 30240 and is denied as submitted.

To address Coastal Act Section 30240 and LCP Policy 11.05 regarding environmentally sensitive habitats, the LCP should be modified as shown in Appendix A to require that future development proposed for the Caratan/Colmer site addresses the appropriate location and intensity of development, as well as avoidance and mitigation measures to protect the existing habitat. The modification addresses the need to conduct a biological survey and report that identifies and delineates all environmentally sensitive habitat areas. The report address impacts to such habitat from proposed development and provides recommendations for appropriate avoidance and mitigation. The modification also provides siting and design of development criteria consistent with ESHA policies for buffering and mitigation standards. And finally, should any development include residential development, the LCP modification requires that open space be deed restricted for public access and view protection as well as incorporate Best Management Practices to control polluted runoff. Short of this, however, future development proposals will need to address the application of the LCP's ESHA policies to the Monarch habitat. If so modified, the land use plan as amended, is approved as being consistent with the cited Coastal Act section 30240.

Similarly, the implementation amendment as submitted does not fully carry out the land use plan amendment as it must be modified and therefore is denied. The implementation amendment can be



correspondingly modified, as shown in Appendix A. If so modified, the implementation plan as amended is approved as being consistent with the land use plan, as amended and modified.

E. California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis on LCP amendments, although the Commission can and does utilize any environmental information the local government has developed. Here, the City did not perform or require an environmental review under CEQA. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential effect on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake. The proposed amendment would remove the visitor-serving land use designation and zoning by modifying the maps and the text of the LUP and IP. This would facilitate residential development on the site. Although the City has argued that the site is unsuitable for visitor-serving development based on the lack of freeway access, development costs, distance from the central visitor activity area, and water and blufftop development constraints, supplied important economic information regarding visitor-serving uses in the City and potential visitor serving development on the subject site, there is not sufficient data available to provide the level of analytic certainty needed to justify the proposed land use designation and zoning changes. Therefore, the Commission finds that less environmentally damaging alternatives are available. The modifications provide for a less environmentally damaging alternative that meets the requirements of CEQA.



CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
427-4863



Morro Bay LCP Amendment 1-99 Caratan/Colmer

APPENDIX A

ADOPTED MODIFICATIONS.

Language proposed by staff to be deleted is shown ~~struck through~~. Language proposed by staff to be added is shown underlined.

A. Land Use Plan

1. Text

- a. Chapter 2, Section D, General Land Use Policies**, add the following new policy:

Policy 0.7. This policy applies only to APN 066-172-001 and 002. Future development on these parcels shall address the following:

- a. Development on these parcels shall proceed through a Planned Unit Development (PUD) that is appealable to the California Coastal Commission.
- b. As part of the PUD submittal process, a biological survey and report shall be conducted by a qualified biologist that identifies and delineates all environmentally sensitive habitat areas (ESHA) as defined by the LCP, including any Monarch Butterfly habitat. Such delineation shall include mapping of all Eucalyptus on the site and in surrounding street right-of-ways that may constitute sensitive habitat. This report shall also address impacts to such habitat from the proposed development of the PUD, and provide recommendations for appropriate avoidance and mitigation of any impacts to the delineated ESHA, consistent with the policies and ordinances of the LCP. Prior to completion of the biological report, appropriate coordination and consultation shall occur with the Executive Director of the Coastal Commission and other relevant resource agencies.
- c. The PUD for these parcels shall:
 1. show all ESHA on the two parcels delineated pursuant to the biological report requirement above;
 2. provide for siting and design of development consistent with the ESHA policies and ordinances of the LCP, including relevant buffering and mitigation standards.
- d. In the event that the PUD includes residential development, the PUD shall include, as appropriate, a deed restriction over the bluff parcel (APN 066-172-002) for open space purposes, including public access and open space/scenic view protection. Only those uses listed as allowed or conditional uses under the OA-1 zone district shall be allowed on the bluff parcel.



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Staff: M. Watson, Approved by: Charles Lester

- e. The PUD shall provide for siting of development and best management practices (BMPs) design measures to address polluted runoff. BMPs shall be sized and developed to meet the requirements of the California Storm Water Best Management Practices Handbook (Municipal). Such measures shall include, but not be limited to: limitation of impervious surfaces (e.g. use of pervious driveways); direction of runoff from roofs to vegetative strips before allowing runoff to leave the site, or manage runoff on site (e.g. percolation basin). BMPs shall be designed to treat and infiltrate storm water runoff up to and including the 85th percentile storm event.

b. **Chapter 4, Section F.3, Planning Area 6 – Bayfront, modify as follows:**

In terms of potential development and expansion of visitor-serving facilities, the City encourages such development in the bluff area, bordered by Front Street and Main Street, which extends to both Olive and Surf Streets, except that area east of Morro Avenue the Embarcadero and south of South Street known as the Caratan Property, and the bluff area west of Morro Avenue between South Street and Olive Street. This area, excepting the Caratan property, currently providing. . . .Development of visitor-serving commercial facilities in the bluff district is encouraged because this are provides and important link between the downtown and Embarcadero. However, the bluff parcel of the Caratan property (APN 066-172-002) shall be zoned and designated for open space uses only (only those listed as allowed or conditional uses under the OA-1 zone district). Land seaward of the toe of the bluff may be used for additional public parking and/or a boat washdown area, subject to Best Management Practices for controlling polluted runoff.

c. **Chapter 4, Policy 2.03, Commercial Fishing & Visitor Serving Recreation, modify as follows:**

Consistent with LUP Policy 7.06A, the Embarcadero between Beach Street on the north, Main Street on the east, ~~Olive~~ South Street on the south and the waterfront area on the west, ~~except that area east of Morro Avenue and south of South Street known as the Caratan Property, and the bluff area west of Morro Avenue between South Street and Olive Street,~~ shall be considered a mixed commercial fishing and visitor-serving recreational use area. . . .

d. **Chapter 9, Policy 7.06A, Commercial Fishing & Visitor Serving Recreation, modify as follows:**

The Embarcadero between Beach Street on the north, Main Street on the east, ~~Olive~~ South Street on the south and the waterfront area on the west ~~except that area east of Morro Avenue and south of South Street known as the Caratan Property, and the bluff area west of Morro Avenue between South Street and Olive Street,~~ shall be considered a mixed commercial fishing and visitor-serving recreational area. . . .



2. Map

a. Change the land use designation on APN 066-172-002 to Open Space on the land use map.

b. Add "Caratan Bluff Property" as an area of visual significance on Figure 31, Areas of Visual Significance.

B. Zoning

1. Text

Section 17.30.030.Q, Visitor-Serving Commercial and Recreation Uses in Certain Areas. Modify as follows:

The base zoning district notwithstanding, visitor-serving commercial and recreation uses. . may be permitted. . in the area labeled "the Embarcadero" in the Coastal Land Use Plan/Coastal Element and defined for the purposes of this section as the area between Beach Street on the north, ~~Olive~~ South Street on the south, Main Street on the east and the waterfront on the west ~~except that area east of Morro Avenue and south of South Street known as the Caratan Property the bluff top between South Street and Olive Street, west of Morro Avenue.~~

2. Map

Change the zoning on APN 066-172-002 to Open Area 1 (OA-1)



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Appendix B

ADOPTED RESOLUTIONS (for reference only).

A. *Land Use Plan Motion and Resolution*

I. **Denial as Submitted**

MOTION: *I move that the Commission certify Land Use Plan Amendment 1-99 as submitted by the City of Morro Bay.*

STAFF RECOMMENDATION TO DENY:

Staff recommends a **NO** vote. Failure of this motion will result in denial of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO DENY:

The Commission hereby denies certification of the Land Use Plan Amendment 1-99 as submitted by the City of Morro Bay and adopts the findings set forth below on the grounds that the amendment does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

B. *Implementation Plan Motion and Resolution*

1. **Denial as Submitted**

MOTION I: *I move that the Commission reject the Implementation Program for City of Morro Bay certified LCP as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Program and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.



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Staff: M. Watson, Approved by: Charles Lester

F:\Central Coast\STAFF REPORTS\1. Working Drafts\MRB 1-99 CaratanColmer revised findings & time extension for FEB.doc

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AS SUBMITTED:

The Commission hereby denies certification of the Implementation Program submitted for the City of Morro Bay certified LCP and adopts the findings set forth below on grounds that the Implementation Program as submitted does not meet the requirements of and is not in conformity with the policies of Chapter 3 of the Coastal Act Certification of the Implementation Program would not 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 Implementation Program as submitted.

C. *Land Use Plan Amendment Certification With Suggested Modifications*

I. *Approval with Suggested Modifications*

MOTION: *I move that the Commission certify Land Use Plan Amendment 1-99 for the City of Morro Bay if it is modified as suggested in this staff report.*

RESOLUTION TO CERTIFY WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Land Use Plan Amendment 1-99 for the City of Morro Bay if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan amendment if modified as suggested complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Land Use Plan Amendment may have on the environment.

D. *Implementation Program Amendment Certification With Suggested Modifications*

I. *Approval with Suggested Modifications*

MOTION: *I move that the Commission certify the Implementation Program for*



the City of Morro Bay, Visitor Serving Lands Element of its certified LCP if it is modified as suggested in this staff report.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Implementation Program for the City of Morro Bay, Visitor Serving element of its certified LCP if modified as suggested and adopts the findings set forth below on grounds that the Implementation Program with the suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.



RESOLUTION NO. 18-99

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, ANNOUNCING
FINDINGS AND APPROVING AMENDMENTS TO THE GENERAL PLAN, LOCAL COASTAL
PROGRAM, AND LAND USE PLAN MAP
AS THEY APPLY TO THE CARATAN PROPERTY

THE CITY COUNCIL

City of Morro Bay

CASE NO. GP/LCP AMENDMENT 01-97

WHEREAS, the Planning Commission of the City of Morro Bay, on January 19, 1999, by adoption of Resolution 03-98, after duly noticed **PUBLIC HEARINGS**, did make recommendations to the City Council for approval of the request of the applicant Wayne Colmer of Colmer Development Company, on behalf of M. Caratan, Inc., property owner, for amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map. The Caratan property is located in the C-VS (S.3, S.4), C-VS/R-2 (PD, S.4), and OA-2 Zoning Districts, and on the blocks bordered by Main Street on the east, Embarcadero on the west, Olive Street on the south and South Street on the north, known as the Caratan Property, more particularly described as:

APN: 066-174-001 and 066-172-002; and as Block A, including Lots 7-10 and 17-20,
Cerrito Addition and a portion of the J.C. Stocking Lot, Town of Morro Bay
City of Morro Bay
County of San Luis Obispo
State of California, and

WHEREAS, on the 8th day of March, 1999, the City Council did hold a duly noticed **PUBLIC HEARING**, received public testimony, both written and oral, and after closing the public hearing, fully considered the amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map, including the final recommendations by the Planning Commission; and

WHEREAS, the City Council continued the meeting to the 22nd day of March, 1999, to review the revised amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map, as directed by the Council at the March 8th, 1999 meeting; and

WHEREAS, for the purposes of the California Environmental Quality Act (CEQA), said amendments to the Local Coastal Plan comply with the City of Morro Bay procedures for implementation of CEQA; and

EXHIBIT A

NRB LCP 1-99

WHEREAS, CEQA does not apply to local agency adoption and amendment of an action requiring Certification by the California Coastal Commission pursuant to Sections 15250 and 15251 of the CEQA Guidelines and Public Resources Code Section 21080.5; and

WHEREAS, at said **PUBLIC HEARING**, after considering the staff report and the testimony of all persons, wishing to testify, the City Council approved the amendments based upon the following findings:

1. **State Coastal Act.** The proposed amendments are consistent with the State Coastal Act; and
2. **General Plan/Local Coastal Program.** The proposed amendments are consistent with the General Plan Land Use and Circulation Elements, and the Local Coastal Program Land Use Plan; and
3. **Clarify Intent.** The proposed amendments clarify the intent of the Zoning Ordinance, General Plan, and Local Coastal Program Land Use Plan; and
4. **Land Use Map Amendments.** The proposed map and text amendments provide a broad range of appropriate land uses for certain properties; remove commercial visitor serving uses including Mixed Use Area "A," establish Residential Medium Density uses as the primary use on the property east of Morro Avenue, establish Residential Low-Medium Density uses as the primary use on the property west of Morro Avenue, maintain the Open Space and Recreation uses in the area of the bluff, and provide consistency with the Zoning Ordinance text and Zone Map, and General Plan and Local Coastal Program Land Use Plan text and Maps as indicated on attached Exhibits "A" and "B";

General Plan and Local Coastal Program Policies and Programs. These amendments provide a consistent revision to the General Plan Land Use Element and Local Coastal Program Land Use Plan's policies and programs effecting visitor serving uses and commercial fishing uses by establishing the text boundary descriptions to coincide with the Planning Areas 6 (Bayfront) and 7 (Central Morro Bay) boundary as indicated on attached Exhibit "D"; and

6. **Visitor Serving Resources.** The data and analysis conducted in association with the amendments indicates sufficient visitor serving resources, including visitor-serving commercial, commercial fishing, and visitor serving recreation uses, on designated lands in the community to meet future Tourist industry needs as indicated in the City of Morro Bay, Visitor Serving Commercial (C-VS) Land Use Study (dated: November 30, 1998); and
7. **Open Space/Recreational Conservation.** That the amendments are intended to protect and conserve the open space, natural resources, and recreational opportunities of the Bayfront and bluff by maintaining the Open Space/Recreation land use (OA-2 zone district) in the bluff area; and
8. **Neighborhood Compatibility.** That the amendments are intended to protect and strengthen the surrounding upland residential neighborhood by establishing a generally more compatible land use that potentially better manages effects to community scale, preservation of the environment, and use of limited public services; and
9. **Circulation Amendment - Harbor Area Pedestrian Access.** That the amendments to the City policy for a Handicap Ramp on the Caratan property are appropriate as analyzed and discussed and will provide preservation of the bluff natural features while still allowing for pedestrian coastal access as indicated on attached Exhibits "C" and "D"; and
10. **Circulation Amendment - Access to the South End of the Embarcadero.** That the amendments to the City policy for Access to the South End of the Embarcadero are appropriate as analyzed and discussed indicating that there are many existing alternative methods of providing emergency access in

EXHIBIT A

(Colmer/Caratan)

March 22, 1999 Meeting

City of Morro Bay

lieu of a new bluff road extension and that Appendix 'A' is not needed as indicated on attached Exhibit "D"; and

11. **Reasonable Use.** These amendments provide the property owner with reasonable use of the property while continuing to ensure coastal access, public view sheds, and open space values.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay, California, as follows:

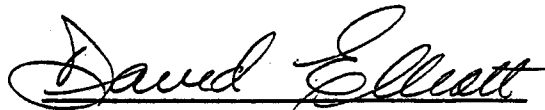
1. That the above recitations are true and correct and constitute the findings of the Council in this matter; and
2. That the Council does hereby approve the amendments to the texts and maps of the General Plan, Local Coastal Program, and Land Use Plan Map included in Case No. GP/LCP/ZO Amendment 01-97, as incorporated by Exhibits "A", "B", "C", and "D", attached hereto and made a part of this resolution; and
3. This Resolution adopting the General Plan/Local Coastal Program text and Map amendments shall be transmitted promptly to the California Coastal Commission with the request that the Commission certify the amendments; and
4. That the City of Morro Bay does hereby find that the requested Local Coastal Program Amendments are in compliance with the intent, objectives, and policies of the California Coastal Act, and that the City will carry out the Local Coastal Program, including these amendments in a manner fully consistent with the California Coastal Act and all its provisions; and
5. These amendments shall take effect immediately and automatically upon certification.

PASSED, APPROVED, AND ADOPTED, on the 22nd day of March, 1999, by the following vote to wit:

AYES: Crotzer, Elliott, Peirce, Peters

NOES: None

ABSENT: Anderson


DAVID ELLIOTT, Vice-Mayor

ATTEST:


BRIDGETT BAUER, City Clerk

EXHIBIT A

MRB LCP 1-99

Revised Resolution 18-99

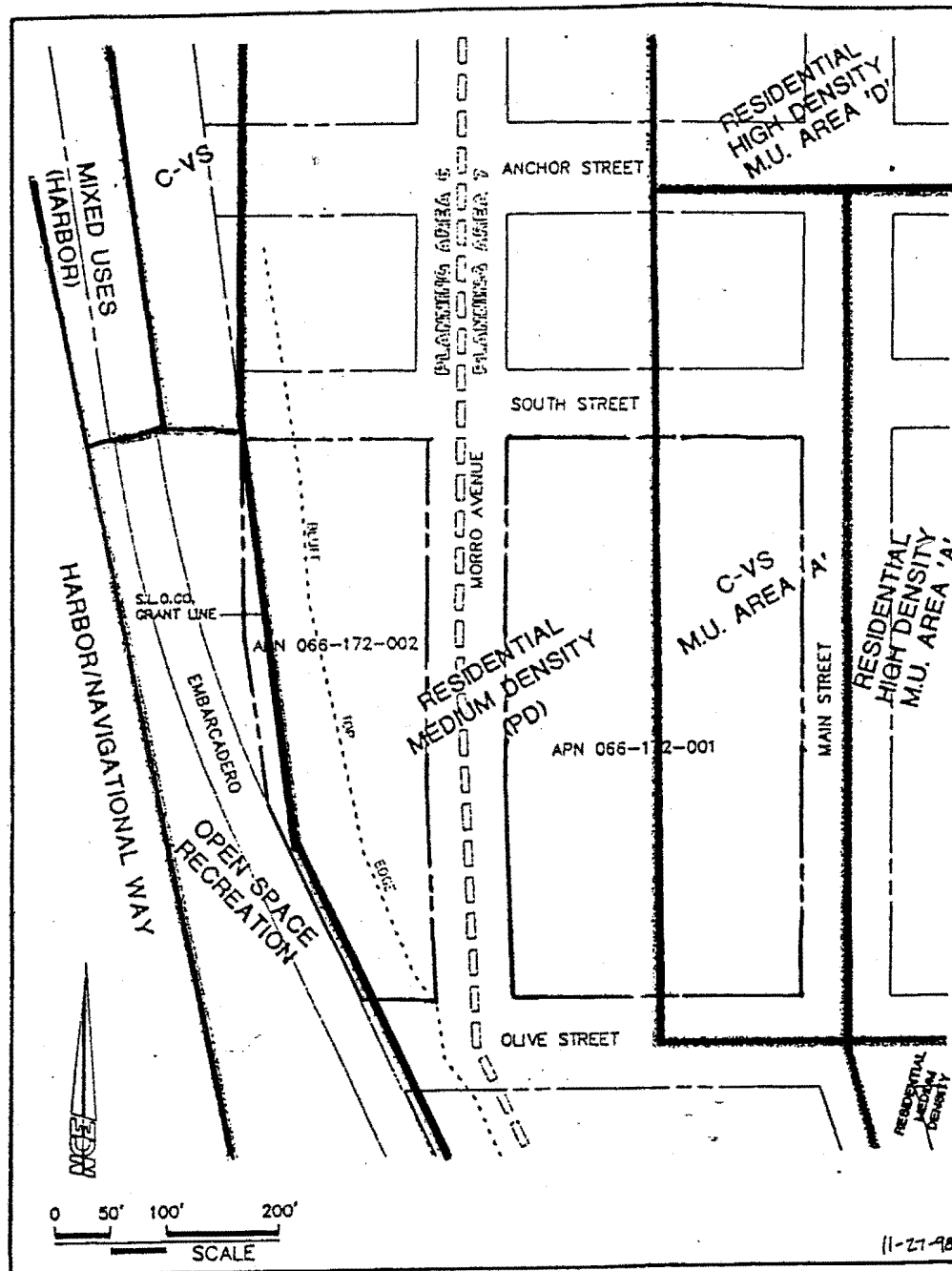


EXHIBIT A

Existing Land Use Plan Map, Mixed Use Areas, and Planning Area Boundaries

GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)

North Coast Engineering, dated 11-27-98

EXHIBIT A

NRO LCP 1-99'

Revised Resolution 18-99

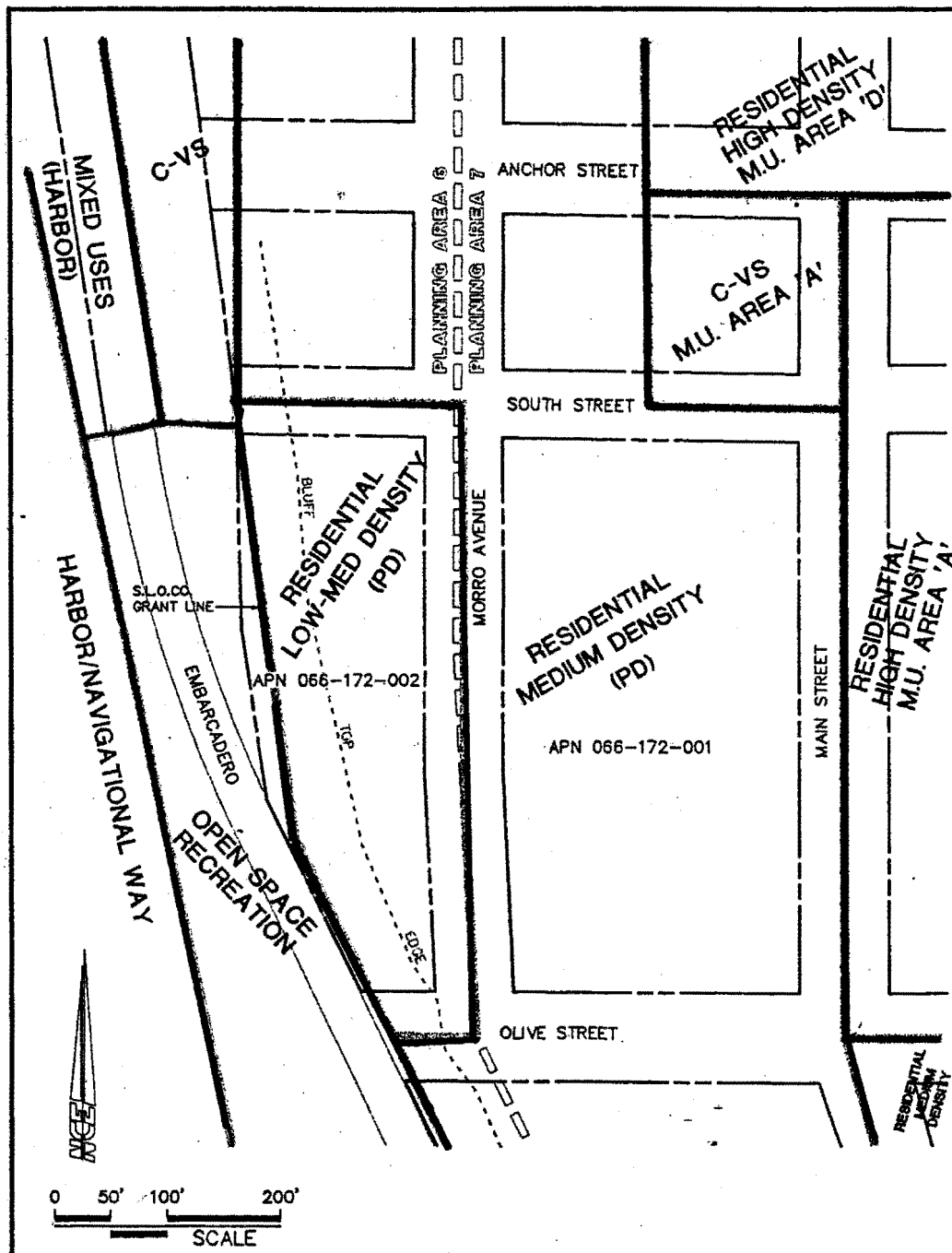


EXHIBIT B
Proposed Land Use Plan Map, Mixed Use Areas,
and Planning Area Boundaries

GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)
North Coast Engineering, dated 11-27-98, 3-17-99, amended RBM 2-24-99

Revised Resolution 18-99

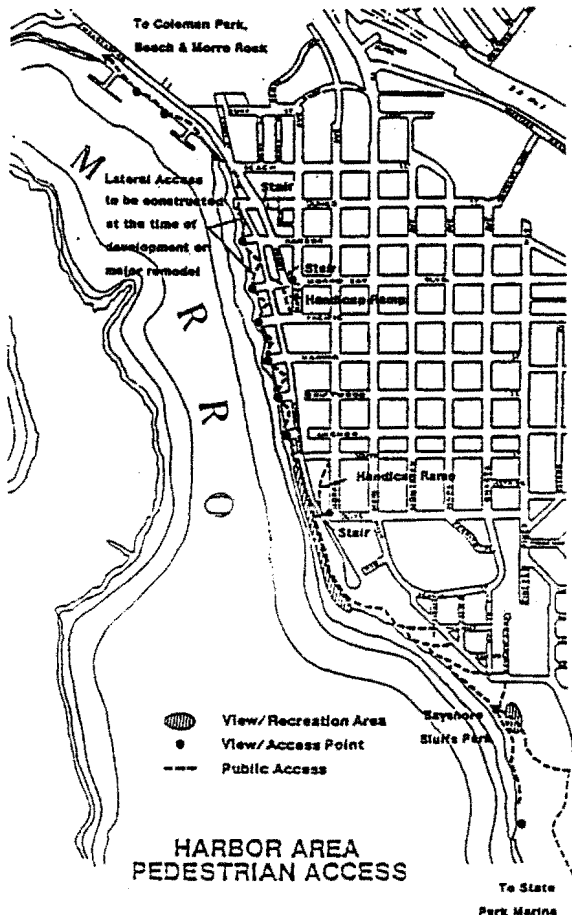


FIGURE 3

EXISTING

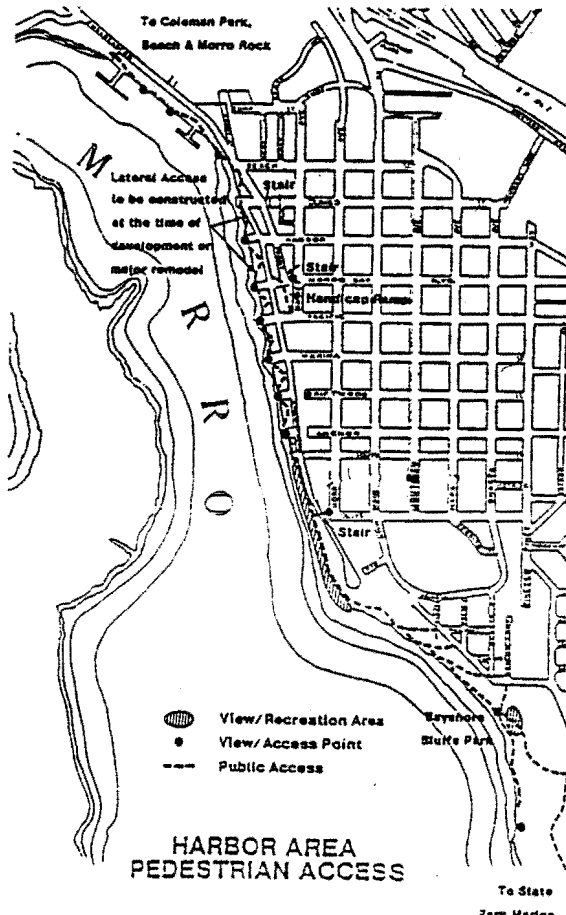


FIGURE 3

PROPOSED

EXHIBIT C

Existing and Proposed Harbor Area Pedestrian Access

General Plan Circulation Element, Fig 3
GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)

EXHIBIT A

MRO LCP 1-99

Revised Resolution 18-99

EXHIBIT D
GP/LCP Text Amendments
GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)

(Note: Original new text is underlined, original deleted text is noted with strikethrough, revised new text is double underlined, and revised deleted text is noted with strikethrough and underline)

1.0 General Plan Text Amendments

Chap I, g. Area 6 - Bayfront (p. I-12)
General Area Description (*Change Boundary Description*)

Area 6 - Bayfront

This area is bounded generally on the north by the ~~PG&E~~ Morro Bay Power Plant property, on the east by Morro Avenue and the Tidelands Park eastern boundary, on the south by Morro Bay State Park and on the west by the bay, ~~except that area east of the Bluff Top Edge and to the south of South Street as specifically indicated on the Land Use Plan Map and Official Zone Map.~~

Chap I, h. Area 7 - Central Morro Bay (p. I-13)
General Area Description (*Change Boundary Description*)

Area 7 - Central Morro Bay

This area is bounded on the north by Scott Avenue and the ~~PG&E~~ Morro Bay Power Plant property, on the east by State Highway One, on the south by the Morro Bay State Park, and on the west by Morro Avenue ~~including that area east of the Bluff Top Edge and to the south of South Street as specifically indicated on the Land Use Plan Map and Official Zone Map.~~

Chap II, 4) Bayfront
Expansion of Visitor Serving Uses
Change Boundary Description.
(p. II-10)

(4). **Bayfront:** The City encourages the bluff area, bordered by Front Street and Main Street, which extends to both Olive and Surf Streets, ~~except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map.~~ for potential development and expansion of visitor-serving facilities. This area, currently providing zones for motel/hotel uses, visitor-serving commercial uses, eating and drinking establishments as well as recreational vehicle parks, encompasses an area of approximately 80 acres, with approximately nine six acres currently undeveloped. These nine six acres are composed of ~~thirteen~~ parcels ranging in size from 3.4 1.5 acres to 1/5 acre. Development of visitor-

erving commercial facilities in the bluff district is encouraged because this area provides an important link between the Downtown and Embarcadero. (LCP 63-64)

Chap II, Program LU - 37.3 (p. II-72) (x/ref. see LCP Pol. 2.03)
Commercial Fishing & Visitor Serving Recreation (*Change Boundary Description*)

Program LU-37.3: Consistent with LCP Policy 7.06A, the Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west, except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map, shall be considered a mixed commercial fishing and visitor-serving recreational use area. With regard to the siting of new developments, priority shall be given to coastal-dependent uses located on the west side of the Embarcadero. (LCP 64)

Chap II, Area 6 - Bayfront LU - 65 (p. II-98) (x/ref. see LCP Pol. 7.06.A)
Commercial Fishing & Visitor Serving Recreation (*Change Boundary Description*)

Area 6 - Bayfront

POLICY LU-65: The Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map, shall be considered mixed commercial fishing and visitor-serving recreational area. Public access and recreational opportunities shall be maximized along the waterfront consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resources areas from overuse. Public access from the nearest public roadway to the shoreline and along the bayfront shall be provided in new development projects, subject to the limitations set forth in Coastal Act Sections 30210, 30212, 30212.5 and 30214.

Chap III, B.1.b.5 Handicap Access (p. III-9)
Caratan Property Handicap Ramp (*Unfeasibility of Handicap Ramp*)

The hilly nature of parts of Morro Bay makes negotiation for persons on wheelchairs quite difficult in some places. In many cases, it would be ~~infeasible~~ unfeasible to provide ramps on steep hills due to lack of space, ~~and the cost of constructing such ramps, grading and stability impacts to the bluff, and tree removals.~~ Similarly, it would be difficult to provide a ramp between the Downtown and the Embarcadero. However, it may be possible to construct switch-back ramps as part of one or more of the future developments along the east side of the Embarcadero. ~~These ramps could be provided in conjunction with the bicycle paths discussed in the next section.~~

EXHIBIT A
MRB LCP 1-99

Chap III, Appendix A (p. III-A-3)
Circulation - Bluff Rd Extension (*Potential for Abandonment, etc.*)

ACCESS TO SOUTH END OF THE EMBARCADERO

Present Conditions and Problems:

The south end of The Embarcadero is a dead-end street section extending about 2,000 feet south of the last through side street, Marina Street. That results in adverse travel distance for some trips (those to and from the south, primarily), possible delays for emergency vehicles, and conflict between emergency vehicles entering the area and other vehicles leaving. The potential for a serious emergency is quite high because of the large number of boats sometimes in the marina at the end of the street, and the motor vehicles in the nearby parking area. Vehicle trips within this area are also expected to increase as the vacant commercial and visitor serving area adjacent to the Embarcadero develops.

Possible Solution:

An additional east-west street connection should be constructed near the south end of the street Embarcadero. Appropriate locations would be an extension of South Street or Olive Street at or south of South Street. The City should explore purchasing the property at the southern corner of Morro Avenue and Olive Street or at South Street, whichever is most feasible if necessary, to implement the extension.

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FROM CIRCULATION ELEMENT

Priority:

A detailed needs assessment, feasibility study and environmental assessment should be made to identify the most desirable location for a new street connection prior to determining the final location and design. The preliminary bluff road extension designs prepared by the City indicate that there are a number of potential options for a new street connection to the southern end of the Embarcadero. The project should be programmed for early construction (two to five years) by the City as determined by the needs assessment. Desirably, construction should be included with expansion of the marina and development of the City park, if those projects proceed at an earlier date.

Location Map:

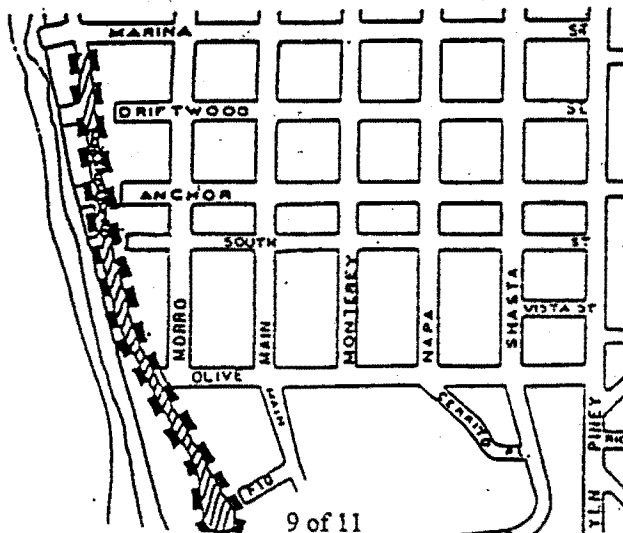


EXHIBIT A

MRB LCP 1-99

2.0 Coastal Land Use Plan Text Amendments

Chap I.B.6 Area 6 - Bayfront (p. 15)

General Area Description (*Change Boundary Description*)

6. Area 6 – Bayfront

This area is bounded generally on the north by the PG&E Morro Bay power plant property, on the east by Morro Avenue and the Tidelands Park eastern boundary, on the south by Morro Bay State Park and on the west by the bay, except that area east of the Bluff Top Edge and to the south of South Street as specifically indicated on the Land Use Plan Map and Official Zone Map.

Chap I.B.7 Area 7 - Central Morro Bay (p. 15)

General Area Description (*Change Boundary Description*)

7. Area 7 – Central Morro Bay

This area is bounded on the north by Scott Avenue and the PG&E Morro Bay power plant property, on the east by State Highway one, on the south by the Morro Bay State Park, and on the west by Morro Avenue including that area east of the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Land Use Plan Map and Official Zone Map.

Chap 4, Sec. F. 3. Area 6 - Bayfront (p. 62)

Planning Area Resources (*Change Boundary Description*)

3. Planning Area 6 – Bayfront

In terms of potential development and expansion of visitor-serving facilities, the City encourages the bluff area, bordered by Front Street and Main Street, which extends to both Olive and Surf Streets, except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map. This area, currently providing zones for motel/hotel uses, visitor-serving commercial uses, eating and drinking establishments as well as recreational vehicle parks, encompasses an area of approximately 80 acres, with approximately nine six acres currently undeveloped. These nine six acres are composed of thirteen parcels ranging in size from 3.4 1.5 acres to 1/5 acre. Development of visitor-serving commercial facilities in the bluff district is encouraged because this area provides an important link between the downtown and Embarcadero.

Chap 4, Policy 2.03 (p. 62)

(x/ref. see LCP 7.06.a)

Commercial Fishing & Visitor Serving Recreation (*Change Boundary Description*)

Policy 2.03. Consistent with LUP Policy 7.06A, the Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west, except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map, shall be considered a mixed commercial fishing and

visitor-serving recreational use area. With regard to the siting of new developments, priority shall be given for coastal-dependent uses located on the west side of the Embarcadero.

Chap 9, Policy 7.06A (p. 151) (x/ref. see GP LU - 65)
Commercial Fishing & Visitor Serving Recreation (*Change Boundary Description*)

Area 6 – Bayfront

Policy 7.06A The Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map. shall be considered mixed commercial fishing and visitor-serving recreational area. Public access and recreational opportunities shall be maximized along the waterfront consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resources area from overuse. Public access from the nearest public roadway to the shoreline and along the bayfront shall be provided in new development projects subject to the limitations set forth in Coastal Act Sections 30210, 30212, 30212.5 and 30214.

EXHIBIT A
MRB LCP 1-99

ORDINANCE NO. 478

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, ANNOUNCING FINDINGS AND ADOPTING AMENDMENTS TO TITLE 17 OF THE MORRO BAY MUNICIPAL CODE INCLUDING THE ZONING ORDINANCE TEXT AND ZONING MAP AS THEY APPLY TO THE CARATAN PROPERTY

THE CITY COUNCIL

City of Morro Bay, California

CASE NO. ZO AMENDMENT 01-97

SECTION 1

WHEREAS, the Planning Commission of the City of Morro Bay, on January 19, 1999, by adoption of Resolution 03-98, after duly noticed **PUBLIC HEARINGS**, did make recommendations to the City Council for approval of the request of the applicant Wayne Colmer of Colmer Development Company, on behalf of M. Caratan, Inc., property owner, for amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map. The Caratan property is located in the C-VS (S.3, S.4), C-VS/R-2 (PD, S.4), and OA-2 Zoning Districts, and on the blocks bordered by Main Street on the east, Embarcadero on the west, Olive Street on the south and South Street on the north, known as the Caratan Property, more particularly described as:

APN: 066-174-001 and 066-172-002; and as Block A, including Lots 7-10 and 17-20,
Cerrito Addition and a portion of the J.C. Stocking Lot, Town of Morro Bay
City of Morro Bay
County of San Luis Obispo
State of California: and

WHEREAS, on the 8th day of March, 1999, the City Council did hold a duly noticed **PUBLIC HEARING**, received public testimony, both written and oral, and after closing the public hearing, fully considered the amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map, including the final recommendations by the Planning Commission; and

WHEREAS, the City Council continued the meeting to the 22nd day of March, 1999, to review the revised amendments to the texts and maps of the General Plan, Local Coastal Program, Land Use Plan Map, and Zoning Ordinance texts and Zoning Map, as directed by the Council at the March 8th, 1999 meeting; and

WHEREAS, for the purposes of the California Environmental Quality Act (CEQA), said amendments to the Local Coastal Plan comply with the City of Morro Bay procedures for implementation of CEQA; and

WHEREAS, CEQA does not apply to local agency adoption and amendment of an action requiring Certification by the California Coastal Commission pursuant to Sections 15250 and 15251 of the CEQA Guidelines and Public Resources Code Section 21080.5; and

EXHIBIT B

MAB LCP 1-99

WHEREAS, at said second **PUBLIC HEARING**, after considering the staff report and the testimony of all persons, wishing to testify, the City Council approved the amendments based upon the following findings:

1. **State Coastal Act.** The proposed amendments are consistent with the State Coastal Act; and
2. **General Plan/Local Coastal Program.** The proposed amendments are consistent with the General Plan Land Use and Circulation Elements, and the Local Coastal Program Land Use Plan; and
3. **Clarify Intent.** The proposed amendments clarify the intent of the Zoning Ordinance, General Plan, and Local Coastal Program Land Use Plan; and
4. **Land Use Map Amendments.** The proposed map and text amendments provide a broad range of appropriate land uses for certain properties; remove C-VS uses, establish R-2 uses as the primary use on the property east of Morro Avenue, establish R-1 uses as the primary use on the property west of Morro Avenue, maintain the existing OA-2 uses west of the bluff, and provide consistency with the Zoning Ordinance text and Zone Map; and
5. **Visitor Serving Commercial and Recreational Uses.** The text and map amendments limiting the extent of Visitor Serving Commercial and Recreational Uses on the Caratan property are appropriate due to the surrounding residential neighborhood character and scale, increase opportunities for environmental preservation, distance from existing Embarcadero upland C-VS support areas, are consistent with the Planning Area 6 and 7 boundary and related policies, and visitor serving policies of the General Plan Land Use Element, certified Coastal Land Use Plan, and the Coastal Act; and
6. **Visitor Serving Resources.** The data and analysis conducted in association with the amendments ensures sufficient visitor serving resources, including visitor-serving commercial, commercial fishing, and visitor serving recreation, designated lands in the community to meet future Tourist Industry needs; and
7. **Open Space/Recreational Conservation.** That the amendments are intended to protect and conserve the open space, natural resources, and recreational opportunities of the Bayfront and bluff by maintaining the Open Area 2 (OA-2) zone district in the bluff area; and
8. **Neighborhood Compatibility.** That the amendments are intended to protect and strengthen the surrounding upland residential neighborhood by establishing a generally more compatible land use that potentially better manages effects to community scale, preservation of the environment, and use of limited public services; and
9. **Reasonable Use.** These amendments provide the property owner with reasonable use of the property while continuing to ensure coastal access, public view sheds, and open space values.

NOW, THEREFORE, the City Council of the City of Morro Bay, California, **DOES ORDAIN** as follows:

SECTION 2: That the Council does hereby amend the Zone Map of the Zoning Ordinance included in Case No. GP/LCP/ZO Amendment 01-97, as incorporated by Exhibits "A" and "B", attached hereto and made a part of this ordinance.

SECTION 3: That the Council does hereby amend the text of the Zoning Ordinance included in Case No. GP/LCP/ZO Amendment 01-97, as incorporated by Exhibits "C", attached hereto and made a part of this ordinance.

EXHIBIT B

MRB LCP 1-99

SECTION 4: To implement the amendments adopted herein the City Council of the City of Morro Bay, California, hereby directs as follows:

1. This Ordinance adopting the Zone Map and text amendments shall be transmitted promptly to the California Coastal Commission with the request that the Commission certify the amendments; and
2. That the City of Morro Bay does hereby find that the Local Coastal Program Implementation Program (Zoning) Amendments are in compliance with the intent, objectives, and policies of the California Coastal Act, and that the City will carry out the Local Coastal Program, including these amendments in a manner consistent with the California Coastal Act and all its provisions; and
3. These amendments shall take effect immediately and automatically upon certification.

Introduced at a regular meeting of the City Council of Morro Bay, held on the 22nd day of March, 1999, by motion of Councilmember CROTZER, and seconded by Councilmember PETERS.

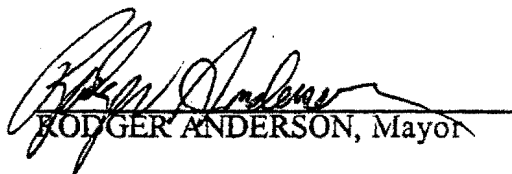
PASSED, APPROVED, AND ADOPTED, on the 12th day of April, 1999, by the following vote to wit:

AYES: Anderson, Crotzer, Elliott, Peirce, Peters

NOES: None

ABSENT: None

ATTEST:


RODGER ANDERSON, Mayor


BRIDGETT BAUER, City Clerk

APPROVED AS TO FORM:


ROBERT W. SCHULTZ, City Attorney

EXHIBIT B

MRB LCP 1-99

Revised Ordinance 478

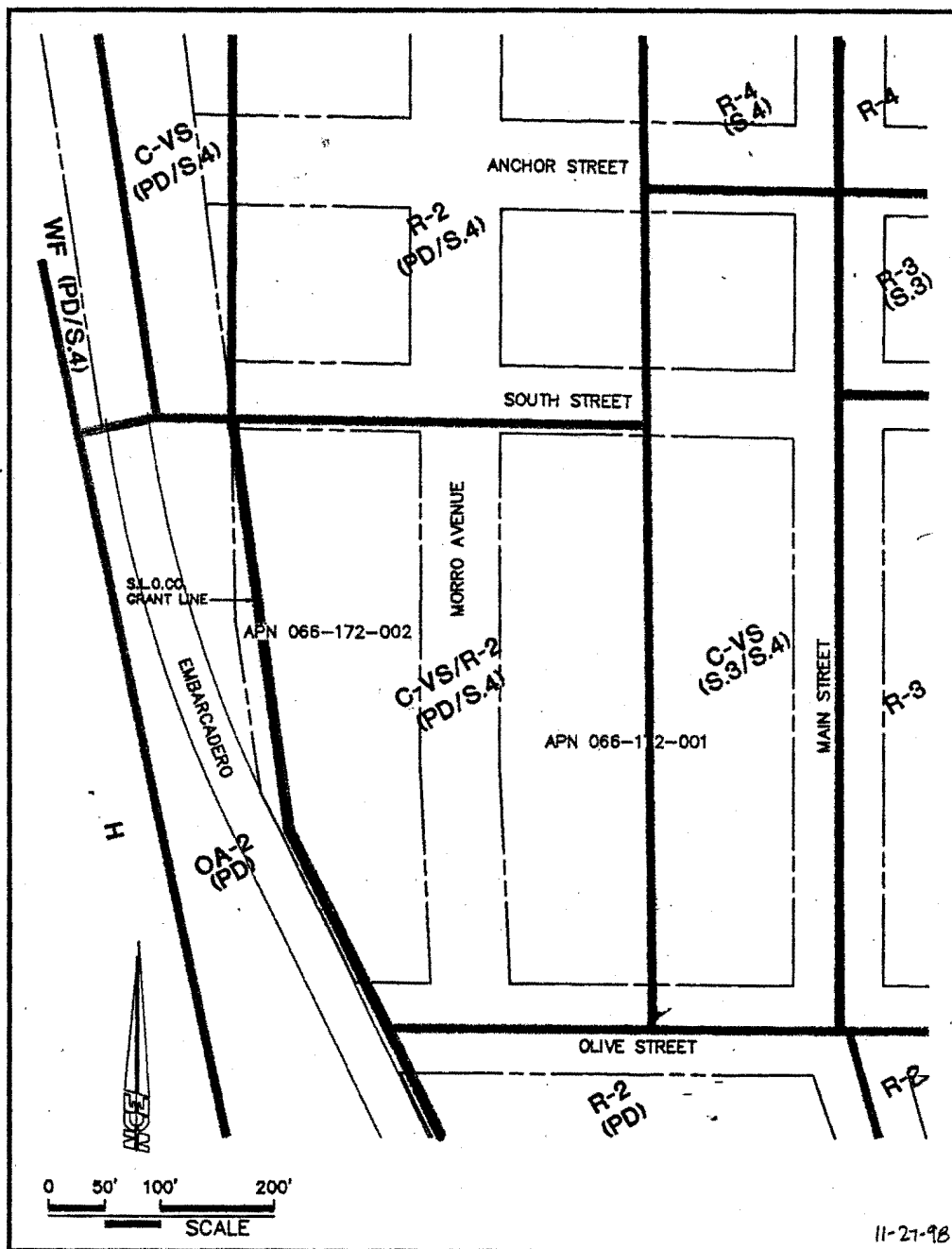


EXHIBIT A

Existing Zone Districts

GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)

North Coast Engineering, dated 11-27-98 and amended 3-17-99

EXHIBIT B

MRO LCP 1-99

Revised Draft Ordinance 478

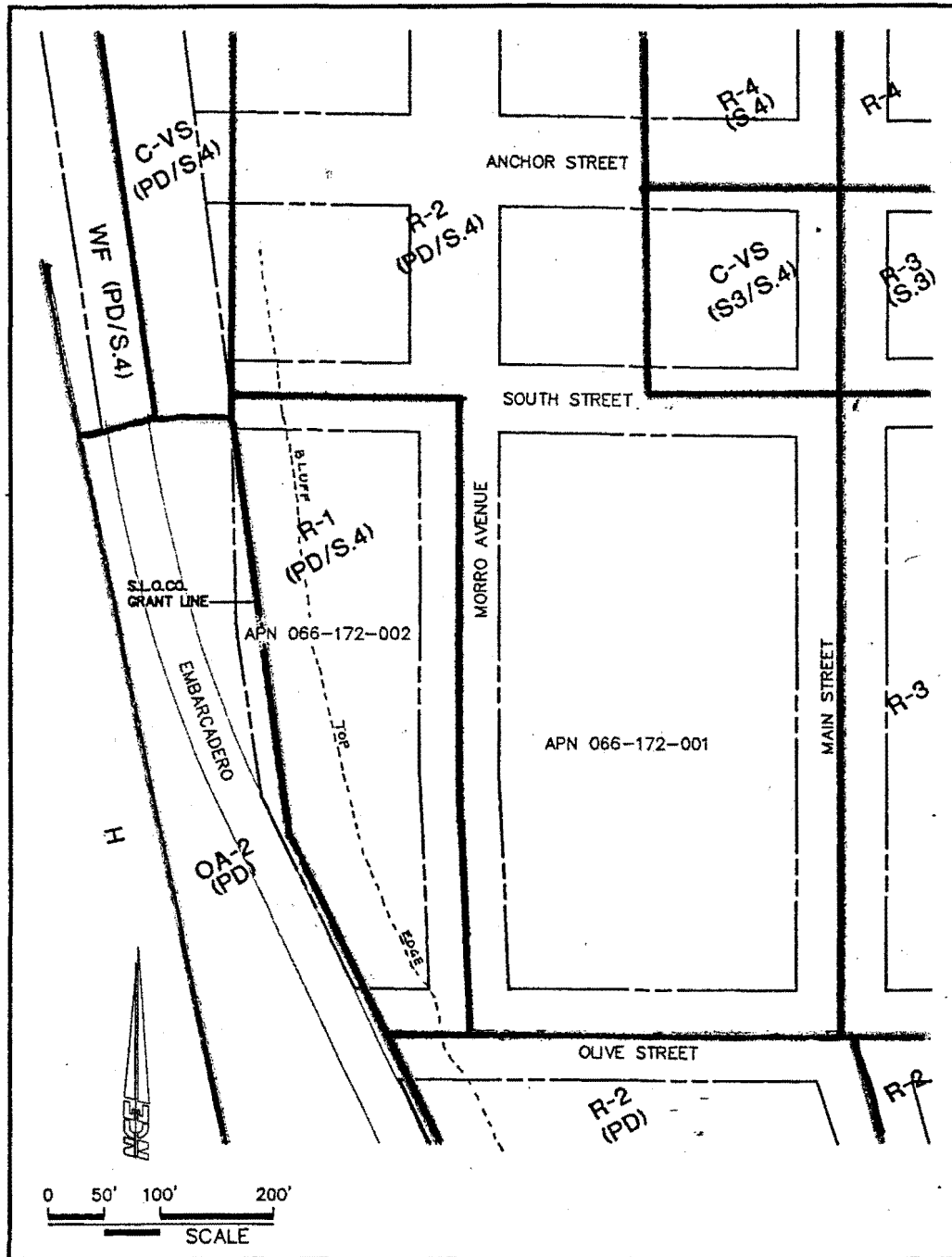


EXHIBIT B

Proposed Zone Districts

GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)
North Coast Engineering, dated 11-27-98 and 3-17-99, amended RBM 2-24-99

EXHIBIT B
MRB LCP 1-99

Revised Ordinance 478

EXHIBIT C

ZONING ORDINANCE Text Amendments

GPA/LCP/ZO Amendments 01-97 (Colmer/Caratan)

(Note: Original new text is underlined, original deleted text is noted with strikethrough,
revised new text is double underlined,
and revised deleted text is noted with strikethrough and underline)

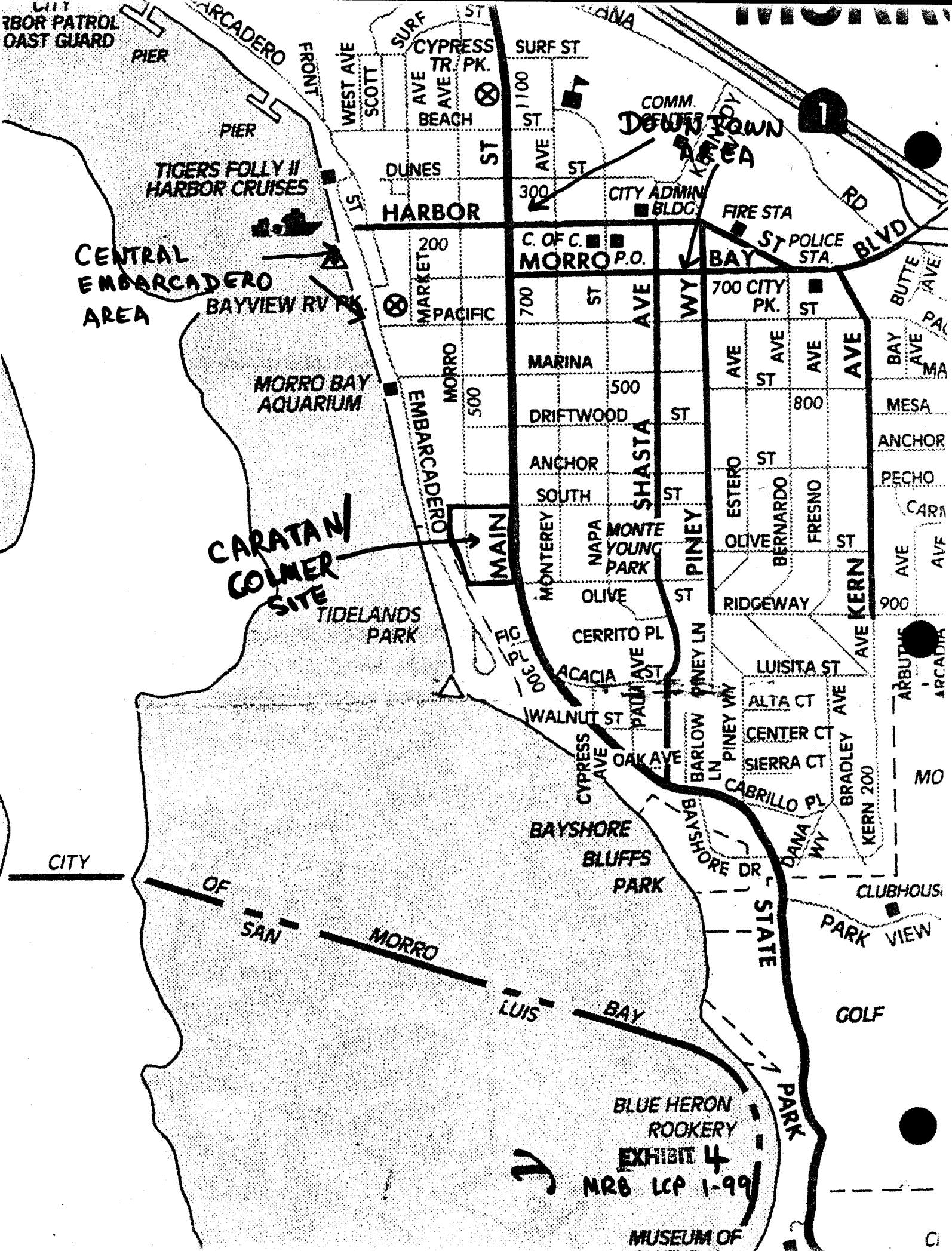
Special Use Permits (MBMC Sec. 17.30.030.Q, p. 6)
C-VS Area Description (*Change Boundary Description*)

Visitor-Serving Commercial and Recreation Uses in Certain Areas.

The base zoning district notwithstanding, visitor-serving commercial and recreation uses, which shall include all uses permitted or conditionally permitted in the C-VS district, may be permitted subject to obtaining a Special Use Permit, in the area labeled "the Embarcadero" in the Coastal Land Use Plan/Coastal Element and defined as the area between Beach Street on the north, Olive Street on the south, Main Street on the east and the waterfront on the west except that area east of Morro Avenue and south of South Street known as the Caratan Property the Bluff Top Edge between South Street and Olive Street as specifically indicated on the Official Zone Map;

EXHIBIT B

MAR LCP 1-99



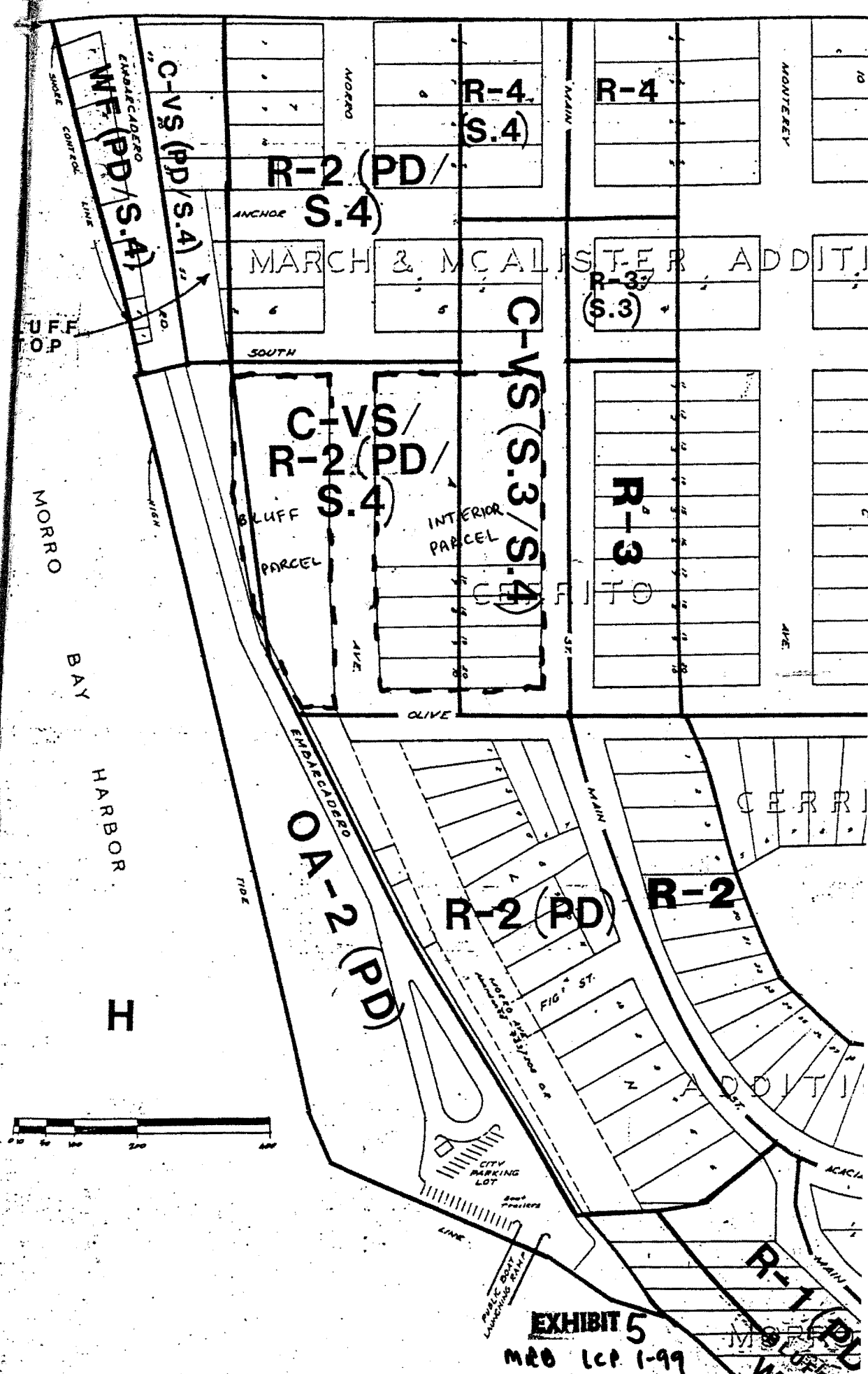
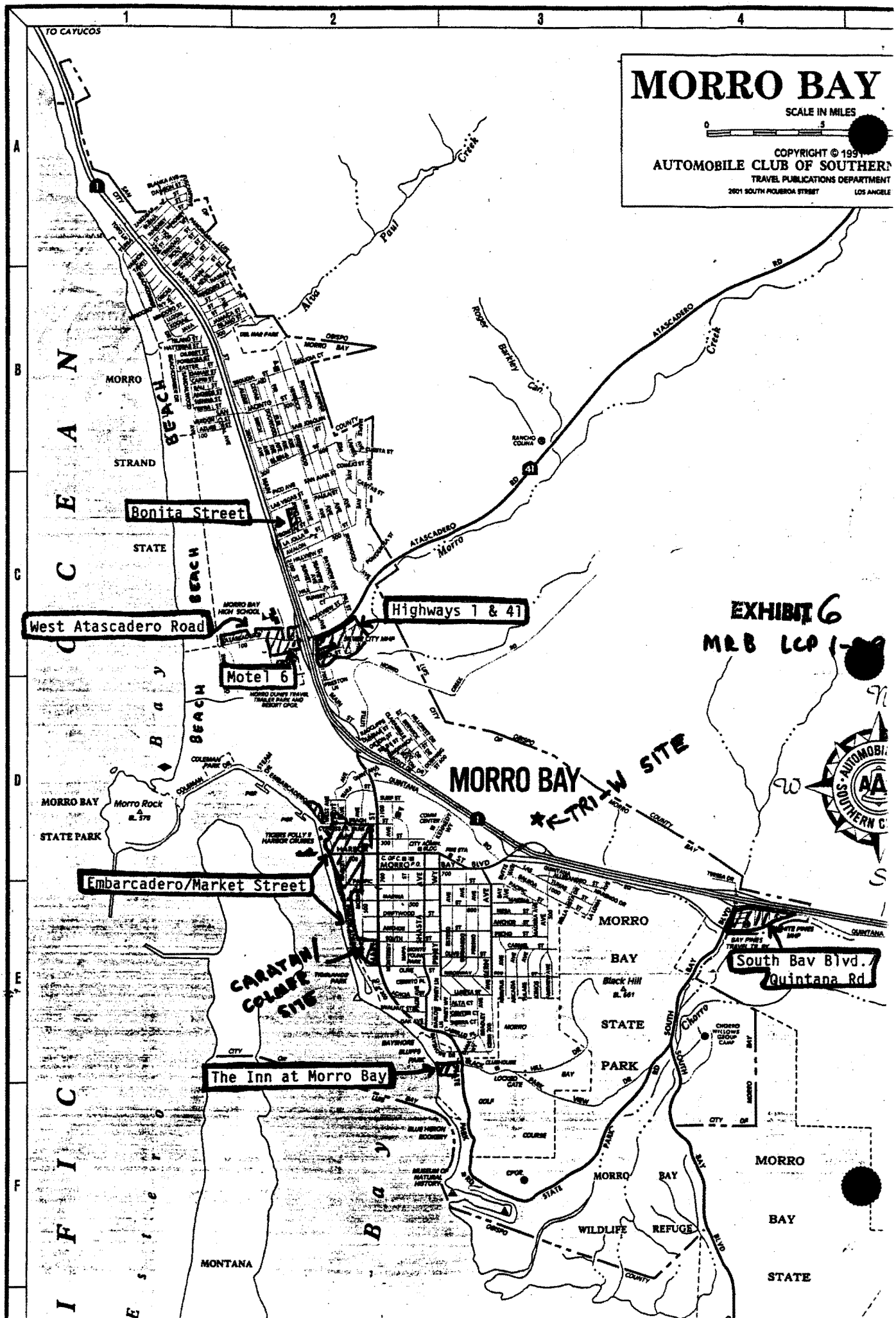


EXHIBIT 5

MBO LCP 1-99

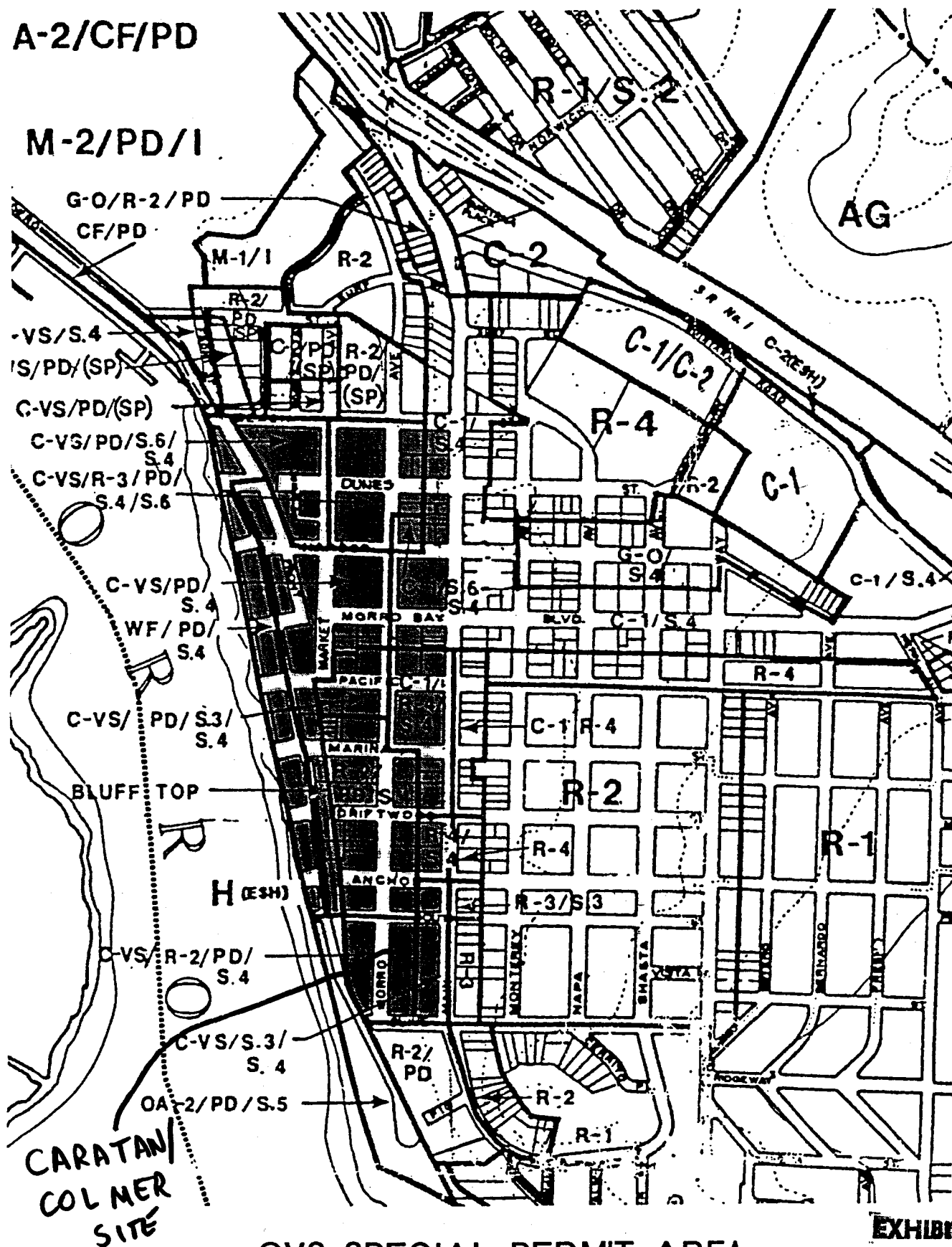
SCALE IN MILES
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TRAVEL PUBLICATIONS DEPARTMENT
2601 SOUTH PIQUEROSA STREET LOS ANGELES



A-2/CF/PD

M-2/PD/I



CVS SPECIAL PERMIT AREA

EXHIBIT 7
NRB LCP 1-99

Zone District (With notion of which district, such as "All are in C-VS"): Each table indicates the zone district surveyed.

Vacant. This indicates those surveyed lots with no existing structures or significant unused portion of lots.

Developed Conforming: This note on the Tables indicates that the uses are allowed under the requirements of the Zoning Ordinance.

Developed Non-Conforming in Good Condition: This note on the Tables indicates that the uses on the site do not conform with the allowed uses specified in the Zoning Ordinance.

Developed Non-Conforming in Poor Condition: This note on the Tables indicates that the uses on the site do not conform with the allowed uses specified in the Zoning Ordinance and that the physical condition of the structure is in general poor condition and may have a usable life of less than 5-15 years remaining. Minor structures on sites projected for redevelopment are also included in this category.

General Notes: These notes supplement the site information and indicate the name of the business or other relevant information.

Based on the survey results the following two table summarize the total land and total vacant land within the City as indicated:

Table A - Summary of Land Use Inventory

Zone Districts Allowing C-VS Uses	Total Land	Vacant Land
C-VS (vacant, tear-down, pending redevelopment) ³	74.37 70.80 acres	19.49 15.90 acres ² (22.93 19.34 acres)
WF	5.71 acres	0.00 acres
CI	(not surveyed)	3.97 16.97 acres
MCR	(not surveyed)	4.84 acres
Special Use Permit Area - C-VS ⁴ (includes all vacant land in Special Permit Area)	8.06 acres	1.11 acres (not calculated)
Interim Uses (Portions of M-1)	(not surveyed)	4.19 acres
TOTAL	~200-250 acres	33.60 46.6 acres

EXHIBIT 8

MRB LCP1-99

² The revision of October 26, 1999 consists of a reduction of 3.59 acres of land previously thought to be vacant and zoned C-VS, that is actually 13.00 acres and is zoned C-1. This property (Table A.1, #4, APN 068-401-004, ptn.) is the TRI-W site.

³ Includes Non-Conforming uses with existing structures in poor condition and projected to be redeveloped.

⁴ The Special Use Permit Area - C-VS (MBMC Sec. 17.30.030.Q) category does not include vacant properties within the Permit Area that are already listed in the C-VS and Commercial Zones indicated above.

CITY OF MORRO BAY
VISITOR SERVING COMMERCIAL (C-VS) LAND USE STUDY

Table B - Caratan Property As a % of Vacant Land Availability

Caratan property zoned C-VS as a % of all C-VS zoned vacant land and as a % of total vacant land allowing C-VS type uses in the City. (1.47/ 19.49 15.90 acres) / (1.47/ 33.60 46.6 acres)	7.59%/4.40% 9.25%/3.15%
Caratan property zoned C-VS and C-VS/R-2 as a % of all C-VS zoned vacant land and as a % of total vacant land allowing C-VS type uses in the City. (4.34/ 19.49 15.90 acres) / (4.34/ 33.60 46.6 acres)	22.32%/12.95% 27.30%/9.31%
Caratan property as a % of all available C-VS vacant and "Developed Non-Conforming in Poor Condition" land. (4.34/ 22.93 19.34 acres)	19.6% 22.44%
Caratan property as a % of all C-VS zoned land. (4.34/ 74.37 70.80 acres)	6.1%
Caratan property as a % of all C-VS & WF zoned land. (4.34/ 80.08 76.50 acres)	5.6%

Table C - Land Uses Allowed By District

Land Uses	Districts			
	Visitor-Serving Commercial	Waterfront	Mixed Commercial/Res.	Central Business Dist.
Restaurant	X	X	X	X
Retail Sales	X	X	X	X
Retail Service	X	X	X	X
Museums etc.	X	X		
Hotels, Motels	X	X	X	X
Bars, Liquor Stores	X	X	X*	X*
Recreational Rental & Repair	X	X	X	
Service Station & Car Wash	X		X	X
Parking Lots	X	X	X	X
Parking Structure	X			X
Parks & Open Space	X	X		
RV Camping	X			
Seafood Market & Processing		X		
Docks, Wharves & Boardwalks		X		
Storage, Warehouse			X*	
Business & Professional Offices			X	
Apartments			X*	X*
Residential			X	X*
Theaters & Auditoriums			X	X
Daycare Facilities				X

EXHIBIT 8 2

MRB LCP 1-99

CITY OF MORRO BAY
VISITOR SERVING COMMERCIAL (C-VS) LAND USE STUDY

* Allowable under certain conditions

*Includes Non-Conforming uses with existing structures in poor condition

Table D - Total Acres of C-VS By Land Use

Vacant	19.49 15.90
Conforming	29.98
Non-Conforming (Good Cond.)	21.46
Non-Conforming (Poor Cond. or Pending Dev.)	3.44
Total Acres of C-VS	74.37 70.80

Table E - Percentage Of C-VS Acres By Land Use

Vacant	26.2 22.5%
Conforming	40.3 42.3%
Non-Conforming (Good Cond.)	28.9 30.3%
Non-Conforming (Poor Cond.)	4.6 4.9%
Total	100.0%

Table F - Available C-VS Used By Proposed Development

Percentage of Available C-VS used by proposed development:	19.6%
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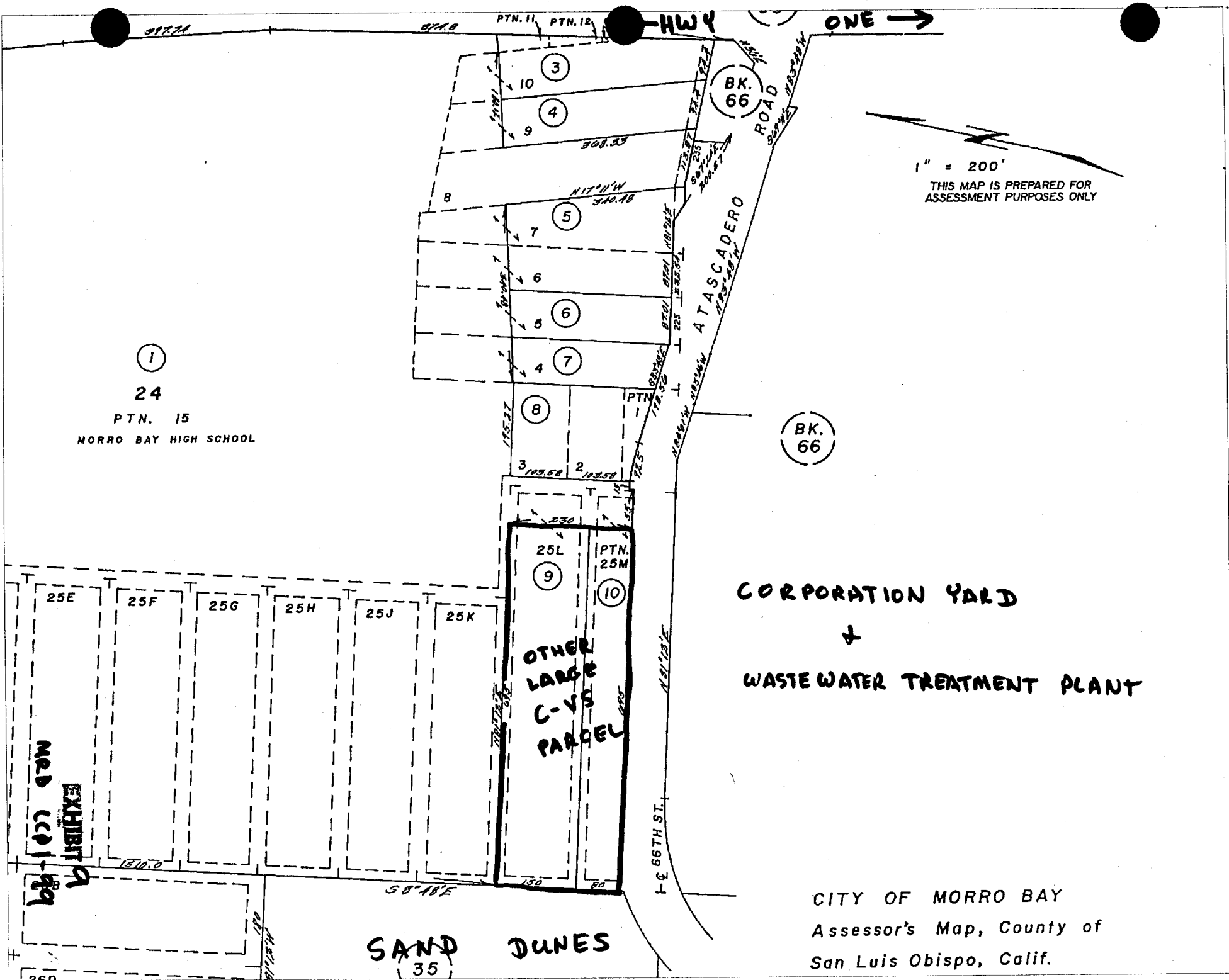
Note: This includes vacant land, non-conforming uses in poor condition, or pending development. It was derived by dividing the acreage of the project site, 4.34 acres, by the total amount of available land, ~~22.93~~ 19.34 acres.

Table G - Special Permit C-VS Area

TOTAL ACRES (Not included in other Zone Districts such as C-VS, C-1, and WF)	8.06 acres
Acres Developed	6.95 acres
Acres Undeveloped	1.11 acres
Percent Developed	86.2%
Percent Undeveloped	13.8%

EXHIBIT 8 3

NRB LCP 1-99



EXECUTIVE SUMMARY

The City of Morro Bay commissioned this report at the suggestion of the California Coastal Commission staff in order to evaluate the economic implications of the proposed designation change from visitor-serving commercial to residential on the Interior Parcel (2.95 acres) of the Project Site. As part of the current LCP application the Bluff Parcel (1.55 acres) may be designated as open space/recreation (as suggested by Coastal Commission staff and consistent with uses proposed by the project applicant) and the site has been analyzed with the two parcels linked economically. This report addresses two primary issues regarding the economics of visitor-serving uses in Morro Bay:

- What is the existing and future long-term additional demand for visitor-serving uses in Morro Bay in terms of acreage demand for visitor-serving development and what would be the impact of the loss of 2.95 acres of C-VS and mixed C-VS/residential land?
- How suitable is the Project Site for development for visitor-serving uses, including hotel/conference center, motel/retail mixed use, boutique hotel, RV park, other visitor attractions, or visitor-serving parking lot?

Summary of Findings

Market demand for visitor-serving retail space within the next 15 years will range from no demand to as much as 15,000 square feet. Maximum demand for vacant C-VS land for retail uses is estimated at 0.45 acres (approximately 20,000 square feet of land). Though there is not sufficient data to project 30 year visitor-serving retail demand, historic trends give little to indicate that sales growth (or retail development) would greatly exceed the 15 year estimates. Based on our survey there are numerous sites in the Waterfront District that can serve this demand, that have better synergy and compatibility with existing retail uses than the Project Site.

This report estimates a 15 year C-VS land demand for lodging ranging from 23 to 195 rooms. This demand translates into approximately 0.4 acres to 3.37 acres. This report estimates a 30 year demand for approximately 238 rooms and 4.1 acres. Given the pending development of approximately 120 to 350 hotel rooms on the Tri-W, Bay View, Harbor View, and Ascot sites, there is demand for zero to two acres C-VS land beyond these developments.

The Tri-W site is undergoing preliminary planning for a 150 to 250 room hotel/conference center. However, the court decision determining the site's allowable land uses may exclude visitor-serving uses and a change in this ruling allowing visitor-serving uses would be needed to proceed with this development. If the Tri-W proposed development proceeds, there would be no additional demand for C-VS land for lodging uses. If the

EXHIBIT 10
MRB LCP 1-99

SUMMARY FINDINGS

	Growth Trend	15 Year Estimate	15 Year Acreage	30 Year Estimate	30 Year Acreage
Retail	-0.9% to 0.7%	15,000 sf*	0.45	N/A	N/A
Lodging	1.4% to 2.6%	23 to 195 rooms	3.37	238 rooms	4.1
Total			3.82		5**

*demand projected as 0 to 15,000 building square feet.

** Given the range of retail demand, overall demand is unlikely to exceed 5 acres.

N/A: 30 year retail demand estimate not available due to insufficient data.

Tri-W development does not proceed, there would be demand for two additional acres of C-VS land.

Maximum 15 year land demand is projected at 3.82 acres. It is unlikely that 30 year demand will exceed 5 acres. Numerous sites better suited for retail and lodging development are identified in the Visitor-Serving Retail and Lodging Market Overview sections and in Table 7. In total, as indicated in the *Visitor-Serving Commercial (C-VS) Land Use Study*, there are 43.65 acres of vacant or re-developable land in the City that allow visitor-serving retail and lodging uses. The re-designation of the 2.95 acre Interior Parcel of the Project Site will not impact the City's ability to supply land needed to serve projected visitor-serving development demand in the next 30 years.

Based on this report's analysis, the Interior Parcel is not suitable for development as a hotel/conference center, motel/retail mixed use, boutique hotel, RV park, or parking lot. The site is not suitable for any visitor attraction considered in this report (which includes rock climbing, paintball, miniature golf, virtual reality arcades, swimming pools, and waterslide facilities) including the proposed maritime museum because of site economic, environmental, and land use compatibility issues.

Analysis of hotel/conference center usage on the Project Site is particularly important because there are few sites within Morro Bay appropriate for this use. The Tri-W site is one of the few sites in Morro Bay that is large and in an appropriate location for a conference center. Additionally, there is a 3.68 acre oceanfront site at the western terminus of Atascadero Road that could be appropriate for a hotel/conference center. Therefore, regardless of the Tri-W site's availability, there will be competitive sites available for development of a hotel/conference center. It should be noted that regardless of site availability, overall market demand of 238 rooms over 30 years with a current pipeline of 120 to 350 rooms indicates that market demand is too low for a hotel/conference center in the 30 year horizon of this study.

EXHIBIT 10 2
MRB LCP 1-99

In conclusion, the re-designation of the 2.95 acre Interior Parcel of the Project Site will not impact the City's ability to supply land needed to serve projected visitor-serving development demand in the next 30 years. And because of numerous suitability issues, the Interior Parcel faces a very low probability of achieving an economically viable visitor-serving development in the next 30 years. Therefore, the change of Local Coastal Plan (LCP) designation of the 2.95 acre Interior Parcel of the Project Site will not impact the City of Morro Bay's ability to meet projected visitor-serving growth.

EXHIBIT 10 3
MRB LCP 1-99

COLMER DEVELOPMENT company

5000 Parkway Calabasas • Suite 110 • Calabasas • California 91302 • (818) 222-5666 • FAX (818) 222-5668 • EMAIL COLMER32@msn.com

April 18, 2000

Mayor Rodger Anderson and City Council Members
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Re: Colmer/Caratan Property LCP Amendment

Dear Mayor Anderson and City Council Members:

During the March Coastal Commission hearing to review the City of Morro Bay's request for an LCP amendment, the Coastal Commissioners requested that modifications be prepared for their May meeting that would allow approval of the project based on:

1. Protection of the bluff-top parcel open space and views, and
2. Ensuring that adequate measures for water quality are established and attained.

The property owner, M. Caratan, Inc, and Colmer Development Company, the project applicant concur with City staff recommendations and agree to the following:

1. Change the land use designation of the bluff parcel from Mixed Commercial Visitor Serving/Residential to Open Space and the zone designation to OA-1.
2. Include the following features as required development conditions of approval in the Concept/Precise Plan for the proposed project:
 - a. Dedication of the bluff-top property to the City or qualified land conservation agency with a recorded bluff-top view preservation and public access easement to preserve views and open space values.
 - b. Construction of new parking and boat rinse-down facility along the Embarcadero to provide an additional visitor serving feature.
 - c. Provide Monarch Habitat Landscape enhancement on the bluff-top parcel to mitigate potential development impacts to bluff and interior parcel habitats.
 - d. Install water runoff filtering systems at project catch basins to filter water runoff silt, petroleum hydrocarbons and other contaminants from the development site.

EXHIBIT 11

MRB LCP 1-99

04-18-00 02:48pm From-Columbine Vineyards

6617251233

T-485 P.01/01 F-474

April 18, 2000
Page 2

The change in the land use on the bluff-top parcel as Open Space and the commitment to include the Concept/Precise Plan features mentioned above as conditioned development requirements, will hopefully provide an additional level of assurance to address the concerns of the Coastal Commission needed to approve this LCP amendment requested.

Sincerely,



Wayne Colmer

M. Caratan, Inc.



Luis Caratan, President

WC:ldp

EXHIBIT 11

MRB LCP 1-99



33787 Cecil Ave • Delano, California 93215-9597
Telephone: (661) 725-2566 • FAX (661) 725-7233

M. CARATAN, INC.

GRAPE GROWER AND SHIPPER

February 24, 2000

Mr. Steven Guiney
Coastal Program Analyst
California Coastal Commission
Central Coast Area Office
725 Front Street, Suite 300
Santa Cruz, California 95060

SENT VIA FACSIMILE
(831) 427-4877

Re: Morro Bay LCP 1-99

Dear Mr. Guiney:

I am the owner of the 4.5 acres consisting of two parcels in Morro Bay for which the LCP Amendment, redesignating a 1.4 acre strip along Main Street from C-VS (Commercial-Visitor Serving) to Residential, is being requested. My family has owned this property for over 50 years. During the past 20 years, there have been four serious development proposals. Three of these proposals have met with strong community opposition. The Colmer proposal to develop residential housing and give the bluff-top property as an open space area is a proposal that the community will support.

In 1985, a hotel-conference center was proposed on the site. It was denied by the City Council along with almost universal community opposition to the project. In 1989, another developer approached the City suggesting that a motel be built on the site. The developer was discouraged from pursuing the proposal because he was told that a motel development proposal would likely be rejected. In the 1990's, the United States Post Office made inquiries about building a post office on the site. Due to traffic concerns and noise, they were told by the City their proposal would likely be rejected. The City Council and the community have made it clear that any commercial-visitor serving use proposed on the property will be rejected. The community is unified in its rejection of any CVS use for this property.

EXHIBIT 11

MRB LCP 1-99

The community supports the Colmer proposal. Colmer's proposal offers permanent benefits. It insures that views over the estuary to the sandpit will be preserved by the dedication of the bluff-top parcel as open space. It provides additional visitor serving parking. It also importantly preserves the residential character of the neighborhood. CVS development of the bluff-top property will block views and could destroy the Monarch roosting area. Why is this a preferred use?

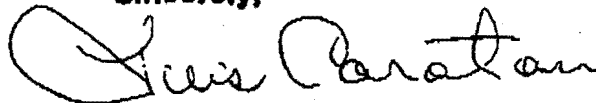
The community has made it clear that they will not approve any type of visitor serving development on the property. I have been denied the ability to develop the property as commercial and now residential. I believe that by rejecting the request for the LCP Amendment you are denying any economic use of the property and it should be considered a taking.

In addition, throughout the 20-year history of processing development applications on the project, the property has never been designated as an environmentally sensitive habitat. Multiple environmental studies have been made on the site over the years. There is no scientific basis for this designation. This designation appears to be designed solely to support your rejection of the LCP Amendment request.

The Colmer Development proposal should provide the City of Morro Bay and Coastal Commission with a development that best benefits the citizens of Morro Bay and California. Views will be preserved; the residential character of the neighborhood will be preserved; property will be dedicated to provide a habitat for the Monarch Butterflies; and permanent open space and visitor serving parking will be provided.

This is a good development and I urge you to recommend its approval.

Sincerely,



Luis Caratan

EXHIBIT 11

MAR LCP 1-99

290 Cypress Ave.
Morro Bay, Calif. 93442
February 18, 2000

RECEIVED

FEB 22 2000

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

California Coastal Commission
725 Front St. Suite 300
Santa Cruz, Calif. 95060

Att: Mr. Charles Lester
Ref # MRBLCP 1-99, Caratan-Colmer

Dear Mr. Lester,

I am writing you about the proposed rezoning of this property from visitor serving commercial to R2. This property was zoned residential under the county. When Morro Bay became a city in 1964, it was also zoned residential. It is surrounded by a prime residential neighborhood.

There is an overabundance of commercial zoning in the city of Morro Bay. Therefore I urge you to rezone this property to R2 and restore it to it's historical zoning so that commercial development does not upset a balance in the residential area.

Very truly yours,


Dorothy Cutter

EXHIBIT 11

MRB LCP 1-99

RECEIVED

FEB 18 2000

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Mr. Charles Lester
(Colmer/Caratan)
California Coastal Commission
725 Front St. Suite 300
Santa Cruz, Ca. 95060

Re: case # MRB LCPl-99

There is ample commercial zoning in Morro Bay. The property in question should be re-zoned from visitor serving commercial use to R2.

The use of this property has been reviewed at length within the review process in Morro Bay. It has been determined that R2 is the best use for this parcel. Please concur with the majority of residents in Morro Bay.

Thank you.


Doral McKee

710 Luisita St.
Morro Bay, Ca. 93442

EXHIBIT 11

MRB LCP 1-99

ADVOCATES FOR A BETTER COMMUNITY
P.O.Box 921 Morro Bay, Ca. 93442

RECEIVED

FEB 18 2000

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Mr. Charles Lester
California Costal Commission
725 Front St. Suite 300
Santa Cruz, Ca. 95060

Feb. 16, 2000

Case #MRBLCP-99 Caratan/Colmer

Dear Mr. Lester:

We were very disappointed to learn that the Costal Commission Staff is considering recommending denial of the above case.

We feel the change in zoning is the best thing for this property. Please recommend approval of this change, so the project can proceed.

This property is in the middle of a residential area. On the East and South there are single family houses, on the North are Apartments and on the West is the bluff overlooking the bay.

In the past this property was zoned residential, and a house still sits on it. There is no way the Citizens of Morro Bay will ever allow any kind of visitor serving to be put on this property.

Mr. Colmer met with the City Staff and the Citizens of Morro Bay. He worked with us to get the best possible project. We will save the bluff from development forever with this project. Morro Ave is one of the best views for the Citizens and tourists alike to enjoy.

Sincerely:



Raymond F. McKelligott President

~~EXTERNAL~~

11

MRB LCP 1-99

6.3 Monarch Butterflies.

Monarch biologists generally recognize two types of monarch roosting habitats - autumnal roost sites and overwintering habitats (Bell et al. 1993). **Autumnal roost sites** are occupied early in the fall and generally host relatively small populations of monarchs (hundreds to low thousands). These sites may serve as feeding habitats for monarchs allowing them to replenish food reserves after the fall migration and increase their food reserves for the upcoming winter. Monarchs roost on these sites for a few weeks but abandon them by mid-November and migrate to overwintering habitats. They rarely re-occupy these habitats during the remainder of the winter. In contrast, **overwintering habitats** are occupied by monarchs throughout the fall and winter, and the butterflies remain at most of these sites until February and March which is when mating and spring remigration occur. The number of monarchs that occupy these sites is highly variable and depends on local environmental conditions, as well as recruitment levels during late summer throughout their western milkweed breeding range. At San Luis Obispo County overwintering sites populations of over 200,000 monarchs have been reported (Frey 1995).

6.3.1 Historical analysis. Several data sources were used to review the historical use of habitat by monarch butterflies at the Colmer site. These data are summarized in Attachment 3.3, Table 1. The California Department of Fish and Game Natural Diversity Data Base record (Attachment 3.4) included information from this site for six overwintering seasons. This record suggests that monarchs used the site as an autumnal roosting site during Fall of 1990, 1992, and probably Fall 1993. Substantial numbers of roosting monarchs were reported during November of 1990 (10,000); fewer in Fall of 1992 (1,000), but none or few were found on subsequent visits during December and January for those years by monarch expert Walt Sakai. The relative abundance in Fall 1990 and 1992 mirrors the relative abundance pattern at a key San Luis Obispo County overwintering site, Pismo Beach State park - North campground (Frey 1995). It should be pointed out that "order of magnitude" year-to-year differences in monarch abundance is not considered unusual for western North American monarch populations at overwintering sites.

The NDDDB record also documents the removal of trees from the site prior to the 1995 overwintering season and subsequently categorized the site as extirpated. More recently, NDDDB records show that no clustering monarchs were found in January 1995, 1996, or 1998. Sakai & Calvert (1991) reported similar data for the 1990-1991 overwintering season in their report to California Department of Parks and Recreation. The NDDDB information is consistent with our survey results that no roosting butterflies occurred at this property during February in 1998 or November 1998 and agrees with our observation that no roosting occurred during January through March in 1999. Finally, our observance of early fall clustering this season (1999) on both Parcel 1 and Parcel 2 confirms other data below regarding the autumnal status of the site.

A second line of historical data regarding use of the property by monarchs comes from photographic records. Photos of roosting monarch butterflies exists for at least five seasons (Attachment 3.3, Table 1). Richard Hansen, Morro Bay resident, photographed

monarch clusters at this site during each of these five seasons and unidentified Morro Bay Planning Staff personnel did likewise during one season (See sample photos in Attachment 6.1, Figures 1 through 3). The February and March 1990 photos as well as the January 1992 photos suggest that monarchs during these years may have been present throughout the overwintering season, i.e., monarchs may have used it as true overwintering habitat rather than just an autumnal staging ground. Interviews of Morro Bay residents suggested that monarchs had used the site regularly during the fall in past years.

Thus the historical information and our recent observations of October roosting butterflies on both Parcels offers compelling evidence that this site was consistently used by monarch butterflies as an autumnal site and currently attracts monarchs during the fall. The historical data is less clear as to whether the site was regularly used for overwintering prior to tree removals and thinning associated with CDP 60-93R (See below). The NDDDB record, as well as Sakai & Calvert (1991), reported no roosting monarchs for December and February of the 1990-91 season. This was a year during which a record number of monarchs were present at the Pismo Beach site and was considered by many monarch experts as a season of high abundance state-wide (Frey 1995). In striking contrast to the absence of monarchs at the Colmer site, during 1990-91, roosting butterflies were present for the entire overwintering season at the Morro Bay Golf Course site, the Monarch Lane site, the site at Camp Keep in Montana de Oro, as well, many other regional overwintering sites (Frey 1995). The absence of monarchs during the 1990-91 season and only 10 butterflies reported in January 1993 (NDDDB), suggests that the Colmer site may not have regularly "held" butterflies throughout the winter season prior to tree removal in 1994.

6.3.2. Analysis of 1994 tree removals. A Coastal Development Permit (CDP 60-93R) authorizing tree removal (See Attachment 3.1 - Tree removal authorization), imposed measures to minimize the impact on monarchs as conditions of the permit, e.g., trees greater than 6 inches in diameter required consultation with an entomologist and removals were not to occur between September to March. Approval of the permit, however, may have underestimated the impact of removing a number of smaller trees on the monarch habitat.

During our site surveys of the Bluff Parcel we located five large tree stumps (> 2 feet in diameter) located in a line between tree #91 and trees #88 and 89 of the Project tree inventory map, just to the north of the indicated property boundary. We were unable to determine the length of time since their removal as well as those noted below. Many of the eucalyptus trees in the Interior Parcel have two or more main trunks that branch from a common base. One of the large trunks or basal limbs (greater than 6 inches in diameter) had been removed from 12 of these trees at some undetermined time in the past. One stump greater than 6 inches in diameter is located along the northern area of the parcel near tree # 2.

The pre-removal ecological density and habitat suitability of specific regions within a site cannot be determined without reconciling a detailed pre-removal tree inventory map, which includes the location of all trees, even those less than 6 inches in diameter, with existing tree locations. The non-random concentration of large eucalyptus trees currently in the northern part of the Interior Parcel, as well as those remaining along the Bluff, suggest that during tree

EXHIBIT 12 2

removal, attention was given to the location of monarch habitat identified in the Permit documentation. The permit specified that an entomologist should advise regarding specific tree removal for the Interior Parcel, but no reference to consultation with an entomologist during the permitting process or tree removal was evident from available documentation. Staff reports and documentation did not indicate subsequent public comments or reviews suggesting that conditions of the permit were met. However, removal of many small trees (< 6 inches in diameter) from the interior Parcel could have resulted in altered microclimate conditions within the monarch habitat.

6.3.3. Analysis of current monarch habitat. Data collected during our monarch survey were used to carryout an analysis of the current suitability of the Colmer putative Interior Parcel monarch habitat for overwintering purposes. This analysis was independently derived from the above historical/survey results. Five established habitat criteria were used and the Colmer site habitat was compared to two San Luis Obispo County monarch overwintering sites, the Skyline-Pecho Rd site in Los Osos and the Pismo site. Data for this analysis are given in the accompanying matrix and summarized below.

<i>Habitat characteristic*</i>	<i>Colmer site</i>	<i>Pismo, North Campground site</i>	<i>Los Osos, Skyline-Pecho Rd site</i>
Site density of trees (trees per Acre)	24.0 (108 trees/4.5 A)	71.1 (251 trees/3.53 A)	404.4 (455 trees/1.12 A)
Density within roosting region (trees per Acre)	42.6 (27 trees/0.634 A)	146.4 (123 trees/0.84 A)	404.4 (91 trees/0.225 A)
% canopy coverage within roosting region	25-40 %	75-85%	70-80%
Presence of 30 meter buffer zone	No	Yes	Yes
Mid-level Understory (0.5 – 3.0 m high)	No	Yes	No
Roosting monarchs Present December - February	No	Yes	Yes

* Criteria based on Bell et al. (1993), Leong (1990), and Leong et al. (1991).

The tree density and canopy coverage at the Colmer site is much lower than either the Pismo or Skyline "reference" overwintering sites. Furthermore, density of trees on the site prior to tree removal (24 trees/A.) was 67 % less than the current density at the Pismo North Campground overwintering site. A 30 meter zone of trees surrounding the putative or actual roosting trees is absent at the Colmer site but present at the two comparative

sites. This zone is considered essential to abate strong winds that frequently occur along the central coast (Leong 1990; Murphy & Weiss 1991) and is necessary to permit diffuse filtered patches of light to reach clusters (Frey et al 1992) as explained in Section 3.4. Mid-level understory is also absent at the Colmer site and as indicated in the previous section, roosting monarchs have not used the site in December through February since the tree removals in 1994. The latter two variables, mid-level understory and extended roosting period, are considered important overwintering habitat indicators by the Xerces Society's conservation and management guidelines for preserving the monarch overwintering habitat in California (Bell et al. 1993). Other criteria from the Xerces guidelines (Bell et al. 1993) concern such features as sunlight, humidity, protection from storms, stratification of vegetation, and water availability.

In summary based on the above habitat analysis, the Colmer property currently fails to meet any of the recognized criteria that would classify it as suitable habitat for overwintering monarchs (i.e., one that "holds" roosting monarchs throughout the entire overwintering period).

- ◆ *The site is too windy.* Wind velocity measurements (i.e., maximum gusts recorded over 15 second recording periods) made during our February 1998 survey ranged between 2.08 and 5.03 meters/second. Similar readings taken on the same date at the Morro Bay Golf Course site in the vicinity of the cluster trees were < 1.4 meters/second. Leong et al. (1991), working in similar eucalyptus habitats in San Luis Obispo County, found that when wind velocities were greater than 1.61 meters/second, the site did not support overwintering monarchs.
- ◆ *The eucalyptus stands are too open.* They do not form a complete enough canopy and permit too much horizontal air movement (See Attachment 6.2, Fig. 6 and refer to section 7.2 below regarding windbreak performance criteria).
- ◆ *There is too much sunlight as a result of the open canopy.* Increased sunlight results in elevated body temperature for roosting monarchs, elevated metabolic rates, and too rapid use of their body fat (Alonso et al. 1997).
- ◆ *There is almost no mid-level understory.* Mid-level understory (0.5 to 3.0 meters tall) is absent which results in excessive winds and dehydrating conditions for monarchs in the roosting trees.
- ◆ *Vegetation is not dense enough.* Moderately dense vegetation is necessary to provide a refuge or protection from strong winter storms (Naegle 1946).
- ◆ *The site consists of relative uniform roosting level canopy.* Overwintering habitat typically is associated with a stratification of vegetation heights and density necessary to provide a variety of sunny and shady microhabitat conditions.

7.0 RECOMMENDATIONS AND MEASURES

For purposes of CEQA, development of the Colmer property is not expected to result in high level significant adverse impacts to any species of wildlife or their respective habitats that are designated as "special-status" (e.g., heron nesting habitat and monarch roosting habitat). It does however, have potential for several moderate to low level adverse biological impacts as noted above and which we discuss below. These impacts, while they may not require mitigation under CEQA, can be addressed under the City's "Significant Public Benefit" findings which are required by the sub-standard lot sizes.

7.1. Adverse impact to wildlife.

Black-crowned night heron and great blue heron nesting habitat. Based on results of the wildlife site survey, nesting of black-crowned night heron and great blue heron is not expected to occur within existing habitats of the Colmer property. In addition, due to the presence of adjacent vehicular traffic and human activity within the area, the potential for nesting by these species within eucalyptus woodland of the property is considered to be unlikely. The projects impact for these species is considered less than significant for purposes of CEQA.

Raptors nesting. Nesting raptors such as red-shouldered hawk and red-tailed hawk were not observed within the immediate vicinity of the property. However, the site survey was conducted at the beginning of the typical breeding season for these species, and therefore, potential nesting of various raptor species within eucalyptus woodland located on site could not be determined. Disturbance of any active raptor nest associated with project implementation, might be avoided through implementation of measures described in the section 6.2.

7.1.1. Wildlife mitigation recommendations.

The following recommendations are suggested to assure that potential adverse project wildlife impacts remain less than a significant level:

1. To reduce the loss of potential roosting habitat for wading birds such as black-crowned night heron, great blue heron, snowy egret, and great egret, as well as roosting habitat for raptors, the proposed project should minimize the removal, trimming, and thinning of eucalyptus trees located on Parcel 2.
2. To avoid any future take of active raptor nests, necessary tree removals associated with the proposed project should be conducted between mid-August and late January, outside the typical breeding season. If any tree removals are determined to be necessary between the beginning of February and mid-August, a raptor nest survey should be conducted by a qualified biologist prior to project implementation and any planned tree removals. If the biologist determines that a tree slated for removal is being used by any raptors at that time, the applicant shall submit the information to the CDFG and apply for appropriate permits for tree removal.
3. To reduce the loss of potential foraging habitat for various songbirds, hummingbirds, and raptors resulting from removal of existing trees in the Interior Parcel, one should enhance

the Bluff Parcel with native trees and shrubs in all areas that will be retained as open space.

4. Several trees in the southern portion of the Bluff Parcel (#s49, 51, 54, 55, 56, 57) are located in the right-of-way along Morro Street and slated for removal. If deemed feasible, these should be left to minimize items 1 and 2 above as well as to help reduce wind flow from the south (See section 7.2).

7.2. Adverse impact to monarch butterflies.

Since no habitat on the Colmer property qualifies as a monarch overwintering site, the proposed development does not have significant biological impacts regarding monarch habitat. The development of the Interior Parcel (Parcel 1) as proposed, however, will cause the loss of an autumn monarch roosting site as a result of tree removal and trimming. Loss of monarch food sources will also occur as a result of removal of flowering plants and eucalyptus trees; this loss of food resource is not considered a significant impact due to wide availability of flowering plants including nearby eucalyptus, and the proposal to enhance the Bluff Parcel (See below). Preservation of an adequate tree canopy and additional tree and shrub plantings would be necessary to preserve the autumn roosting habitat for monarchs. The proposed development of the Interior Parcel would also prevent the long-term natural recovery of this site via eucalyptus recruitment and growth that might return it to a state similar to that prior to the extensive tree removal in 1994. Prior to these removals our review of the historical documentation of monarchs at this site suggests that during some seasons it may have been an overwintering site rather than just an autumn site. This natural recovery could be expected to take 25-30 years. We suggest that the following habitat enhancement and preservation program be implemented by the developer under the City of Morro Bay significant public benefit findings to offset the loss of habitat in the Interior Parcel.

7.2.1. Monarch habitat mitigation recommendations - Bluff Parcel habitat enhancement.

The enhancement should consist of extensive planting of trees to provide bluff windbreak from strong prevailing on-shore winds and provide appropriate roosting habitat. It should also provide appropriate access for public viewing of autumnal monarch butterflies. It should also be consistent with similar open space projects as deemed appropriate by Morro Bay Planning staff.

7.2.2. General enhancement criteria.

1. A windbreak is required to create a "quiet zone" with low wind velocity that extends from the inland side of the windbreak along the bluff to approximately the east edge of Morro Avenue.
2. The windbreak should abate gusts of prevailing on-shore winds to less than 1.4 m/s when measured over a 30 s window of time. This is generally considered as the maximum wind gust velocity that monarch butterflies will tolerate at overwintering sites (Leong 1990; Leong et al. 1991).
3. The windbreak should be oriented so that suitable roosting canopy is created with a southern exposure to filtered sunlight (Frey et al. 1992) and follow a design of existing overwintering sites.

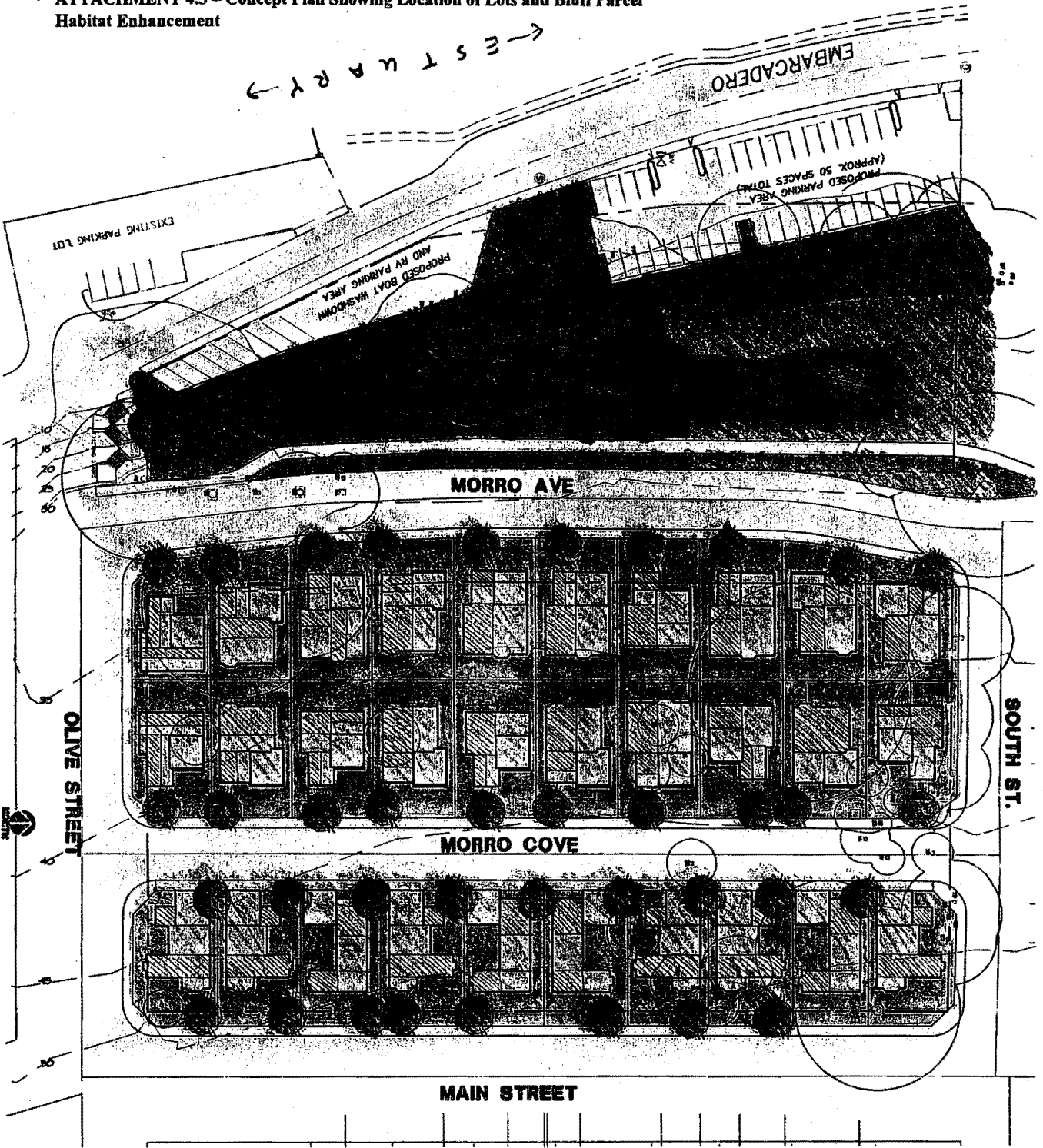
ATTACHMENT 4.3 - Concept Plan Showing Location of Lots and Bluff Parcel
Habitat Enhancement

PLAN VIEW

SECTION A - THRU BLUFF

SECTION A - THRU BLUFF

SCALE: 1" = 100'



GENERAL NOTES

1. REFER TO REPORT BY DR. V.L. HOLLAND AND DR. DENNIS FRET FOR SPECIFIC FINDINGS AND RECOMMENDATIONS OR HABITAT MITIGATION.
2. REFER TO DRAWINGS BY DR. FRET FOR SPECIFIC SITE & CIVIL ENGINEERING INFORMATION, PREPARED BY DANIEL H. WIGGIE RICE STUDIO (DHW 2285).
3. SHrub PLANTINGS ARE DRAWN FROM A LIST PROVIDED BY DR. V.L. HOLLAND AND DR. DENNIS FRET AS POTENTIAL FOOD SOURCES FOR THE MONARCH BUTTERFLY.
4. SLOPE PLANTINGS ARE INTENDED TO FILL IN IN AREAS AND SUPPLEMENT THE EXISTING PLANTINGS WITH NATURAL DISTURBANCE TO THE SLOPE.

PROPOSED BLUFF TOP SERIES

1. BUCKLEBUSH DOUGLASSII
2. CERCIS OCCIDENTALIS
3. BUCKLEBUSH DOUGLASSII
4. BUCKLEBUSH DOUGLASSII
5. GARRITA BLITTEA
6. RIBES SANBURNIUM

1. BUCKLEBUSH DOUGLASSII
2. CERCIS OCCIDENTALIS
3. BUCKLEBUSH DOUGLASSII
4. BUCKLEBUSH DOUGLASSII
5. GARRITA BLITTEA
6. RIBES SANBURNIUM

PROPOSED TREES

1. PAULS TORREYANA
2. TORREY PINE
3. BUCKLEBUSH DOUGLASSII
4. BUCKLEBUSH DOUGLASSII
5. BUCKLEBUSH DOUGLASSII



1. PAULS TORREYANA
2. TORREY PINE
3. BUCKLEBUSH DOUGLASSII
4. BUCKLEBUSH DOUGLASSII
5. BUCKLEBUSH DOUGLASSII

EXISTING TREES

1. BUCKLEBUSH DOUGLASSII
2. CERCIS OCCIDENTALIS
3. BUCKLEBUSH DOUGLASSII
4. BUCKLEBUSH DOUGLASSII
5. GARRITA BLITTEA
6. RIBES SANBURNIUM

PROPOSED BLUFF SLOPE SERIES

1. ABELIA SCHUMACHERI
2. ABELIA SCHUMACHERI
3. ABELIA SCHUMACHERI
4. ABELIA SCHUMACHERI
5. ABELIA SCHUMACHERI
6. ABELIA SCHUMACHERI

EXHIBIT 12

MRS - 1271-1271

MORRO HOME

CONCE BLUFF PLAN

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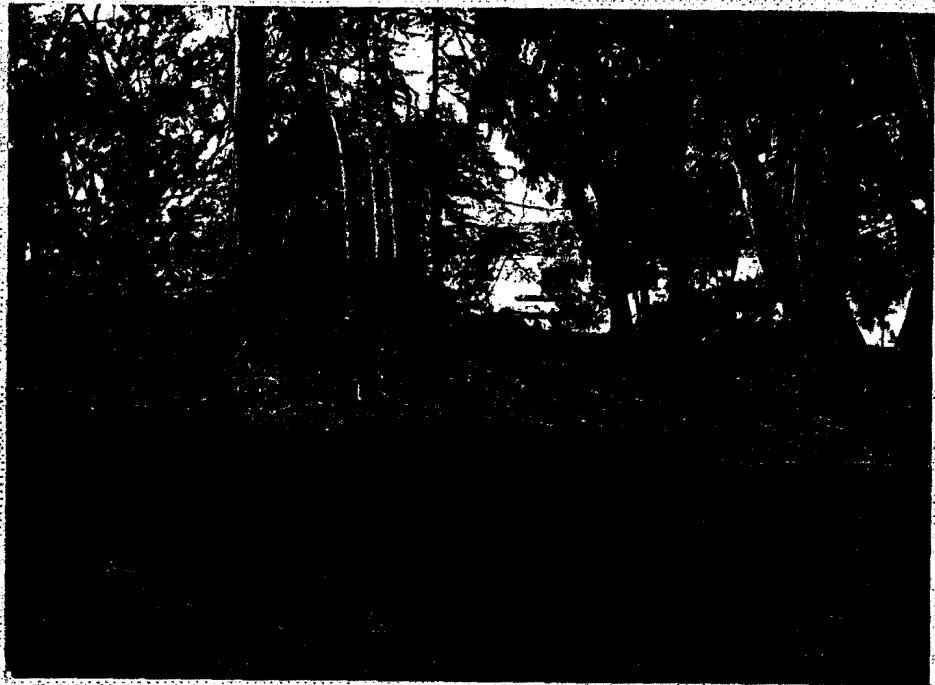


VIEW OF TREES AT NORTH CENTRAL
END OF INTERIOR PARCEL
LOOKING NORTH

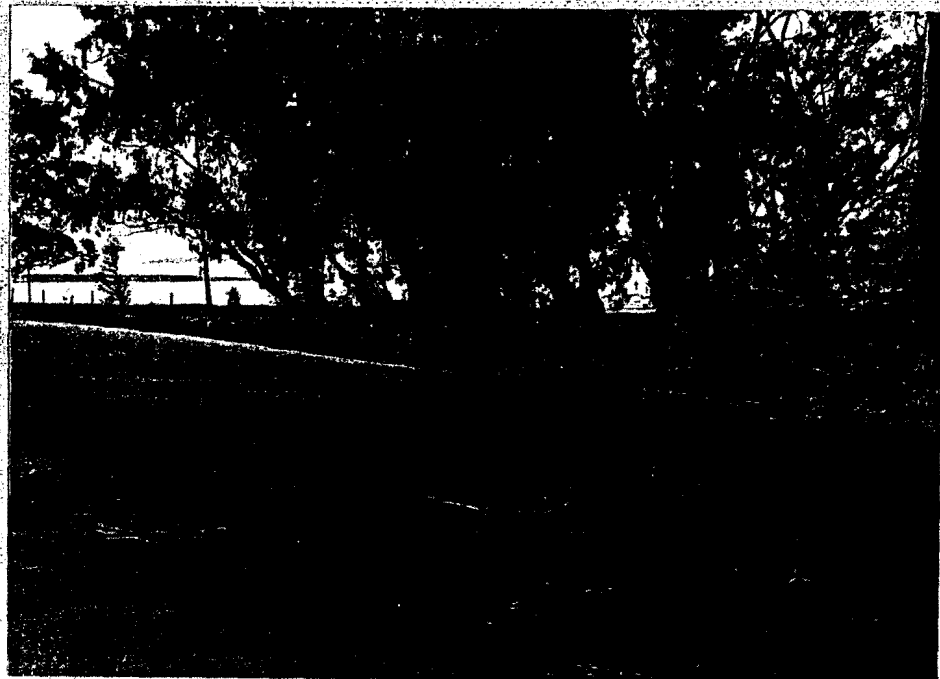


VIEW OF TREES AT NORTH CENTRAL
END OF INTERIOR PARCEL
LOOKING EAST TO
HOUSES ACROSS
MAIN STREET

EXHIBIT 13
MRB LCP 1-99



VIEW FROM MORRO AVE. + SOUTH ST.
ACROSS BLUFF PARCEL; ESTUARY
AND SAND SPIT BEYOND.

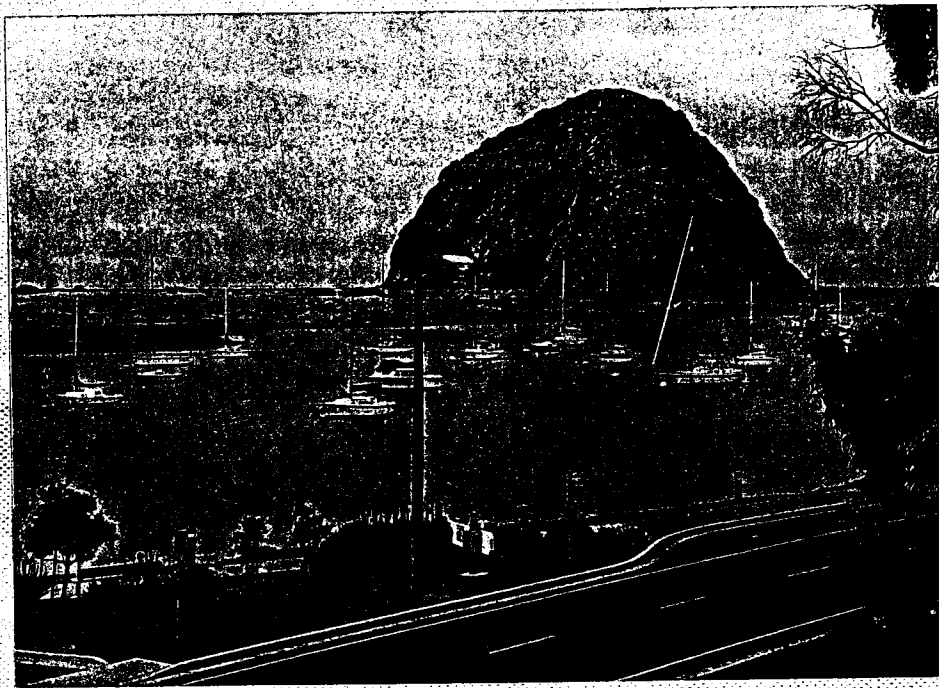


VIEW FROM + ALONG MORRO AVE.
ACROSS BLUFF PARCEL;
ESTUARY BEYOND

EXHIBIT

13 2

MRB LCP 1-99



VIEW FROM TOP OF BLUFF TO ESTUARY
AND MORRO ROCK. LOOKING NORTHWEST



VIEW FROM TOP OF BLUFF TO
TIDELANDS PARK, ESTUARY,
AND HILLS NEAR MONTAÑA
DE ORO STATE PARK

EXHIBIT 13 3
MRB LCP 1-99

