### CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE 725 FRONT STREET, SUITE 300 SANTA CRUZ, CA 95060 (831) 427-4863



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### RECORD PACKET COPY

March 21, 2002

TO:

Commissioners and Interested Persons

FROM:

Charles Lester, Acting Deputy Director Susan Craig, Coastal Program Analyst

**SUBJECT:** 

STAFF RECOMMENDATION ON CITY OF MONTEREY CANNERY ROW

LUP AMENDMENT NO. 1-01 (For Public Hearing and Possible Commission Action at

the Meeting of April 11, 2002)

### **SYNOPSIS**

The City of Monterey is proposing to amend the Cannery Row Land Use Map to re-designate portions of Cannery Row from Visitor Serving Commercial to Coastal Dependent, from Visitor Serving Commercial to Visitor Accommodation Commercial (a new designation), from Visitor Serving Commercial to Public Use Area, and from Parking to Visitor Accommodation Commercial. In addition, the City is amending one Cannery Row Public Access policy, amending two Cannery Row Land Use policies, and adding one new Land Use policy. Specifically, the City is requesting the following changes to its certified Cannery Row Land Use Plan:

- 1. Amend Public Access policy c.4. to add the word "linear" to the text.
- 2. Amend Land Use Policy a. to allow aquaculture and marine research uses in Coastal Dependent and Visitor Serving Commercial designated areas, subject to approval of a conditional use permit.
- 3. Amend Land Use Policy d. to delete hotels/motels as allowable uses in Visitor Serving Commercial designated areas, to specify that certain commercial uses require a Conditional Use Permit in Visitor Serving Commercial use areas, and to remove limitations on hours, usable space, and parking provisions for professional office use and warehouse and industrial uses and allow these uses (except professional offices) only in preexisting structures.
- 4. Add new Land Use Policy f. to include the new land use designation Visitor Accommodation Commercial use.
- 5. Amend Land Use Plan Figure 12 to re-designate San Carlos Beach Park from Visitor Serving



California Coastal Commission April 2002 Meeting in Santa Barbara Commercial to Public Use Area.

- 6. Amend Land Use Plan Figure 12 to re-designate two parcels from Parking to Visitor Accommodation Commercial.
- 7. Amend Land Use Plan Figure 12 to re-designate the Aquarium education building parcel and the Aquarium's new exhibit wing from Visitor Serving Commercial to Coastal Dependent.
- 8. Amend Land Use Plan Figure 12 to re-designate all hotel/motel properties along Cannery Row from Visitor Serving Commercial to Visitor Accommodation Commercial.

Staff has reviewed the proposed amendment to the Land Use Plan for conformance with the Coastal Act. As discussed in detail below, Staff recommends approval of the City of Monterey Cannery Row proposed Land Use Plan Major Amendment No. 1-01, with modifications.

The Commission certified the Cannery Row segment of the City of Monterey's Land Use Plan on November 3, 1981. The zoning portion (implementation plan) is not yet certified. Thus, the City does not have coastal permit-issuing authority. The City has organized and submitted this Land Use Plan amendment request in accordance with the standards for amendments to certified LCPs (Coastal Act Section 30514, California Code of Regulations 13551 through 13553). The amendment was filed on February 15, 2002. The Planning Commission and the City Council held noticed public hearings. Excerpts from the City's amendment submittal are attached as Exhibit 1.

### **SUMMARY OF STAFF RECOMMENDATION**

It is necessary to analyze the relationship between the amendment and the LUP as currently certified to ensure that the proposed changes will not conflict with other components of the LUP necessary to maintain Coastal Act conformance or internal LUP consistency. In undertaking such an analysis with respect to the subject amendment, Commission staff found that the submittal does not provide adequate measures to ensure that Coastal Act priority visitor-serving uses in this very popular visitor destination will not be displaced in the future by land use designations that restrict hotel/motel use. Furthermore, staff found a number of areas of the certified LUP that require modification to be consistent with the proposed changes. Thus staff recommends that the Commission deny the proposed land use plan amendment as submitted. Staff further recommends that the Commission approve the amendment with suggested modifications that provide internal LUP consistency and one modification that specifies a date at which time hotel/motel uses will again be permitted in Visitor Accommodation Commercial designated areas.

### **ANALYSIS CRITERIA**

The relationship between the Coastal Act and a local government's Local Coastal Program (LCP) can be described as a three-tiered hierarchy with the Coastal Act setting generally broad statewide policies. The Land Use Plan (LUP) portion of an LCP incorporates and refines the Coastal Act policies for the local jurisdiction, giving local guidance as to the kinds, locations, and intensities of coastal development. The



Implementation Plan (IP), or zoning portion of an LCP, typically sets out the various zone districts and site regulations that are the final refinement specifying how coastal development is to proceed on a particular parcel. The IP must be consistent with and adequate to carry out the policies of the LUP and the LUP must be consistent with the Coastal Act.

While elements of the City of Monterey's LUP, such as the Cannery Row LUP, have been certified by the Commission, the City does not have a fully certified LCP, because of the lack of a certified IP. In instances such as these, the Coastal Commission retains coastal permit authority over development proposals within the coastal zone, as is the current case within coastal areas of the City of Monterey. The Coastal Act remains the standard of review for coastal development permit applications, and the certified LUP provides guidance only. In order to approve the City's current amendment proposals, the Commission must find that the proposed change is consistent with the Coastal Act. While approval of this amendment will not affect the overall status of the Monterey City LCP, which requires certification of other LUP segments and an IP before the City can obtain coastal permit authority, it will revise the policies contained within the certified LUP. Certification of the future IP will require that the IP be consistent and adequate to carry out the certified LUP. The City's IP has been submitted for certification and will be placed on a Commission agenda for a hearing later in 2002.

### **ADDITIONAL INFORMATION**

For further information about this report or the amendment process, please contact Susan Craig, Coastal Planner, at the Central Coast District Office of the Coastal Commission at 725 Front Street, Suite 300, Santa Cruz, CA 95060; telephone number (831) 427-4863.

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### I. STAFF RECOMMENDATION

### **DENIAL OF LAND USE PLAN AMENDMENT AS SUBMITTED**

#### **MOTION 1:**

"I move that the Commission certify Major Amendment No. 1-01 to the City of Monterey Cannery Row Land Use Plan as submitted by the City."

#### STAFF RECOMMENDATION OF DENIAL

Staff recommends a <u>NO</u> vote. Failure of this motion will result in denial of the land use plan amendment component as submitted and adoption of the following resolution and findings. The motion passes only upon an affirmative vote of a majority of the appointed Commissioners.

### **RESOLUTION:**

The Commission hereby denies certification of Major Amendment No. 1-01 to the Cannery Row Land Use Plan of the City of Monterey as submitted and adopts the findings set forth below on the grounds that the amendment component, as submitted, does not conform with the policies of Chapter 3 of the Coastal Act and does not provide internal LUP consistency. Certification of the land use plan amendment would not comply with the requirements of the California Environmental Quality Act because there are feasible alternatives or mitigation measures which would substantially lessen any significant adverse impact which the land use plan amendment may have on the environment.

### APPROVAL OF LAND USE PLAN AMENDMENT IF MODIFIED AS SUGGESTED

#### **MOTION 2:**

"I move that the Commission certify Major Amendment No. 1-01 to the City of Monterey Cannery Row Land Use Plan, if modified as suggested by Modifications 1-18 in this staff report."

Staff recommends a <u>YES</u> vote. Passage of this motion will result in certification of the amendment component with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of a majority of the appointed Commissioners.

### **RESOLUTION:**

The Commission hereby certifies Major Amendment No. 1-01 to the City of Monterey Cannery Row Land Use Plan if modified as suggested, and adopts the findings set forth below on grounds that the land use plan amendment 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 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 and mitigation measures that would substantially lessen any significant adverse impacts which the land use plan amendment may have on the environment.

### II. SUGGESTED MODIFICATIONS

Commission staff suggests the following changes to the proposed Land Use Plan amendment, which are necessary to make the requisite findings. If the local government accepts all of the suggested modifications within six months of Commission action, by formal resolution of the City Council, the amendment will become effective upon Commission concurrence with the Executive Director finding that this has been properly accomplished. The suggested modifications are presented below in a format that indicates additions to the submittal with underline and deletions with strikethrough.

Note: The amendment proposal, as originally submitted, is attached to this staff report as Exhibit 1. A number of figures of the LUP affected by the submittal, as currently certified, are attached as Exhibit 2.

### Re-Designation of Aquarium Education Building Parcel and Aquarium New Exhibit Wing:

- 1. Revise Figure 6 (see Exhibit 2, pg. 2) to designate the Aquarium education building parcel and the new exhibit wing as Coastal Dependent.
- 2. Revise Figure 7 (see Exhibit 2, pg. 3) to remove the Aquarium education building parcel and the new exhibit wing from the Visitor Serving Commercial land use designation.
- 3. Modify Coastal Dependent Non-Recreational Activities Policy a. as follows:

The existing Coast Guard facilities, the launch ramp and marine facility site, and the proposed aquarium site are designated as coastal dependent land uses as shown in Figure 6.

#### Re-Designation of San Carlos Beach Park

- 4. Revise Figures 6 and 7 (see Exhibit 2, pp. 2-3) to remove San Carlos Beach Park from the Visitor Serving Commercial designation.
- 5. Revise Figure 18 (see Exhibit 2, pg. 7) to remove San Carlos Beach Park from "potential new development."
- 6. Delete Public Access Policies b.3, b.4, b.5, b.6, b.7, b.8, and c.5, and delete Public Recreation Policy a.1:
  - b.3. Require a public access easement and improvements to San Carlos Beach through the addition of an access point-for skin-divers and casual visitors at the north end of the beach (a minimum width of ten feet) as a condition of new development. This access



point is to be designed so as not to be in conflict with the sewage pumping station at the foot of Reeside Avenue.

- b.4 Require a public access and use easement over the sandy beach between the north end access point discussed above and the existing south end access point for San Carlos Beach as a condition of new development.
- b.5 Develop the City-owned parcel and street right of way north of San Carlos Beach as a public plaza area complimenting San Carlos Beach. Design of the plaza is to provide for continued maintenance access to the sewage pumping station at the foot of Reeside Avenue.
- b.6 Increase physical access by routing a pedestrian/bikeway branch of the recreational trail along the lands adjoining the sandy beach between the breakwater and the City-owned parcel north of San Carlos Beach. Require improvements and a public access easement (a minimum width of twenty feet) along these lands as a condition of new development.
- b.7 Require improvements to and a public access easement for a pedestrian plaza (a minimum of 4000 square feet) adjoining the sandy beach and the City-owned parcel north of San Carlos Beach. Require improvements and a public access easement (a minimum width of twenty feet) along these lands as a condition of new development.
- b.8 Require improvements to and a public access easement for a pedestrian plaza (a minimum of 1000 square feet) adjoining the south end access point to San Carlos Beach as a condition of new development. The pedestrian bikeway area is not to be calculated as part of this pedestrian plaza area.
- e.5 Develop a public accessway (a minimum width of 10 feet) to the rocky promontory on the City owned parcel north of San Carlos Beach. Coordinate this accessway with the pedestrian plaza proposed as public access complimenting San Carlos Beach.
- a.1 The City of Monterey is to coordinate the provision of restrooms as part of a public plaza on the City owned parcel north of San Carlos Beach (see policy b.5. under Public Access). The public improvements are to be undertaken as funds identified in the funding program are made available. A funding program is to be established in the implementation phase (See proposed implementation action a. on page II B-6).
- 7. Revise Public Recreation Policies a.5 and b.2., as follows:
  - a.5. Provide access to the sandy beaches as discussed in the Public Access section under Policy b. (See Policies b.1., b.2., b.3., b.4., b.5., b.6., b.7., b.8., b.9., b.10., under Public Access).



- b.2. Provide access to the viewpoints along the rocky shoreline as discussed in the Public Access section (see policies c.1., c.2., c.3., c.4., c.5.).
- 8. Revise Public Recreation Policy a.2., as follows:

Provide parking for skin diving and casual beach activities at San Carlos Beach by ereating maintaining the two new parking lots along Foam Street as shown in Figure 5 and by maintaining the San Carlos Beach parking lot (see policy a.5. under Public Access and policy a. under Parking).

9. Add the following policy to LUP Public Access policies regarding San Carlos Beach Park:

The City will maintain San Carlos Beach Park for Public Use as a coastline park with landscaped turf areas, walkways, seating areas, restrooms, parking, vista points to the Bay, and access to the beach and waters of the Monterey Bay National Marine Sanctuary. Uses of the San Carlos Beach Park include general beach use, picnicking, and entry and exit points for divers.

10. When all of the above modifications regarding San Carlos Beach Park have been made, renumber the Public Access and Public Recreation policies so that they remain consecutive.

### Re-Designation of Hotels/Motels from Visitor Serving Commercial to Visitor Accommodation Commercial

11. Amend First Paragraph of Land Use Policy d. to state:

Visitor-serving commercial uses are provided for in the areas shown in Figure 12. Principal permitted visitor-serving commercial uses are to include: hotel/motels (after April 15, 2012) (including accessory beauty shops, health spas, gift shops, and travel agencies)...

(Note: the remainder of this policy will be amended as submitted by the City – see Exhibit 1, pp. 1-2).

- 12. Revise Figures 6 and 7 (see Exhibit 2, pp. 2-3) to remove the Visitor Serving Commercial land use designation from all hotel/motel properties.
- 13. Amend Visitor Serving Commercial LUP policies a, b, and c to be consistent with amended Land Use Policy d, as follows:
  - a. Principal permitted visitor-serving commercial uses are to include hotel/motels (after April 15, 2012) (including accessory beauty shops, health spas, gift shops and travel agencies), food service establishments, sidewalk cafes (but not including fast food restaurants and restaurants/bars with live entertainment), recreation-related commercial uses conducted within a completely enclosed building (e.g., dive shops, boating supplies,



bieyele rentals), and shops of a tourist commercial nature (e.g., antique shops, art galleries, personal apparel shops, gift shops, and handicraft and work shops). The above uses are to be in proper character with and scale to the Cannery Row area.

Fast food restaurants, restaurants and bars with live entertainment, commercial uses not conducted within a completely closed building, personal improvement uses, and walk-up service windows are allowed in the Visitor-Serving Commercial use area subject to approval of a Conditional Use Permit.

- b. Museums and dinner theaters are to be allowed in the visitor-serving commercial use area but only as a conditional use subject to approval of a Conditional Use Permit (See policy d. under Land Use section).
- c. Professional offices (except at street floor level), warehouses, non-coastal dependent assembly and packaging (from previously prepared materials), and non-coastal dependent research and testing laboratories are also to be allowed as conditional uses in the visitor-serving commercial use area only in pre-existing structures, with the exception of professional offices.

### Aquaculture/Marine Research Uses

- 14. Revise Figure 6 (see Exhibit 2, pg. 2) to show that aquaculture and marine research are conditional uses in Visitor Serving Commercial and Coastal Dependent designated areas.
- 15. Modify Visitor Serving Commercial Policy d. to provide internal LUP consistency:
  - In visitor-serving commercial use areas along the shoreline, aquaculture and marine research uses are to be allowed as a principal permitted use subject to approval of a conditional use permit (See policy a. under Land Use Section).
- 16. Modify Coastal Dependent Non-Recreational Activities Policy b. to provide internal LUP consistency, as follows:

Aquaculture and marine research uses shall be allowed and encouraged as principal permitted uses along the entire shoreline in coastal dependent designated use areas, subject to approval of a conditional use permit.

### Re-Designation of Two Parcels from Parking to Visitor Accommodation Commercial

- 17. Revise Figures 4, 7, 9, and 10 to remove the Parking designation for the two inland parcels that will be developed as part of the Monterey Peninsula Hotel (see Exhibit 2, pp. 1, 3, 4, & 5).
- 18. Modify Land Use Policy e. to provide internal LUP consistency, as follows:

Air rights for visitor-serving commercial development are to be allowed over public



parking lots 1, 2, and 3 shown in Figure 12.

When parking structures are constructed on lots 1 and 2 shown in Figure 12, vVisitor-serving commercial uses are to be allowed along the designated front of the ground floor level of the Cannery Row parking garage. For lot 1 tThe designated front of the Cannery Row parking garage is to be along Wave Street and for lot 2 the designated front is to be along Cannery Row.

### III. RECOMMENDED FINDINGS

The Commission finds and declares as follows:

### A. Clarifying Amendment to Public Access Policy c.4

The City is requesting to amend Public Access Policy c.4. to add the word "linear" to the text (see Exhibit 1, pg.1). This policy currently requires "a minimum of 250 square feet for each 100 feet or portion thereof of front footage..." The amendment would clarify that the 100 feet is measured in linear feet, not square feet. This change is minor and does not present any coastal issues. Staff recommends approval as submitted.

### B. Re-designate Aquarium Education Building Parcel and Aquarium Expansion Wing

The City wishes to amend the Cannery Row Land Use Map (Figure 12) to re-designate the new wing exhibit of the Monterey Bay Aquarium and the parcel containing the Aquarium's education building from Visitor Serving Commercial to Coastal Dependent (see Exhibit 1 pg. 4 for proposed amended Land Use Map and Exhibit 2 pg. 6 for existing Land Use Map). Coastal Act Sections 30101 and 30255 specifically address coastal-dependent development, and state:

Section 30101: "Coastal-dependent development or use" means any development or use which requires a site on, or adjacent to, the sea to be able to function at all.

Section 30255: Coastal-dependent developments shall have priority over other developments on or near the shoreline...

The Cannery Row Land Use Plan states that, "Shoreline dependent, non-recreational uses should be defined to include those that require a waterfront location (e.g., ... aquariums...)." Coastal Act Section 30101 defines coastal-dependent as "any development that requires a site on, or adjacent to, the sea to be able to function at all." The Monterey Bay Aquarium is a coastal-dependent use because it requires a constant inflow of seawater to maintain and house marine organisms.

The Monterey Bay Aquarium was completed in 1984. The Aquarium's education building was approved in 1989 and was constructed across the street from the main aquarium complex as an expansion of the original facility. A major expansion (the "new exhibit wing") was approved in 1992 and provided for the demolition of an existing warehouse and various foundations to the east of the main aquarium site



and the development of a new facility that effectively increased the square footage of the aquarium complex by one third. However, this addition to the aquarium has remained designated as Visitor Serving Commercial, as has the parcel that houses the Aquarium's education building. The proposed amendment would re-designate the new exhibit wing and the education building parcel as Coastal Dependent. This re-designation would be consistent with their existing use and with the designation of the original portion of the Aquarium. Since the Aquarium is a use that must be located on or adjacent to the ocean to be able to function, the re-designation would be consistent with Coastal Act Sections 30101 and 30255 regarding coastal-dependent development or use. The re-designation would also be consistent with the definition of "shoreline dependent, non-recreational uses" in the Cannery Row LUP.

As submitted, the proposed amendment would modify the Cannery Row Land Use Map. Other maps in the Cannery Row LUP, however, designate the new wing and the education building as Visitor Serving Commercial. Thus, staff suggests Modifications #1 and #2, which would apply to Figures 6 & 7 of the Cannery Row LUP (see Exhibit 2, pp. 2-3). These modifications would provide for internal consistency of the LUP by ensuring that all maps/figures in the LUP no longer designate these portions of the Aquarium as Visitor Serving Commercial. Also, Modification #3 updates the LUP by deleting the word "proposed" from Coastal Dependent Non-Recreational Activities Policy a., as it pertains to the Aquarium. With the above modifications, the Commission finds that the proposed Land Use Plan amendment provides for internal LUP consistency.

### C. Re-designate San Carlos Beach Park from Visitor Serving Commercial to Public Use

Coastal Act Sections 30211, 30213, and 30220 provide for public access to the sea and oceanfront recreational use, and state:

Section 30211: Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

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

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

### Cannery Row Land Use Policy c states:

The sandy beaches, accessways, pedestrian plazas, parks, and recreational trails which are publicly owned or over which access easements are proposed as a condition of development are to be designated as public use areas.



Historically, the San Carlos Beach Park was the site of several canneries and a warehouse. The Visitor Serving Commercial designation was placed on the site when it was still in private ownership and was being considered for hotel use. The San Carlos Beach Park is now owned by the City and operated as a public park. The park provides landscaped turf areas, walkways, seating areas, barbecues, bike racks, vista points, and public access to the Monterey Bay.

The majority of parcels along Cannery Row are designated as Visitor Serving Commercial (see Exhibit 2, pg. 6 for existing land use map). Although public access to the Monterey Bay is provided at a number of locations along Cannery Row, very few areas are designated specifically for Public Use. These include an area adjacent to the site of the approved Monterey Peninsula Hotel (a portion of which will be used as the hotel's vehicle turnaround), the shoreline along Macabee Beach, the shoreline along the proposed Oceanview Plaza, and a small park adjacent to the Monterey Plaza Hotel. For these beach areas, the area beyond the mean high tide line belongs to the City; the other portions of these parcels are privately owned.

The proposed amendment would modify the Cannery Row Land Use Map (see Exhibit 1, pg. 4) to redesignate the San Carlos Beach Park from Visitor Serving Commercial to Public Use. designation would be consistent with the Park's existing use and would be consistent with Coastal Act Section 30211 regarding public access and Sections 30213 and 30221 regarding recreational uses, both of which are priorities under the Coastal Act. The re-designation would also provide internal LUP consistency with Land Use Policy c, which requires publicly owned beaches and parks to be designated as public use areas. Other maps in the Cannery Row LUP, however, designate the San Carlos Beach Park as Visitor Serving Commercial. Thus, staff suggests Modification #4, which would apply to Figures 6 and 7 (see Exhibit 2, pp. 2-3) of the Cannery Row LUP. This modification would provide for internal consistency of the LUP by ensuring that all maps/figures in the LUP no longer designate San Carlos Beach Park as Visitor Serving Commercial. Furthermore, Modification #5 is required to amend Figure 18 (see Exhibit 2, pg. 7) to remove San Carlos Beach Park as an area of "potential new development." In addition, there are a number of policies in the LUP that are outdated because they were written when the San Carlos Beach Park area was still under private ownership (Public Access policies b.3, b.4, b.5, b.6, b.7, b.8 c.5, and Public Recreation policy a.1). Thus, staff recommends Modification #6, which deletes these outdated policies from the LUP. Modification #7 amends Public Recreation Policies a.5 and b.2., which cite Public Access policies that will be deleted. Modification #8 amends Public Recreation Policy a.2 regarding parking at San Carlos Beach. Also, Modification #9 adds a new policy that describes the function and existing development of San Carlos Beach Park under the Public Use designation. Finally, Modification #10 requires the appropriate renumbering of all Public Access and Public Recreation policies. These revisions are needed to update the LUP and ensure its accuracy with regard to existing conditions. With these modifications, the Commission finds that the proposed Land Use Plan amendment regarding re-designation of San Carlos Beach Park from Visitor Serving Commercial to Public Use is internally consistent with the remainder of the LUP.



### D. Re-Designate Hotel/Motel Properties

Coastal Act Sections 30213 and 30222 protect visitor-serving facilities and state:

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

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.

The majority of Cannery Row is designated Visitor Serving Commercial (see Exhibit 2, pg. 6 for existing Land Use Map). The Visitor Serving Commercial designation allows for a wide range of uses, including hotels, motels, and a variety of other visitor serving uses, such as shops and restaurants. Under the amendment, all hotels/motels along Cannery Row (including the yet-to-be-developed Monterey Peninsula Hotel) would be re-designated as Visitor Accommodation Commercial. Hotel/motel uses would no longer be allowed in Visitor Serving Commercial land use areas (see Exhibit 1 for the proposed modifications to Land Use Policy d., for the new policy that defines Visitor Accommodation Commercial uses, and for the proposed amended Land Use Map).

Currently, properties that are designated Visitor Serving Commercial in the LUP are zoned either Cannery Row Commercial (C-R) or Visitor Accommodation Facility (VAF) in the City's uncertified zoning ordinance. Hotels/motels are not a permitted use in the C-R zone, but they are a principle permitted use in all areas designated Visitor Serving Commercial in the LUP. Thus the uncertified zoning ordinance is not consistent with the Land Use Plan. Therefore, the City is submitting this portion of the amendment to provide consistency between the LUP and the uncertified zoning ordinance.

The standard of review for this change is the Coastal Act, not consistency with the uncertified zoning ordinance. Accordingly, because hotel/motel uses would be limited to lands designated Visitor Accommodation Commercial, it is necessary to know the number of existing hotel/motel rooms and their occupancy rates to analyze whether this supply will be adequate to meet the needs of coastal visitors, which is a priority under the Coastal Act. The following analysis includes the number of hotel/motel rooms in the entire City of Monterey (not just in the coastal zone) because the City is relatively small and all hotels/motels within the City are no more than a few miles from the coast.

The City of Monterey has a total of 4,495 hotel rooms (in and out of the coastal zone). Upon development of the approved 208-room Monterey Peninsula Hotel and an approved 24-room addition to a downtown Monterey hotel, this number will increase to 4,727 hotel rooms in Monterey. The average annual occupancy rate for Monterey hotels ranged between approximately 64% and 70% from 1993 through 2001 (see Exhibit 3). Using the highest annual average of 70%, this would mean that there are an average 1,349 hotel rooms available in Monterey on a given night, with the remainder of the rooms being occupied. The highest occupancy period is for the two-month period ending 8/31 of each year.



During these summer months the average occupancy rate generally is between 80% and 90%. On summer weekends it is likely that the occupancy rate is closer to 100%, but in general there is some hotel availability during the summer months, given the 80% to 90% summer average occupancy rate. For the two-month periods ending 12/31 and 2/28, the occupancy rate ranges from approximately 46% to 57%. These occupancy data suggest that there are an adequate number of hotel rooms in the City of Monterey and that, in general, hotel occupancy is impacted primarily in the summer months, but even during that time some hotel rooms are available.

Future growth estimates for hotel accommodations are not available, but according to the Monterey County Convention and Visitors Bureau, growth in tourism dollars spent in Monterey County should increase 2% to 5% per year for the years 2002 through 2006. This estimate applies to Monterey County, not just the City of Monterey. No growth estimates are available exclusively for the City of Monterey. These estimates include all tourist dollars, not just those spent on hotels and motels.

The City's charter does not allow for the development of any more hotel rooms without voter approval, except for the approved 208-room Monterey Peninsula Hotel and an approved 24-room addition to a downtown hotel. These rooms, when built, will increase the number of hotel rooms in the City by approximately 5%. Given this and the annual average occupancy rate that ranges from 64% to 70%, it appears that hotel rooms are available in Monterey throughout the majority of the year.

The Commission's concern regarding this portion of the amendment is to ensure that an appropriate mix of uses on Cannery Row, including hotel and motel use, will continue under the re-designation. As stated above, the current Visitor Serving Commercial designation contains a wide range of uses. Under the existing Visitor Serving Commercial designation, a hotel along Cannery Row would be able to convert to a use other than overnight visitor accommodation. Under the amendment, all hotel properties along Cannery Row will be re-designated Visitor Accommodation Commercial. This re-designation will restrict these properties to hotel/motel uses and their accessory uses. This will help to ensure that hotel/motel accommodations along Cannery Row will continue to be available. Furthermore, under the amendment, approximately 30% of the Cannery Row area will be designated Visitor Accommodation Commercial. Approximately 40-50% will be designated Visitor Serving Commercial, with the remainder being designated Coastal Dependent or Public Use (see Exhibit 1, pg. 4). This mix of uses provides variety along Cannery Row and is appropriate for this highly visited area of the coast.

As stated above, there is generally adequate hotel/motel availability in Monterey. However, this could change depending upon the amount of tourism growth the City realizes in the coming years. If tourism growth is high, it is possible that limiting hotel/motel uses to areas designated Visitor Accommodation Commercial could create a shortage of available rooms in Monterey throughout much of the year. Also, in the future there may be opportunities for redevelopment of properties in which a hotel use may be appropriate, although the land use designation may not allow this use. Thus the amendment, as submitted, may lead to inconsistency with Coastal Act Sections 30213 and 30222 in the coming years. Therefore, Modification #11 is needed. This modification provides that hotel/motel uses will again be a valid use in Visitor Serving Commercial designated areas in ten years. At that time, if the City can demonstrate that restricting hotel/motel use to the Visitor Accommodation Commercial designation still



provides for an appropriate mix of land uses, consistent with the Coastal Act, the City may submit an amendment to remove this time limitation. With this modification, the amendment is consistent with Coastal Act Sections 30213 and 30222 regarding visitor-serving facilities. Further modifications, however, are necessary to provide internal LUP consistency. Thus, staff suggests Modification #12, which would apply to Figures 6 and 7 (see Exhibit 2, pp. 2-3) of the Cannery Row LUP. This modification would provide for internal consistency of the LUP by ensuring that all maps/figures in the LUP no longer designate hotel properties along Cannery Row as Visitor Accommodation Commercial. Modification #13 amends Visitor Serving Commercial LUP policies a, b, and c to be consistent with amended Land Use Policy d. With these modifications, the re-designation of hotel/motel properties from Visitor Serving Commercial to Visitor Accommodation Commercial is consistent with the visitor-serving policies of the Coastal Act and also provides for internal LUP consistency.

### E. Aquaculture/Marine Research Uses

Coastal Act Section 30222.5 states:

Oceanfront land that is suitable for coastal dependent aquaculture shall be protected for that use, and proposals for aquaculture facilities located on those sites shall be given priority, except over other coastal dependent developments or uses.

Land Use policy a. currently allows aquaculture and marine research uses along the entire shoreline in Cannery Row as principal permitted uses. The proposed amendment would allow aquaculture and marine research uses only in Coastal Dependent and Visitor Serving Commercial designated use areas, subject to approval of a conditional use permit (see Exhibit 1, pg. 1).

The City wishes to amend the LUP to provide consistency with the City's uncertified zoning ordinance. Currently, the hotel properties along Cannery Row are zoned VAF (Visitor Accommodation Facility). Aquaculture and marine research uses are not allowed in the VAF zone. Three of the four VAF zoned properties are developed with hotels/motels. The fourth VAF property has been approved for hotel development (the Monterey Peninsula Hotel). City staff believes that it is highly unlikely that an aquaculture or marine research use would replace a VAF facility and, therefore, that a zoning change to allow these uses in the VAF zone is not warranted. Thus, the City wishes to amend Land Use Policy a. to allow for aquaculture and marine research only in Coastal Dependent and Visitor Serving Commercial designated use areas, and not in the new Visitor Accommodation Commercial (VAC) designation (see section D above).

The effect of this portion of the amendment would be to exclude aquaculture and marine research uses from the new VAC designation. As stated above, properties to be designated VAC already are developed for hotel/motel use or have been approved for such use. Thus, it is highly unlikely that these properties would ever become available for aquaculture or marine research use. Furthermore, even with the new VAC designation, the majority of Cannery Row will remain designated Coastal Dependent or Visitor Serving Commercial, areas in which aquaculture and marine research uses are allowed. Thus,



there will remain an adequate number of parcels along Cannery Row in which these coastal-dependent uses are allowed. Given that there will remain adequate sites along Cannery Row that allow aquaculture and marine research uses, the proposed amendment is consistent with Coastal Act Section 30222.5 regarding protection of land suitable for aquaculture.

The City's zoning ordinance requires that aquaculture and marine research uses obtain a conditional use permit. The LUP, however, states that these uses are principal permitted uses. Thus the City wishes to amend the LUP to require that aquaculture and marine research uses obtain a conditional use permit (see Exhibit 1, pg. 1). Any such future development along Cannery Row will require a coastal development permit, which is a conditional permit. Also, as stated above, the City has submitted its Implementation Plan for certification. Staff will review the criteria for conditional uses for aquaculture and marine research uses when the IP is evaluated. Thus this aspect of the amendment does not present any coastal issues.

As stated above, the proposed amendment is consistent with the Coastal Act. However, as submitted, the amendment would create internal LUP inconsistencies. Figure 6 (Coastal Dependent Non-Recreational Activities) defines aquaculture and marine research as principal permitted uses in Visitor Serving Commercial land use areas (see Exhibit 2, pg. 2). To address this internal inconsistency, Modification #14 amends Figure 6 to state that aquaculture and marine research are conditional uses in Visitor Serving Commercial and Coastal Dependent designated areas. To further maintain internal LUP consistency, Modifications #15 and #16 amend Visitor Serving Commercial Use Policy d. and Coastal Dependent Non-Recreational Activities Policy b., respectively, to state that aquaculture and marine research require a conditional use permit. With these modifications, the Commission finds that the proposed Land Use Plan amendment will provide internal LUP consistency.

## F. Re-Designate Two Parcels from Parking to Visitor Accommodation Commercial Coastal Act Section 30252 states, in part:

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service... (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation...

The City proposes to amend the Cannery Row Land Use Map (see Exhibit 1, pg. 4 for proposed amended Land Use Map and Exhibit 2, pg. 6 for existing Land Use Map) to re-designate two parcels on the inland side of Cannery Row from Parking to Visitor Accommodation Commercial (these parcels are designated with a number "2" on the existing Land Use Map). This site has been approved for hotel use since the mid 1980s and has never been used for parking. In its January 2001 action on the Monterey Peninsula Hotel, the Commission approved these parcels for hotel use. The Commission found that, except for certain peak periods, the nearby Cannery Row parking garage usually has a high availability of spaces. In addition, the City operates a shuttle during the peak summer months and the Monterey



Peninsula Hotel will provide employee and guest parking in its own parking garage approximately one block inland. The proposed amendment seeks to re-designate this site to a use that the Commission has already approved and found consistent with Section 30252 of the Coastal Act regarding development. Other maps in the Cannery Row LUP, however, designate these two parcels for Parking. Thus, staff suggests Modification #17, which would remove the parking designation on these two parcels from Figures 4, 7, 9, and 10 of the Cannery Row LUP. Modification #18 amends Land Use Policy e to delete lot "2" from being designated for parking development and to update the LUP regarding the Cannery Row parking garage. With these modifications, the Commission finds that the proposed Land Use Plan amendment regarding re-designation of two parcels on the inland side of Cannery Row from Parking to Visitor Accommodation Commercial provides internal LUP consistency.

### G. Amend Land Use Policy d.

The City is also proposing to amend Land Use Policy d. to require use permits for a variety of businesses, to achieve consistency with the City's uncertified zoning ordinance, which requires use permits for these activities (see Exhibit 1, pp. 1-2). City staff believes these uses (such as fast food restaurants and bars with live entertainment) have potential land use impacts and should be subject to a discretionary review to assure that the uses will not have adverse impacts on adjoining properties. This aspect of the proposed amendment is minor and does not present any Coastal Act issues.

The City also wishes to amend Land Use Policy d. to remove limitations on hours, usable space, and parking provisions for professional office use, warehouse and industrial uses, and non-coastal dependent research and testing laboratories (see Exhibit 1, pg. 2), and to limit all of these uses, except professional office use above street level, to preexisting structures. These limitations were developed prior to the opening of the Monterey Bay Aquarium and construction of the Cannery Row parking garage. The City's uncertified zoning ordinance does not contain these limitations but does limit warehouse, industrial uses, and non-coastal dependent research and testing laboratories to preexisting structures. Regarding parking, the City's zoning ordinance has specific parking requirements for all uses. These requirements will be evaluated upon review of the City's submitted Implementation Plan. The purpose of these amendments is to ensure consistency between the LUP and the City's zoning ordinance. This aspect of the proposed amendment is minor and does not present any Coastal Act issues.

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

The Coastal Commission's Local Coastal Program development and certification process has been designated by the Secretary of Resources as the functional equivalent of the California Environmental Quality Act (CEQA). No impacts are associated with the proposed land use plan changes. As discussed above, the City's proposal, as modified, is consistent with the Coastal Act and will not have any significant adverse environmental impacts. Therefore, the Commission finds that Amendment No. 1-01 is consistent with the provisions of the California Environmental Quality Act.



### CANNERY ROW LOCAL COASTAL PROGRAM LAND USE PLAN ADDENDUM

Policy language added to the LUP is underlined and policy language deleted from the LUP is shaded.

- II. Public and Coastal Related Use and Access
  - A. Public Access

Page II-A-8, revise Policy c.4.

4. Require improvements to and a public access easement for a pedestrian plaza (a minimum of 250 square feet for each 100 linear feet or portion thereof of front footage along the rocky promontory south of Macabee Beach and the rocky promontory on the former San Xavier Cannery site) as a condition of development of parcels along the rocky shoreline.

- IV. LAND USE AND DEVELOPMENT IN THE CANNERY ROW COASTAL ZONE
  - A. LAND USE

Page IV-A-3, revise Policy a.

a. As coastal dependent uses, aquaculture and marine research uses shall be allowed and encouraged as principal permitted uses along the entire shoreline in Coastal Dependent and Visitor Serving Commercial designated use areas subject to approval of a Conditional Use Permit.

Page IV-A-3, revise Policy d.,

d. Visitor-serving commercial uses are provided for in the areas shown in Figure 12. Principal permitted visitor-serving commercial uses are to include: including accessory beauty shops health spas, still shops and travel agencies), food service establishments, sidewalk cafes (but not including fast food restaurants and restaurants/bars with live entertainment), recreation related commercial uses conducted within a completely enclosed building (e.g. dive stops beating supplies bicycle remais), and shops of a tourist commercial nature (e.g., antique shops, art galleries, personal apparel shops, gift shops, and handicraft and work shops).

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Fast food restaurants, restaurants and bars with live entertainment, commercial uses not conducted within a completely closed building, personal improvement uses, and walk-up service windows are allowed in the Visitor-Serving Commercial use area subject to approval of a Conditional Use Permit.

Dinner theaters are to be allowed in the visitor-serving commercial use area aut only as conditional uses subject to approval of a Conditional Use Permit where adequate parking is assured and hours of operation are set so as not to create a parking overlap problem with persons both entering and exiting a dinner theatre simultaneously during periods of peak parking demand and where such conditional uses will occupy no more than half of the site's usable floor area.

Professional offices (except at street floor level), warehouses, noncoastal dependent assembly and packaging (from previously prepared materials), and non-coastal dependent research and testing laboratories are also to be allowed as conditional uses in the visitor-



Page IV-A-4, revised Figure 12, Land Use Plan

Change San Carlos Beach Park from Visitor Serving Commercial to Public Use Area.

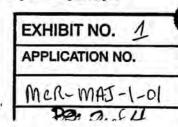
Change Parking shown as 2. From Parking to Visitor Accommodation Commercial.

Change Aquarium education building site and bus turn around from Visitor Serving Commercial to Coastal Dependent.

Change Visitor Accommodation Facility (VAF) zoned properties from Visitor Serving Commercial to Visitor Accommodation Commercial.

Page IV A-5, add new Policy f.

f. Visitor Accommodation Commercial uses are provided for in the areas shown in Figure 12. Visitor Accommodation Commercial uses are to include hotel/motels (including accessory beauty shops.



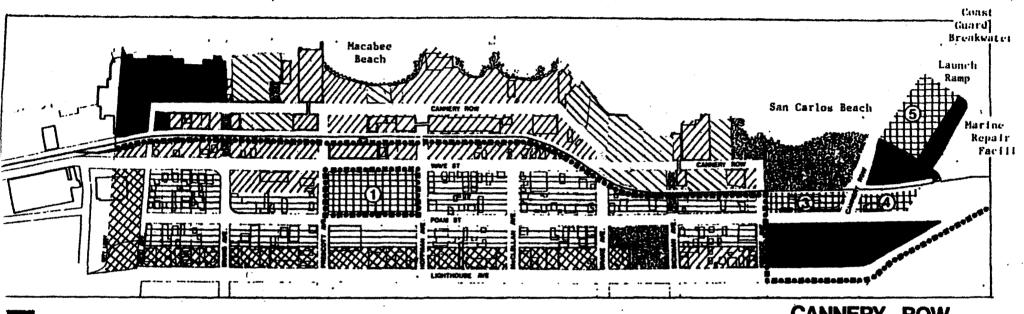
health spas, gift shops, travel agencies, and rental car agencies) subject to approval of a Conditional Use Permit.

EXHIBIT NO. 1

APPLICATION NO.

MCR-MAJ-1-01

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COASTAL DEPENDENT (Policies a and b)

VISITOR SERVING COMMERCIAL (Policy d)

PUBLIC USE AREA (Policy c)

PARKING (Policy a)

COASTAL ZONE BOUNDARY

COMMUNITY COMMERCIAL

RESIDENTIAL/COMMUNITY COMMERCIAL

VISITOR ACCOMMODATION COMMERCIAL (Policy f)

CANNERY ROW LOCAL COASTAL PROGRAM CITY OF MONTEREY

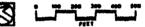
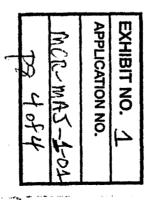


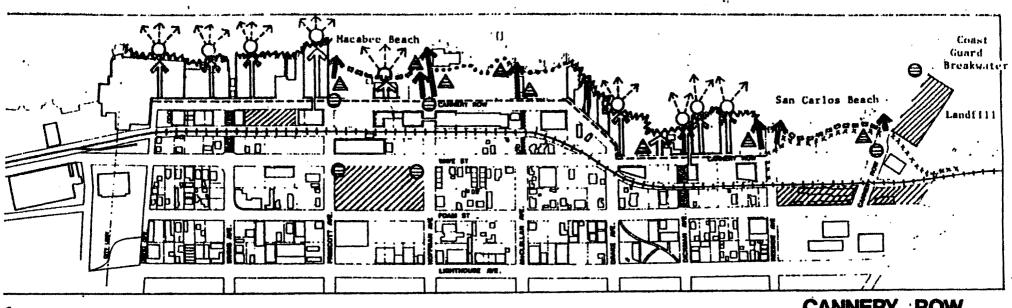
Figure 12 LAND USE PLAN

4. 4.

ote: The above figure shows land uses for an area outside the coastal zone. This outside area is addressed because of policies in the Parking section which propose that any surplus spaces in this outside area be used to serve development in the Cannery Row coastal zone. To identify available surplus spaces, proposed land uses and their intensities need to be known. The proposed intensity of development for these land uses is identified in the next section, Development.



TV-A-5



VERTICAL ACCESS

ACCESS (To Backs of Structures)

LATERAL ACCESS (Sandy Beach)

.. LATERAL ACCESS (Rocky Shoreline)

T VIEWPOINTS (Backs of Structures)

- LATERAL ACCESS (Cannery Row)

M LATERAL ACCESS (Backs of Structures)

+++++ LATERAL ACCESS (Recreational Trail)

xxxx LATERAL ACCESS (Recreational Trail Branch)

PEDESTRIANWAY

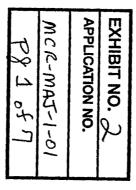
A PEDESTRIAN PLAZA

DIRECTIONAL SIGNING

PUBLIC PARKING

The locations of VERTICAL ACCESS, ACCESS (To Backs of Structures), LATERAL ACCESS, PEDESTRIANWAYS, and PEDESTRIAN PLAZAS shown above within properties should not be interpreted as precise locations. These locations are to serve as guidelines for the City's Architectural Review Committee in determing precise location and design features within each property when it reviews specific development projects.

Policy b.12 on page II-A-7 provides that a pedestrian plaza or vertical access point may be provided at Aneas Beach, but both are not required.



CANNERY ROW LOCAL COASTAL PROGRAM CITY OF MONTEREY

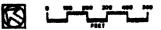
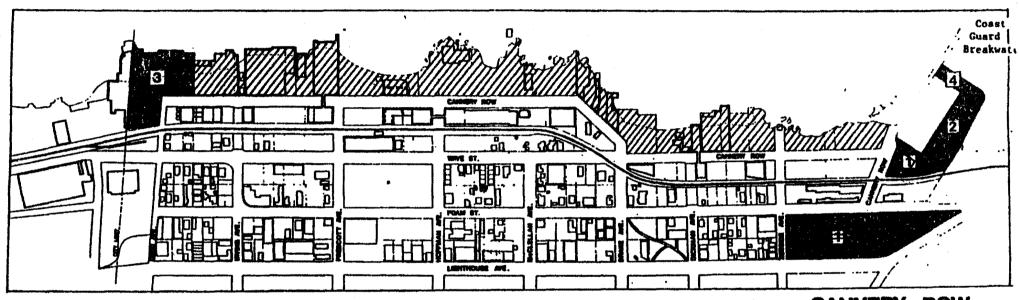


Figure 4
PUBLIC ACCESS



COASTAL DEPENDENT LAND USE

- 1. Coast Guard Facilities
- 2. Marine Repair Facility
- 3. Aquarium
- 4. Launch Ramp

VISITOR SERVING COMMERCIAL LAND USE WHERE AQUACULTURE AND MARINE RESEARCH ARE TO BE A PRINCIPAL PERMITTED USE

EXHIBIT NO. 2

APPLICATION NO.

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CANNERY ROW LOCAL COASTAL PROGRAM CITY OF MONTEREY

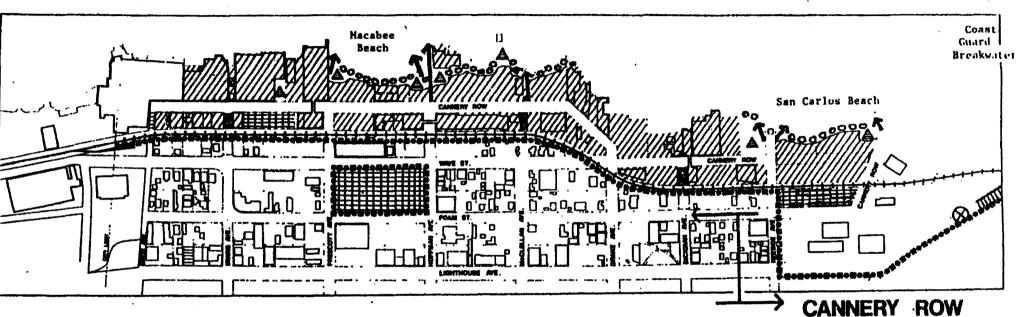


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Figure 6

COASTAL DEPENDENT
NON-RECREATIONAL ACTIVITIES

11-c-3



VISITOR-SERVING COMMERCIAL LAND USE

PUBLIC USE AREAS

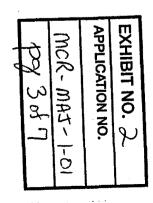
SHORELINE ACCESS POINTS

OCOO SHORELINE ACCESS

# PEDESTRIANWAY

PEDESTRIAN PLAZA

DOWN COASTAL ZONE BOUNDARY



PUBLIC PARKING

CIRCULATION IMPROVEMENTS

+++++ RECREATIONAL TRAIL

ELIMINATE SIGNAL (Lighthouse and Foam)

ONE WAY COUPLET (Foam/Hawthorne)

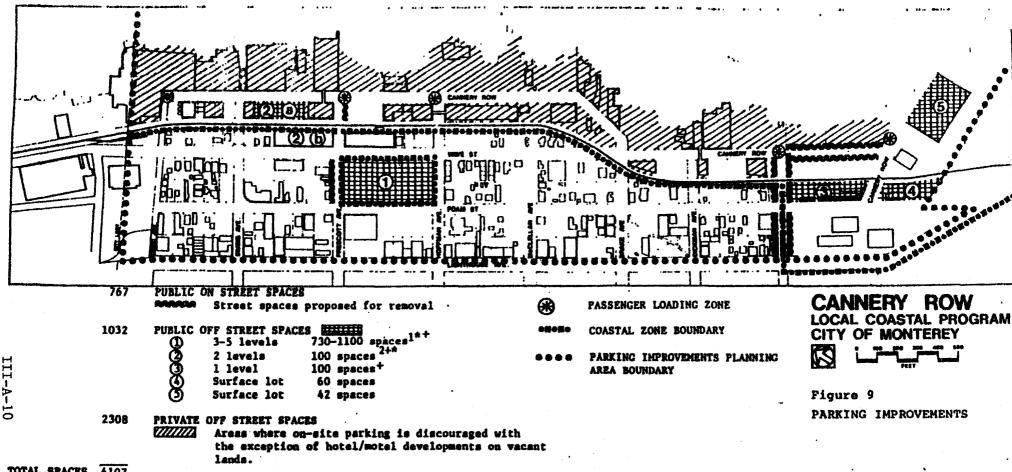
WIDEN ROADWAY (Lighthouse Curve & David Ave.)

CANNERY ROW
LOCAL COASTAL PROGRAM
CITY OF MONTEREY



Figure 7

VISITOR-SERVING COMMERCIAL USES



TOTAL SPACES 4107

Number of spaces for Lot 1 is left flexible so as to assure a means for providing adequate parking for future development

Lot 2 may be located on parcel a or b. Land use for parcel not used for Lot 2 is to be visitor-serving commercial.

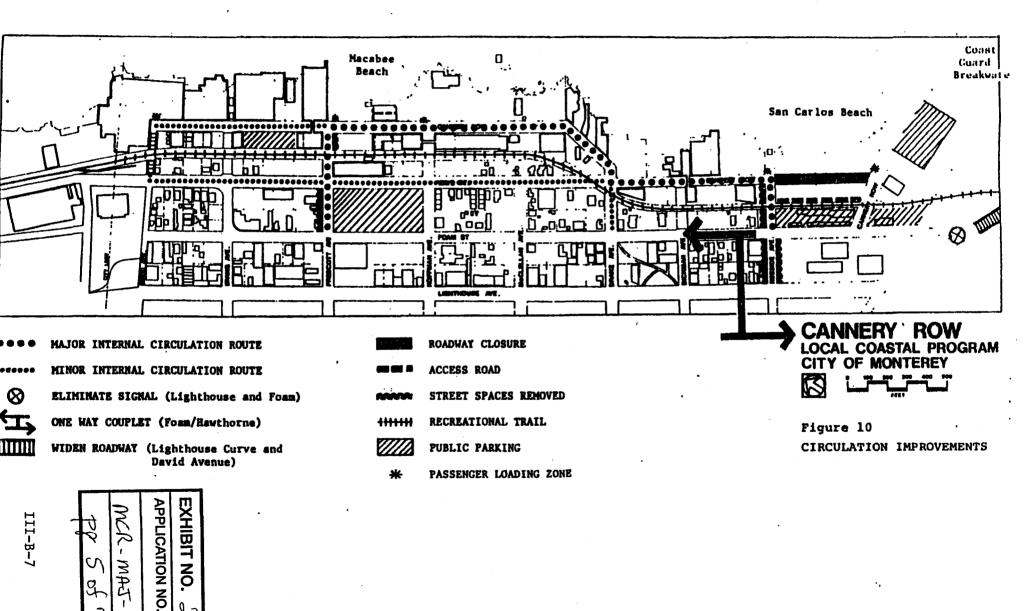
\*Over public off street lots 1, 2, and 3 are to be allowed air rights for visitor-serving commercial development.

whose precise parking demand is not known at this time.

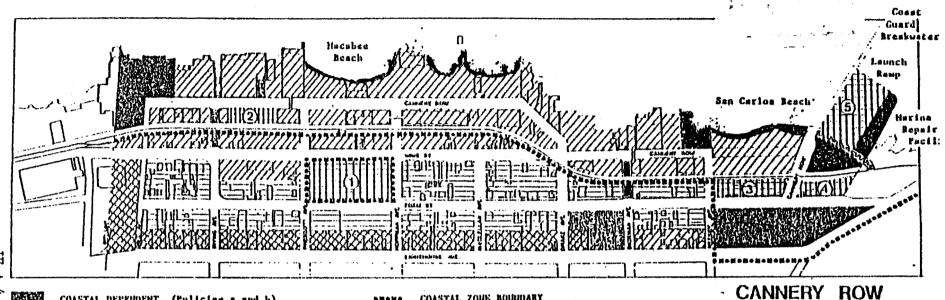
\*Along the Wave Street frontage of Lot 1 and along the Cannery Row Street frontage of Lot 2, visitor-serving commercial uses are to be allowed at the ground floor level.

Note: The above figure illustrates parking policies which in addition to the coastal zone, also addresses an area outside the coastal zone. This outside area is addressed because of parking which propose that surplus spaces in this outside area serve development in the Cannery Row coastal zone.

EXHIBIT NO. APPLICATION NO



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COASTAL DEPERMENT (Pulicies a and b)

COASTAL ZONE BURBOARY

VISITOR SERVING COMMERCIAL (Pallcy d)

COMMUNICTY COMMERCIAL

PUBLIC USE AREA (Policy c)

KESIDENTIAL/COMMUNITY COMMERCIAL

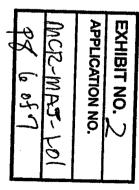
PARKING (Policy e)

Figure 12 LAND USE PLAN

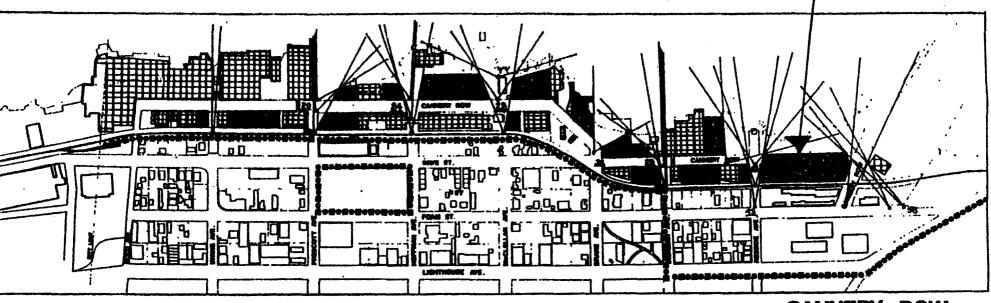
LOCAL COASTAL PROGRAM

CITY OF MONTEREY

The above figure shows land uses for an area outside the coastal zone. This outside area is addressed because of policies in the Parking section which propose that any surplus apaces in this outside area be used to serve development in the Cannery Row coustal zone. To identify available surplus spaces, proposed land uses and their intensities need to be known. The proposed intensity of development for these land nuce is Identified in the next vection, Development.



SAN CARLOS BEACH PARK.



VIEW SIGHTLINES

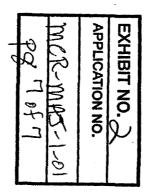
---- Coastal zone boundary

EXISTING BUILDINGS

POTENTIAL NEW DEVELOPMENT

ELEVATION

e: The locations of view eightlines and building outlines shown above within properties should not be interpreted as precise locations. These locations are to serve as guidelines for the City's Architectural Review Committee in determining precise view sightlines and building outlines within each property when it reviews specific development projects.



CANNERY ROW LOCAL COASTAL PROGRAM CITY OF MONTEREY

Pigure 18 VIEW SIGHTLINES FOR SHORELINE DEVELOPMENT

### TRANSIENT OCCUPANCY TAXES

### **Average Occupancy Rates**

	<u>8/31</u>	10/31	12/31	<u>2/28</u>	4/30	6/30	ANNUAL AVERAGE
1993	84.6	72.2	47,5	46.2	61,3	71.6	63.9
1994	84.0	75.1	49.6	49.2	63.0	66.2	64.5
1995	80.2	74.9	50.2	49.6	61.6	67.4	64.0
1996	85.1	77.9	50.6	52.6	75.4	76.5	69,7
1997	88.8	80.2	51.1	54.6	70.0	76.7	70.2
1998	87.2	78.6	54.4	52.7	63.7	76.7	68.9
1999	86.0	76.1	52.4	56.6	68.2	75.1	69.1
2000	87.7	78.9	50.9	52.4	71,3	78.2	69.9
2001	86,8	77.7	54.6	54.1	64.0	66.6	67.3
2002	76.5	64.5	49,4				63,5

### RECEIVED

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CALIFORNIA COASTAL COMMISSION CENTRAL COAST AREA

EXHIBIT NO. 3

AFFEIDATION NO.

MCTC-MAJ-1-01