CALIFORNIA COASTAL COMMISSION

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COASTAL DEVELOPMENT PERMIT APPLICATION

Application number3-03-114, Southern Pacific Freight Depot Demolition

Applicant......City of Monterey, Attn: Bill Wojtkowski, Community Development Director

Project descriptionDemolition of 5,625 sq. ft. railroad warehouse building.

Local approval......City Council Approval 11/18/03

dated 7/1/02; Statement of Overriding Considerations dated 11/18/03.

Staff recommendation ... Approval

Summary: The proposed project includes the demolition and removal of the Southern Pacific Railroad freight depot building and foundation from the east Catellus parcel in the City of Monterey, which is adjacent to Monterey Bay Beach and Wharf No. 2. The freight depot building was constructed between 1912 and 1926. The freight depot building has not been fully occupied or used for railroad freight services for approximately 30 years. Lack of ongoing use and maintenance has caused significant observable deterioration, such that the building is in fair to poor condition.

The freight depot is potentially eligible for placement on the National and California Registers given its historical association with development of the railroad in Monterey. The Environmental Impact Report (EIR) found that demolition of the building would be a significant impact. The City adopted a Statement of Overriding Considerations for demolition of the freight depot building, citing a number reasons why the project's benefits override and outweigh the unavoidable impact on historic resources that will be caused by demolition of the freight depot building.

The City of Monterey proposed the reuse of the freight depot building to adjacent businesses and other potential users but no one expressed interest in using the building or indicated that it is not feasible to use the building given its dilapidated condition. Relocating the building to the west Catellus site would result in an unacceptable loss of parking and negative traffic circulation impacts. Also, disassembling and reassembling the dilapidated structure would be difficult and would require substantial public funds.

The freight depot building provides no enhancement to public access or recreation on this important beachfront parcel and impedes ocean views from Del Monte Avenue. The City proposes redevelopment



California Coastal Commission February 2004 Meeting in La Jolla of the east Catellus site (including removal of the freight depot building) to provide more access and recreational opportunities to the beach, the ocean, and Wharf No. 2, as well as to improve scenic views from Del Monte Avenue. Thus, staff recommends approval of the project as submitted.

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I. Staff Recommendation on CDP Application

The staff recommends that the Commission, after public hearing, **approve** a coastal development permit for the proposed development subject to the standard conditions below.

Motion. I move that the Commission approve Coastal Development Permit Number 3-03-114 pursuant to the staff recommendation.

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



Resolution to Approve a Coastal Development Permit. The Commission hereby approves the coastal development permit on the grounds that the development will be in conformity with the policies of Chapter 3 of the Coastal Act.

II. Standard Conditions

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

III. Recommended Findings and Declarations

The Commission finds and declares as follows:

A. Project Location, Background, & Description

The building proposed for demolition is located on the east Catellus site in the City of Monterey, adjacent to Monterey Bay Beach and Wharf No. 2 (see Exhibits 1 and 2 for location maps). The east Catellus site is currently developed with paved and unpaved parking lots, the Monterey Bay Kayaks building, the Adventures by the Sea building, and the Southern Pacific Railroad Freight Depot (see Exhibit 3). Two other buildings, the Karaoke Cyber Café and Café Bookstore, were demolished in 2002 as part of the Catellus Properties Phased Improvements Plan (discussed below). The Commission granted a waiver in July 2002 for these demolitions.



Public use of the east and west Catellus sites has been a long-term objective of the City of Monterey for a number of years. The City received funding in the form of grants from the Coastal Conservancy and the Packard Foundation and purchased the east Catellus parcel in 2002. The west Catellus parcel was purchased with parking fund money. The City acquired these parcels because of their location adjacent to the harbor and the beach and the opportunity to provide improved public access and parking to this widely used area. In 2002 an EIR was developed to evaluate phased improvement plans for both parcels to include the basic elements identified by the City Council after a series of public hearings. Commission staff provided supportive comments on the EIR.

Objectives for the east Catellus parcel include aesthetic improvements to improve views to the bay from Del Monte Avenue (including removal of a number of buildings), landscaping improvements to improve lateral views of the project site from Del Monte Avenue, restoration of the dune area east of the Adventures-by-the-Sea building with native plants, development of a pedestrian and public use plaza, demolition of the old existing public restroom at the entrance to Wharf No. 2, reconfigured and possibly additional dry boat storage, and development of a new public restroom in one of the remaining buildings (see Exhibit 4). Removal of the Southern Pacific freight depot building would provide more parking area and potentially additional dry boat storage.

The proposed project includes the complete demolition and removal of the Southern Pacific Railroad freight depot building and foundation from the east Catellus parcel. The freight depot building was constructed between 1912 and 1926 and is considered historically significant within the context of transportation in Monterey. The freight depot is potentially eligible on the National and California Registers as part of a small historic district associated with a broad pattern of history, in particular the development of the railroad in Monterey.

The freight depot building is a long, one-story wood-frame building with a gabled roof. It is painted yellow and is sheathed in wood siding (see Exhibit 5 for photo). The foundation consists of a raised base of poured-in-place concrete, approximately four feet above ground level, which was constructed to allow for easier loading and unloading of rail cars. The building has few windows. A series of five large sliding cargo doors are found on the south side of the building; several additional doors are on the north side of the building. A ramp and two staircases were added over the years to the south side of the building to allow access to the platform from the parking lot.

The freight depot building has not been fully occupied or used for railroad freight services for approximately 30 years. Lack of ongoing use and maintenance has resulted in significant observable deterioration that has been documented in the EIR. The building is in fair to poor condition. According to surveys conducted by Architectural Resource Management, some of the rafters, barge boards, and trim in the roof show extensive deterioration, as well as the doors, frames, and walls. The City of Monterey Building Official also observed extensive deterioration.

According to the City, there are not sufficient public funds available to carry out the extensive rehabilitation work that would be required prior to occupancy of the freight depot building with a new use. In addition, the City has been unable to identify alternative funding sources to accomplish the



needed rehabilitation. Also, although there are portions of the roof trusses and wall framing that would be salvageable if the building were to be deconstructed and relocated, the building does not appear to be a candidate for relocation unless the City is prepared to spend a substantial amount of money disassembling and reassembling the structure.

B. Standard of Review

This area of the City of Monterey falls within the coastal zone. The Harbor Land Use Plan (LUP) was effectively certified in 2003. However, several other components of the Local Coastal Program (LCP) (including one land use segment and the implementation plan) are not yet certified; thus, the City does not have a fully certified LCP. Therefore, the LUP at this stage of the certification process is advisory only and the standard of review for the project is the Coastal Act.

C. Coastal Development Permit Determination

1. Historic Resources

Coastal Act Section 30253(5) protects special communities and states:

30253(5). New development shall: 5) Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.

According to the Catellus Properties Phased Improvement Plan DEIR, the Southern Pacific Railroad passenger and freight depot buildings are considered significant within the context of transportation history in Monterey. These buildings are potentially eligible on the National and California Registers as a small historic district associated with a broad pattern of history, particularly the development of the railroad in Monterey. In the future the City plans to restore the passenger depot building, which is located on the west Catellus site (see Exhibit 6). The City is now proposing to demolish the freight depot building, which is located on the east Catellus site (see Exhibit 5). The EIR found that this would be a significant impact.

The City adopted a Statement of Overriding Considerations for demolition of the freight depot building, citing a number reasons why the project's benefits override and outweigh the unavoidable impact on historic resources that will be caused by demolition of the freight depot building (see Exhibit 7). These reasons include: 1) the structure is significantly deteriorated and would require substantial restoration prior to any reuse; 2) there are no public funds available for restoration; 3) the structure's long and narrow configuration, few windows, and elevation four feet above grade on a concrete platform make it infeasible for reuse; 4) relocation to the west Catellus site would have negative impacts on parking and traffic circulation; and 5) there is a lack of funds for relocation.

The City of Monterey previously proposed reuse of the freight depot building to adjacent businesses, as



well as other potential users, and they have either expressed no interest in using the building or indicated that it is not feasible to use the building given its dilapidated condition. In addition, the City evaluated relocating the freight depot to the west Catellus site but concluded that this would result in substantial parking loss in this busy waterfront area and would also create negative traffic circulation impacts. In addition, disassembling and reassembling the dilapidated structure would be difficult and would require substantial public funds.

The City of Monterey has preserved many historic buildings, such as Colton Hall, which was constructed in 1849, and the Old Jail, which was constructed in 1854. These buildings and others are open for public viewing. In addition, the Monterey State Historic Park preserves ten buildings in the City of Monterey that are of statewide historic significance. These include the Custom House (built in 1827), California's First Theatre (1846-47), and several residences (now museums) built in the 1830s. In addition, in the future the City has plans to restore and preserve the Southern Pacific Railroad passenger depot on the west Catellus site. Thus, within the City of Monterey there are many protected historic buildings and sites that preserve the area's rich history of early California. The City, however, did not identify the freight depot building as an important component of its historical or community character worth preserving, for the reasons stated above.

Coastal Act Section 30253(5) protects special communities that are popular visitor destination points for recreational uses. Although the freight depot building may have some historical significance given its connection with development of the railroad in Monterey, the building's simple shed-like architecture and its dilapidated condition do not contribute significantly to the community character of the City of Monterey. In addition, given the recreational and visitor-serving nature of the area (beach, wharf, recreational trail, etc.), the freight depot building at this time seems out of context with its immediate surroundings. Finally, the City of Monterey has preserved and protected many historical buildings and sites and intends to restore the passenger depot building on the west Catellus site. Given all of the above, the demolition project, as proposed, is consistent with Coastal Act Section 30253(5) regarding protection of special communities.

2. Public Access/Public Recreation

Coastal Act Section 30604(c) requires that every coastal development permit issued for any development between the nearest public road and the sea "shall include a specific finding that the development is in conformity with the public access and public recreation policies of [Coastal Act] Chapter 3." The proposed project is located seaward of the first through public road. Coastal Act Sections 30210 through 30213, as well as Sections 30220 and 30221, specifically protect public access and recreation. In particular:

Section 30210: In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.



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

Section 30212(a): Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects...

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

Section 30220: Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

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

In addition, certified Harbor Land Use Plan (LUP) Public Access policy f. states:

f. Redevelopment of the east Catellus site shall provide increased opportunities for access to Monterey Beach and Wharf No. 2.

Harbor LUP Public Recreation policy e. states:

e. To enhance the popular water use activities (e.g., windsurfing, multi-hull boating, swimming, picnicking, walking/jogging, and skin diving) that occur on Monterey Beach, the improvements to the beach and surrounding land area north of Del Monte Avenue on the Catellus east and west parcels shall include parking, improved vehicular access along Figueroa Street, beach launching facilities, restrooms, picnic areas, showers, a beach boat storage area for water sport craft (surface storage only - no structures), and a public plaza.

Harbor LUP Public Works, Parking, and Circulation Policy k. states:

k. Reconfiguration of existing public parking lots on the Catellus east and west sites shall be undertaken to improve circulation.

As stated above, the City has purchased, for public use, the east Catellus parcel that fronts Monterey Beach and is adjacent to Wharf No. 2 (see Exhibit 3). A portion of the existing Monterey Bay Coastal Trail passes through the east Catellus site. Plans for development of the parcel under the "Catellus Properties Phased Improvement Plan (2002)" include a public plaza adjacent to the beach and demolition of several buildings (including the freight depot) to open up public views to the beach and the ocean and to provide more areas for public access and recreation, as well as additional public parking and reconfigured and possibly additional dry boat storage (see Exhibit 4).



The east Catellus site is also adjacent to Monterey Bay Park (also known as "Window on the Bay" – see Exhibit 8). The City previously purchased the park property and removed a number of commercial buildings to open up views to the Bay and to develop the park. Monterey Bay Park consists of 3.9 acres of turf and landscaped areas adjacent to the beach, as well as volleyball courts, picnic areas and BBQ facilities. Retention of the freight depot building is inconsistent with the City's primary purpose for purchasing the east Catellus property, which is expansion of the "Window on the Bay" concept to the east Catellus site.

The freight depot building proposed for demolition currently provides no enhancement to public access or recreation on this important beachfront parcel. Removal of the freight depot building, however, will allow for development of additional public parking and reconfigured and possibly additional boat storage on the site, as well as additional open space. These objectives are consistent with the City's desire to provide more access and recreational opportunities to the beach, the ocean, and Wharf No. 2 from the east Catellus site. For these reasons, the demolition project, as proposed, is consistent with the public access and recreation policies of the Coastal Act.

3. Visual Resources

Coastal Act Section 30251 protects scenic and visual resources and states:

Section 30251. The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

Harbor Land Use Plan Coastal Visual Resources Policy e. states:

e. To protect lateral views along Monterey Beach, including city, state park, and privately-owned properties, no development shall be allowed on the sandy beach, except as specifically provided in this plan. Specifically, for the east Catellus parcel, new development shall improve the visual appearance of this area as an important gateway to the beach. Utilities shall be undergrounded, except for high voltage transmission lines. The Catellus Plan proposes redevelopment of the east and west Catellus parcels to: 1) improve public access to Monterey Bay Beach and Wharf No. 2; 2) improve the aesthetics and views of the project area from Del Monte Avenue; and 3) improve circulation and parking in the area.

The existing views along Monterey Bay Beach are very scenic but are primarily limited to viewing points along the beach because of structures located between the beach and Del Monte Avenue. One of the City's primary purposes for purchasing the east Catellus property was to provide an expansion of Monterey Bay Park ("Window-on-the-Bay" – see Exhibit 8) and ultimately transform the east Catellus



site to provide for improved aesthetics on the site and improved ocean views from Del Monte Avenue.

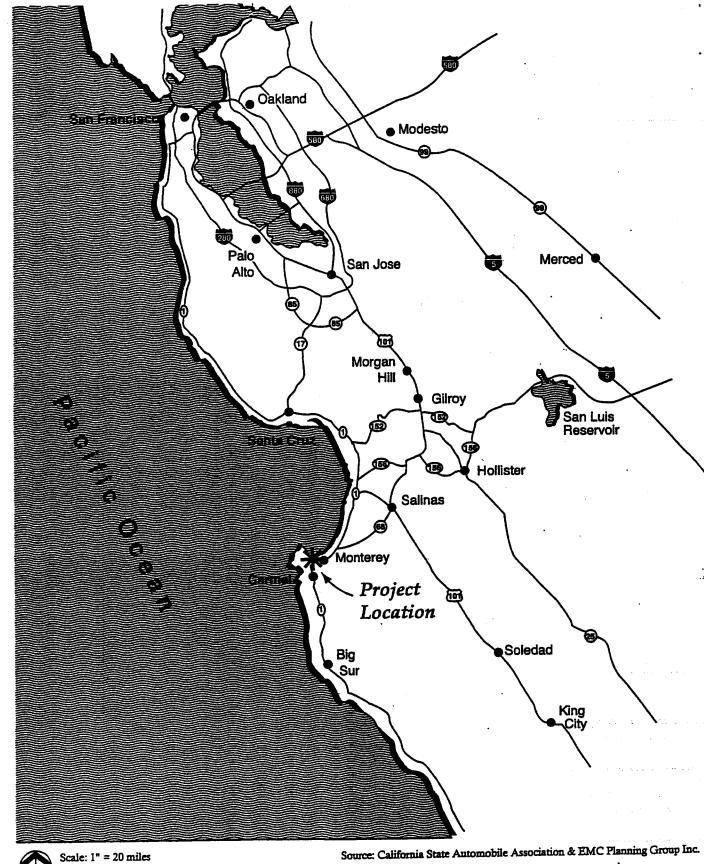
Because of its simple design, concrete foundation, and length, the freight depot building is not aesthetically or architecturally significant and is an inappropriate structure for such a scenic, beachside location (see Exhibit 5). Currently the freight depot building blocks views out to the ocean from Del Monte Avenue. Although the Adventures-by-the-Sea building will remain under the Catellus Improvements Plan, demolition of the long freight depot building will allow additional ocean views from certain angles as seen from Del Monte Avenue (see Exhibit 3). This is especially true given that two other buildings (the Karaoke Cyber Café and Book Store buildings), which were directly adjacent to the freight depot building, have already been demolished and thus some views have already been opened up. Removing the freight depot building will further open up ocean views from Del Monte Avenue. For these reasons, the proposed demolition project is consistent with Coastal Act Section 30251 regarding the protection of scenic and visual qualities of coastal areas.

D. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This staff report has discussed the relevant coastal resource issues with the proposal, and has recommended approval as proposed.





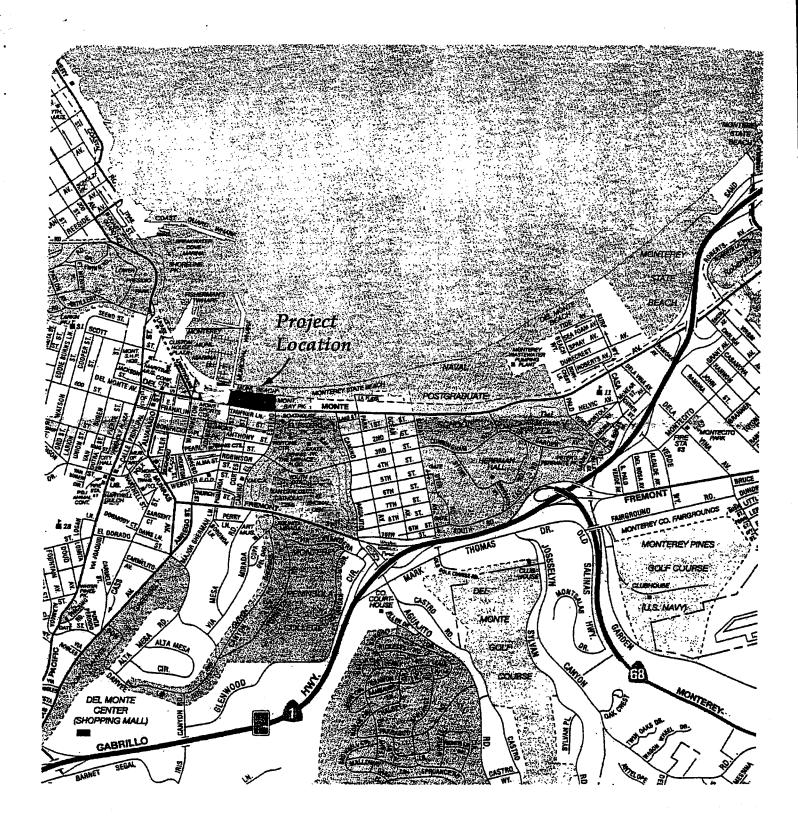
Scale: 1" = 20 miles

Figure 1 Regional Location





3-03-1 Patellus Properties Phased Imprese



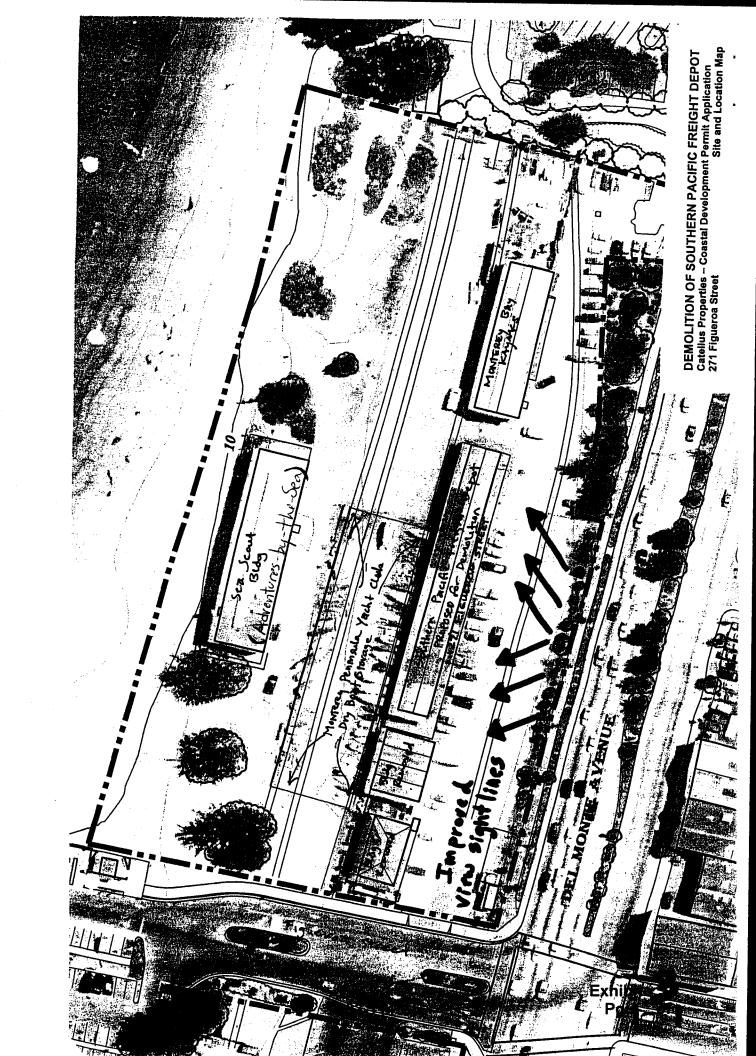


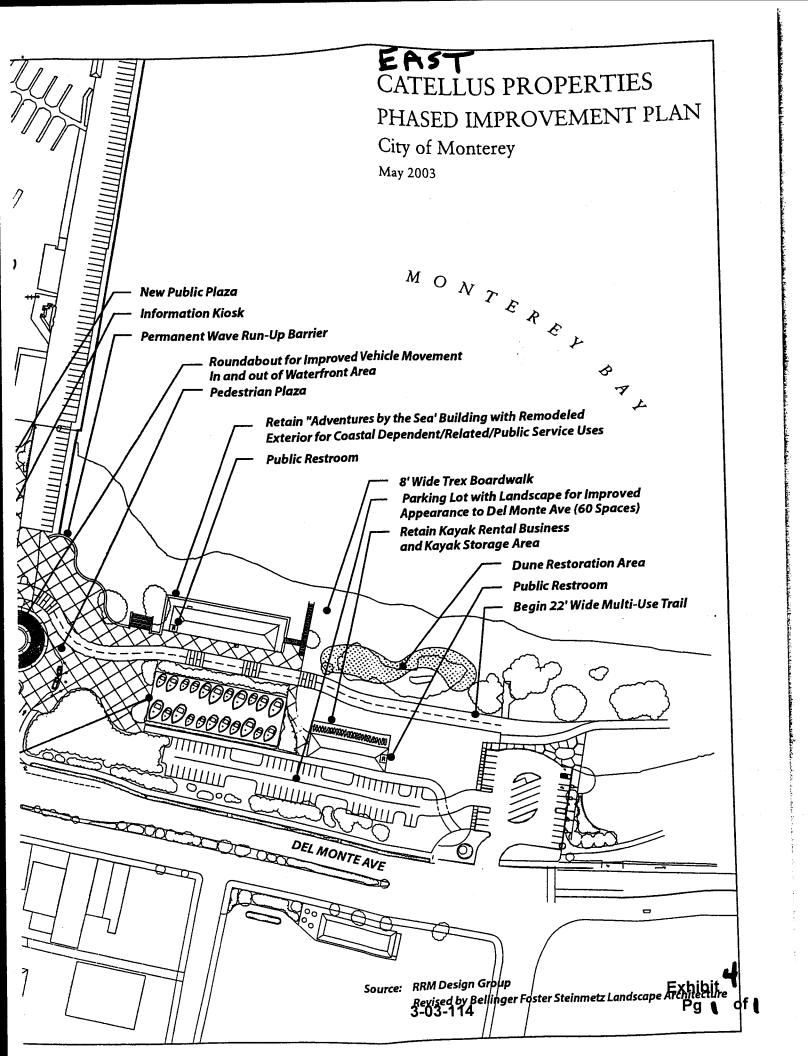
Scale: 1 inch = 1,800 feet

Source: California State Automobile Association & EMC Planning Group Inc.









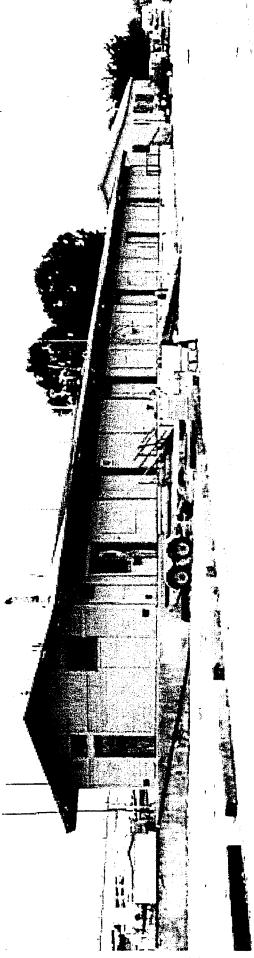
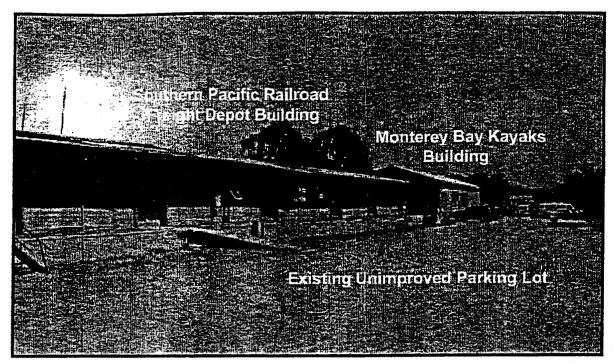


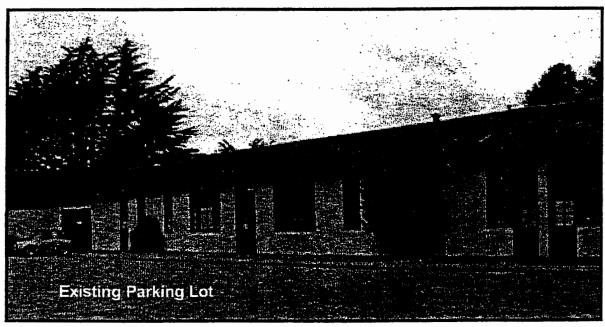
Exhibit 5
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View of the Southern Pacific Railroad Freight Depot Building and the Monterey Bay Kayaks building on east parcel looking east.



View of the Southern Pacific Railroad Passenger Depot building on west parcel looking northwest.

Source: EMC Planning Group Inc.

Figure 4



Finding. _Jr Approval of Demolition Permit and Statement of Overriding Considerations City Council Meeting of November 18, 2003

than-significant level except for the Project's unavoidable demolition of the Southern Pacific Freight Depot. There are no feasible additional mitigation measures or feasible alternatives to the Project that will further reduce this unavoidable effect. The City Council finds this remaining unavoidable effect to be acceptable due to specific overriding social, economic and other benefits, as set forth in the following Statement of Overriding Considerations which is hereby adopted.

STATEMENT OF OVERRIDING CONSIDERATIONS, FOR APPROVAL OF FREIGHT DEPOT HISTORIC DEMOLITION PERMIT

THE CITY COUNCIL OF THE CITY OF MONTEREY adopts and makes this statement of overriding considerations concerning the Project's unavoidable significant impact to explain why the Project's benefits override and outweigh its unavoidable impact on historic resources that is caused by demolition of the historic freight depot building.

WHEREAS the City of Monterey purchased the East Catellus and West Catellus properties with the objective of completely transforming the properties by expanding Window-on-the-Bay, improving vistas and views of the Bay, improving public access to Monterey Bay Beach and Wharf II, improving the aesthetics of the project area from Del Monte Avenue and improving circulation and parking at the project site.

WHEREAS the final Catellus Properties Phased Improvement Plan is the result of a planning process which included a series of public workshops, public hearings, preparation of an environmental impact report, and incorporation of public input and mitigation measures.

WHEREAS the Catellus parcels were formerly owned by Southern Pacific Railroad and contain the historic passenger depot and freight depot buildings, which have been determined to be eligible for listing on the National Register of Historic Places.

WHEREAS the City of Monterey, as property owner, has decided to retain the passenger depot at its current location, formally designate it as an historic resource and restore the building in accordance with the Secretary of the Interior's Standards for Treatment of Historic Properties.

WHEREAS the City has decided that it is not feasible to retain and restore the freight depot as the structure is significantly deteriorated and offers limited potential for reuse. The structure is elevated four feet above grade on a concrete platform and its long, narrow configuration with few windows makes it infeasible for most occupancies. These factors, combined with a lack of public funds for restoration, make it infeasible for the City to retain the building. Furthermore, retaining the building means that the defined public objectives for the property are obtained to a significantly lesser degree than occurs with demolition.

WHEREAS the City has also determined that relocation of the freight depot building is not feasible as the resultant impacts on parking and circulation on the West Catellus parcel are not acceptable, the same deficiencies would exist with the building configuration that would limit reuse opportunity; and there is a lack of public funds for relocation and restoration of the building.

WHEREAS the City has modified the Development Plan to carry out a historic documentation program to interpret the significance of rail transportation within Monterey; and

Findings for Approval of Demolition Permit and Statement of Overriding Considerations City Council Meeting of November 18, 2003

that the freight depot aspects shall be included within the historic documentation, interpretation exhibits and information.

WHEREAS the Southern Pacific Freight Depot will be recorded to Historic American Building Survey (HABS) standards and acknowledged on the site and in interpretation exhibits that will be placed within the retained and historic "H-1" designated Southern Pacific Passenger Depot. Therefore, the historic impact is mitigated to the extent feasible.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND STATED by the City Council of the City of Monterey that the above-stated significant impact is overridden by the substantial benefits the Project brings to the City of Monterey, as described:

Social Benefits

The Project's impact on historic resources is outweighed by the social benefits, the City will provide to the public in the form of designation and restoration of the passenger depot and documentation and interpretation of rail history in Monterey, including freight depot aspects. These efforts will contribute substantially to the presence of "rail history", and would likely not occur if the Project was not approved and implemented.

Further, the overall project will provide substantial open space and recreational benefits to the public, will improve views and aesthetics at this important waterfront location and will improve traffic and circulation, all to a greater extent than would occur if the freight depot building were retained in its current location.

Economic Benefits

The Project will provide economic benefit to both the City of Monterey and to Monterey businesses, in that visitor-serving and coastal-related uses are more desirably and more safely accommodated with the Project than if the parcels continued in their current status. Enhancing the visitor experience, as well as the experience for local residents maintains a strong tourist economy and strengthens use and patronage of local businesses by local residents.

Conclusion

ACCORDINGLY, based on the economic and social benefits set forth above, a statement of overriding considerations is appropriate pursuant to CEQA Guidelines Section 15093. Each benefit constitutes an overriding consideration warranting approval of the Project, independent of other benefits, despite the unavoidable impact on historic resources.



