

CALIFORNIA COASTAL COMMISSION

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Staff: DL-SD
Staff Report: October 26, 2005
Hearing Date: November 16-18, 2005

STAFF REPORT : REVISED CONDITIONS AND FINDINGS

Application No.: 6-05-41

Applicant: Liberty Station-HHG Hotel, LP
McMillin NTC, LLC

Agent: Kathleen Riser
Scot McGill

Description: Construction of a hotel complex consisting of a maximum 60-foot high, 200-room, 137,160 sq.ft., 4-story visitors hotel, a maximum 54-foot high, 150-room, 123,865 sq.ft., 4-story extended-stay hotel, and 12,000 sq.ft. of restaurant and approximately 11,400 sq.ft. of retail commercial buildings located on four separate, freestanding pads; approximately 600 sq.ft. of visitor-oriented retail stalls in a pedestrian aisle in the parking lot; adaptive reuse of the existing 33,000 sq.ft. Building 623 for a conference/event center and construction of a new 60-foot high tower adjacent to Building 623; construction of a 150-foot wide pedestrian esplanade adjacent to the boat channel; 818 surface parking spaces; lot line adjustment with no change in number of lots; traffic improvements including new traffic signals (as directed by the City Engineer) at the Laning and Cushing Road intersection and at the intersection of Rosecrans Street and Farragut Road/Voltaire Street. The entire project is located on public trust lands.

Site: North of Harbor Drive, east of Laning Road, west of San Diego Boat Channel at Liberty Station, former Naval Training Center, Peninsula, San Diego, San Diego County. APN 450-830-15 through 24.

STAFF NOTES:

Staff recommends the Commission adopt the following revised findings in support of the Commission's action on October 12, 2005. In its action, the Commission approved the hotel complex and required use restrictions on the extended stay hotel of a maximum stay limit of 30 days on 115 rooms, and a maximum stay limit of 90 days for the remaining 35 rooms, and also required that at least 26 weekends a year, including two weekends a month, throughout the entire year, the Liberty Station Conference Center (Building 623) be made available exclusively for community, civic, and/or public uses. In addition, after 5 years of operation, the applicant must submit the Building 623 use guidelines program for the review and approval of the Commission as an amendment to this permit.

Date of Commission Action: October 12, 2005

Commissioners on Prevailing Side: Burke, Haddad; Kruer, Neely, Padilla, Potter, Reilly, Secord, Orr, Wan and Chairman Caldwell.

Standard of Review: Chapter 3 polices of the Coastal Act, with the certified NTC Precise Plan LCP used as guidance.

I. MOTION: ***I move that the Commission adopt the revised findings in support of the Commission's action on October 12, 2005 concerning approval of Coastal Development Permit No. 6-05-41***

STAFF RECOMMENDATION OF APPROVAL:

Staff recommends a YES vote on the motion. Passage of this motion will result in the adoption of revised findings as set forth in this staff report. The motion requires a majority vote of the members from the prevailing side present at the October 12, 2005 hearing, with at least three of the prevailing members voting. Only those Commissioners on the prevailing side of the Commission's action are eligible to vote on the revised findings.

RESOLUTION TO ADOPT REVISED FINDINGS:

The Commission hereby adopts the findings set forth below for *Coastal Development Permit No. 6-05-41* on the ground that the findings support the Commission's decision made on October 12, 2005 and accurately reflect the reasons for it.

STAFF NOTES: Summary of Staff's Preliminary Recommendation:

~~Staff is recommending approval of the proposed project, with special conditions. The project includes high priority uses such as overnight visitor serving accommodations, a public esplanade, and retail and restaurant uses. Since the project was initially submitted to the Commission for review, the applicant has redesigned the project to significantly increase the public access and public recreational opportunities on the site, including the provision of public corridors and plazas in and around the hotel and the commercial development, amenities such as public seating, food and beverage service, small visitor-oriented retail stands, and pedestrian paths connecting the various uses on the site. Special Conditions are recommended below that would require the permanent provision of the amenities, along with adequate signage to identify the public areas on the site. Other conditions require substantial water quality BMPs and landscaping restrictions to ensure that any impacts to water quality or sensitive biological species are reduced to the point that the project is consistent with the applicable standard of review.~~

~~Standard of Review: Chapter 3 polices of the Coastal Act, with the certified NTC Precise Plan LCP used as guidance.~~

Site Summary:

Lot Area	20.88 acres
Building Coverage	325,000 sq. ft. (36%)
Pavement Coverage	466,000 sq. ft. (51%)
Landscape Coverage	104,500 sq. ft. (11%)
Unimproved Area	14,000 sq. ft. (2%)
Parking Spaces	818
Zoning	Commercial – Visitor (CV-1-1)
Plan Designation	Hotel
Ht abv fin grade	60 feet (maximum)

Substantive File Documents: Certified NTC Precise Plan and Local Coastal Program; City of San Diego Planned Development Permit # 33123; “Drainage Design and Water Quality Technical Report Liberty Station - Resort Village” by RBF Consulting, dated April 2005.

I. PRELIMINARY STAFF RECOMMENDATION:

The staff recommends the Commission adopt the following resolution:

MOTION: ~~*I move that the Commission approve Coastal Development Permit No. 6-05-41 pursuant to the staff recommendation.*~~

STAFF RECOMMENDATION OF APPROVAL:

Staff recommends a YES vote. Passage of this motion will result in approval of the 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 THE PERMIT:

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below, on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit 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 development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any adverse impacts of the development on the environment.

II. Standard Conditions.

See attached page.

III. Special Conditions.

The permit is subject to the following conditions:

1. **Final Plans. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicants shall submit to the Executive Director for review and written approval, final site, floor, and elevation plans for the permitted development, including the hotel and esplanade, that have been stamped approved by the City of San Diego. Said plans shall be in substantial conformance with the concept plans for Liberty Station Resort "Scheme B" by Awbrey Cook McGill, dated August 5, 2005 submitted with the coastal development permit application, and shall include the following:

- a. Approximately 600 sq.ft. of visitor-oriented retail operations shall be maintained and operated between Building 623 and the approved hotel as shown in concept on the above referenced plans. The size, exact location, and number of vendors may vary as long as a minimum of 600 sq.ft. of visitor-retail is provided and the vendors between the hotel and Building 623 and do not impede public access or parking on the site.
- b. Visitor-oriented retail operations shall be maintained and operated at a minimum of two locations adjacent to the hotel and public esplanade: between the extended-stay hotel, USS Recruit, and the flagpole; and alongside the esplanade between one of the extended-stay hotel buildings and the public esplanade walkways. These retail operations may be portable, and vary in size and number seasonally, but at least two distinct vendors shall be operating year-round.
- c. No structures shall be constructed or placed that would impede use of the public esplanade or other public accessways on the hotel leasehold. Public seating and gathering areas, plazas, roof top overlooks, corridors and other outdoor passageways on the hotel leasehold shall remain open and available to the public year-round, and hours of operation shall be no more restrictive than 7 am to 10 pm. No restrictions on access to the public esplanade shall be imposed between sunrise and midnight.
- d. The public amenities plan required by Special Condition #3 shall be incorporated into and made a part of said final project plans.
- e. Construction of the public esplanade shall be completed prior to occupancy of the hotel.
- f. A minimum of 818 on-site parking spaces shall be provided. However, the applicant shall agree to accommodate events attracting between 900 and 1,200 attendees by securing off-site parking and providing alternative means of transit to the site.
- g. Final site, floor, and elevation plans for the retail/restaurant and all off-site improvements in substantial conformance with the with the concept plans for Liberty Station Resort "Scheme B" by Awbrey Cook McGill, dated August 5, 2005

submitted with the coastal development permit application shall be submitted prior to commencement of construction of said structures.

h. The following use restrictions shall be placed on the extended stay hotel: A maximum stay limit of 30 days on 115 rooms, and a maximum stay limit of 90 days for the remaining 35 rooms.

The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. Public Access Sign Program. **PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit for review and written approval of the Executive Director, a final comprehensive sign program and plan for the permitted development that has been stamped approved by the City of San Diego and includes the following:

a. Public access signage shall be distributed throughout the site, but generally concentrated alongside the public esplanade, at each and every public corridor and/or accessway identified on the approved plans, and at and around focal points such as the proposed flag pole, fountain court, and public garden court terrace. Particular attention shall be given to the various pedestrian transition points, such the transition from the off-site esplanade/public park to the esplanade on the subject site, the corridors linking the esplanade paths to the upland hotel, the transition from the esplanade to the USS Recruit, from the esplanade to the pedestrian bridge, within the public event plaza next to Building 623, and from the parking lot to the public access corridors through the hotel. Signs along the esplanade shall be placed at conspicuous locations and reasonable intervals along the esplanade identifying the esplanade as public.

b. In addition to the above-described locations, at least one public access sign shall be placed in each of the following locations:

1. At the transition point between the on-site esplanade and the adjacent esplanade;
2. At the public deli terrace;
3. Near the observation terrace;
4. At the public garden court terrace;
5. At the entrance to each roof deck, and informational and/or education signage shall be provided on each of the public roof decks;
6. Near the pedestrian bridge; and
7. In the parking lot on the upland side of the fountain court accessway.

c. A directory and information kiosk shall be provided at the flagpole display containing information about the USS Recruit (unless otherwise provided on the

USS Recruit site), about public events at Building 623 and the hotel, and other visitor-related information.

- d. Signage shall be placed in the parking lot identifying the parking as available to the public, and coastal access signage shall be placed next to the USS Recruit identifying at least 15 parking spaces as dedicated coastal access parking.
- e. Signage on the hotel leasehold shall identify the access corridors and plazas as public. If hours of use are enforced, the hours shall be included on the signs. Such hours shall be consistent with or no more restrictive than the hours listed in Special Condition #1c.
- f. Signage shall be in place prior to occupancy of the hotel.
- g. The signage program shall identify the size, location and text of all signage. The text, design, and location of such signs shall be clearly visible to pedestrians and maintained in good legible condition, and not obscured by landscaping or other obstructions.

The permittee shall undertake development in accordance with the approved program. Any proposed changes to the approved program shall be reported to the Executive Director. No changes to the approved program shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

3. Public Amenities Program and Plan. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit to the Executive Director for review and written approval, a public amenities program that includes the list of public amenities contained in the document by Awbrey Cook McGill, dated September 13, 2005, and in substantial conformance with the Awbrey Cook McGill site plan dated August 5, 2005. Said program shall contain a detailed list of and a plan showing the type, location, amount of public amenities offered on the approved subject site. These public amenities shall include, but not be limited to:

- a. A hotel gift shop, hotel restaurant, deli terrace café with info/outdoor seating, waterside observation terrace, visitor-oriented retail kiosks, public wireless connectivity, drinking fountains, fire pits, food and beverage service at the roof decks and at outdoor terraces, fire pits and barbecues, public bike rental and bike racks, public seating, tables and umbrellas, horticultural interpretive labels on landscape elements, publicly available sports court, educational and historic plaques/displays, binocular standards at roof decks, and dog drinking fountains.
- b. The location of the hotel gift shop, hotel restaurant, deli terrace café, outdoor terraces, sports courts, fire pits, waterside observation terrace, and roof decks, shall be consistent with the above-cited plans. Said plans shall include other public amenities distributed throughout the hotel site, but generally concentrated alongside the public esplanade, at each and every public corridor, accessway and plaza

identified on the approved plans, and at and around focal points such as the proposed flag pole, fountain court, public garden court terrace. Particular attention shall be given to the various pedestrian transition points, such as the transition from the off-site esplanade to the esplanade on the subject site, the corridors linking the esplanade paths to the upland hotel, and the transitions from the esplanade to the USS Recruit, from the esplanade to the pedestrian bridge, within the public event plaza next to Building 623, and from the parking lot to the public access corridors through the hotel.

- c. The public amenities in the approved program shall be in place prior to occupancy of the hotel.

The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

4. Operation of Building 623. **PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicants shall submit to the Executive Director for review and written approval, a final Use Guidelines Program for the use of Building 623 in substantial conformance with the General Guidelines for Liberty Station Building 623 adopted by the City of San Diego and date-stamped by the Commission on April 8, 2005, but revised in accordance with the below requirements. The program shall demonstrate compliance with the condition of the LCP that the building not be used exclusively for hotel activities or other private uses on a permanent basis, that community, civic, and/or public uses shall be given first priority for use of the Naval structure, and that the building be made available for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends). Any area within Building 623 available for lease for private use shall also be available for public use in conformance with the Guidelines. In addition to the detailed use guidelines contained in the General Guidelines program, the following items shall be included in the final program:

- a. For the life of the structure, the applicant shall report occupancy, transportation and event data on a yearly basis to demonstrate that the building is being operated in compliance with the approved Use Guidelines Program. Said reporting shall commence one year after issuance of a certification of occupancy for the building.
- b. The public plaza adjacent to Building 623 shall be made available for events open to the public associated with or distinct from events taking place at Building 623. The public event plaza shall not be used for fee-based or private functions not open to the general public except as associated with events occurring at Building 623.
- c. The approved renovations shall be completed prior to occupancy of the hotel.

d. Final site, floor, and elevation plans for Building 623, in substantial conformance with the with the concept plans for Liberty Station Resort "Scheme B" by Awbrey Cook McGill, dated August 5, 2005, submitted with the coastal development permit application, shall be submitted prior to commencement of construction of said building.

e. At least 26 weekends a year, including two weekends a month, throughout the entire year, the Liberty Station Conference Center is made available exclusively for community, civic, and/or public uses.

f. After 5 years of operation, the applicant shall submit the use guidelines program for the review and approval of the Commission as an amendment to this permit.

The permittee shall undertake development in accordance with the approved program. Any proposed changes to the approved program shall be reported to the Executive Director. No changes to the approved program shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

5. Public Transit. **PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicants shall submit to the Executive Director for review and written approval, the following items:

- a. An agreement to work with MTDB to encourage the provision of neighborhood circulators or shuttles to provide links from the hotel to established bus routes and/or new routes within the surrounding community and other Liberty Station developments.
- b. A commitment that the hotel shall participate in shuttle systems to the San Diego International Airport.

The permittee shall undertake development in accordance with the approved final agreement and commitment. Any proposed changes to the approved final agreement shall be reported to the Executive Director. No changes to the approved final agreement shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

6. Final Landscape Plans: **PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicants shall submit to the Executive Director for review and written approval, final landscaping plans for the permitted development that have been stamped approved by the City of San Diego. Said plans shall be in substantial conformance with the concept plans for Liberty Station Resort "Scheme B" by Awbrey Cook McGill, dated August 5, 2005, submitted with the coastal development permit application, and shall include the following:

- a. The type, size, extent and location of all plant materials, the proposed irrigation system and other landscape features on the site. Only drought tolerant plant

materials shall be utilized within the area between the esplanade walkways and the boat channel. No invasive species are permitted in any part of the site. To avoid an increased threat of raptor predation on shorebirds and waterbirds, new tree plantings shall be located at least 30 feet from the boat channel.

- b. A planting schedule that indicates the planting plan will be implemented within 60 days of completion of construction.
- c. Construction lighting and post-construction project lighting fixtures shall be shaded and oriented so that direct light or indirect glow will not increase the light levels in the boat channel adjacent to the project site.
- d. A written commitment by the applicant that all required plantings will be maintained in good growing condition, and whenever necessary, will be replaced with new plant materials to ensure continued compliance.

The permittee shall undertake development in accordance with the approved final landscaping plan. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

7. Storage and Staging Areas/Access Corridors. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall submit to the Executive Director for review and written approval, final plans indicating the location of access corridors to the construction site and staging and storage areas. The final plans shall indicate that:

- a. No overnight storage of equipment or materials shall occur on sandy beach or public parking spaces. During the construction stages of the project, the permittee shall not store any construction materials or waste where it will be or could potentially be subject to tidal erosion and dispersion. In addition, no machinery shall be placed, stored or otherwise located within 15 feet of the boat channel at any time. Construction equipment shall not be washed adjacent to the boat channel.
- b. Access corridors shall be located in a manner that has the least impact on public access to and along the shoreline.
- c. The applicant shall submit evidence that the approved plans/notes have been incorporated into construction bid documents. The staging site shall be removed and/or restored immediately following completion of the development.

The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

8. Water Quality. **PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT** the applicant shall submit a final Water Quality Technical Report for review and approval of the Executive Director, based on the conceptual water quality plan provided to Coastal Commission staff in the letter from Kathleen Riser to Coastal Commission staff dated September 20, 2005.

- a. The Water Quality Technical Report (WQTR) shall document how the elements of the water quality treatment system will meet the following conditions:
 - i. The project water quality treatment system will treat all dry weather runoff and all storm runoff from storms smaller than or equal to the 85th percentile design storm (0.6 in./24 hours for volume based Best Management Practices (BMPs) and 0.2 in./hr for flow based BMPs), including that amount of storm runoff from larger storms, with a suite of BMPs that meet the design criteria below;
 - ii. The design criteria for BMPs shall be based on the recommendations in the latest edition of the California Association of Stormwater Quality Agencies (CASQA) BMP Handbook; and
 - iii. If the proposed suite of BMPs cannot meet the two conditions above, then the applicant will provide an alternative water quality treatment system that provides equivalent water quality protection, for review and approval of the Executive Director.
- b. The WQTR shall include at least the following components described in the conceptual water quality plan provided to Coastal Commission staff in the letter from Kathleen Riser to Coastal Commission staff dated September 20, 2005, and in the draft Executive Summary for the WQTR provided on September 28, 2005:
 - i. A Landscape Management Program that includes a regular sweeping program of impervious surfaces, litter pick-up, and proper equipment maintenance;
 - ii. The use of water saving irrigation heads and nozzles;
 - iii. Efficient Irrigation using flow sensors, automatic rain sensors and multiple programming capabilities;
 - iv. The use of a drought tolerant planting palette;
 - v. A Fertilizer and Pest Management Program that minimizes the use of chemical fertilizers and pesticides;
 - vi. Details of the use of pervious surfaces for the project including, at a minimum, the use of pervious surfaces for the walking pathway and fire lane;
 - vii. A trash management program to control on site trash;
 - viii. Catch Basin Stenciling; and a copy of the
 - ix. Storm Water Maintenance and Discharge Control Plan.

The permittee shall undertake development in accordance with the approved program. Any proposed changes to the approved program shall be reported to the Executive Director. No changes to the approved program shall occur without an amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

9. Notification of Future Lessees.

A. **PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit a written agreement by the City-lessor, in a form and content acceptable to the Executive Director, providing that upon termination of the applicant's lease of the property that is the subject of this coastal development permit, the City-lessor agrees (i) to be bound to terms of this permit if it becomes the owner of the possessory interest in such property, (ii) to include provisions in any subsequent lease of such property requiring the lessee to submit a written agreement to the Commission, for the review and approval of the Executive Director, incorporating all of the terms of this permit, and (iii) to comply with the requirements of subsection B of this condition.

B. **PRIOR TO ANY CONVEYANCE OF THE FEE INTEREST IN THE PROPERTY THAT IS THE SUBJECT OF THIS COASTAL DEVELOPMENT PERMIT**, the landowner/City Agency shall execute and record a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing all of the Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The restriction shall include a legal description of the landowner's entire parcel or parcels. It shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes - or any part, modification, or amendment thereof - remains in existence on or with respect to the subject property.

10. Transferees' Acknowledgment.

A. **PRIOR TO ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT**, the coastal development permit applicants (current and prospective future lessees of the property that is the subject of this permit) shall agree in writing that before execution of any agreement to assign the lease or any portion thereof or to sub-lease the property or any portion of that property or any interest in that property, the lessee-transferor shall secure a letter from the prospective (sub-) lessee-transferree (1) acknowledging (a) that the conditions imposed by this permit run with the land, (b) that the use and/or development of the land may therefore be restricted by special conditions of the permit and (c) that pursuant to those special conditions, the owner of any possessory interest in the property has certain obligations and the public has certain rights with respect to future use of the property; and (2) agreeing

that, prior to any further transfer of any interest in the property that occurs in the future, that that agreeing (sub-)lessee (i.e., transferee-turned-transferor) shall secure from the new (sub-)lessee (or transferee) a letter to the same effect.

B. Subsequent to the issuance of this coastal development permit, and prior to execution of any agreement to assign the lease or any portion thereof or to sub-lease the property or any portion of the property or any interest in the property that is the subject of this permit, the lessee-transferor shall secure a letter from the prospective (sub-) lessee-transferee (1) acknowledging (a) that the conditions imposed by this permit run with the land, (b) that the use and/or development of the land may therefore be restricted by the special conditions of the permit and (c) that pursuant to those Special Conditions, the owner of any possessory interest in the property has certain obligations and the public has certain rights with respect to future use of the property; and (2) agreeing that, prior to any further transfer of any interest in the property, that that transferee-turned-transferor shall secure from its transferee a letter to the same effect.

C. A copy of such letter(s) shall be provided to the Executive Director, and the Director of the City of San Diego Redevelopment Agency prior to the transfer of any property interest as described above.

IV. Findings and Declarations.

The Commission finds and declares as follows:

1. Detailed Project Description/History. The proposed project is the development of two hotels and four separate retail and restaurant buildings. The first hotel is a 200-room, 137,160 sq.ft., 4-story "visitor hotel" oriented towards short-term stays. The second hotel is a 150-room, 123,865 sq.ft., 4-story "extended-stay" hotel designed for longer-term stays. The commercial development consists of four separate, free-standing buildings to consist of a total of approximately 12,000 sq.ft. of restaurant and 11,400 sq.ft. of retail, and approximately 600 sq.ft. of visitor-oriented retail stalls located in a landscaped pedestrian aisle in the parking lot.. A total of 818 parking spaces would be provided.

The project also includes a lot line adjustment with no change in the number of parcels on the site, and traffic improvements including new traffic signals at the intersection of Laning Road and Cushing Road, at the intersection of Rosecrans Street and Farragut Road/Voltaire Street, and a westbound to eastbound U-turn lane at the intersection of Laning Road and Cushing Road.

The roughly triangular-shaped parcel is located on the southwest corner of the former Naval Training Center (NTC), now known as Liberty Station. The site is on the west side of the boat channel, inland side of Harbor Drive in the Peninsula community of the City of San Diego. The two hotels would be located on the southeast side of the site, adjacent to the boat channel and a designated public esplanade. The retail and restaurants would

be located on the northwest side of the site, adjacent to Harbor Drive and Laning Road. The project includes the creation of paths and landscaping within the public esplanade.

There are two existing facilities on the site. The first is the USS Recruit, a 6,910 sq.ft. mock-up of a Navy ship formerly used for training. The ship is a historic structure built to scale in 1949 to 2/3 the size of a destroyer escort. It will be preserved and made available for public viewing under a separate permit as needed. The second existing structure is Building 623, a one-story, 33,000 sq.ft. naval structure built in the 1990's as a chapel. This building will be remodeled for use as a conference/community event center. Community, civic and public meetings and events would have priority at the center, although hotel meetings and retail commercial sales can also occur at the building. Exhibit #11 contains the general guidelines for use of Building 623. In addition to the interior remodeling, the applicant is proposing to construct a new 60-foot high decorative tower adjacent to Building 623.

Other development proposed includes a lot line adjustment with no change in number of lots, and traffic improvements including new traffic signals at the Laning and Cushing Road intersection and at the intersection of Rosecrans Street and Farragut Road/Voltaire Street, as determined necessary by the City of San Diego City Engineer.

The former NTC was operated as a military facility by the federal government from 1922 to 1997. During that time, title to the land was held by the federal government pursuant to a conveyance from the City of San Diego, which had itself taken title pursuant to a grant from the State, subject to the public trust. In July 1993, the U.S. Navy declared its intention to close the base under the terms of the Base Closure and Realignment Act of 1990, and the City of San Diego began planning for the reuse of the site in 1993. The City's conveyance of the lands to the federal government in the early part of the 20th Century did not terminate the public trust, so when the federal government recently reconveyed the lands back to the City, the lands remained public trust lands.

The City of San Diego has a certified NTC Precise Plan and Local Coastal Program (LCP) covering the 361 acres of NTC that was conveyed to the City, including the subject site. The Plan designates the subject site for use as a Hotel, and the site is zoned Commercial – Visitor (CV), which is designed for establishments catering to the lodging, dining, and recreational needs of tourists and locals. However, because the subject site is located on public trust lands, it is within the Commission's original jurisdiction. Thus, Chapter 3 of the Coastal Act is the standard of review, with the certified NTC Precise Plan used as guidance.

2. Public Access and Recreation. The Coastal Act emphasizes the need to protect and provide for public access to and along the coast, and to provide low cost recreational facilities, particularly in new development projects. The following Coastal Act policies are applicable to the proposed development:

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 30212.

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

- (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources,
- (2) adequate access exists nearby, or,
- (3) agriculture would be adversely affected. Dedicated accessway shall not be required to be opened to public use until a public agency or private association agrees to accept responsibility for maintenance and liability of the accessway.

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.

Section 30252.

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

Section 30604(c) of the Coastal Act requires that a specific access finding be made in conjunction with any approval of development located between the first public roadway and the sea, indicating that the development is in conformity with the public access and

public recreation policies of Chapter 3. In this case, as conditioned, such a finding can be made.

The subject site will be developed with two hotels, a public esplanade, and retail and restaurant uses. Relevant certified Precise Plan policies, which the Commission uses for guidance, include the following:

- The visitor hotel should respond to the importance of its location near the public esplanade. Pedestrian-oriented entrances should face the channel. The west side of the hotel should incorporate the multi-purpose building [Building 623] into its site development as an integrated use. The Harbor Drive side of the hotel should include the primary vehicular entrance to the site as well as integrate the USS Recruit in the overall plan so as to encourage public viewing of the historic artifact.
- The U.S.S. Recruit is a contributing structure to the Historic District and is also listed on the National Register of Historic Places. [...] The ship should be a feature of a public space within the hotel site and the hotel should provide additional parking for visitors to the U.S.S. Recruit. [...] Restaurants, recreational facilities, and visitor-commercial retail uses are permitted within the main hotel structure or on separate pads.
- The hotel should be oriented to the boat channel. [...] A 150-foot setback from the edge of the boat channel is to be developed into a waterfront esplanade – landscaped pedestrian, bicycle, and recreational trail that allows for continuous public access along the edge of the boat channel.
- Parking areas to serve public and private development shall be distributed throughout the site, specifically including the residential areas, the education/mixed use area, the office/research and development area, the public park area, and the hotel sites. This will mitigate against the impacts of overcrowding or overuse by the public of any single area.
- For the visitor hotel, the ground floor shall be pedestrian-oriented, with pedestrian-oriented entrances facing the channel. Easy access to such public uses as restaurants and gift shops shall also be provided. The hotel elevation facing the esplanade shall be visually and architecturally connected to the public esplanade. This may be done through the use of arcades, paving, landscaping, or other materials. Additional public parking in excess of that required to serve the hotel uses shall be provided at the hotel parking facilities.
- Development shall not interfere with the public's right of access to the boat channel.
- Public access from the nearest public roadway to and along the boat channel shall be provided...

- Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided...
- A hotel accommodating up to 350-rooms will most likely be oriented to family vacationers. An on-site Naval structure built in the 1990's (Navy Building 623) can either function as a convention center for hotel meetings, operate independently for non-hotel activities and community events, or be used for activities as diverse as religious activities or retail commercial sales. However, the building shall not be used exclusively for hotel activities or other private uses on a permanent basis; community, civic, and/or public uses shall be given first priority for use of the Naval structure. Under a set of guidelines to be prepared by the City Planning Director, the building shall be made available for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends).
- The public esplanade will maintain a minimum dimension of 100' on the west side of the channel in the park/open space area and maintain a minimum dimension of 150' adjacent to the visitor hotel.
- Hotels shall participate in shuttle systems to Lindbergh Field.
- Visitor-serving commercial uses shall be sited adjacent to the boat channel.
- However, a transit office shall be established concurrent with occupancy of the first phase of office/R&D or mixed use development to issue bus passes and coordinate car pools for employees and residents, provide transit information to visitors, and consult on the transit needs for special events. MTDB will be encouraged to provide neighborhood circulators or shuttles to provide community-level tripmaking and feeder access to established bus routes. Hotels shall participate in shuttle systems to Lindbergh Field.

CONSISTENCY OF THE PROPOSED DEVELOPMENT WITH CHAPTER 3 POLICIES

Public Trust Lands

Although the Public Trust doctrine is not, *per se*, a Chapter 3 policy, it informs many of the policies, and many of those policies are designed, at least in part, to implement the doctrine. As such, it is appropriate to consider the doctrine in applying the Chapter 3 policies.

Approximately 1/3 of the former Naval Training Center (NTC) is subject to Tidelands Trust restrictions, including the subject site. Established by the State of California and enforced by the State Lands Commission, uses on public trust lands must serve statewide, as opposed to purely local, public purposes.

The California State Lands Commission policy on the public trust doctrine requires that all uses subject to the Tidelands Trust must take into account the overarching principle of the public trust doctrine that trust lands belong to the public and are to be used to promote public rather than exclusively private purposes. Public trust uses are generally limited to water dependent or related uses, and include commerce, fisheries, navigation, ecological preservation, and recreation. Visitor-serving facilities such as restaurants, hotels, shops, and parking areas can be appropriate uses if they allow broad public access to the tidelands and therefore enhance the public's enjoyment of these lands historically set apart for their benefit. Projects must have a connection to water-related activities that provide benefits to the public statewide. The State Lands Commission policy states "failure to achieve this goal simply to make a development financially attractive sacrifices public benefit for private or purely local advantage."¹

On February 5, 2001, the State Lands Commission approved a land exchange agreement between the City and the State of California that reconfigured some of the public trust and non-public trust lands at NTC. The final public trust configuration, which includes the subject site, allows the City to develop the land adjacent to open water for public trust uses, from potential waterfront heavy industrial use to visitor-serving areas appropriate for shoreline parks, restaurants, shops, hotels, museums, public walkways, and sites for animal and bird habitat (Exhibit #3).

Because the project site is public land, it is particularly important that development on site respond adequately to the Chapter 3 and LCP policies regarding access and recreation and public benefit.

Hotels/Esplanade

Nestled in the western "corner" of NTC between the San Diego Bay boat channel and Harbor Drive, the first public roadway in the area, the subject site is easily accessible and highly visible from surrounding streets. It is also adjacent to an approved public park to the east. It is also the only segment of public trust lands on the northwest side of the channel that is not dedicated to public park use. As such, the site is a key public access and recreational linkage between the public park, the esplanade, and the pedestrian bridge leading to the southeast side of the channel, which is also being developed with a public esplanade. If the boat channel side of the subject site is not sufficiently attractive and inviting to the public, recreational use and access will terminate at the adjacent park rather than continuing down to Harbor Drive and across the pedestrian bridge to the southeast side of the boat channel.

However, the boat channel is not the only important existing public resource on the site. The U.S.S. Recruit is located on the Harbor Drive side of the site, and Building 623 is located on the northwestern edge of the site. As described above, the U.S.S. Recruit is an historic structure and important public attraction. Building 623 will be renovated for use

¹ http://www.slc.ca.gov/Policy%20Statements/Public_Trust/Public_Trust_Doctrine.doc

as a community center, suitable for public events, meetings and other public and private uses.

Although the subject site is within the Commission's original jurisdiction, and thus, Chapter 3 of the Coastal Act is the standard of review, at the time the NTC Precise Plan was approved, the Commission established clear policy direction on the type and design of development which could occur on the subject site to ensure development of the site is consistent with applicable Coastal Act policies. The unique mix of resources on and adjacent to the site—the boat channel/esplanade, the pedestrian bridge, the adjacent public park, the U.S.S. Recruit, and Building 623, combined with the public trust requirement to serve state-wide public purposes, led to the above-listed policies in the certified LUP. Of particular relevance to the subject project are the requirements that: the hotel be oriented to the boat channel and respond to its location near the public esplanade; that the west side of the hotel incorporate the multi-purpose building into its site development as an integrated use; that the USS Recruit be integrated in the overall plan and be a feature of a public space within the hotel site; and that the ground floor of the hotel be pedestrian-oriented, with easy access to such public uses as restaurants and gift shops. In short, the site must be developed in a manner that is oriented to public use and which allows the public to circulate through and around the site to utilize all of the elements on the site.

When the original version of the project was submitted to the Commission for review, Commission staff expressed serious concerns about the project's consistency with the above policies and goals. As originally submitted, the project consisted of a private hotel on the upland portion of the site, separate and distinct from the adjacent esplanade. Separate retail and restaurant uses on the western portion of the site were isolated from both the hotel and the esplanade. Building 623 was hidden behind the hotel and lacked connectivity with the other uses on the site.

The site lacked pedestrian-activating uses and public amenities, and there were few opportunities for the public to use or enjoy the bulk of the site. Except for the esplanade itself, public access on the site was limited to sidewalks through the parking lot and narrow passageways between and alongside the hotel buildings. The corridors did not contain any activating uses to draw people along or through the site. The hotel buildings lacked pedestrian scale amenities to entice public use of the space. There were, and still are, few public spaces inside the hotel. But as previously designed, those that were provided were oriented away from the waterfront and would not likely draw people inside or provide interest to passersby. Minimal public spaces, such as walkways, courtyards, small seating and overlook areas existed in the earlier plan, but these outdoor spaces were mostly marginal, lacking satisfactory levels of design, amenities, or aesthetic appeal that would draw pedestrians to the public spaces. As initially proposed, the small "public" spaces were likely to function as no more than minor features for hotel guests.

Overall, opportunities for circulation between the uses on the site were lacking and the site was not developed as an integrated whole. The retail/restaurant was isolated on one side of the lot. Building 623 was an island in a sea of surface parking. The hotel turned its back on the esplanade, and the USS Recruit did not have a clear connection with the

hotel, the retail/restaurant, or Building 623. The site was dominated by surface parking that limited pedestrian access through and around the site and created large, empty spaces separating the uses and reducing the coherency of the site

Since initially submitted to the Commission for review, the subject project has undergone substantial revision. The fundamental elements of the project remain; the three separate hotel buildings, the esplanade, the Recruit, Building 623, and the four retail/restaurant structures, are still in place. However, the number and type of public and visitor-serving amenities have been increased, and the opportunities for public access and circulation around the site have been significantly improved.

As described above, the project consists of two separate hotels, a "visitor's hotel" and an "extended-stay" hotel, in three distinct four-story buildings aligned along the boat channel. Four separate buildings, which would be composed of approximately half restaurant and retail, would be located along Harbor Drive on the southwest side of the site. The revised project also includes approximately 600 sq.ft. of visitor-oriented retail stalls located in a landscaped pedestrian aisle in the parking lot. A 150-foot wide public esplanade with a walkway, turf, and landscaping is proposed along the boat channel.

The proposed public esplanade will provide walking and bike paths, and grassy areas for passive recreation, and represents a prime lower-cost visitor and public recreational amenity on the site. The trails on this site will line up and connect with the esplanade on the adjacent public park. Unlike the adjacent esplanade, which will be alongside a wide public park, the esplanade on the subject site will be next to a private hotel development. Thus, for the esplanade to function as an inviting, accessible public amenity in this area, rather than a private amenity for hotel guests, it is important that the adjacent hotel development provide a variety of amenities and opportunities for the public to feel welcome on the site.

As originally submitted, the hotel side of the project consisted mainly of walled off private areas. High walls separated the pool on the eastern side of the hotel from the esplanade, and landscaping barriers pushed the public further away from the hotel. Large archways blocked views between the hotel buildings, and in any case, there were few features to attract the public if pedestrians did approach the hotel.

The visitor hotel has been revised in several substantial ways. The terrace wall and pilasters that separated the pool court from the esplanade has been replaced with an open fence, and the landscaping reduced to low meandering islands of shrubs. The hotel entrance on the esplanade side of this building has been enlarged to be more visible to passersby, who are thus more likely to take advantage of the lobby, bar, fireplace terrace, gift store and indoor restaurant. The previously proposed small outdoor café has been expanded, and now wraps around the side of the building, encouraging pedestrians to explore the "fountain court corridor" adjacent to the building.

The esplanade path has been moved closer to the hotel to provide more opportunities for interaction with the upland portion of the site. The fountain court corridor between the visitor-hotel and the first of two extended-stay hotel buildings has been widened and

enhanced with fountains, seating and ornamental plantings. The corridor still leads to the parking lot from the esplanade, but a new pedestrian corridor in the parking lot will connect with the fountain court corridor improving access between the parking lot and the esplanade, and between the hotel and Building 623. Attractive but rather imposing arcades along the building have been replaced with open pergolas with public seating.

Two public roof decks will be provided, one on the northernmost extended-stay hotel building, which will have expansive views of the boat channel and downtown skyline, and one on the southern extended-stay hotel building, which will have downtown views and views of the USS Recruit. The revised project design improves the visibility of the roof deck access points with signage and the applicant has proposed to provide seating with tables, umbrellas, public beverage/snack service, education plaques describing various landmarks in view, and binocular stands.

A public "garden court terrace" between the two extended-stay hotels has been significantly revised to be more publicly accessible and pedestrian friendly. Improved visibility, signage, public outdoor seating and firepits have been added. A pedestrian corridor has been added through the hotel site and beyond through the parking lot to Building 623, and views of the proposed tower at Building 623 from the garden court terrace have been opened up, thus encouraging pedestrian circulation between the esplanade, hotel, and Building 623.

The southernmost extended-stay hotel will have a publicly-available sports court on the esplanade side of the structure, which will provide an interesting activity and viewing opportunity for the public. Other public amenities that will be provided at various locations around the hotel site include public wireless connectivity, drinking fountains, food and beverage service at outdoor terraces, barbeques, bike racks, horticultural interpretive labels on landscape elements, educational and historic plaques/displays, and dog drinking fountains. These elements represent public recreational opportunities and will encourage access to and around the site.

Two new areas of visitor-oriented retail have been added along the esplanade. A public bike rental (or similar visitor-oriented retail opportunity) vendor will be located near the northern extended-stay hotel, and vendor carts/kiosks will be located at the second extended-stay hotel, near the USS Recruit. The provision and long-term maintenance of these retail opportunities is a critical component in activating the area for pedestrians and the general public. The retail vendors at the southwestern side of the site are particularly important, because the terminus of the esplanade needs to have features that can draw people past and around the hotel and towards the uses on the rest of the site, as discussed below.

It is important that the extended-stay hotel on the site operate as a legitimate visitor-serving use, and not a quasi-residential use, with most residents staying for months at time. The applicants have indicated that they expect in all but a small number of cases, stays at the extended-stay hotel will be less than 30 days, but that there may be some instances where guests stay for several months. The hotel operator has indicated that although extended stays are expected to be uncommon, having some flexibility in length

of stay is critical in obtaining financing for the hotel. In order to ensure that the site is available for visitor-serving uses, consistent with the certified LCP, the public trust designation, and the public access and recreation policies of the Coastal Act, Special Condition #1 places restrictions on the extended stay hotel of a maximum stay limit of 30 days on 115 rooms, and a maximum stay limit of 90 days for the remaining 35 rooms. Thus, the Commission can be assured that the hotel will, in the main, function as a visitor-serving use.

USS Recruit, Commercial Retail, Building 623, and Overall Site Connectivity

In order to maximize public access to the waterfront on the subject site as required by the Coastal Act, there must be an overall connectivity between the hotel, the retail/restaurant uses, Building 623 and the USS Recruit. The terminus of the esplanade is the most critical junction on the site, because without some interesting destination at this point, it is unlikely the public will be aware of and/or bother wandering down past the long stretch of private hotel development to the visitor-serving and public recreational uses on the rest of the site, including the eastern continuation of the boat channel, the USS Recruit, and the commercial retail on the western side of the site.

At the end of the esplanade itself, the applicant has proposed a flagpole with seating and drinking fountains. The flag will be visible from the adjacent Harbor Drive, drawing interest to the site. The esplanade paths have been realigned for clear passage from the esplanade east across the boat channel and west up towards the recruit.

The existing USS Recruit is the obvious draw in this area, except that the extended use hotel will block views of the ship until the very end of the pedestrian path. In response to Commission staff's concerns that the hotel development failed to integrate the USS Recruit in the overall plan as required to maximum public recreational opportunities on the site, the applicant proposed placing the above noted vendors along the base of the building, and also improved the amenities provided on the ground floor terrace and roof deck by offering food and beverage service at these locations.

By drawing people down to the end of the esplanade, the vendors at the hotel corner should help improve overall site circulation. As proposed, the main retail/restaurant development would be broken up into four separate pads located on the northwestern portion of the site. One of the most effective ways to activate a pedestrian space is to distribute a variety of retail uses that can engage a wide range of people around the site. It might have been more effective to integrate all of the retail proposed on the site into the hotel, which would likely have enhanced both the public and private uses around the esplanade. However, since the applicants chose to locate the retail/restaurant on separate pads, (an option which was provided for in the LCP), it is important that the retail/restaurant be designed and located in a manner in which it will be easily available to the public and activate the entire site.

There is no way for pedestrians to get from the esplanade to the retail/restaurant buildings or Building 623 except by walking through the parking lot. The applicant has not determined a floor plan for the retail/restaurant, and the uses would not necessarily be

tourist-oriented retail, but general retail uses would be permitted. However, since originally proposed, the applicant has made a number of design changes that should make it more likely that there will be some pedestrian movement between and around the esplanade, retail/restaurant, hotel, and Building 623, thus maximizing public access around the site. The parking was realigned to widen pedestrian linkages, with paths located in landscape islands buffered from cars. Architectural features such as a pergola and pavement treatments and a fountain or some kind of focal point located in an island in the middle of the street running between the four buildings will add to the attractiveness of the area. A public event plaza was created between the retail/restaurant pads and Building 623 creating an opportunity for outdoor event functions. And a pedestrian path was realigned to connect with the Garden Court Terrace at the hotel, to provide a direct path from Building 623 to the hotel and through to the esplanade. This path will be developed with approximately 600 sq.ft. of visitor-oriented retail (such as a flower shop) to further activate the site and encourage pedestrian circulation and public access.

The new 60-foot high tower proposed to be located on the west corner of the building is intended to add to the visual appeal of the structure and draw people to the entrance of the building. Previously, views of the tower would have been entirely blocked by the hotels from most of the esplanade, but as redesigned, the tower and then the new retail uses may well draw people to Building 623 from the Garden Court Terrace. The improved pedestrian path through the parking lot on from the Fountain Court will also complete a pedestrian loop around the site, maximizing public access opportunities.

Special Conditions on the project will ensure that the numerous public amenities proposed on the site are provided, maintained, and adequately identified. Special Condition #1 requires the submittal of final plans for the project documenting that the visitor-serving retail operations proposed adjacent to the esplanade and between Building 623 and hotel will be permanently maintained, although minor adjustments in the location and type of facility are permitted. The condition explicitly requires that the proposed public passageways, courts, and other public accessways are open and available to the public year-round, and if some restrictions on hours of operation are necessary, that the restricted hours be no greater than 10 pm to 7 am. Since some of the public accessways are adjacent to hotel rooms, some restrictions on late-night and early-morning public access are reasonable. However, access to the adjacent esplanade may not be restricted between the sunrise and midnight.

To ensure that the public amenities are provided in a timely manner, Special Condition #1 requires that construction of the public esplanade be completed prior occupancy of the hotel. Special Condition #3 requires development of a detailed public amenities program and plan listing and describing each of the public amenities proposed for the subject site, and Special Condition #2 requires submittal of a detailed and comprehensive sign program ensuring that the public will be aware of the public access and recreational opportunities provided. As conditioned, the public accessways, amenities and visitor-serving retail provided on the subject site will ensure that the proposed development will protect and provide for public access to the waterfront, and a wide range of public and

private, lower and higher cost recreational opportunities, consistent with the public access and recreational policies of the Coastal Act.

Operation of Building 623

The existing Building 623 will be renovated for use as a conference and event center. Under the policies of the LCP as quoted above, a wide range of community and private events could take place at the center. But in all cases, the LCP requires that "Under a set of guidelines to be prepared by the City Planning Director, the building shall be made available for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends)." These guidelines, attached as Exhibit #11, have been prepared and incorporated into the City of San Diego's permit requirements for the project. The guidelines indicate generally the type of community functions expected to take place at the site, standards for minimal fees based on basic operating costs, define general minimum operating hours (7 days a week, 8 am to 9 pm), and set up a facility rental procedure.

In short, all day on Saturday, the center will be available for community, civic, and/or public uses at a baseline fee. All day on Sunday, the Center is made available exclusively for private-pay users. If unreserved space at the center exists on Saturday or Sunday eight weeks prior to a use date, then that space becomes available for public or private users.

Some members of the community have expressed concerns that the guidelines would not allow for a two-day weekend event for either public or private functions, except as space might become available 8 weeks ahead of time. Therefore, Special Condition #4 requires that the use guidelines be revised such that instead of every Saturday, two weekends a month (at least 26 weeks a year) be made available exclusively for community, civic, and/or public uses. The City of San Diego is requiring that every 90 days, a report be provided to the City Redevelopment Agency NTC Project Manager identifying the requests for and actual use of space by community and civic groups, and/or by the general public at Building 623, in order to see if the guidelines are functioning adequately. Special Condition #4 requires that a similar report be submitted annually to the Commission. If the report demonstrates that there are problems in the operational guidelines, minor changes can be made as long as the use continues to conform to the LCP requirements. In addition, the condition requires that after 5 years of operation, the applicant must submit the use guidelines program for the review and approval of the Commission as an amendment to this permit. At that time, the Commission will review all of the data from the required annual reports to ensure that the building is operating consistently with the above stated LCP policy and permit conditions regarding availability of the building for public use, and with the Coastal Act policies supporting the provision of public access and recreation. If, at that time, the Commission determines that the operational guidelines are not guaranteeing that the building is, in practice, operating as intended, it will have the opportunity to make adjustments to those operational guidelines to put the operations back on track. The Commission recognizes that events and conventions are often booked months and years in advance, and at the time of the five-year review would take care not to unduly disrupt existing legal and

financial commitments at the building, while ensuring that future operations conform to the requirements of the LCP and the Coastal Act.

In addition, as described above, the applicant has provided a public event plaza next to Building 623 to accommodate outdoor public events. Special Condition #4 also places restrictions on use of the public event plaza for events that are not available to the general public or require a fee to only those specifically associated with an event associated with Building 623. Since guidelines have been established regulating the frequency of private events that can occur at Building 623, the Commission can be assured that the public plaza will not be exclusively used for private or fee-based events. Various free, public events such as a craft fair, blood drive, or community gathering could occur at this location without being specifically affiliated with a Building 623 event. Thus, maximum public access and public recreational opportunities on the site will be provided.

With regard to the number of people that can be accommodated at the center, the applicant has submitted a reuse study, which examined how the building could be readapted for a variety of conferences and events. The study included a use matrix analyzing the maximum capacity of the site for various types of functions, from classrooms to theaters to receptions. In reviewing this study, the City determined that the normal use of the building was approximately 900 people, but could be as high as 1,200 under the reception configuration. The City further determined that it would be unreasonable to require that parking be provided onsite to accommodate the maximum capacity of the building when totally used in a reception style event that would probably only occur a few times each year. Therefore, they required that the applicant make arrangements for additional parking to accommodate large events up to 1,200 people on a case-by-case basis. Special Condition #1 requires the applicant to provide off-site parking to accommodate events attracting between 900 and 1,200 attendees and to provide alternative transportation to the site.

As conditioned, the proposed reuse of Building 623 will be consistent with the provisions of the certified LCP, and will provide a lower cost visitor and public recreational opportunity. The development will also enhance public access to the coast and will provide adequate parking facilities or substitute means of serving special events at the development with other means of transportation, consistent with the public access and recreational policies of the Coastal Act.

Traffic and Parking

The environmental analysis performed by the City of San Diego evaluated traffic impacts for the proposed project. Traffic generation associated with the subject project is now projected to be somewhat higher than previously estimated, but other portions of the NTC/Liberty Station project are now projected to be smaller than originally estimated and to generate less traffic. Thus, the mitigated negative declaration for the subject project determined that the overall Liberty Station development will be no more intense than the project previously reviewed and approved as part of the NTC Precise Plan LCP. The project includes several traffic improvements including new signals, driveways, and a new u-turn lane.

In addition, the City has placed some restrictions on the use of Building 623 to ensure that traffic and parking requirements are not exceeded by multiple users during critical peak hour times at the project site. For example, from 9:30 AM through 3:30 PM, an event with a maximum attendance of 1,200 persons will be able to be held at Building 623, but from 3:30 PM through 6:30 PM, only events with a maximum attendance of 200 people would be permitted.

At the time the Commission certified the NTC Precise Plan and LCP Amendment, it acknowledged that redevelopment of NTC would result in significant unavoidable project-specific and cumulative impacts to transportation and circulation that could not be mitigated to below a level of significance. Redevelopment efforts always present challenges with regard to traffic and circulation patterns. Section 30250 of the Coastal Act supports the construction of new development in existing developed areas to decrease sprawl and impacts to open space. However, many older neighborhoods, including Point Loma, were planned with street patterns and parking and traffic capacities that are inadequate for denser development.

Placing restrictions on the size of events at Building 623 will somewhat reduce opportunities for public recreational events, but as proposed, the impact is not expected to be severe, and it will maintain reasonable public access and circulation in the surrounding community. Another way to help alleviate traffic congestion over the long-term would be to increase public transit opportunities.

As stated above, the LCP requires that a transit office be established at NTC to issue bus passes and coordinate car pools for employees and residents, provide transit information to visitors, and consult on the transit needs for special events. The applicant is required to work with MTDB to provide neighborhood circulators or shuttles to provide community-level tripmaking and feeder access to established bus routes, and hotels shall participate in shuttle systems to Lindbergh Field (now San Diego International Airport).

Special Condition #5 requires that the applicant agree to work with MTDB to encourage the provision of neighborhood circulators or shuttles to provide links from the hotel to established bus routes and/or new routes within the surrounding community and other Liberty Station developments. As proposed, the hotel must also participate in shuttle systems to the San Diego International Airport.

The applicant is proposing to provide 814 parking spaces, 15 of which located near the USS Recruit are specifically intended for and will be signed as exclusively public coastal access parking. The City approved a shared parking program which estimates that the raw demand for parking on site will be somewhat reduced due the opportunity for shared parking demand between the various uses on the site. In total, the proposed shared parking program reduces the amount of required parking from 928 to 814 spaces. The proposed project has been designed to encourage the public to use more than just one facility on the site, and the City's parking requirements appear to be sufficient to meet the expected parking demand. As noted above, the applicant will be required to provide additional parking for special events at Building 623. Special Condition #1 requires that

the applicant provide the proposed 818 parking spaces, and these spaces be signed as public parking, so that maximum opportunities for accessing the public and visitor-serving resources on the site are provided.

As conditioned, the proposed project is consistent with the Coastal Act requirements to maintain and enhance public access to the coast and provide adequate parking facilities, and with the transit and parking requirements of the certified LCP.

Conclusion

Maximizing public access to waterfront land, as required by the Coastal Act, requires more than the provision of a walkway along the shoreline. Hotels and restaurants are considered to be appropriate public trust uses, even though they may be privately owned and operated, because they draw large numbers of people to the shoreline and provide facilities for them to enjoy the shoreline once they are there. A well-designed waterfront development opens up access to the water for wide range of individuals, not just paying hotel guests and restaurant patrons. It provides spaces where people can eat, shop, people watch, play games, stroll, or bring a picnic and spend long Sunday afternoons.

The proposed project consists of visitor-serving overnight accommodations and retail and restaurant uses, which are high-priority uses under the Coastal Act. The revised subject development has incorporated many publicly-oriented design features and amenities into the project to promote public access and recreational opportunities on different nodes around the project site, from the esplanade, to the hotel plazas, the small visitor-oriented retail vendors, the main retail/restaurant development, the public event plaza, and Building 623. Adequate parking to serve the proposed use will be provided, and Building 623 will provide a unique community resource for civic, public, and private functions near the waterfront.

Because the applicant is not the property owner, but a lessee, it is important the Commission be assured that future lessees and sublessee's are aware of and agree to comply with the Special Conditions of the permit. Therefore, Special Condition #9 requires the applicant to obtain a written agreement from the City of San Diego, as lessor, that upon termination of the applicant's lease, the City will include a provision in all future leases that the applicant agree in writing to all of the terms of this permit. In addition, if the property should transfer from City ownership, the terms of this permit must be recorded as a deed restriction against the property. Special Condition #10 requires a Transferee's Acknowledgment ensure that future assigned lessee's or sublees are aware of the permit conditions.

In light of the fact that the subject permit contains several components that will likely be operated by separate lease holders, the Commission acknowledges that any violation of a condition that results in an enforcement action will be enforced only against the non-compliant lessee, the master lessee, and the underlying property owner, and not against other lessees not involved in the violation.

As conditioned to ensure the design features and amenities providing public access and recreational opportunities on the site are provided, maintained, and clearly identifiable to the public, the development conforms to the public access and public recreation policies of Chapter 3 of the Coastal Act.

3. Water Quality. The following Coastal Act policies addressing water quality and sensitive species and which are most applicable to the subject proposal, state, in part:

Section 30230

Marine resources shall be maintained, enhanced, and where feasible, restored...Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters....

Section 30231

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum population of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment...

In addition, the NTC Precise Plan includes the following policies:

- Water quality improvement is an important policy issue for NTC. Therefore, storm water quality management techniques must be integrated into the engineering and landscape design. A Storm Water Pollution Prevention Plan must be developed which leads to an NPDES permit. This will be among the conditions of approval on a Vesting Tentative Map. Proposals to control runoff shall be required of NTC development and include Best Management Practices for dealing with sediment, petrochemicals, and trash. The policy of the City is to ensure the future health, safety and general welfare of the citizens of the City and to improve and protect the water quality and beneficial uses of receiving waters by controlling stormwater runoff and pollution that may cause or contribute to adverse impacts on recreational access to beaches, or other coastal resources, such as sensitive habitat areas in, or associated with, coastal waters. All development, public and private, shall meet or exceed the stormwater standards of the State of California, and the most recent standards of the Regional Water Quality Control Board with regard to stormwater runoff.
- All development shall be designed to minimize the creation of impervious surfaces, reduce the extent of existing unused impervious surfaces, and to reduce directly connected impervious area, to the maximum extent possible on the site.
- WATER QUALITY STANDARDS:

Proposals to control runoff shall be required of NTC development and include methods for dealing with sediment, petrochemicals, and trash. The policy of the City is to ensure the future health, safety and general welfare of the citizens of the City and to improve and protect the water quality and beneficial uses of receiving waters by controlling stormwater runoff and pollution that may cause or contribute to adverse impacts on recreational access to beaches, or other coastal resources, such as sensitive habitat areas in, or associated with, coastal waters. All development, public and private, shall meet or exceed the stormwater standards of the State of California, and the most recent standards of the Regional Water Quality Control Board with regard to stormwater runoff. Pursuant to this:

1. All development on the first row of lots adjacent to the boat channel and boat channel park shall comply with the provisions of applicable state and federal water quality standards for discharges into sensitive habitat areas.
2. All development shall be designed to minimize the creation of impervious surfaces, reduce the extent of existing unused impervious surfaces, and to reduce directly connected impervious area, to the maximum extent possible on the site.
3. Plans for new development and redevelopment projects, shall incorporate Best Management Practices (BMPs) and other applicable Management Measures contained in the California Nonpoint Source Pollution Control Plan, that will reduce to the maximum extent practicable the amount of pollutants that are generated and/or discharged into the City's storm drain system and surrounding coastal waters. BMPs should be selected based on efficacy at mitigating pollutants of concern associated with respective development types or uses. For design purposes, post-construction structural BMPs (or suites of BMPs) should be designed to treat, infiltrate or filter stormwater runoff from each storm, up to and including the 85th percentile, 24-hour storm event for volume-based BMPs, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor, for flow-based BMPs.
4. A public participation component that identifies methods to encourage public participation in managing development and minimizing urban runoff impacts to the coast shall be developed. This component should outline a public education and involvement program designed to: raise public awareness about stormwater issues and the potential impacts of water pollution; and, involve the public in the development and implementation of the City's pollution control goals.
5. The City shall pursue opportunities to actively participate in watershed level planning and management efforts directed towards reducing stormwater and urban runoff impacts to water quality and related

resources, including restoration efforts and regional mitigation, monitoring, and public education programs. Such efforts will involve coordination with other local governments, applicable resource agencies and stakeholders in the surrounding areas.

6. If a new development, substantial rehabilitation, redevelopment or related activity poses a threat to the biological productivity and the quality of coastal waters or wetlands and if compliance with all other applicable legal requirements does not alleviate that threat, the City shall require the applicant to take additional feasible actions and provide necessary mitigation to minimize the threat.

The boat channel bordering the project site connects directly to San Diego Bay, and is a polluted water body that receives direct discharge from various military and civilian facilities. The channel is currently being studied to determine what level of contamination exists and how to remediate it, before the Navy can convey this remainder of the old training center to the City of San Diego.

Nevertheless, the channel does support adjacent ruderal, freshwater marsh, disturbed ephemeral wetland, subtidal estuarine open water, and rocky shoreline habitats. Eelgrass beds exist within the boat channel as well. A heron colony has been previously identified near the previously approved adjacent public park, which will be protected. The boat channel supports foraging and roosting of the California brown pelican (federal and state endangered), and nesting and foraging of the California least tern (federal and state endangered). Sensitive bird species protected under the Migratory Bird Treaty Act may also breed, roost and forage within and adjacent to the boat channel.

The proposed project has several significant challenges to protect coastal water quality. The project will drain directly to the boat channel and then San Diego Bay, a coastal water body of high value for habitat, recreation and aesthetics. The development proposes to increase the impervious surfaces at the site from 39% to 71% of the site with much of the increase due to conversion of bare land to a parking lot. The April 2005 version of the Drainage Design and Water Quality Technical Report acknowledged that the "majority of the site will be directly connected impervious area" which would increase the quantity and flow rates of stormwater runoff to the San Diego Bay and may convey dry weather runoff to the bay. The major pollutant classes of concern are heavy metals; oils, grease and hydrocarbons; trash; suspended sediment; and pesticides.

The first version of the Water Quality Technical Report (WQTR), dated April 2005, provided a minimal set of site design and source control Best Management Practices (BMPs) and relied on stormwater separating baffle boxes at the downstream end of the stormwater conveyance system to treat the balance of the polluted runoff. In response to comments from Coastal Commission Water Quality staff, the applicants have provided a conceptual water quality plan (letter from applicant's representative Kathleen Riser to Coastal Commission staff dated September 20, 2005) and are developing a second version of the WQTR that will better address Coastal Act requirements. An excerpt from the revised Executive Summary is included as Exhibit #12 and it describes a

comprehensive water quality treatment system of site design, source control and treatment control BMPs. Special Condition #8 is included to specify the minimal design criteria for the water quality treatment system that is needed to protect coastal water quality. These conditions include that the water quality treatment system needs to address the major pollutant classes of concern expected to result from the project (heavy metals; oils, grease and hydrocarbons; trash; sediment; and pesticides); that the suite of treatment control BMPs need to treat the amount of runoff from the 85th percentile storm event (0.6 in/ 24 hours for volume based BMPs and 0.2 in/hr for flow based BMPs); and that the design criteria for the BMPs need to be based on the latest edition of the California Association of Stormwater Quality Agencies (CASQA) BMP Handbook. If the design Criteria in the CASQA BMP Handbook are not practicable for this site, the applicant must submit alternative design criteria that provide equivalent water quality protection for review and approval of the Executive Director.

In July, Commission staff recommended that the project developers incorporate additional efforts to control sources of pollutants and provide more comprehensive water quality treatment. Staff recommended that additional efforts to minimize dry weather and stormwater impacts to the San Diego Bay should include efficient irrigation with soil water sensors, programmable irrigation timers, automatic shut-off valves, as well as the use of a plant palette requiring minimal irrigation. In fact, staff suggested that for a project of this scale at this location and given the high evapotranspiration potential of the San Diego climate, that it may be possible to completely eliminate dry weather flow to the bay through efficient irrigation, infiltration and evapotranspiration. This would benefit intertidal and shallow subtidal organisms in the bay that would not typically be subjected to freshwater flow during the dry season in the Mediterranean climate of Southern California.

Staff also recommended that the use of pervious pavement for the parking lots (or multi-story parking with associated structural infiltration BMPs) would be an appropriate source control BMP for a project where site impervious surfaces were projected to increase from 39% to 71%. This would benefit coastal waters and marine organisms by minimizing any increases in total volume and peak runoff rate of stormwater to the marine waters. Pervious pavement would slow runoff and allow significant amounts of rainfall to infiltrate into the underlying soil. As the infiltrated water moves slowly to the bay it would be treated by filtration of sediments and adsorption of metals and hydrocarbons. In soil, hydrocarbons and some organic chemicals are broken down into components by oxidation and biologic processes. As stormwater passes through soils, metals are adsorbed onto soil particles and at the levels typically found in stormwater runoff, these metals do not create a significant accumulation or threat to water quality. While the applicants propose to use pervious materials for a project walking path and fire access way, they have not yet proposed to use permeable pavement for the project parking lot, contending that the proposed bioswales and baffle boxes will be able to meet the design criteria.

The conceptual water quality plan and revised Executive Summary submitted to staff are indicative of significant improvements in the WQTR that appear to address staff's comments, but a final design and WQTR are still being developed. A major concern is

that the proposed vegetated swales do not currently meet the recommended design criteria in the CASQA BMP handbook. While this is not an adopted standard of the state or the Coastal Commission, it has been compiled by representatives of stormwater agencies throughout the state and is comparable to BMP manuals in other states. The bioswale design criteria meet or exceed recommendations of other states (e.g. criteria for maximum slope and velocity and minimum water residence time) and the Commission finds this level of protection to be required for a project directly discharging to coastal waters. The applicant's representative has provided an email on September 28, 2005 indicating that "If the final design does not meet the performance standards, we understand that the design must be modified to bring it into compliance. Such modifications may include (1) additional bio-swales, perforated pipe and/or bio-clean boxes, (2) the introduction of other techniques such as permeable pavement, or (3) redesign of the site plan to create more landscaped infiltration area."

Commission water quality staff have reviewed the submitted information and are satisfied the required standards can be met either with the proposed swales or through some other means. Therefore, as conditioned, the proposed development will protect water quality and marine resources pursuant to Sections 30230 and 30231 of the Coastal Act.

4. Visual Impacts. Section 30251 of the Coastal Act addresses visual resources, and states, in part:

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....

In addition, the NTC Precise Plan includes the following requirements:

- Preservation of existing views and the creation of new public view corridors is a priority.
- Building heights at NTC will be regulated by zoning, although proposed building heights at NTC are expected to have limited or no effect on downtown views. (See viewshed analysis conducted from 10 key public observation points in the Point Loma area, as described within the environmental initial study prepared for this Precise Plan.) The NTC site is a transitional area between the high-rise downtown core of Centre City and the Port of San Diego lands, and the traditional business/residential neighborhood of Point Loma and the Peninsula community. Thus, building heights shall be designed to be visually compatible with the character of surrounding areas.

- Views of the waterfront and skyline shall be protected by establishing public view corridors which accentuate key public rights-of-way (streets and sidewalks, both existing and proposed) with appropriate zoning, setbacks and design standards, including clustering of tall buildings, slender buildings, proper building orientation and floor area restrictions and height limits where necessary.
- There are also three panoramic viewsheds *over* NTC, observable from publicly accessible areas west of the base as shown on Figure 4.2, *View Preservation*. These panoramic views are possible because the topography rises steeply west of Rosecrans. To avoid negatively affecting these panoramic views, no new on-site development at NTC shall exceed 45 feet in height within 600 feet of Rosecrans Street.
- A distinctly open space and landscape orientation must be a guiding principle of NTC's design.
- Enhanced orientation to the Bay

The existing Building 623 on the site is 48 feet high. Prior to demolition of the other structures on the site, there were a number of tall buildings on the site, including several office buildings 32 to 40 feet tall, and 30-33 feet high barracks.

The LCP permits a maximum height of 60 feet on the visitor hotel site. Consistent with this designation, the proposed project includes construction of one 60-foot high hotel building, one 54-foot high hotel building, a 60-foot high tower adjacent to Building 623, and several hotel, restaurant, and retail structures approximately 25 feet in height. There are no designated view corridors across the site, although there is a view corridor adjacent to the site along Farragut Road looking towards the boat channel. There is also a designated panoramic viewshed over the site as viewed from the residential streets in Point Loma above NTC to the north.

The subject site is highly visible from Harbor Drive, the first coastal roadway in the area and a major coastal access route. The proposed project will be a very prominent feature of the NTC/Liberty Station development. The visual appeal of the new tower as a design feature is a subjective evaluation, but it will help draw attention to a visitor-serving resource that might otherwise be overlooked given the amount of development occurring elsewhere on the site. The height and type of development were anticipated and evaluated in the certified LCP as appropriate for the subject site. A visual analysis performed for the project by the City of San Diego demonstrates that the proposed project will not obstruct or block public views along the designated view corridor or viewshed. The site has historically had buildings greater than 30 feet in height on it, although not as tall as the proposed buildings. As discussed in detail above, the project includes numerous pedestrian scale features alongside the esplanade that will add to visual appeal of the project.

In addition, substantial amounts of landscaping are proposed, including trees, turf, parking lot islands, planters with trailing flowering plants, water features, and small public garden terraces. Special Condition #6 requires that the plantings be implemented within 60 days of completion of construction, and maintained in good growing condition.

As conditioned, the proposed project protects the scenic quality of the area, views across the site, and is consistent with the policies of the certified LCP regarding the protection of views and orientation towards the Bay. Therefore, the Commission finds the proposed project consistent with the visual protection policies of the Coastal Act.

5. Sensitive Species Protection. Section 30240 of the Coastal Act addresses sensitive species and their habitats, and states in part:

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 site has been previously graded and developed. Existing conditions on the site are highly disturbed due to the previously approved demolition of buildings on the site. However, the boat channel traversing alongside the project site supports adjacent ruderal, freshwater marsh, disturbed ephemeral wetland, subtidal estuarine open water, and rocky shoreline habitats. Eelgrass beds exist within the boat channel. The boat channel supports foraging and roosting of the California brown pelican (federal and state endangered), and nesting and foraging of the California least tern (federal and state endangered). Sensitive bird species protected under the Migratory Bird Treaty Act may also breed, roost and forage within and adjacent to the boat channel. No development is proposed in the channel.

Therefore, in order to protect sensitive bird species from development encroachment, human activity, and increased raptor predation, Special Condition #6 requires that new tree plantings be located at least 30 feet from the boat channel (to decrease raptor perching opportunities). Only drought-tolerant and non-invasive plant materials must be used within the landscaped areas between the esplanade and the boat channel

Construction lighting and post-construction lighting fixtures must be oriented away from the boat channel, and fertilizer and pesticide use must be minimized to prevent direct avian impacts and protect water quality and offshore eelgrass habitat. No invasive species are permitted in any part of the site. Special Condition #7 requires that construction equipment be placed such that it does not impact sensitive habitat or water

quality. These conditions are consistent with the requirements imposed on development of the adjacent public park and esplanade.

Implementation of the above-described conditions will protect sensitive bird species and their habitat from increased impacts due to the proposed development. Therefore, as conditioned, the development will be consistent with the sensitive species and habitat protection policies of Section 30240 of the Coastal Act.

6. Local Coastal Planning.

The proposed project is located on a site that was previously a U.S. Naval Training Center under the jurisdiction of the federal government. The majority of the site has now been transferred to the City of San Diego. However, the subject site will remain within the Commission's original coastal permit jurisdiction as public trust lands.

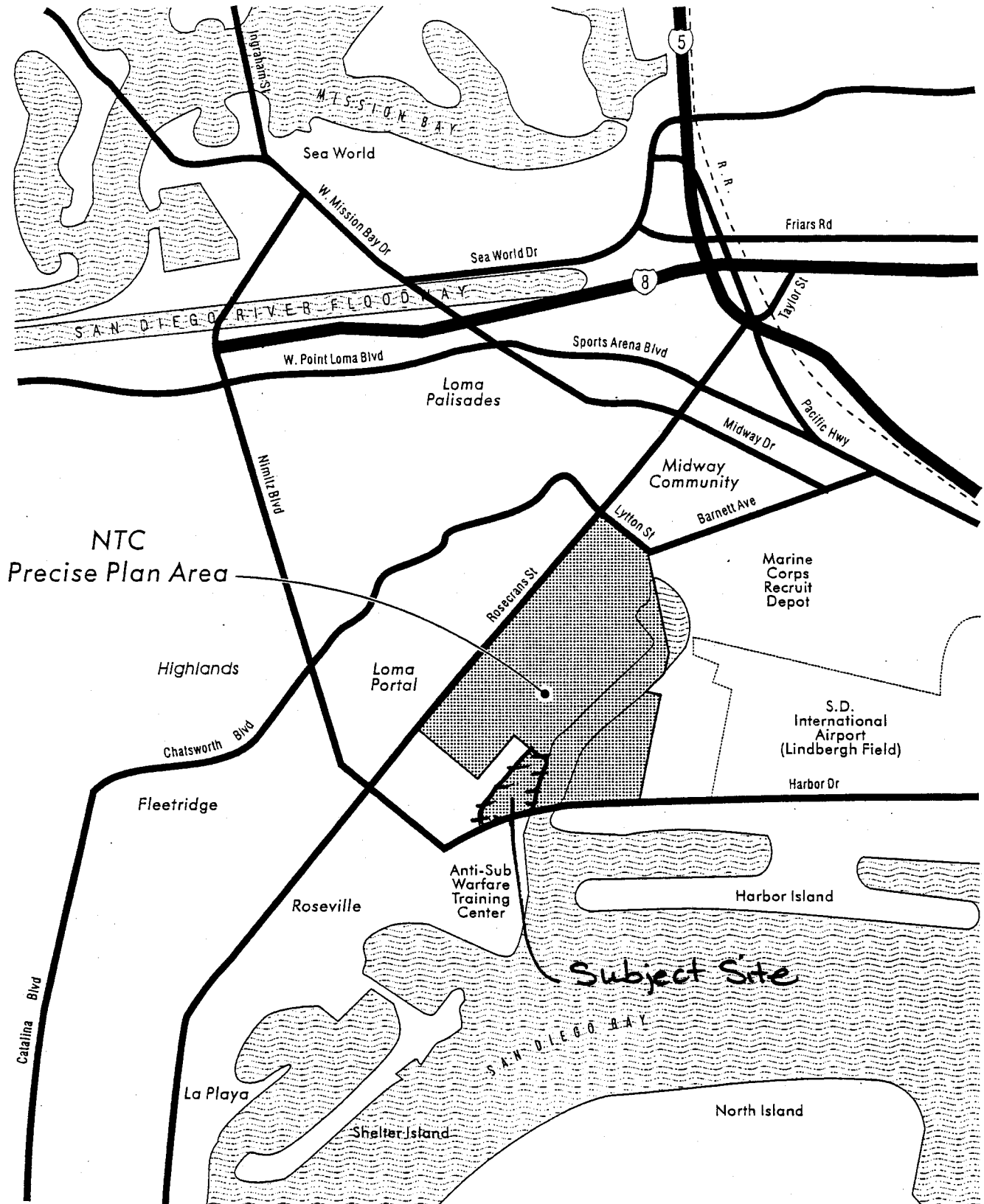
Based on the above discussion, the proposed development is consistent with the public access and recreation, water quality, view protection, and sensitive biological resource policies of the Coastal Act. As proposed, the development will provide adequate public access to the shoreline and sufficient public recreational amenities, as well as protecting water quality, visual quality, and habitat protection. The Commission finds that approval of the proposed project will not prejudice the ability of the City of San Diego to continue implementing its Local Coastal Program that is in conformity with Chapter 3 policies.

7. Consistency with the California Environmental Quality Act (CEQA). Section 13096 of the Commission's Code of Regulations requires Commission approval of coastal development permits to be supported by a finding showing the permit to be consistent with any applicable requirements of the California Environmental Quality Act (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 that the activity may have on the environment.

The proposed project has been conditioned in order to be found consistent with the public access, water quality, visual, and resource protection policies of the Coastal Act. Mitigation measures, including implementation of a public amenity and public access sign program, water quality Best Management Program, landscaping plan, and construction staging and storage plans, will minimize all adverse environmental impacts. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and is consistent with the requirements of the Coastal Act to conform to CEQA.

STANDARD CONDITIONS:

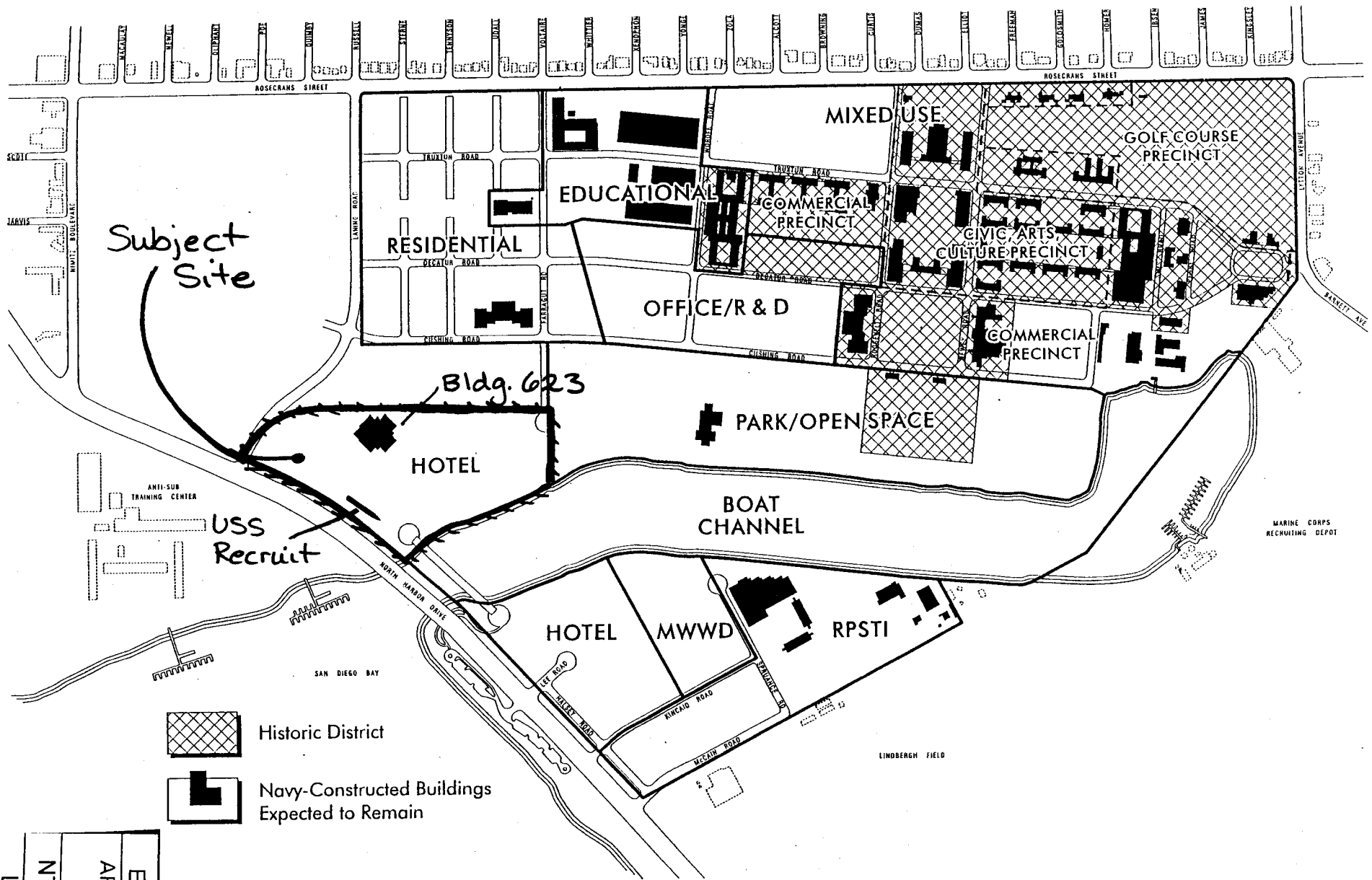
1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. 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.



Approximate Scale: 1" = 2500'
Rick Planning Group 7-19-00

NTC

EXHIBIT NO. 1
APPLICATION NO.
6-05-41
Location Map



Historic District



Navy-Constructed Buildings
Expected to Remain



Scale in Feet (approx.)
 200 100 0 200 400 600 800 1000
 Rick Planning Group 9-10-00

figure 2.1
Land Use Plan

NTC Precise Plan

EXHIBIT NO. 2

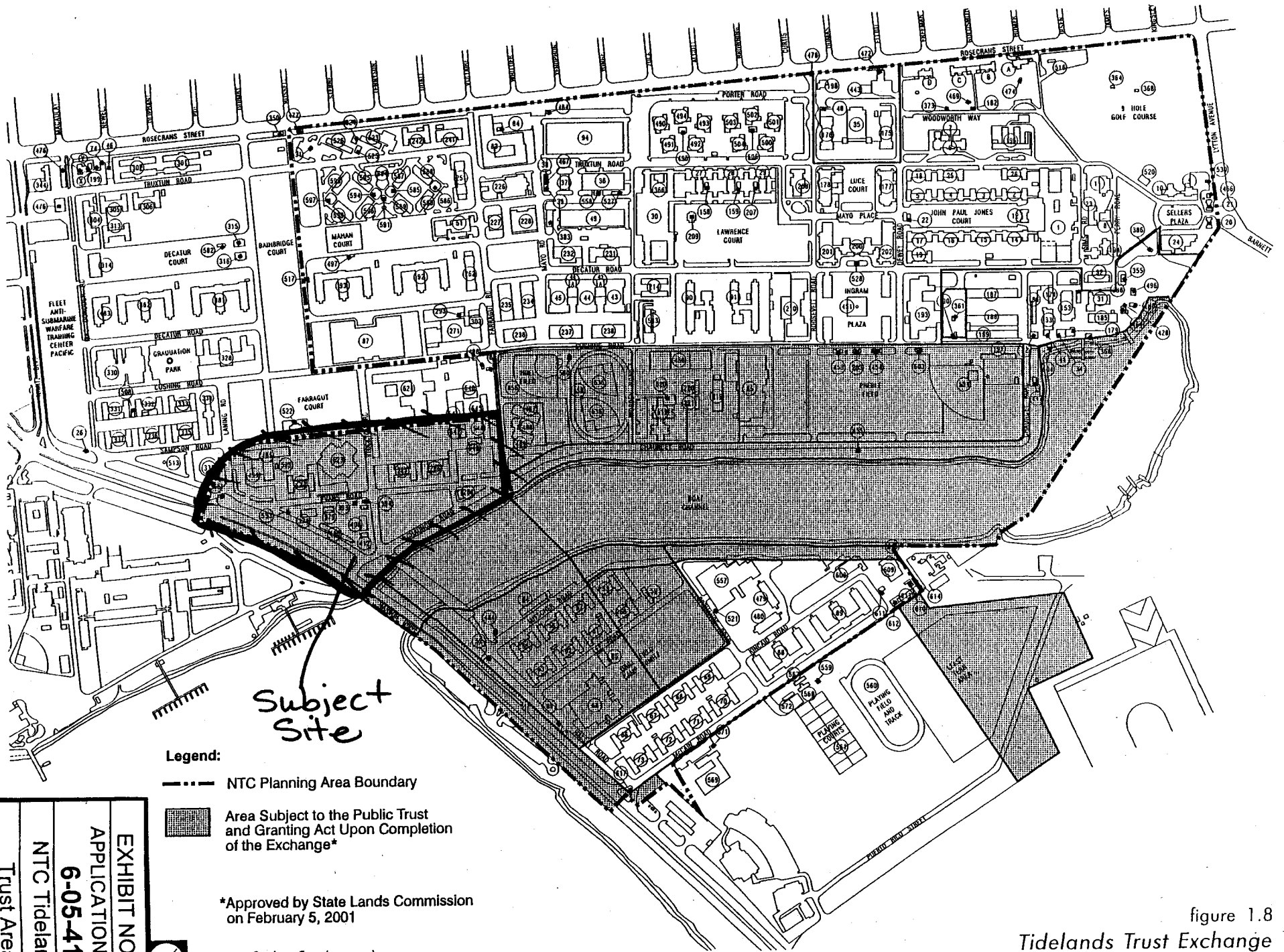
APPLICATION NO.

6-05-41

NTC Precise Plan

Land Use Plan

California Coastal Commission



Subject Site

Legend:

- - - NTC Planning Area Boundary
- Area Subject to the Public Trust and Granting Act Upon Completion of the Exchange*

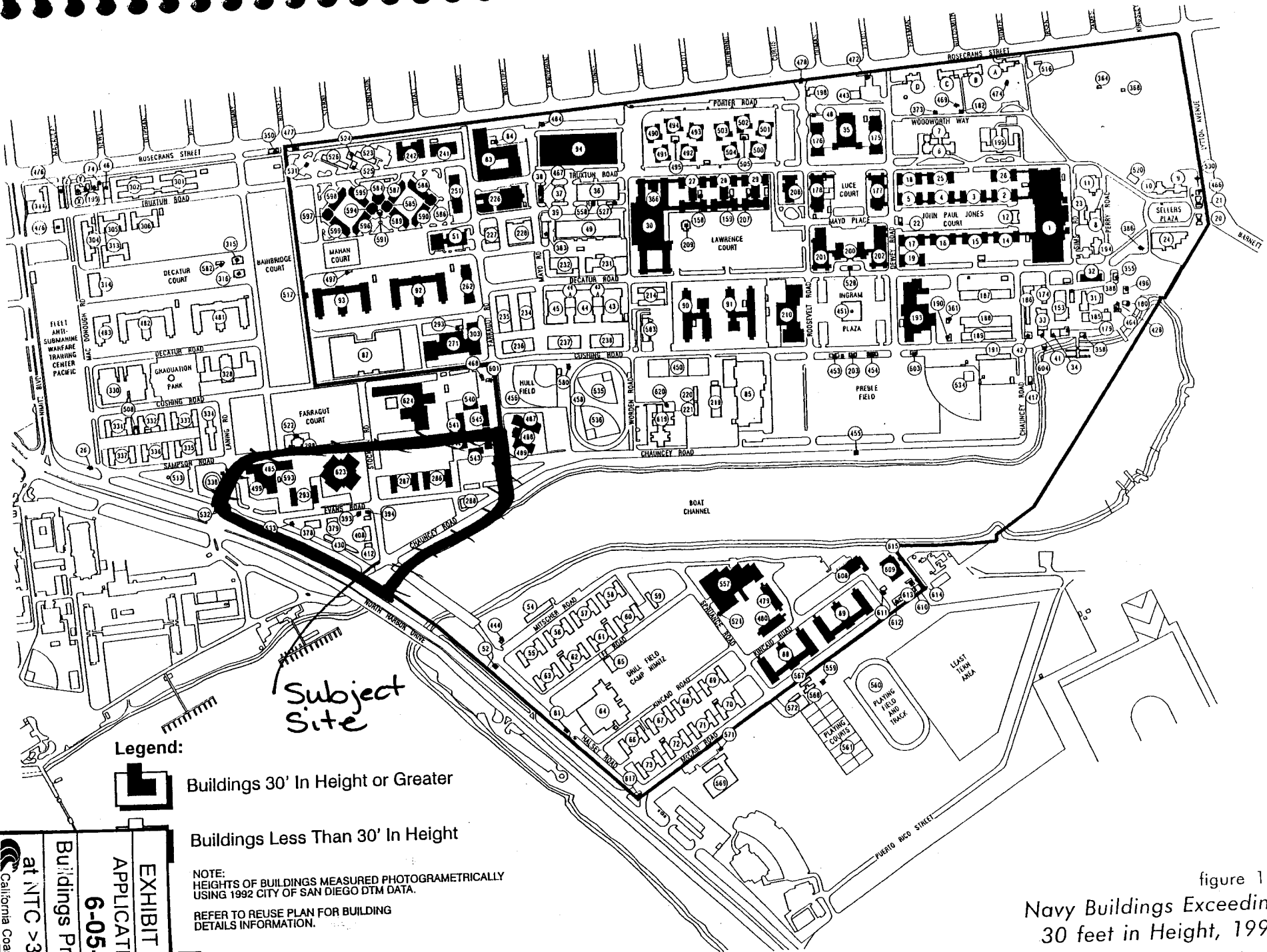
*Approved by State Lands Commission on February 5, 2001



Scale in Feet (approx.)
 200 100 0 200 400 600 800 1000
 Rick Planning Group 04-27-01


 California Coastal Commission	Trust Area
	NTC Tidelands
	APPLICATION NO. 6-05-41
	EXHIBIT NO. 3

figure 1.8
 Tidelands Trust Exchange
 NTC Precise Plan



Subject Site

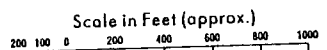
Legend:

 Buildings 30' In Height or Greater

 Buildings Less Than 30' In Height

NOTE: HEIGHTS OF BUILDINGS MEASURED PHOTOGRAMMETRICALLY USING 1992 CITY OF SAN DIEGO DTM DATA.

REFER TO REUSE PLAN FOR BUILDING DETAILS INFORMATION.



Rick Planning Group 7-19-00

at NTC >30 ft high
Buildings Previously
APPLICATION NO. 6-05-41
EXHIBIT NO. 4

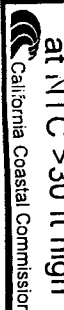
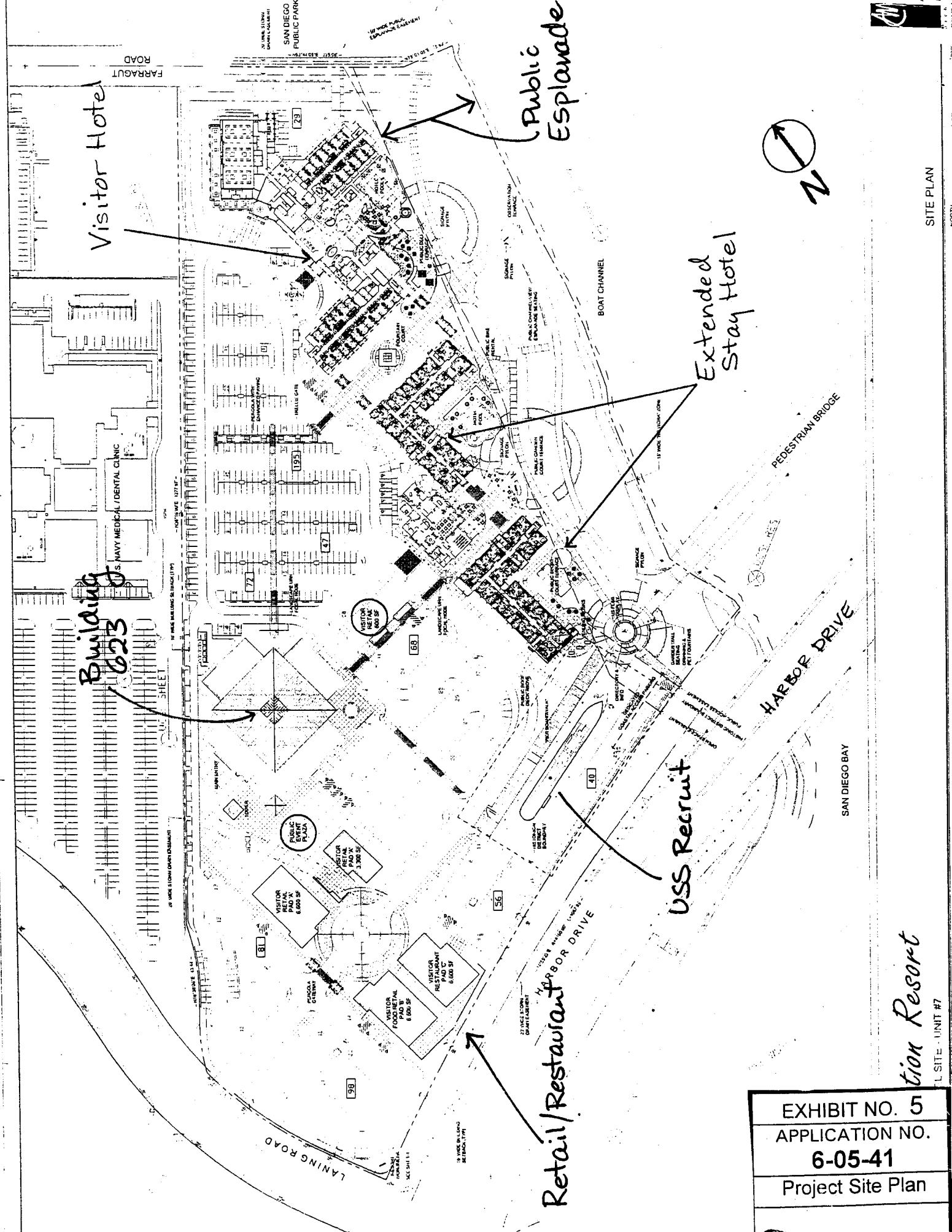


figure 1.6
Navy Buildings Exceeding
30 feet in Height, 1998
NTC Precise Plan



Visitor Hotel

Public Esplanade

Extended Stay Hotel

Building 623

Retail/Restaurant

USS Recruit

EXHIBIT NO. 5
APPLICATION NO.
6-05-41
Project Site Plan

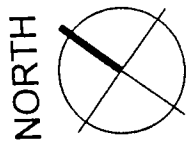
tion Resort

L SITE - UNIT #7

SITE PLAN

A Drawing of Liberty Station Hq Hotel I P

NORTH 0 50 100 150



20' WIDE STORM DRAIN EASEMENT

SAN DIEGO PUBLIC PARK

N53°44'05"E 335.08'

150' WIDE PUBLIC ESPLANADE EASEMENT

N78°01'08"E 78.63'

Visitor Hotel

HOTEL POOL

SIGNAGE PYLON

OBSERVATION TERRACE

PUBLIC GALLERY TERRACE

EXHIBIT NO. 6
APPLICATION NO.
6-05-41
Detail of Visitor
Hotel

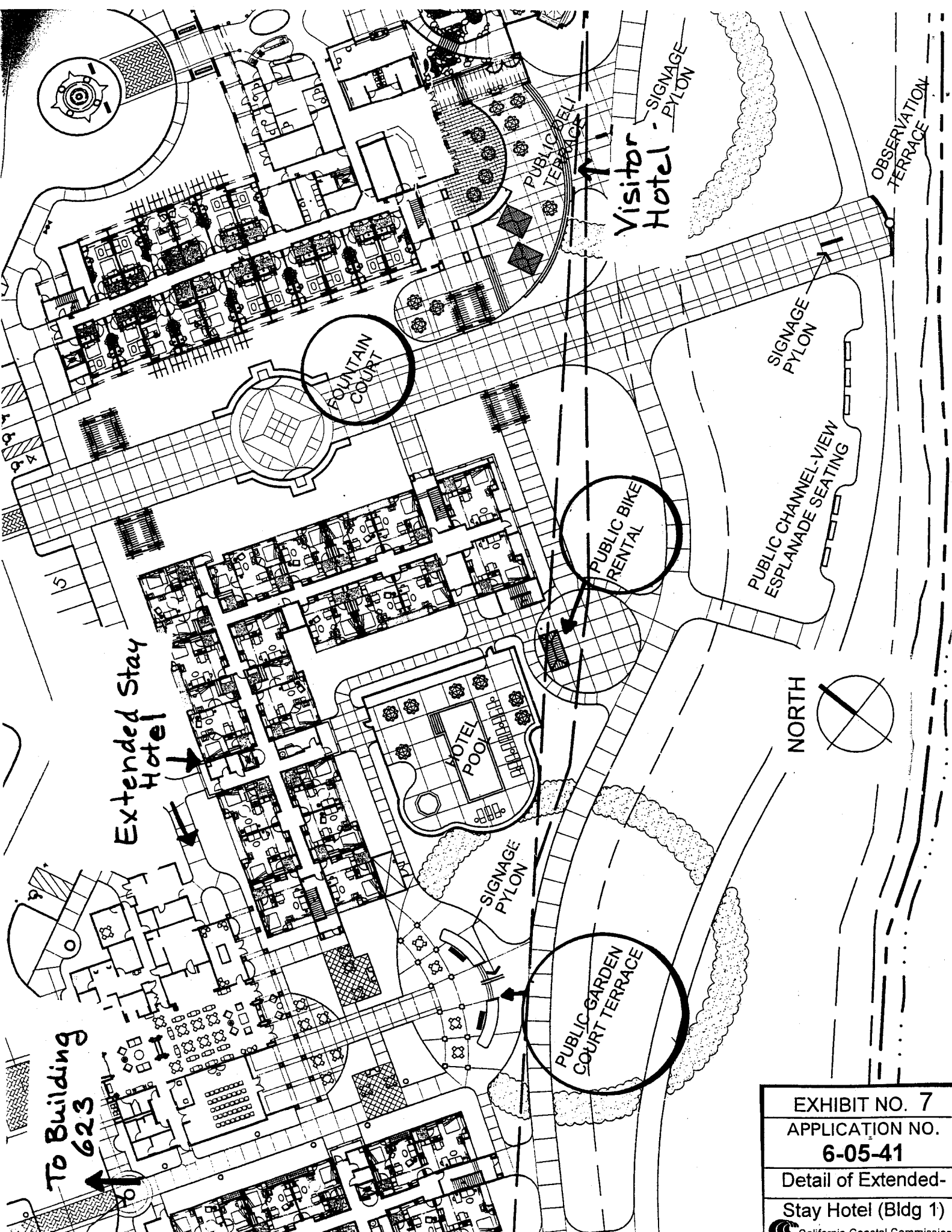
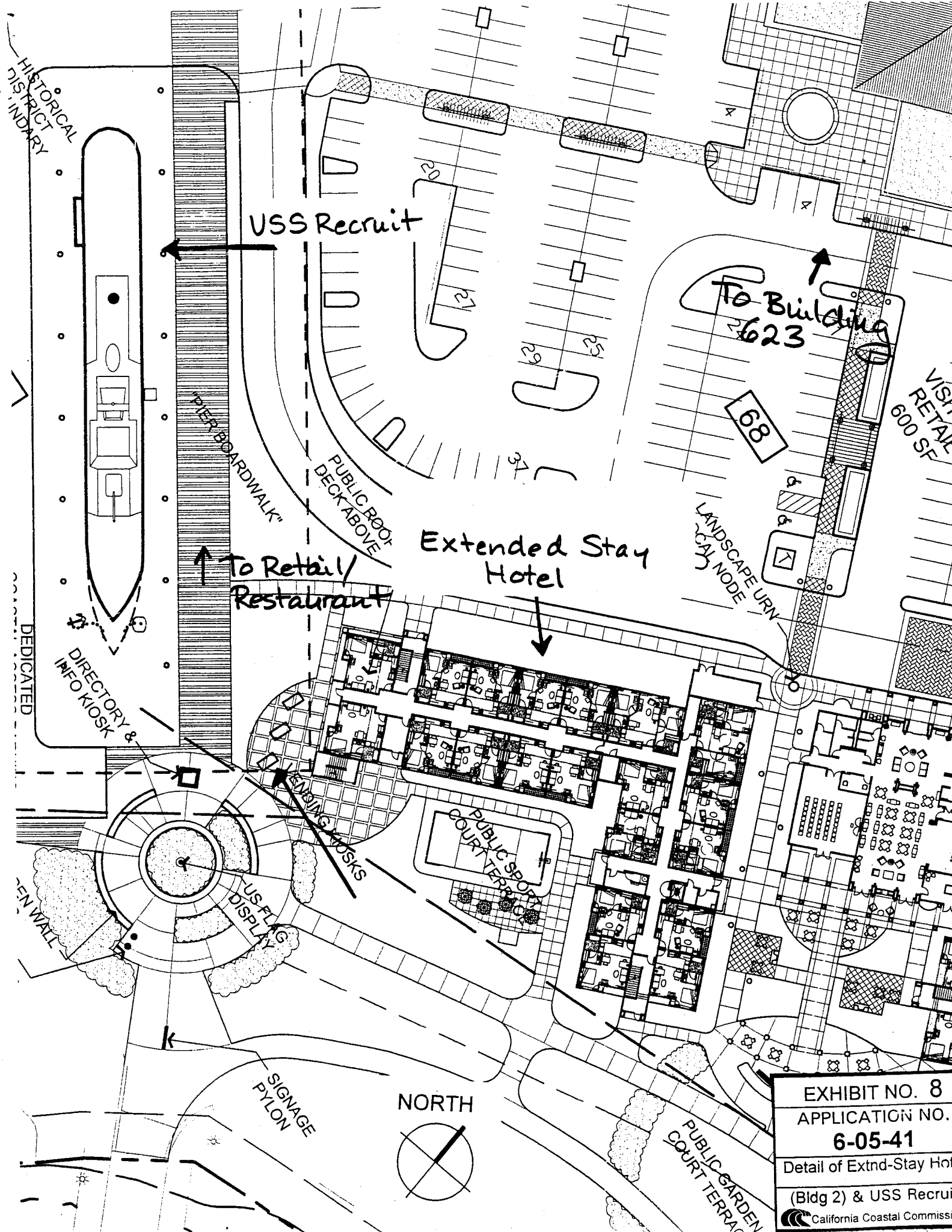


EXHIBIT NO. 7
 APPLICATION NO.
 6-05-41

Detail of Extended-
 Stay Hotel (Bldg 1)



HISTORICAL DISTRICT BOUNDARY

USS Recruit

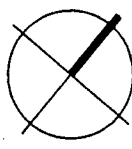
To Building 623

Extended Stay Hotel

To Retail/ Restaurant

EXHIBIT NO. 8
 APPLICATION NO.
6-05-41
 Detail of Extnd-Stay Hotel
 (Bldg 2) & USS Recruit
 California Coastal Commission

NORTH



SIGNAGE PYLON

PUBLIC GARDEN COURT TERRACE

PUBLIC SPORT COURT TERRACE

US FLAG DISPLAY

LANDING KIOSKS

DIRECTORY & INFO KIOSK

DEDICATED

PIER BOARDWALK

PUBLIC ROOT DECK ABOVE

LANDSCAPE URN (CAL) NODE

VISITOR RETAIL 600 SF

68

OPEN WALL

K

37

20

21

22

23

24

25

26

27

28

ROAD

RT
MEN
IT T-1

81

98

56

VISITOR
RETAIL
PAD 'A'
6,600 SF

VISITOR
RETAIL
PAD 'A'
3,600 SF

VISITOR
FOOD/RETAIL
PAD 'B'
6,600 SF

VISITOR
RESTAURANT
PAD 'C'
6,600 SF

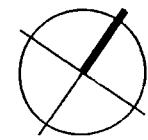
PERGOLA
GATEWAY


PUBLIC
EVENT
PLAZA

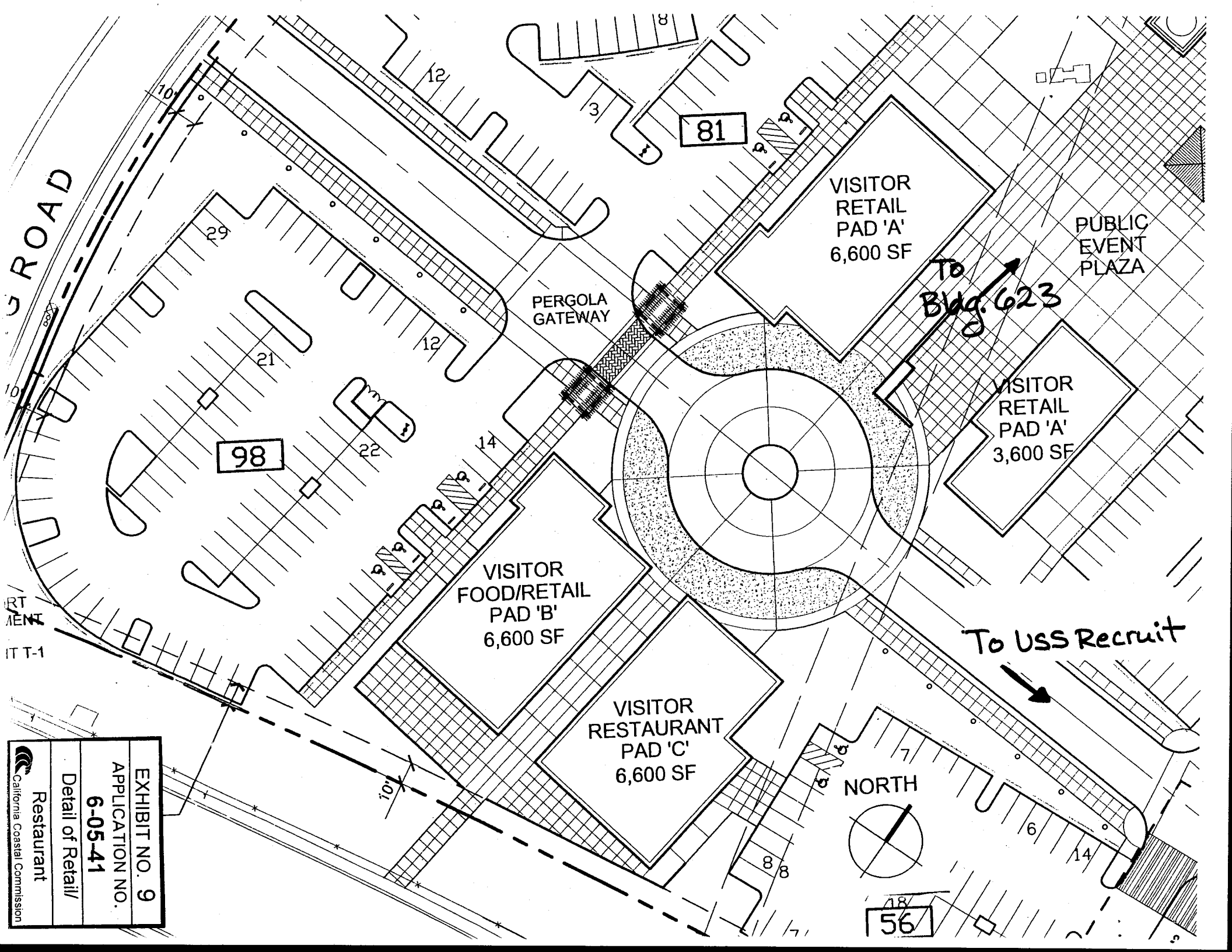
To
Bldg. 623

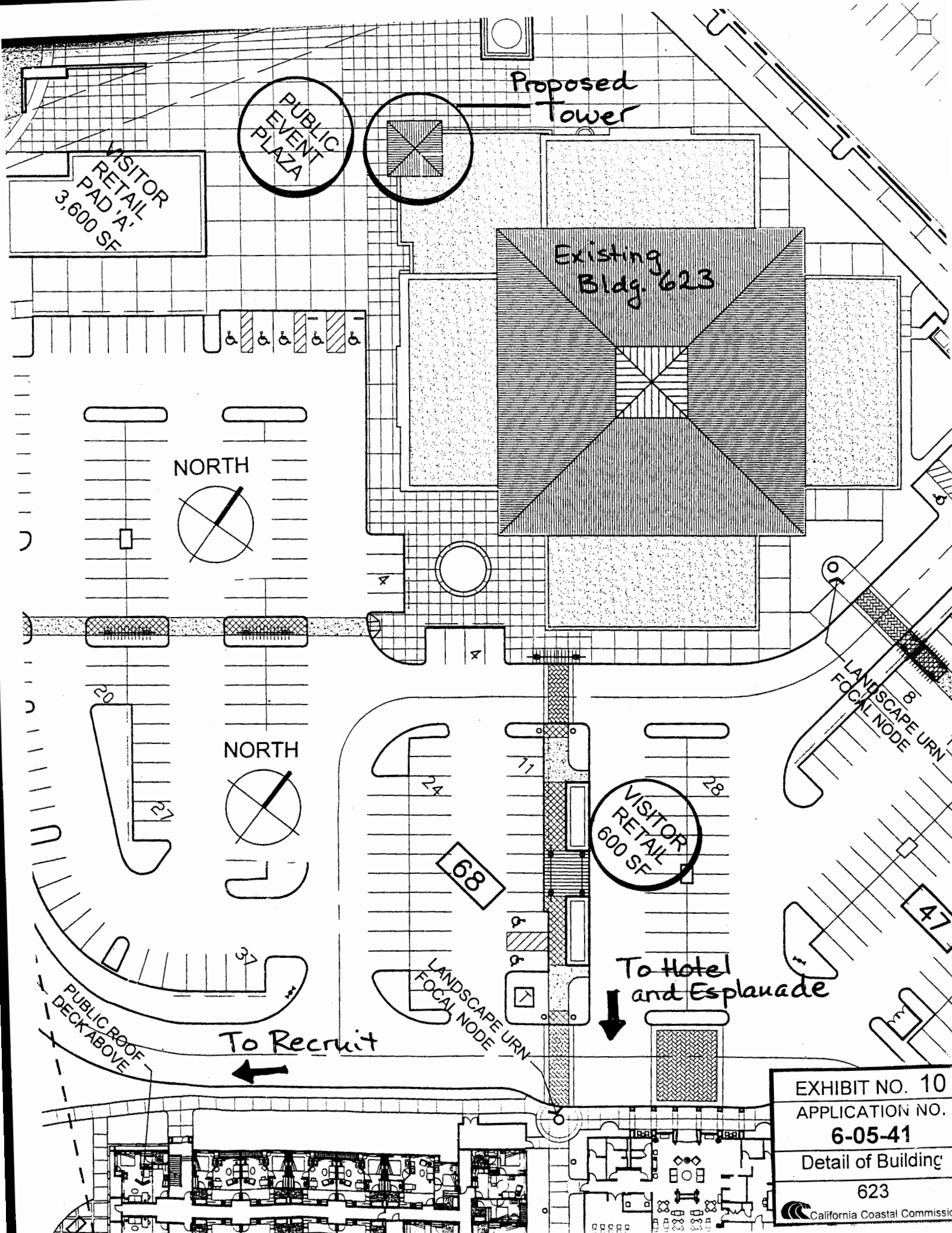
To USS Recruit

NORTH



 California Coastal Commission	EXHIBIT NO. 9
	APPLICATION NO. 6-05-41
	Detail of Retail/ Restaurant





Proposed Tower

PUBLIC EVENT PLAZA

Existing Bldg. 623

VISITOR RETAIL PAD 'A' 3,600 SF

NORTH

NORTH

VISITOR RETAIL 600 SF

68

To Hotel and Esplanade

To Recruit

EXHIBIT NO. 10
APPLICATION NO. 6-05-41
Detail of Building 623
California Coastal Commission

APR 08 2005

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

GENERAL GUIDELINES
Liberty Station Building 623

I. OBJECTIVE

These General Use Guidelines are intended to govern the use of Building 623 in response to the following guidelines included in the *NTC Precise Plan*:

Navy Building 623 can either function as a convention center for hotel meetings, operate independently for non-hotel activities and community events, or be used for activities as diverse as religious activities or retail commercial sales. However, the building shall not be used exclusively for hotel activities or other private uses on a permanent basis; community, civic, and/or public uses shall be given first priority for use of the Naval structures. Under a set of guidelines to be prepared by the City Planning Director, the building shall be made available at little or no cost for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends). [*NTC Precise Plan*, Section II, p. 35]


II. BACKGROUND

The *NTC Precise Plan*, approved by the San Diego City Council in 2001, governs use and development at the former Naval Training Center, San Diego. When the *NTC Precise Plan* was reviewed for approval by the California Coastal Commission in 2001, the Commission added a number of stipulations, including specific requirements for the use of Building 623.

Built in 1991, Building 623 is a single large structure of approximately 33,000 gross square feet, of which approximately 20,265 square feet is considered rentable. (*See Attachment A for map of rentable area.*) When constructed by the Navy, Building 623 was intended for use as a place of worship and was designed to include a large open area at its core, several smaller rooms, offices, a kitchen, and central restroom facilities.

In an earlier version of the *NTC Reuse Plan*, Building 623 was proposed for use primarily as a hotel conference facility because of its size and location near a proposed hotel site. However, in their review of the *NTC Precise Plan*, the California Coastal Commission added language requiring public use as part of the future programming of Building 623.

Building 623 is sited on a large parcel designated as "Visitor Hotel Area" in the *NTC Precise Plan*, and as "Unit 7" in the Vesting Tentative Map. This parcel will be leased by the Redevelopment Agency of the City of San Diego to the Master Developer, McMillin-NTC LLC, who will be obligated to implement the

EXHIBIT NO. 11
APPLICATION NO. 6-05-41
Bldg 623 Use
Guidelines (pg 1 of 6)  California Coastal Commission

requirements imposed on Building 623. This obligation may be delegated to the ultimate hotel developer or to another entity at some future time, with the approval of the City Manager.

II. APPLICATION

Principal physical development of Liberty Station, the marketing name for the former Naval Training Center, will occur over a period of five to seven years. During that time, and especially in the first two years of development, major demolition and construction activities will be occurring on site.

Common impacts from demolition and construction include road closures, traffic reroutings, disruptions of water and power service, vibration from setting piles or compaction efforts, excessive dust and debris, and hazards associated with major equipment movement. Because the nature, location, and magnitude of these construction-related efforts change on a day-to-day basis, the safety of individuals visiting Liberty Station remains of considerable concern. For this reason, Building 623 may not be available or accessible for a period of hours or a period of days during the time major redevelopment at Liberty Station is occurring. In some instances, these impacts may cause the cancellation of activities scheduled for building 623.

Finally, these General Guidelines may be amended based on future discretionary permits for the hotel development, as approved by the City of San Diego and the California Coastal Commission.

III. CHALLENGES IN DEVELOPING GENERAL USE GUIDELINES

In approaching the creation of General Use Guidelines for Building 623 based on the *NTC Precise Plan*, a number of challenges arise based on definition and interpretation.

A. "COMMUNITY, CIVIC AND/OR PUBLIC USE"

It appears that the intention of the Coastal Commission in singling out "community, civic, and/or public use" is to allow uses with a fundamentally public purpose to use Building 623. With this understanding, it is the *activity* that is most relevant, and not the sponsoring group. Typical examples of acceptable uses might include regular meetings of the Peninsula Community Planning Board, the Native Plant Society, and Kiwanis, i.e., non-sectarian functions with the general purpose of community betterment. Equally acceptable would be blood drives, job fairs, and – depending on circumstances – candidate forums. In all cases, meetings or events must be open to the general public without qualification. What would not be included in this definition of uses with a fundamentally public

purpose would be, for example, a Board meeting of the Red Cross, religious services, and political fundraisers.

It is to be expected that on some occasions, it may be difficult to discern which uses qualify as civic, community, or public uses under the terms of the *Precise Plan*. In general, it is believed that judgements should fall on the side of inclusiveness rather than restriction.

It also should be expected that the definition of "community, civic, and/or public use" will be refined over time given actual experience, and that the definition of uses which fit within the category will become increasingly specific.

B. "AN ANNUAL AVERAGE OF 50% OF THE TIME"

The term "50% of the time" is most literally interpreted to mean "50% of the operating hours." That definition also incorporates the notion of 100% of the space, meaning that 100% of the space would be available 50% of the time. Alternatively, 50% of the space could be available 100% of the time.

Regardless which interpretation is applied, should multiple users occupy portions of Building 623 at the same time, there must be sufficient compatibility among users so that one use does not negatively impact the other, e.g., a band practice and a poetry reading.

It should also be noted that the Coastal Commission language requires that the facility "be made available" for an annual average of 50% of the time. This does not mean that, merely to meet the 50% requirement, Building 623 should be kept empty for large blocks of time when there is insufficient public demand for space.

Given the increasing amount of space available at Liberty Station and elsewhere in City of San Diego for community, civic, and/or public uses, blocking out 50% of each week for exclusive public use could result in many vacant hours at Building 623. Therefore, a system that is both equitable *and* practical, which allows for public use and private use must be devised.

C. "LITTLE OR NO COST"

Implicit in the Coastal Commission's admonition of "little or no cost" for community, civic, and/or public users is that cost not be an impediment to the use of the facility. However, community, civic, and/or public uses should expect to pay a fee equivalent to the cost of basic upkeep of the Conference Center, proportional to the actual use of the facility.

D. "FIRST PRIORITY"

Since the Conference Center is only available for community, civic, and/or public uses 50% of the time, those uses cannot have first priority 100% of the time. As well, if a space is reserved for a private use, it would create serious legal and contractual issues if those reservations were supplanted because "first priority" must be given to public uses.

It is presumed that the Coastal Commission did not intend for "first priority" to create a chaotic reservation system. In practice, "first priority" must be fairly applied and not interpreted to allow one user to usurp the reservation of another user.

E. POLICY APPROACH

The foregoing discussion leads to the conclusion that there is no simple definitive method for making the Conference Center available on a first priority basis to community, civic, and/or public uses 50% of the time at little or no cost. Therefore, it is necessary to devise an approach that allows qualified users to request and receive reservations as needed, and a method to review the requests to determine that qualified users are not being denied reservations.

IV. ASSUMPTIONS:

A. HOURS OF OPERATION

The Liberty Station Conference Center (LSCC) is available for use seven days a week, generally from 8 AM to 9 PM, although longer hours may be arranged.

B. DEFINING COMMUNITY, CIVIC, AND/OR PUBLIC USE

"Community, Civic, and/or Public Use" of the Liberty Station Conference Center is defined for the purposes of these General Guidelines as use of the facility by: government agencies; groups, committees, task forces, and similar assemblies authorized or recognized by government or government agencies; and educational, arts, and cultural organizations. All meetings which meet this definition must be open to the general public.

C. COST FOR COMMUNITY, CIVIC, AND/OR PUBLIC USE

Community, Civic, and/or Public users should be permitted to occupy Building 623 paying only a baseline fee and, as applicable, a service fee.

The baseline fee is formulated by considering the cost of utilities, insurance, cleaning, property management, and other fundamental operational functions,

allocated on a square footage basis. The greater the area used for a function, the greater the baseline fee may be.

A service fee is only to be applied if costs are incurred in providing services to the Community, Civic, and/or Public Use. Thus if users require setup or removal of equipment in any portion of the Conference Center, food service, audiovisual devices, etc., then each user will be subject to a service charge equivalent to the direct charges incurred in providing that service.

V. USE GUIDELINES

A. FACILITY RENTAL

Monday through Friday, throughout the entire year, the Liberty Station Conference Center is available for use by any group, public or private, through a reservation system. Community, civic, and/or public users will pay a baseline fee and, as applicable, a service fee, both of which are to be determined by the LSCC operator. Other users will pay a market-based rental fee as determined by the LSCC operator.

All day on Saturday, throughout the entire year, the Liberty Station Conference Center is available exclusively for community, civic, and/or public uses at a baseline fee and, as applicable, a service fee.

All day on Sunday, throughout the entire year, the Liberty Station Conference Center is made available exclusively for private-pay users.

If unreserved space at the LSCC exists on Saturday or Sunday eight weeks prior to a use date, then that space becomes available for public or private users.

B. REPORTING PROCEDURES AND OBJECTIVES

1. Reporting Requirement

Every 90 days, a report shall be provided to the City Redevelopment Agency NTC Project Manager identifying the requests for and actual use of space by community, civic, and/or public uses at Building 623.

2. Policy Objective

The policy objective is to assure that every qualified community, civic and/or public use is accommodated, until 50% utilization of the space and/or time is reserved for such uses. The reports will be reviewed to determine whether qualified uses are being denied reasonable use of the space because of private reservations or an unreasonable fee structure. To the extent that every qualified use requesting space can be accommodated, the policy objective has been met.

3. Public Outreach

The operator of the LSCC has the responsibility to encourage community, civic, and public use of Building 623 by advertising and otherwise publicizing the availability of facilities. Records shall be kept of these outreach efforts and at the request of the City Redevelopment Agency Assistant Executive Director, those records must be available for inspection.

C. CONTRACT

All organizations, public and private, who wish to use the LSCC must enter into a written contractual agreement with the Conference Center operator for the use of space. This agreement must specify, at minimum, the day, time, location, and cost associated with the rental.

D. DISPUTES ABOUT QUALIFIED "PUBLIC USE"

In the belief that clarity minimizes misunderstanding and misinterpretation, the guidelines for facility rental, as specified above, are intended to provide a clear and straightforward description of how the LSCC will be used. Nonetheless, it is presumed that particularly in the first year of operation – and occasionally thereafter - disputes over the interpretation of what qualifies as a community, civic, and/or public use may arise. The San Diego Mediation Center, as a neutral third party, can be retained to determine whether a particular use does or does not qualify as a community, civic and/or public use. Cost of the Mediation Center services shall be the responsibility of the losing party.

Prior to presenting an issue to the San Diego Mediation Center, however, disputes should be submitted to the City Redevelopment Agency Assistant Executive Director or designee, who must concur that a genuine question of interpretation exists.

VI. REVIEW REQUIREMENT

The City Redevelopment Agency Assistant Executive Director shall review, re-evaluate, and if necessary amend the rules included within these General Use Guidelines six months following their initial approval and annually thereafter.

LIBERTY STATION RESORT VILLAGE
WATER QUALITY TECHNICAL REPORT
EXECUTIVE SUMMARY
September, 2005

The Water Quality Treatment Program at the Liberty Station Resort is designed to control runoff and provide treatment for storm waters prior to their discharge into the coastal waters. The goals of the program are to ensure the future health, safety and general welfare of the citizens of the City and to improve and protect the water quality and beneficial uses of receiving waters by controlling stormwater runoff and pollution that may cause or contribute to adverse impacts on recreational access to beaches, or other coastal resources, such as sensitive habitat areas in, or associated with, coastal waters.


The Water Quality Treatment Program at the Liberty Station Resort uses a multi-layered or treatment train approach. The BMP's are generally divided into categories that include Site Design BMP's that incorporate specific design materials to reduce runoff, source control BMP's designed to control pollutants before they have a chance to enter storm water and treatment control BMP's that control pollutants once they have entered the storm water. Each successive BMP forms a layer that builds upon the previous layer to provide effective water treatment.

The design of the site has incorporated several features that help reduce pervious areas and runoff. Site design BMP's include the Esplanade, located between the Hotel and the boat channel is one area. The two parallel walkways have been design to provide one impervious all weather surface and a second pervious disintegrated granite walkway. By making one of the walkways from a pervious material, runoff is reduced and the potential for storm water pollution is reduced. The second area is the fire lane to the rear of the hotel. The fire lane shares the same concrete paving as the Esplanade where possible. Where the fire lane width extends past the concrete esplanade, we have chosen to use Grasscrete, which can accept the load of fire vehicles yet is pervious. These design features reduce the impervious areas of the site.

The second layer is the source control BMP's. On this site there are a number of source control BMP's being proposed. These BMP's include:

- Catch Basin Stenciling;
- Efficient Irrigation using flow sensors, automatic rain sensors and multiple programming capabilities;
- The use of water saving irrigation heads and nozzles;
- The use of a drought tolerant planting palette;
- A Fertilizer and Pest Management Program; that minimizes the use of chemical fertilizers and pesticides;
- A Landscape Management Program that includes regular sweeping program of impervious surfaces, litter pick-up, and proper equipment maintenance
- A trash management program to control on site trash;

These BMP's assist us in controlling all four of our major pollutants of concern (1. heavy metals, oils, grease and hydrocarbons, 2. trash, 3. sediment and 4. pesticides) by reducing the pollutants before they become storm water pollution. In fact, source control is one of the better BMP's for pesticides, one of our pollutants of concern. These source

EXHIBIT NO. 12
APPLICATION NO. 6-05-41
Water Quality Report
Exec. Summary
 California Coastal Commission

control BMP's are the second of three layers of BMP's being used to protect the storm water at the site.

The third level is the treatment control BMP's. We are using a two-step treatment control process to treat storm flows before being discharge from the site. The first of these steps is the Bio-swale. These specially designed vegetative lined channels are design to remove two of our four major pollutants of concern; heavy metals, oils, grease and other hydrocarbons and sediments. These bioswales are being installed in conjunction with our bubbler catch basin/perforated pipe system which will reduce dry weather flows. The second structural BMP, the BioClean Nutrient Separating Baffle Box is designed to treat the fourth pollutant of concern, trash as well as assist the Bioswales in the control of sediment.

The BMP's listed above are being designed using the methods outlined in the California Storm Quality Management Association's "Storm Water Best Management Practice Handbook". In addition, the design of the BMP's will comply with City of San Diego guidelines. Sizing of the BMP's will be based on the 85th percentile storm even, and will be designed to handle all dry weather runoff as well.

The final key to our Water Quality Program is the implementation and maintenance. The long-term efficiency of these BMP's is tied to the proper implementation of these programs and the maintenance of the BMP's. As part of the Water Quality Program, the City of San Diego requires a Storm Water Maintenance and Discharge Control Agreement. This document outlines the long-term maintenance of the Water Quality Program. This document, filed with the County Recorders Office outlines the operation and maintenance program and who is responsible to install, maintain, repair and replace the BMP's listed in the Water Quality Program.

These BMP's working in concert provide a comprehensive Water Treatment Program approach to the treatment and control of storm water at the Liberty Station Resort Village.



CALIFORNIA COASTAL COMMISSION

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November 1, 2005

Th13a

RECORD PACKET COPY

TO: Commissioners and Interested Persons

FROM: DEBORAH LEE, DEPUTY DIRECTOR
TERESA HENRY, SOUTH COAST DISTRICT MANAGER
KARL SCHWING, ORANGE COUNTY AREA SUPERVISOR
RYAN TODARO, COASTAL PROGRAM ANALYST

SUBJECT: Request to extend the ninety-day time limit for Commission action on City of Laguna Beach LCP Amendment Request No. 3-05 (for Commission Action at the November 16-18, 2005 meeting in Los Angeles).

On September 28, 2005, the City of Laguna Beach submitted a request to amend its certified Local Coastal Program (LCP), effecting both the Land Use Plan (LUP) and Implementation Plan (IP).

The proposed amendment would modify Policy 14C of the Open Space Conservation Element of the General Plan/Local Coastal Plan and Section 21.12.250 of the Municipal Code, that discourage the creation of new building sites that would require the construction of a street of more than 12% in grade and prohibit street grades in excess of 14%. In addition, the proposed amendment would modify Section 25.52.008(l)(3)(a) of the Municipal Code by reducing the maximum allowable grade for driveways 150 feet or more in length to 12%. Proposed LCP Amendment Request No. 3-05 was submitted for Commission certification by City Council Resolution No. 05.086.

On September 28, 2005, the date of submittal, the Executive Director determined that LCP Amendment Request No 3-05 was in proper order and legally adequate to comply with the submittal requirements of the Coastal Act and the California Code of Regulations. Therefore, LCP Amendment Request No. 3-05 is deemed complete pursuant to the requirements of Section 30510 of the Coastal Act.

Pursuant to Sections 30512, 30513 and 30514 of the Coastal Act, an LCP amendment that includes changes to the LUP portion of a certified LCP must be scheduled for a public hearing and the Commission must take action within ninety days of a complete submittal. The ninetieth day after the City's filing of the complete submittal is December 27, 2005. In order to be heard within this time frame, the LCP amendment would need to be scheduled for the Commission's December 14-16, 2005 meeting in San Francisco.

However, this deadline may be extended for good cause. Public Resources Code (PRC) Section 30517 allows the Commission to extend any time limitation established by Chapter 6 of Division 20 of the PRC, wherein lies Sections 30512, 30513 and 30514, for up to a year. Staff is recommending that the Commission extend the ninety-day time limit for the review of the LCP amendment request. The time extension would allow for a thorough review of the

Laguna Beach LCPA 3-05
Time Extension Request
Page 2 of 2

City's proposed changes. City staff has been notified of this time extension request and has not objected to this request.

Therefore:

Summary of Staff Recommendation. Staff recommends that the Commission extend the 90-day time limit for a period of one year, i.e. to December 27, 2006.

MOTION:

"I move that the Commission extend the 90-day time limit to act on the City of Laguna Beach Local Coastal Program Amendment LGB-MAJ-3-05 for a period of one year."

STAFF RECOMMENDATION:

Staff recommends a YES vote. An affirmative vote of the majority of the Commissioners present is needed to pass the motion.