

CALIFORNIA COASTAL COMMISSION

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February 21, 2007

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TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: SHERILYN SARB, DEPUTY DIRECTOR
 DEBORAH N. LEE, DISTRICT MANAGER, SAN DIEGO DISTRICT
 DIANA LILLY, COASTAL PLANNER, SAN DIEGO DISTRICT

SUBJECT: **Revised Findings on San Diego Unified Port District Port Master Plan Amendment No. 36 (Old Police Headquarters & Park).** For Commission consideration and possible action at the Meeting of March 14-16, 2007.

SYNOPSIS

SUMMARY OF COMMISSION ACTION AND CHANGES MADE BY THE PORT AT THE HEARING

At the Commission meeting of August 10, 2006, the Commission approved the Port of San Diego Port Master Plan Amendment #36 (PMPA) allowing for the redevelopment of the Old Police Headquarters building (OPH), creation of a new, approximately 3.3 acre park and additional plaza areas, demolition and rebuilding of the existing Harbor Seafood Mart as the Pier Walk Building, and redesign of the existing Seaport Village parking lots.

Staff had identified one component of the proposed redevelopment program that did not meet the requirements of Chapter 3 of the Coastal Act. As originally submitted, the PMPA would have allowed for the loss of the existing commercial fishing facilities at the Harbor Seafood Mart without adequate assurances that the replacement facilities will be of comparable size, value, and functionality. Commercial fishing is one of the highest priority uses under the Coastal Act, but there have been increasing financial and land use pressures over the last two decades in San Diego to reduce commercial fishing facilities, land, and water area. Any changes to the PMP that affect the existing remaining facilities must ensure that these facilities are preserved and promoted.

At the hearing, the Port representative modified the proposal to provide greater specificity and protection for the commercial fishing uses at the site (see Page 11 for the revised text changes). With these modifications by the Port, the Port Master Plan amendment was approved as submitted. To distinguish between the strike-out/underline formatting in the original report and the revisions made herein per the Commission's action, additions to the original staff report are indicated by italics and deletions by italics/strike-out.

COMMISSION VOTES

Port of San Diego PMPA #36, approved as submitted and modified by the Port:

Commissioners Voting “Yes”: Burke, Clark, Kruer, Neeley, Padilla, Potter, Reilly, Achadjian, Vargas, and Chairperson Caldwell

Commissioners Voting “No”: None

The appropriate motions and resolutions can be found on Page 3. The main findings for approval of the amendment begin on Page 4.

Port Master Plan Amendment Procedure. California Code of Regulations, Title 14, Section 13636 calls for port master plan amendments to be certified in the same manner as provided in Section 30714 of the Coastal Act for certification of port master plans. Section 13628 of the Regulations states that, upon the determination of the Executive Director that the master plan amendment and accompanying materials required by Section 13628(a) are sufficient, the master plan amendment shall be deemed submitted to the Commission for purposes of Section 30714 of the Coastal Act.

The subject PMPA was deemed submitted on April 21, 2006. Within 90 days after this submittal date, the Commission, after public hearing, shall certify or reject the amendment, in whole or in part. If the Commission fails to take action on the amendment submittal within the 90-day period, the proposed amendment is deemed certified. However, on June 23, 2006, the Commission received a letter from the Port District waiving the time restriction with the understanding that the subject amendment would be placed on the August Commission agenda for action.

STAFF RECOMMENDATION:

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to each resolution.

I. MOTION: ***I move that the Commission adopt the revised findings in support of the Commission's action on August 10, 2006 concerning Port of San Diego PMPA #36.***

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 August 10, 2006 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 approval of the Port Master Plan Amendment as submitted on the ground that the findings support the Commission's decision made on August 10, 2006 and accurately reflect the reasons for it.

II. FINDINGS AND DECLARATIONS.

The Commission finds and declares as follows:

A. Previous Commission Action. The Commission certified the San Diego Unified Port District Master Plan on October 14, 1980. The Commission has reviewed approximately thirty-five amendments since that date.

B. Contents of Port Master Plan Amendments. California Code of Regulations Title 14, Section 13656 calls for port master plan amendments to be certified in the same manner as port master plans. Section 30711 of the Coastal Act states, in part, that a port master plan shall include all the following:

- (1) The proposed uses of land and water areas, where known.
- (2) The proposed design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.

- (3) An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impact.
- (4) Proposed projects listed as appealable in Section 30715 in sufficient detail to be able to determine their consistency with the policies of Chapter 3 (commencing with Section 30200) of this division.
- (5) Provisions for adequate public hearings and public participation in port planning and development decisions.

The Commission finds that the proposed port master plan amendment does ~~not~~ conform to the provisions of Section 30711 of the Coastal Act. The proposed changes in land and water uses ~~do not~~ contain sufficient detail in the port master plan submittal for the Commission to make a determination that the proposed amendment is consistent with the Chapter 3 and Chapter 8 policies of the Coastal Act.

The proposed amendment was the subject of an Environmental Impact Report under the California Environmental Quality Act. The Environmental Impact Report associated with the plan amendment was subject to public review and hearing and was adopted by the Board of Port Commissioners on February 7, 2006 as Resolution #2006-28. A public hearing on the proposed master plan amendment was held and the amendment was adopted by the Board of Port Commissioners on February 7, 2006 as Resolution # 2006-29.

Standard of Review. Section 30710 states that Chapter 8 shall govern those portions of the San Diego Unified Port District, excluding any wetland, estuary, or existing recreation area indicated in Part IV of the Coastal Plan. The entire water area under the jurisdiction of the Port of San Diego is covered by Chapter 3 policies because San Diego Bay is mapped as an estuary and wetland in Part IV of the Coastal Plan, and on the maps adopted by the Commission pursuant to Section 30710 of the Act. The proposed Amendment involves changes to the land and water designations at Centre City Embarcadero. The policies of Chapter 8 of the Coastal Act are the standard of review for the land portion of the proposed amendment, and Chapter 3 policies are the standard of review for the portion of the amendment addressing the water area (the redesignation of a small portion of water area to land, to reflect the presence of an existing pier). In addition, Chapter 3 is the standard of review for all projects appealable to the Coastal Commission, including the OPH reuse and the Pier Walk Building.

D. Summary of Proposed Plan Amendment.

The proposed Port Master Plan Amendment (PMPA) for the Old Police Station Headquarters (OPH) and Park Project involves changes to the text, project list, and land and water use designations within the Port District’s Planning District 3 – Centre City Embarcadero. The PMPA would allow for the retention and reuse of the OPH building for a mix of specialty retail, entertainment and restaurant uses; relocation of the previously approved 4.1-acre “Central Park” to a 3.3-acre park at the northwestern portion of the project area; and demolition of the existing Harbor Seafood Mart and construction of a redesigned facility (the Pier Walk building) to accommodate existing commercial fish processing operations, as well as associated retail, restaurant, and other services/support uses. The OPH renovation, the new Pier Walk building, and the Bayfront Park would be added to the project list in the Master Plan. The PMPA also includes implementation of an updated Parking Management and Monitoring Program that includes the following: a) on and off-site parking; b) valet and tandem parking; and, c) shuttle system or participation in a shuttle system linking the site to off-site parking; and an updated Public Access Program.

The setting of the proposed PMPA is the South Embarcadero area of downtown San Diego, along the San Diego Bay waterfront. The project site is bordered on the north by Harbor Drive, the east by Kettner Boulevard, and the west by the San Diego Bay. In total, the project site is 21.33 acres in size.

Proposed Port Master Plan Land Use Acreage Changes (Approximate)

Land Use Designation	Existing (acres)	Proposed (acres)	Net Change
Commercial Recreation	15.9	13.8	-2.1
Commercial Fishing	0.3	1.0	+0.7
Commercial Fishing Berthing	13.3	13.1	-0.2
Park/Plaza	5.2	5.8	+0.6
Promenade	1.1	1.2	+0.1
Streets	0.0	0.8	+0.8

Under the proposed amendment, Commercial Fishing uses would increase by 0.7 acres as a result of two changes proposed by the PMPA: 1) designation of a small area of land next to the Fishing Pier from Commercial Recreation to Commercial Fishing at the location of the existing Harbor Seafood Mart; and 2) designation of a small portion of the Tuna Harbor Commercial Fishing Berthing water use to Commercial Fishing land use to reflect an existing dock. The latter change would also result in the 0.2-acre decrease in the Commercial Fishing Berthing use.

The 2.1-acre decrease in Commercial Recreation use would result from a variety of changes including the increase in Commercial Fishing use, the addition of the Pacific Highway extension, and increase and reconfiguration of the Park/Plaza designation.

The Streets designation would also increase slightly in acreage as a result from showing the extension of Pacific Highway, south of Harbor Drive, on the precise plan land use map. The existing Port Master Plan does not show Pacific Highway extending south of Harbor Drive; however, the South Embarcadero Redevelopment Project (SERP) I project previously approved for the area would not have physically removed this extension. Thus, this change is a correction to the Port Master Plan to better reflect planned conditions, rather than a new concept.

In addition, the PMPA would redesignate approximately 0.2 acres of Tuna Harbor from the Commercial Fishing Berthing water use designation to the Commercial Fishing land use designation to reflect the presence of the existing dock. Other minor text changes proposed including updating the Project List to reflect current conditions, by adding previously approved projects such as the pedestrian bridge over Harbor Drive and the Eighth Avenue pedestrian crossing.

The site is a highly urbanized area. To the west of the project site is the San Diego bay waterfront, the Tuna Harbor fishing pier, and Tuna Harbor. Tuna Harbor is shaped by the Fishing Pier to the south and a pier that extends off of the G Street Mole to the north (northwest of the project site). The G Street Mole contains parking, park uses, and a restaurant. To the north of the G Street Mole is the U.S.S. Midway Aircraft-Carrier. North of Harbor Drive, between Pacific Highway and North Harbor Drive is the Navy Broadway Complex. The complex is an eight block, 15-acre site that includes the Navy pier, approximately 400,000 square feet of administrative offices, and approximately 600,000 sq.ft. of warehouses, most of which were constructed between 1921 and 1944. The portion of the Navy Complex nearest to the project site is used as a parking lot. The entire Navy Complex site is currently being proposed for major redevelopment with high-rise office and hotel buildings.

The subject site itself is a developed area containing buildings and parking lots that are basically separated into three distinct areas: the OPH, the Harbor Seafood Mart, and Seaport Village. The OPH is a historically significant building complex (listed on the National Register of Historic Places and California Register of Historic Resources). The OPH, which opened in 1939, consists of several connected buildings around a large open-air courtyard. The buildings contain approximately 74,600 square feet of first floor space and approximately 26,228 square feet of second floor space. The OPH was used by the San Diego Police until they relocated to a new building in 1987. Since then, the majority of the building complex has not been used, with only small portions being leased for specialized commercial uses. Cinderella Carriage Company vacated the premises in February 2005, and the building is currently entirely vacant.

There are parking lots on the north and south sides of the OPH. The northern parking lot along Harbor Drive (OPH North Lot) has approximately 76 spaces and is restricted to use by Seaport Village primarily for employee parking. The parking lot to the south of the headquarters (OPH South Lot) contains approximately 162 spaces and is used by Seaport Village for employees, carpools, and other various uses.

The primary commercial use proposed for the OPH is the Bazaar del Mundo, a collection of boutiques and restaurants that previously operated in San Diego's Old Town for more than 30 years. The proposed project also includes a Public Market in the former OPH garage and adjacent service yard for fresh and prepared food sales in permanent vendor stalls. In addition to the permanent vendors located inside the garage, the Public Market may evolve to include day vendors and/or a regularly scheduled Farmers Market. Additionally, a dinner theater or other entertainment venue is proposed to utilize the two-story assembly building within the OPH. This use could involve, but is not limited to, a combination of a restaurant, lounge, and live musical performances.

The existing Harbor Seafood Mart building is approximately 35,970 square feet and includes a loading area and dock on the east side of the building. A portion of the Harbor Seafood Mart building is currently leased to the Chesapeake Fish Company. The Chesapeake Fish Company is a wholesaler of seafood products and the leased space in the Harbor Seafood Mart building is used for its maritime-related activities consisting of offices and seafood processing/distribution.

A large portion of the Harbor Seafood Mart building was once used as a restaurant named the Coral Reef Restaurant, which closed several years ago. Currently, the Port occasionally uses the former Coral Reef for meetings and other gatherings. The Harbor Seafood Mart parking lot lies on the north and east sides of the building, along Harbor Drive and the extension of Pacific Highway south of Harbor Drive. This parking lot contains approximately 160 spaces, some of which are metered parking spaces that are available to the public and some reserved for permits for employees. There is also parking to the south of the Harbor Seafood Mart along the access road that leads to the Fishing Pier. Approximately 55 spaces, some metered and available to the public and some reserved, are located in this area.

As part of the proposed PMPA, complete demolition of the existing Harbor Seafood Mart building would occur. Currently, approximately 55% of the existing Harbor Seafood Mart building is vacant and the remaining portion of the building is leased for seafood processing and packing operations. The conceptual redevelopment plan for this portion of the project site reconfigures the Commercial Fishing use along the Pier Walk. A new Pier Walk Building would be constructed to accommodate the commercial fishing operations as well as associated Commercial Recreation uses (retail and restaurant), and other associated services/support. The Pier Walk Building would accommodate Seaport Village storage and maintenance uses that are currently located on the south side of the Pier Walk within the Seaport Village leasehold.

The PMPA as submitted shows the Pier Walk building as a non-appealable project. However, as commercial fishing facilities and retail and restaurant uses are appealable projects under Section 30715 of the Coastal Act, the Port District has agreed in writing to correct this designation to appealable (see Exhibit #10).

With relocation of the existing storage and maintenance uses to the Pier Walk Building, the existing structures housing these uses would be removed, the corridor would be widened, and the building façade would be improved. The Harbor Seafood Mart parking area would also be reconfigured and located north of the Pier Walk Building. A new Pier Walk public accessway would be located along this area, extending out to the pier. This pier currently serves as extra berthing for tuna seiners, fishing boats, water taxi services, and provides public access over the water. As proposed, the entrance to this pier would be reconfigured to improve public access to the water.

The proposed PMPA also includes development of approximately 4.5 acres of new park and plaza areas. New plaza areas would surround the OPH building and extend along Pacific Highway, Harbor Drive, and Kettner Boulevard. These plaza areas would improve access and viewsheds along these streets and provide areas adjacent to the OPH for gathering, seating and vendors, and other associated uses. The area located between the waterfront and Pacific Highway, along the southern edge of Harbor Drive, would be developed as a major public park, approximately 3.3 acres in size. This park would include lawns and landscaped areas, walkways, and could include other associated uses such as an amphitheater/terraced style seating area, gazebo type structures, picnic areas, and restrooms.

The Seaport Village complex and its parking lots cover the remainder of the project area. The only physical changes to Seaport Village resulting from the proposed PMPA would be the reconfiguration of its parking lots and Pacific Highway entry, and relocation of some storage and maintenance space near the proposed Pier Walk accessway.

The subject PMPA is in many ways a replacement of the previously approved South Embarcadero Redevelopment Plan I (SERP I), *approved in PMPA #26*. In October 1998, the Commission approved the SERP I Port Master Plan Amendment, which included construction of a new Hyatt tower; expansion of Seaport Village, including demolition of the OPH and the Harbor Seafood Mart Building and construction of new underground parking structures, and designation of a future location for a Central Park located along the west side of Kettner Boulevard, creating a connection between Harbor Drive and the Embarcadero Marina Park North. However, only the Hyatt tower portion of the SERP I has been constructed, and thus, the proposed amendment would replace the remainder of the SERP I proposed development.

E. Conformance with the Coastal Act. The proposed PMPA would result in changes to land and water use categories, and to the text and Precise Plan map contained in Planning District 3 (Centre City/Embarcadero) of the Port Master Plan. In order for the Commission to certify the PMPA, the Commission must determine that the amendment conforms to the following applicable Chapter 3 and Chapter 8 policies of the Coastal Act listed under each section:

1. Marine-Related Uses/Commercial Fishing

Applicable Policies

Section 30234

Facilities serving the commercial fishing and recreational boating industries shall be protected and, where feasible, upgraded. Existing commercial fishing and recreational boating harbor space shall not be reduced unless the demand for those facilities no longer exists or adequate substitute space has been provided. Proposed recreational boating facilities shall, where feasible, be designed and located in such a fashion as not to interfere with the needs of the commercial fishing industry.

Section 30234.5

The economic, commercial, and recreational importance of fishing activities shall be recognized and protected.

Section 30255.

Coastal-dependent developments shall have priority over other developments on or near the shoreline. Except as provided elsewhere in this division, coastal-dependent developments shall not be sited in a wetland. When appropriate, coastal-related developments should be accommodated within reasonable proximity to the coastal-dependent uses they support.

Section 30703.

The California commercial fishing industry is important to the State of California; therefore, ports shall not eliminate or reduce existing commercial fishing harbor space, unless the demand for commercial fishing facilities no longer exists or adequate alternative space has been provided. Proposed recreational boating facilities within port areas shall, to the extent it is feasible to do so, be designed and located in such a fashion as not to interfere with the needs of the commercial fishing industry.

Section 30708

All port-related developments shall be located, designed, and constructed so as to:

(a) Minimize substantial adverse environmental impacts.

(b) Minimize potential traffic conflicts between vessels.

(c) Give highest priority to the use of existing land space within harbors for port purposes, including, but not limited to, navigational facilities, shipping industries, and necessary support and access facilities.

(d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible.

(e) Encourage rail service to port areas and multicompany use of facilities.

Section 30708(c) of the Coastal Act gives the highest priority to the use of existing land space within harbors for port purposes, such as navigational facilities, shipping industries, necessary support and access facilities, including the fishing industry. Section 30708(d) provides for the accommodation, to the extent possible, of other public trust uses such as recreation and wildlife habitat. Section 30708(e) requires all port-related development to minimize substantial environmental effects. All three of the above policies should be considered along with the underlying objectives of Sections 30705 and 30706 which are to minimize fill of coastal waters to only that necessary for specific port-related uses and to minimize harmful effects to coastal resources. Therefore, new development must ensure that adequate existing land area is reserved for port-related purposes so as to avoid the need for additional fill of coastal waters to accommodate future demand for such facilities.

Although the existing fish processing/distribution uses at the Harbor Seafood Mart building have operated at its current location next to Seaport Village for many years, the land use designation at the site has always been Commercial Recreation. The proposed PMPA would redesignate an area currently occupied by the southern portion of the Harbor Seafood Mart building from its current Commercial Recreation designation to Commercial Fishing. The surrounding area, which includes the northern portion of the Seafood Mart building, would be redesignated as Park/Plaza. In addition, the PMPA would redesignate approximately 0.2 acres of Tuna Harbor from the Commercial Fishing Berthing water use designation to the Commercial Fishing land use designation to reflect the presence of the existing dock. In total, the proposed PMPA would increase Commercial Fishing designated land by 0.7 acres.

The PMPA also includes language in the text and project list regarding the redevelopment and redesignation of the Harbor Seafood Mart as the Pier Walk building. The Port made several changes to the proposed amendment at the hearing, which are reflected by the underlined italicized text. As proposed by the Port at the hearing, the proposed plan states (text proposed by the Port to be added to the subject amendment is underlined, and text proposed to be deleted is in strike-out):

~~Retain the existing 20,000 square foot building area to continue. The underutilized Harbor Seafood Mart building is planned to be demolished and the site redeveloped with a new Pier Walk building, of comparable size and use allocation, which will consist of an improved the existing fish processing facility with sufficient parking and load/unloading spaces to support the operation, as well as retail and restaurant uses related to and supportive of the commercial fish processing uses in the building, and sales company in its existing location. The development will be designed so that the commercial fishing use will be able to continue to utilize and maintain the existing fish and unloading dock with direct, unrestricted access to joint use of the pier/dockside facilities. The new facility will be large enough to support both the current capacity requirements of the fishing industry, and allow for the future expansion of services for seafood processing compatible with the surrounding uses. The Precise Plan underlying the portion of the new Pier Walk building nearest the unloading dock will have a land use designation of Commercial Fishing to provide for the retention of valued commercial fishing activities. The facility will be integrated with the surrounding public walkways and plazas with opportunities for public viewing and access.~~

Thus, as amended, the text of the Master Plan will state:

The Harbor Seafood Mart building is planned to be demolished and the site redeveloped with a new Pier Walk building, of comparable size and use allocation, which will consist of an improved fish processing facility with sufficient parking and load/unloading spaces to support the operation, as well as retail and restaurant uses related to and supportive of the commercial fish processing uses in the building. The development will be designed so that the commercial fishing use will be able to continue to utilize and maintain the existing fish and unloading dock with direct, unrestricted access to joint use of the pier/dockside facilities. The new facility will be large enough to support both the current capacity requirements of the fishing industry, and allow for the future expansion of services for seafood processing compatible with the surrounding uses. The Precise Plan underlying the portion of the new Pier Walk building nearest the unloading dock will have a land use designation of Commercial Fishing to provide for the retention of valued commercial fishing activities. The facility will be integrated with the surrounding public walkways and plazas with opportunities for public viewing and access.

The following new project would be added to the project list:

PIER WALK BUILDING: Remove existing Harbor Seafood Mart building and construct new Pier Walk building to accommodate existing commercial fish processing operations, as well as associated retail, restaurant and other services/support uses.

~~On the face of it, As revised by the Port at the hearing, #~~The PMPA provides an extra level of protection to the commercial fishing uses on the site by designating area for commercial fishing uses, and by proposing an “improved” fish processing facility that is “large enough to support both the current capacity requirements of the fishing industry,” that will “allow for the future expansion of services for seafood processing compatible with the surrounding uses” and that has sufficient parking and loading/unloading spaces to support the operation. ~~to accommodate existing commercial fish processing operations.~~”

When originally submitted to the Commission, ~~However,~~ letters of opposition to the proposed PMPA submitted by the existing tenant, the Chesapeake Fish Company, as well as letters from the American Albacore Fishing Association, the California Lobster & Trap Fishermen’s Association, the Federation of Independent Seafood Harvesters, and the National Oceanic and Atmospheric Administration (NOAA), and others, (see Exhibit #11), ~~have~~ raised concerns that the lack of specificity in the plan language may not ensure the preservation of the existing commercial fishing facilities or promote the expansion of these priority uses.

For example, the PMPA does not specify how large the replacement facility must be, or require that the facility be comparable in size or functionality to the existing facility. The PMPA does not specify how much of the new facility must be reserved for strictly commercial fishing activities and how much can be dedicated to related retail or restaurant services. *As originally submitted to the Commission, ~~The~~ PMPA states~~d~~ that the new building will “accommodate existing commercial fish processing operations, as well as associated retail, restaurant and other services/support uses” but ~~does~~ did not commit to ensuring that there is at least some room for increased operations should demand for commercial fishing related uses increase. ~~The PMPA describes the current facility as “underutilized,” but the current operator has suggested that this underutilization is as a result of a business disagreement between the Port and Chesapeake, and that expansion may be desired and feasible.~~*

Other potential deficiencies in the originally submitted PMPA language related to the provision of adequate parking for loading and unloading trucks, ensuring that the facility has direct access to the unloading dock, and integrating the building with the surrounding commercial recreation and public park/plaza area by providing public viewing and access opportunities to the commercial fish operations, such as the existing facility provides.

~~However, as revised by the Port, *While* the specific details of the Pier Walk building, such as the exact size of the facility and allocation of uses, *can and should* will be determined at the coastal development permit stage, as noted above, policy language protecting commercial fishing uses at the site *must be* and addressing each of the concerns noted above has been included in the planning document, *and the lack of this language is a serious deficiency in the proposed Port Master Plan Amendment.*~~

The Port and Chesapeake are in the process of developing a site plan for the proposed Pier Walk building (see Exhibit #8). These draft plans indicate that the new facility would be two-stories high, with approximately 15,806 sq.ft. of indoor floor area, compared to the existing 35,970 sq.ft. building (only a portion of which, approximately 20,000 sq.ft., is currently used for the current fish processing operations). The proposed uses in the building would consist of 6,454 sq.ft. for fish processing, 3,090 sq.ft. of enclosed dock area, 2,682 sq.ft. of support offices for the fish processing, and 3,580 sq.ft. of additional office space on the second floor. In addition to the 15,806 sq.ft. of indoor floor area, the plan would include 1,743 sq.ft. of outdoor storage and trash enclosures, and 4,040 sq.ft. for outdoor patio dining.

~~The Port has indicated that the draft plans were designed to meet Chesapeake's design specifications and would provide enough space to meet current and future operations, while Chesapeake has stated that the size of the proposed facility would not be adequate and would not allow for the expansion of seafood processing. However, neither the Port nor Chesapeake has provided specific documentation to support their respective claims.~~

~~Thus, the Commission is put in the difficult position of trying to make a determination on the specific business and operational requirements of a commercial fishing related enterprise, when the two parties most intimately familiar with these needs—the Port District and the business operator—are in disagreement and have submitted limited, but contrary information regarding those requirements.~~

~~Commission staff have suggested some revised language that could be added to the Master Plan that would at least partially address some of the above-outlined concerns with the current proposal. The strike-out/underline represent staff's suggested revisions to the Port's proposed language:~~

~~The underutilized Harbor Seafood Mart building is planned to be demolished and the site redeveloped with a new Pier Walk building of comparable size and use allocation, which will consist of an improved fish processing facility with sufficient parking and loading/unloading spaces to support the operation, as well as ancillary retail and restaurant uses related to and supportive of the commercial fish processing uses in the building. The development will be designed so that the commercial fishing use will be able to continue to utilize and maintain the existing fish and unloading dock, with direct, unrestricted access to joint use of the pier/dockside facilities. The new facility will be large enough to~~

~~support both the current capacity requirements of the fishing industry, and allow for the future expansion of services for seafood processing compatible with the surrounding uses. The Precise Plan underlying the portion of the new Pier Walk building nearest the unloading dock will have a land use designation of Commercial Fishing to provide for the retention of valued commercial fishing activities. The facility will be integrated with the surrounding public walkways and plazas with opportunities for public viewing and access.~~

~~Although the above language does not include a specific building size, it would ensure~~ Although the Port and Chesapeake will continue to negotiate the details of the new building, the proposed PMPA as revised by the Port at the hearing ensures that the new facility ~~would~~ will be of comparable size and use allocation, that non-fishing related uses would not dominate the building, that there will be sufficient parking and loading/unloading spaces, and direct, unrestricted access to the existing pier and dockside facilities, and that both existing commercial fishing operations and some room for expansion ~~would~~ will be accommodated. As revised, the PMPA addresses the Coastal Act consistency concerns raised by the tenant and the public.

~~However, unlike a Local Coastal Program, in reviewing a Port Master Plan Amendment, the Commission cannot suggest modifications to the Plan, but can only approve or deny the amendment. Port staff has tentatively agreed to incorporate language similar to the above paragraph into the proposed Port Master Plan Amendment. However, the change would materially affect the PMPA, and the public has not had an opportunity to respond to these potential changes. Because the Commission can only approve or deny Port Master Plan Amendments, staff is recommending the Plan be denied as submitted at this time.~~

In summary, ~~while~~ the proposed PMPA is supportive on a general level of the Coastal Act policies that prioritize commercial fishing uses, ~~and, as revised by the Port District, the amendment lacks the~~ contains enough specificity and detail ~~required~~ to ensure that the existing commercial fishing operations on the site will be able to continue to adequately function and thrive in the plan area. As proposed, the PMPA would ~~potentially have an~~ have no potential adverse impact on the short and long-term viability of commercial fishing in San Diego Bay. Therefore, the Commission finds that the proposed text changes are ~~not~~ consistent with the protection of priority use policies in Chapter 3 and 8 of the Coastal Act, ~~and the amendment must be denied.~~

2. Public Access/Parking.

Applicable Policies

Section 30210.

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

Section 30211.

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

Section 30212.

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

[...]

Section 30213.

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

Section 30220

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

Section 30221

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

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 30253.

New development shall: [...]

(4) Minimize energy consumption and vehicle miles traveled.

In total, there are currently approximately 953 parking spaces provided within the project site, in approximately seven parking lots labeled A through F. However, the Port has indicated that only about 650 of those spaces are available for public use; the remainder are restricted to permit, employee, or other specially designated uses. In addition, there are existing temporary arrangements for the Hyatt to use portions of the OPH and its courtyards for parking. There are also a number of other existing parking opportunities found in the project area. A small lot containing 12 public metered spaces is located to the northwest of the project site along Harbor Drive, and there are 35 off-site spaces currently leased to the Chesapeake Fish Company located at the northwest corner of Harbor Drive and Pacific Highway. Directly to the south of the project site is the Embarcadero Marina Park North, which contains a parking lot with approximately 86-metered public spaces. To the east of the site, parking is available for a fee at the Hyatt Hotel. Further from the site, parking is available along several streets, in metered and pay parking lots, and hotel lots. The site can also be accessed by various forms of transit, bicycles, and walking, allowing patrons to park further from the site or to access the site by alternate means of transportation.

The proposed PMPA would allow for the following parking changes (see Exhibit #9):

- **Lot A – Seaport Village East Lot.** This lot would be reconfigured to maximize parking within the lot.
- **Lot B – Seaport Village West Lot.** This lot would be reconfigured to maximize parking within the lot, improve access, egress, and circulation, and to improve

connections between the OPH and Seaport Village. The lot will also be expanded to include a portion of the existing OPH South Lot.

- **Lot C – OPH South Lot.** A portion of this lot would be included in the Seaport Village West Lot. The remainder of the lot would be removed to provide vehicular access along the south side of the OPH.
- **Lot D – OPH North Lot.** This lot would be removed for the construction of the park/plaza along the north side of the OPH.
- **Lot E – Pacific Highway Streetside Parking.** This area would be reconfigured to improve the Pacific Highway entry to the project site and would include diagonal parking along the street.
- **Lot F – Pier Walk Parking.** These parking areas would be removed to improve pedestrian access along the Pier Walk and connections between the new Pier Walk Building, Seaport Village, and the OPH.
- **Lot G – Harbor Seafood Mart Lot.** This parking lot would be reconfigured to maximize parking within the area to the north of the new Pier Walk Building, while also maximizing area to be developed as a park to the immediate north of the parking lot and south of Harbor Drive.

As a result, the proposed project is anticipated to decrease on-site parking from approximately 953 spaces to approximately 789 spaces. With valet parking, the proposed project would be able to accommodate approximately 909 vehicles on site. An additional 35 off-site spaces in the Navy lot would remain available for the proposed project. Although there would be a net decrease in the total number spaces on site (approximately 164 space decrease), the proposed project would increase on-site parking for the public by approximately 139 spaces because, as noted above, under existing conditions only approximately 650 public spaces are provided.

To determine the adequacy of the proposed parking supply to accommodate the projected demand associated with the proposed OPH PMPA, parking demand was calculated based on the Port District's Tideland Parking Guidelines (2001) using Port District parking rates developed specifically for Seaport Village. Although these guidelines are not part of the certified Port Master Plan, the ratios used are within the range of parking ratios commonly approved for coastal cities in San Diego County.

Because the proposed new uses will share parking with existing Seaport Village use, the demand for existing Seaport Village uses was also calculated. Pursuant to Port guidelines, adjustments were taken into account for the project site's proximity to the waterfront and transit. The result of the calculation was a parking demand of 1,458 spaces. This demand assumes 100 percent occupancy of all uses included in the study area. This scenario is not representative of normal operations because it does not account for the change in usage during the day. For example, office usage typically decreases later in the day while restaurant usage peaks in the evening. Therefore, to provide a representative analysis, peak parking demand for the project was calculated based on the occupancy anticipated for the various study areas uses under two scenarios: 1:00 and 7:00

p.m. on a Friday. These scenarios represent peak times of parking demand for the proposed project. The resulting calculated peak demand was 1,160 and 1,162 spaces for 1:00 and 7:00 p.m., respectively.

The project proposes to provide approximately 789 on-site spaces and although it would increase the amount of public parking opportunities on site, it would not meet the calculated demand for the project, which also includes employees. When accounting for valet parking (which would accommodate up to an additional 120 vehicles on site) and approximately 35 spaces at the adjacent Navy Lot, the project would still be short approximately 216 and 218 spaces during the 1:00 and 7:00 p.m. peak hours, respectively, based on the Port's parking standards.

To address this shortfall, the Port has updated the Parking Management and Monitoring Plan (PMMP) previously certified with the SERP I Port Master Plan Amendment. The PMMP is designed to ensure that the various proposed developments conform to the Port District's Parking Guidelines through implementation of measures that reduce parking demand and/or increase parking availability. The measures include the following:

- requiring commercial recreational tenants to provide convenient shuttle bus service between their facilities and off-site parking lots for employees and staff during peak patron demand periods, when on-site parking by employees and staff shall be prohibited;
- requiring commercial recreational tenants to provide and maintain secure bicycle parking racks, on-site pedicab and taxi parking spaces;
- requiring commercial recreational tenants to provide off-site parking, with valet and/or shuttle service as appropriate, for patrons during peak automobile parking demand periods;
- requiring commercial recreational tenants to provide employees and staff discounted mass transit passes, or comparable three-year discount on the purchase of a bicycle.

In addition, the Port will work to expand bus service to the South Embarcadero area, and shall establish and maintain new bus turnout facilities in the area.

Furthermore, the proposed PMPA would add the following language to the text of the Master Plan:

Throughout the South Embarcadero (G Street mole to the Convention Center Hotel Complex), commercial development is also required to participate in and contribute a fair share to the implementation of a bayside shuttle system that would serve and connect tideland uses along the waterfront, such as the Convention Center Hotel Public Parking Facility, hotels, Seaport Village, and other waterfront destinations. Although outside the South Embarcadero, the bayside shuttle should also provide service to the Midway. In addition, this bayside shuttle should include linkages to

public roadside shuttle systems serving downtown San Diego, the airport, and MTS transportation hubs. Implementation of the bayside shuttle system is a goal that is intended to serve visitors as part of an integrated waterfront access and parking program that the Port District shall pursue in conjunction with the City of San Diego, CCDC and MTS.

Nevertheless, these measures are not likely to eliminate all parking deficits associated with the development envisioned with the PMPA.

In evaluating the actual impact the proposed development will have on coastal access, it is important to keep several factors in mind. Redevelopment efforts often present challenges with regard to parking, traffic, and circulation patterns. The Coastal Act supports the construction of new development in existing developed areas to decrease sprawl and impacts to open space. In a dense downtown neighborhood with limited space for devoted parking lots and with existing transit infrastructure, designing development dependent upon automobile access and dedicating substantial amounts of land area to parking lots is not necessarily the best or most efficient use of waterfront land. It also discourages the use and development of non-automobile transit systems. Instead, development in these locations should be designed to take advantage of existing mass-transit opportunities, and to supplement existing facilities with new alternative transit systems. The proposed Master Plan and PMMP requirements have been developed with these goals in mind.

However, these various offsetting measures are only as effective as their implementation. It is critical that the various requirements for off-site employee parking, employee transit incentives and contribution into a shuttle system be a condition of approval for every coastal development permit issued for new development or redevelopment within the scope of the proposed PMPA. *Staff has requested additional information to be provided by the Port to address the more detailed implementation and off-site parking locations for the proposed employee and peak demand satellite parking programs.* Any coastal development permit approval that does not require implementation of and participation in the various transit-related requirements in the PMMP would be inconsistent with the Port Master Plan and subject to appeal by the Commission.

The Commission is also concerned that the various satellite lots that would accommodate the off-site employee parking lots have not been identified. When the SERP I was certified, the Port surveyed the surrounding parking lots to ensure that adequate off-site parking existed. However, since that time, there has been substantial amounts of new development in the downtown region, including construction of a new ballpark, which may have severely impacted the supply of nearby parking lots. In addition, the one project that was constructed under the requirements of the existing PMMP of the SERP I, the Hyatt hotel, should have been implementing all of the required transit incentive strategies. The Hyatt did submit annual parking management programs to the Port (although not to Commission staff, as required), but these programs did not document

~~how and if the transit-related requirements have been implemented, or evaluate their effectiveness. Without evidence that the parking reduction measures are 1) feasible given the supply of off-site parking spaces and; 2) effective, based on the experience of the Hyatt, the proposed transportation measures cannot be found consistent with the public access policies of the Coastal Act.~~

To ensure that implementation of these off-setting measures will be feasible, the Port has identified various surrounding off-site parking lots that will be available for use of the projects proposed in the PMPA. The applicant will provide an employee shuttle system linking Seaport Village to an off-site parking lot or garage. Furthermore, the Port has provided information documenting that the nearby Hyatt hotel has implemented several parking reduction measures in conformance with the previously approved Parking Management and Monitoring Program adopted in PMPA #26 (see Exhibit #12). With strict parking demand reduction requirements and enforcement of the requirements through a coastal development permit, the Commission can be assured that impacts to public access will be minimized.

In summary, the proposed amendment, as augmented by the Port, will ~~institute fall short~~ of the minimum transportation measures needed to support the proposed development accommodated in the PMPA. ~~However,~~ In addition, in this location, there are good alternative transit systems in place, and the plan includes requirements designed to facilitate the provision and extension of transit service. Consistent with the policies of the Coastal Act, the project will provide commercial facilities within walking distance of residential areas that will minimize the use of coastal access roads. Additionally, the proposed project itself involves the construction of new visitor-serving facilities and public access opportunities, consistent with the public access and recreation policies of the Coastal Act. ~~Nevertheless, the feasibility and implementation of the Plan requirements is in question.~~ Implementation of parking demand reduction strategies will be required through the coastal development permit process. As submitted, the Plan does ~~not~~ provide sufficient assurances that public access will be preserved and enhanced.

Thus, the parking impacts associated with the proposed PMPA ~~cannot~~ be found consistent with the public access protection policies of Chapter 3 and Chapter 8 of the Coastal Act, ~~and the amendment must be denied.~~

3. Public Recreation/Visual Quality/Commercial Recreation

Applicable Policies

Section 30251.

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to

minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas....

As previously stated, Section 30221 requires that “oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.” Section 30213 requires the provision of lower cost visitor and recreational facilities, where feasible, and that public recreational opportunities are preferred.

As noted above, the development allowed by the subject PMPA would replace the previously approved South Embarcadero Redevelopment Plan I (SERP I). The SERP I Port Master Plan Amendment included construction of a new Hyatt tower; expansion of Seaport Village, including demolition of the OPH and the Harbor Seafood Mart Building and construction of new underground parking structures; and designation of a future location for a Central Park located along the west side of Kettner Boulevard, creating a connection between Harbor Drive and the Embarcadero Marina Park North. These projects were analyzed together, and the environmental impacts and required mitigation were evaluated for the entire site. Of these various components, only the Hyatt tower has been constructed.

Under the proposed PMA, the Seaport Village expansion would not occur, the OPH would be preserved in its current location, the Harbor Seafood Mart building would be relocated, and the Park/Plaza uses would shift from a park connecting Harbor Drive to the Embarcadero Marina Park North to a bayfront park along the southern edge of Harbor Drive, between the waterfront and Pacific Highway.

The proposed PMPA envisions considerably less development on the site than approved under the SERP I, and it would allow for the preservation of the historic OPH. However, construction of the Hyatt hotel did have visual, public access and recreational impacts, and these were intended to be mitigated by construction of the Central Park, and through the provision of activating uses, such as retail and restaurant uses, at the base of the hotel tower. The Hyatt tower has been constructed, but contrary to the requirements of the coastal development permit issued for the project, does not have any activating uses. And, as proposed, the Central Park will not be constructed.

However, as described above, the proposed PMPA does include development of approximately 4.5 acres of new park and plaza areas, including an approximately 3.3 acre landscaped park. The proposed plazas around the OPH and along Pacific Highway, Harbor Drive, and Kettner Boulevard will improve public access and help activate these streetscapes with gathering spaces, seating, vendors, and other associated uses. After the proposed rehabilitation, the OPH would include approximately 115,000 square feet of interior and exterior area to be used for entertainment, restaurant, and specialty retail

uses. The reuse of the OPH should provide for a lively mix of public commercial and recreational uses at the main entrance to Seaport Village and the waterfront. The Port has stated that special attention will be paid to activating the eastern side of the OPH, across from the Hyatt, which will help mitigate for the lack of activating uses on the Hyatt site.

Instead of a Central Park connecting Harbor Drive to Embarcadero Park North, the area located between the waterfront and Pacific Highway, along the southern edge of Harbor Drive, would be developed as a major public park. This park would include lawns and landscaped areas, walkways, and could include other associated uses such as an amphitheater/terraced style seating area, gazebo type structures, picnic areas, and restrooms. The promenade extending east from the Fishing Pier that would have extended through the OPH building to connect with the Central Park, as proposed would be realigned along the southern side of the OPH building.

The proposed park will not directly counter the walling-off effect created by the second Hyatt Tower, because it will not be located adjacent to the tower. However, it will improve coastal access in the project area by providing a visual and physical link to the waterfront from Harbor Drive. Implementation of the Central Park as approved under the existing Master Plan would have required demolition of most of the OPH and could not have been completed in its entirety until the Seaport Village lease terminated in 2018, because of the existing buildings located in the Central Park area.

On balance, preservation of the historic and visual qualities associated with the OPH, the development of this area with attractive public plaza and commercial recreational uses, and the proposed public park and public accessways, will serve to adequately offset the adverse visual impact associated with the previously approved Hyatt hotel. The project will improve public access and recreation on the site, consistent with the relevant Chapter 3 and Chapter 8 policies of the Coastal Act.

With regard to the visual impact of the PMPA, the project site is currently developed with low-rise (one- and two-story) structures consisting of the Harbor Seafood Mart and the OPH. The existing development on this site is low-scale in contrast with the surrounding downtown and Marina District high-rise hotel and office uses located directly north. However, the existing development and the proposed development will be consistent with the low scale Seaport Village buildings on the southern portion of the site, which consists of one-and two-story pedestrian oriented specialty retail shops interspersed with plazas, open space, landscaping, and a waterfront promenade.

Under existing conditions, the OPH and surrounding portion of the project site are underutilized, unmaintained, and involve large expanses of asphalt and limited landscaping. The amendment would retain the OPH and construct the new Pier Walk Building with the same scale and general location as the existing Harbor Seafood Mart, and redesign the parking lots. These changes would significantly improve the visual character of the subject site.

The proposed PMPA would result in a 2.1-acre decrease in Commercial Recreation use resulting from the increase in Commercial Fishing use, the addition of the Pacific Highway extension, and an increase and reconfiguration of the Park/Plaza designation. Commercial Recreation is a high-priority use under the Coastal Act, but so are Commercial Fishing and Park/Plaza (public access and recreation) uses. The project includes the major redevelopment of the currently vacant OPH for commercial recreational uses. Taken as a whole, the minor decrease in land area proposed for commercial recreation will not adversely impact the supply of commercial recreation land or uses at the Port.

In summary, the reconfiguration of the Park/Plaza use under the proposed PMPA would provide the passive recreation opportunities planned for by the SERP I project in a manner that can be implemented in the near-term and that preserves the historically significant OPH. The reuse of the OPH for commercial recreation uses, the public access and activating uses surrounding the OPH, and the public plazas and public accessways will help offset the impacts of the previously approved and constructed Hyatt tower. The PMPA will provide a variety of lower-cost visitor and public recreational opportunities, which are preferred and protected under both Chapter 3 and 8 of the Coastal Act. The minor reduction in land designated for commercial recreation to allow for additional park and commercial fishing area will not have an adverse impact on commercial recreation in the area. The Commission finds that this portion of the Port Master Plan Amendment to be consistent with the Chapter 3 and Chapter 8 policies of the Coastal Act regarding public recreation, commercial recreation, and visual quality.

Denial of the amendment is based on inconsistency with the commercial fishing protection and public access policies of the Coastal Act.

F. Consistency with the California Environmental Quality Act (CEQA).

As described above, the proposed PMPA does *not* have the potential to result in damage to commercial fishing facilities and opportunities. The proposed amendment was the subject of an Environmental Impact Report under CEQA. The EIR was subject to public review and hearing and was adopted by the Board of Port Commissioners. *However,* ~~the~~ Commission has found that the PMPA ~~cannot~~ be found in conformance with Chapter 3 and Chapter 8 policies of the Coastal Act *due to the potential for significant adverse impacts to the environment of the coastal zone*. Therefore, the Commission finds that the PMPA is inconsistent with the California Environmental Quality Act.