

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
(619) 767-2370

Th 8c

Addendum

February 6, 2008

To: Commissioners and Interested Persons

From: California Coastal Commission
San Diego Staff

Subject: Addendum to **Item 8c**, Coastal Commission Permit Application
#A-6-IMB-07-131 (Pacifica Co., Imperial Beach), for the Commission
Meeting of February 7, 2008

Staff recommends the following changes be made to the above-referenced staff report:

On page 1, the second paragraph under Summary of Staff Recommendation shall be corrected as follows:

The primary issues raised by the subject development relate to the Coastal Act and LCP requirements to protect public access and lower cost visitor-serving facilities. As proposed, the project would demolish 38 existing, more affordable traditional hotel units, and replace them with ~~38~~ 78 condo-hotel units—units that will be less available to the general public both because each unit will be privately owned and subject to owner occupancy, and because the units will be more expensive.

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Th8c

FORM FOR DISCLOSURE OF EX PARTE COMMUNICATIONS

Date and time of communication: 1/14/08

Location of communication: telephone
(If communication was sent by mail or facsimile, indicate the means of transmission.)

Identity of person(s) initiating communication: Alison Rolfe

Identity of person(s) receiving communication: PAT Kruer

Name or description of project: Imperial Beach Pacific Hotels Appeal

Description of content of communication: (If communication included written material, attach a copy of the complete text of the written material.)

ms. Rolfe asked about an appointment with Patricia McCoy to discuss the Imperial Beach Project. I said I would be happy to meet, but I have real concern about a project proposal with a 100% Condo-Hotel component. This proposal project would not be in line with the Condo-Hotel development.

Date 1/14/08

SIGNATURE ON FILE _____
Signature of Commissioner _____

If communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used, such as facsimile, overnight mail, or personal delivery by the Commissioner to the Executive Director at the meeting prior to the time that the hearing on the matter commences.

If communication occurred within seven days of the hearing, complete this form, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication.

Receiver

FEB 04 2008

California Coastal Commission
San Diego Coast District

EX PARTE COMMUNICATIONS

13

FORM FOR DISCLOSURE OF EX PARTE COMMUNICATIONS

Date and time of communication:

1/28/08 9:30am

Location of communication: (If communication was sent by mail or facsimile, indicate the means of transmission.)

La Jolla

Identity of person(s) initiating communication:

Patricia McCoy & Alison Rabbe

Identity of person(s) receiving communication:

Patrick Kruer

Name or description of project:

Seaside Inn, Imperial Beach

Description of content of communication: (If communication included written material, attach a copy of the complete text of the written material.)

They discussed the difficulty of making the hotel feasible without 100% condo hotel component. The 100% Condo-Hotel proposal I discussed I could not support. Also, I reviewed some development numbers provided by the applicant that did not make sense to me. Discussed the procedure with Staff Recommendation Substantive Issue.

Date

1/28/08

SIGNATURE ON FILE

Signature of Commissioner

If communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used, such as facsimile, overnight mail, or personal delivery by the Commissioner to the Executive Director at the meeting prior to the time that the hearing on the matter commences.

If communication occurred within seven days of the hearing, complete this form, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication.

Received

FEB 04 2008

APPENDIX 2

14

FORM FOR DISCLOSURE
OF EX PARTE
COMMUNICATION

Received

FEB 05 2008

California Coastal Commission
San Diego Coast Office

Date and time of communication: January 31, 2008 - 2:30 p.m.
(For messages sent to a Commissioner by mail or facsimile or received as a telephone or other message, date time of receipt should be indicated.)

Location of communication: Eureka, CA - Via Conference Call
(For communications sent by mail or facsimile, or received as a telephone or other message, indicate the means of transmission.)

Person(s) initiating communication: Allison Ross, Patricia McCoy, Greg Wade, & Gary Brown

Person(s) receiving communication: Commissioner Bonnie Neely

Name or description of project: Seacoast Inn (Th8,c)

Detailed substantive description of content of communication:
(If communication included written material, attach a copy of the complete text of the written material.)

Applicants and their representative indicated there was no local opposition to the project. We discussed project history and the appeal. The Hotel will be renovated and expanded with eco-tourism in mind. Can do hotel financing. The new facility will operate like a traditional hotel. Applicants voluntarily accepted conditions Commission imposed on Del Mar Hotel. Applicants indicated project is not precedent setting. Transient and occupancy tax collections in Imperial Beach are approximately \$300,000 a year. In Del Mar, which is 1/7th Imperial Beach's size, the TOT is \$1.7 million.

01/31/08

SIGNATURE ON FILE

Date

Signature of Commissioner

If the communication was provided at the same time to staff as it was provided to a Commissioner, the communication is not ex parte and this form does not need to be filled out.

If communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used, such as facsimile, overnight mail, or personal delivery by the Commissioner to the Executive Director at the meeting prior to the time that the hearing on the matter commences.

If communication occurred within seven days of the hearing, complete this form, provide the information orally on the record of the proceedings and provide the Executive Director with a copy of any written material that was part of the communication.

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Receiver
FEB 05 2008
California Coastal Commission
San Diego Coast District

**FORM FOR DISCLOSURE
OF EX PARTE
COMMUNICATION**

Date and time of communication:
(For messages sent to a Commissioner
by mail or facsimile or received as a
telephone or other message, date
time of receipt should be indicated.)

2/1/08 - 2:00 p.m. by phone

Location of communication:
(For communications sent by mail or
facsimile, or received as a telephone
or other message, indicate the means
of transmission.)

Commissioner Neely's Eureka Office

Person(s) initiating communication:

Katie Wilson

Person(s) receiving communication:

Commissioner Bonnie Neely

Name or description of project:

Feb Agenda Item Racetrack View Drive,
San Diego County (Th8b)

Detailed substantive description of content of communication:
(If communication included written material, attach a copy of the complete text of the written
material.)

We reviewed the project background and discussed the reasons for the appeal. The applicant's representative provided information regarding the Coastal permit granted to the adjacent property, stated the reasons the project conforms to the Torrey Pines Community Plan, the Environmentally Sensitive Lands regulations, and Protection of Visual Resources regulations. All of this information is consistent with her letter to the Commission dated 1/14/08.

2/1/08

Date

SIGNATURE ON FILE

Signature of Commissioner

If the communication was provided at the same time to staff as it was provided to a Commissioner, the communication is not ex parte and this form does not need to be filled out.

If communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used, such as facsimile, overnight mail, or personal delivery by the Commissioner to the Executive Director at the meeting prior to the time that the hearing on the matter commences.

If communication occurred within seven days of the hearing, complete this form, provide the information orally on the record of the proceedings and provide the Executive Director with a copy of any written material that was part of the communication.

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Th8c

RECEIVED

FEB 04 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

February 4, 2008

Chairperson Patrick Kruer and Members of the
California Coastal Commission
San Diego District Coast Office
Deborah Lee, District Manager
Diana Lilly, Coastal Planner
7575 Metropolitan Avenue, Suite 103
San Diego, CA 92108-4402

RE: Seacoast Inn Appeal No: A-6-IMB-07-131

Substantial Issue Hearing – Thursday February 7, 2008 ITEM TH 8C

Dear Chairperson Kruer and Members of the Commission:

We are seeking to tear down an existing 38-room beachfront hotel in Imperial Beach and replace it with a new 78-room boutique hotel. We have spent several years working on the hotel design with City and Coastal staff in order to maximize the benefits to the public. The hotel is being pulled back off the beach and located on top of what used to be a "sea" of parking. The new parking will be a subterranean garage. As a result, we will be dedicating over 35 feet of beach west of the new hotel to the public right-of-way. The new hotel is curvilinear which opens up the view corridor by over 50% (see Attachment A). In addition, the hotel incorporates a host of environmentally friendly design features including solar panels and an on-site environmental manager. We seek to finance construction of the new hotel through an equity financing, or condo-hotel structure. This will give the project the push it needs to make sense financially in light of the increased construction costs we will incur in order to make the project meet the spirit of the Coastal Act in all other respects. (We are preparing a proforma that we will deliver to you before the hearing.)

Condo-hotel financing in this case will also enable the construction of this hotel in an economically depressed market which otherwise would not support it. (A market study prepared by Jones Lang LaSalle Hotels will be delivered to you before the hearing.) We intend to use condo-hotel financing as just that - simply a financing tool. It will not have an effect on the hotel operations because it is our opinion that the most successful condo-hotels are indistinguishable from traditionally financed hotels. We will operate the hotel ourselves (Pacifica Hosts, Inc.) as a traditional hotel. We have taken the restrictions imposed by the Coastal Commission and Coastal staff on other condo-hotel projects such as the Hotel Del Coronado and applied them to our project verbatim in the Development Agreement approved by Imperial Beach City Council (see page 17, Section 6.09, of the Development Agreement attached to the coastal staff report). These restrictions, which

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apply to the operation of the hotel and the CC&R's, are also repeated in both our Specific Plan and as Conditions of Approval that were passed when the project was approved by the City. Pacifica Hosts, Inc. operates 32 other well known resorts including recognized brands such as Marriott, Holiday Inn, Hilton, Double Tree, Courtyard by Marriott, Best Western, Radisson, Hampton Inn and several other boutique assets, and we intend to operate Seacoast Inn in a similar manner to those properties.

1. THE SEACOAST INN WILL HAVE A POSITIVE IMPACT ON PUBLIC ACCESS

Imperial Beach currently has three hotels within the City. There have been no new hotels developed in Imperial Beach in the last 40 years. There was a moratorium on short-term vacation rentals in residential zones from 2001-2003 while the City analyzed and held hearings on ordinance changes addressing issues regarding short-term vacation rentals in residential zones. The analysis showed that visitors were more interested in paying higher rates for overnight stays in quality residential condominiums and apartments than in lower-priced rooms at the existing Seacoast Inn.

According to recent data gathered by San Diego Coastkeeper (see Attachment B), an environmental non-profit organization, the annual occupancy rates for short-term vacation accommodations within the City of Imperial Beach do not exceed 59% with a 20% margin of error (even considering the margin of error, occupancy does not exceed 70%). The data also indicate that there is an ample supply of reasonably priced accommodations within 1.5 miles of Portwood Pier and Dunes Park in Imperial Beach: there are 116 hotel rooms with rates ranging from \$89-\$285, approximately 75 private rental units with rates ranging from \$64-\$443, and 124 RV spots with rates ranging from \$40-\$65. In addition, there are 306 low cost visitor-serving rooms in the City of San Diego within 3.1 miles of Imperial Beach as well as 420 RV and trailer spots in the surrounding area.

2. THE SEACOAST INN WILL FILL A VOID IN FULL SERVICE HOTEL ROOMS

Although the City of Imperial Beach has an ample supply of low cost visitor serving accommodations, it lacks diversity in terms of accommodation type. The redeveloped Seacoast Inn will be the first full service hotel in the City, and will provide much needed mid-market accommodations to visitors. The hotel includes a public restaurant, conference space and a pool. Even as a renovated boutique hotel the Seacoast Inn projects reasonable average daily room rates of approximately \$138/night. Even if owners stay the full 90 days permitted by the Development Agreement, the proposed hotel would result in a 55% increase in the number of room nights available to the general public (see Attachment C), therefore this project has no negative public access implications.

3. THE SEACOAST INN WILL PROVIDE PUBLIC BENEFITS

The Seacoast Inn provides many public benefits and public access features including:

- 78 hotel rooms with kitchenettes.
- Removal of a surface parking lot and replacement with underground parking.
- Environmentally friendly hotel features including (but not limited to):
 - Reflective dual glazed windows (with low e coefficient) for reduction of heat load.
 - Windows, glass features, and the pool screen designed to minimize the potential for bird strikes.
 - Priority on the use of natural and local materials (floors and selected walls will be made of “Sea Stone”: a recycled veneer made from materials such as shells and glass from the sea).
 - The use of paint will be minimized. The design includes many natural materials that are intended to remain unfinished. Where paint is utilized it will be VOC-paint.
 - Low flush toilets and fixtures.
 - Landscaping that relies on plants native to the region that have low water requirements.
 - Drip irrigation to reduce water use by 50%. The system will utilize a variety of hardware designed to maximize irrigation efficiency.
 - Taps will contain special aerators that increase the water’s force and reduce outflow, saving up to 50% of water.
 - Solar collector panels on the roof to provide all of the hotel’s hot water and space heating needs.
 - A tank system attached to the air-conditioning system to store cold energy during off-peak hours. This stored energy will then be used during the peak hours/periods reducing compressor overloading and cutting power consumption.
 - Electronic reduced voltage soft starter energy savers in the A/C compressors.
 - An “eco button” on the master control panel to be placed alongside the bed so guests can participate in energy conservation.
 - An extensive recycling program, maximizing the categories of recycling with a goal to completely eliminate waste.
 - Separate recycling bins for guest use in all rooms.
 - Recycled plastic garbage bags.
 - Paper products that contain at least 50% recycled content.
 - Hotel Management will work in conjunction with City staff, Chamber of Commerce, and regional environmental groups to establish a venue and environmental programs to be held at the hotel.
 - An environmental manager on staff.
- The dedication of 35 feet of beach back to the public.
- Improved view corridors (increasing view by 50%).
- Beach sand replenishment.

4. THE SEACOAST INN IS CONSISTENT WITH THE GENERAL PLAN AND LCP.

The hotel has been identified as a major priority for the City of Imperial Beach for many years. It is the number one priority in the City's "Vision Plan" and was also acknowledged as an essential component of the City's future in the 2001 "Imperial Beach Survival Plan." It was also identified as a key redevelopment project in the City's "Ecotourism Study." The proposed hotel conforms to the City's General Plan and Local Coastal Program. Consistency with each tenet of the two documents is spelled out point-by-point in the Specific Plan for the project.

5. THE SEACOAST INN WILL GENERATE MUCH NEEDED REVENUE FOR THE CITY OF IMPERIAL BEACH.

Imperial Beach's sales tax revenues per capita rank the City at 507th out of 535 jurisdictions in the State of California (see Attachment D). The proposed hotel will generate the following revenues for the City. This represents an increase of more than \$485,000 over the revenue being produced by the existing hotel:

PROJECTED HOTEL REVENUES:

• Transient Occupancy Tax (TOT)	\$282,878
• Tax Increment	\$287,020
• <u>Sales Tax</u>	<u>\$13,777</u>
Total Projected Revenue	<u>\$583,675</u>

6. WE URGE YOU TO FIND NO SUBSTANTIAL ISSUE.

There is a desperate need for a full service hotel in Imperial Beach, and Pacifica Companies seeks to alleviate that need by constructing a 78-room full service hotel in an economically depressed area. The hotel will provide public benefits and much needed revenue to the City that will in turn improve public access through the provision of lifeguards, etc. The proposed condo-hotel financing will give the project the push it needs to be feasible and marginally profitable in a City in need of a catalyst project. The hotel's operation is fully restricted using Coastal Commission standards so as to ensure it functions as a traditional hotel.

Finally, the project has received broad support from members of the community, elected officials, environmental organizations, and local businesses. It has received no opposition. The community embraces this project and is anxious to see it built. We urge you to find no substantial issue so that we can move forward and break

ground by the end of the year. Please feel free to contact me on my cell phone if you have any questions: 619-851-1297.

Sincerely,

SIGNATURE ON FILE

Allison Rolfe
Project Manager

Enclosure and Attachments

ATTACHMENT A



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ATTACHMENT B

A handwritten mark or signature in the bottom right corner of the page, consisting of a stylized, bold, black scribble.

Coastal Accommodations Supply and Demand Analysis, City of Imperial Beach, California, June 2007

Prepared by San Diego Coastkeeper on behalf of Pacifica Companies¹

1. Introduction

San Diego Coastkeeper prepared this report on behalf of Pacifica Companies in order to increase understanding of the impact on affordable² California coastal accommodations of condominium-hotel (condotel) development financing. Specifically, this report analyzes supply and demand by type and cost of accommodation within the City of Imperial Beach (City).

2. Method

Neither San Diego County nor the City collects and maintains room rate or occupancy data by accommodation. Instead, San Diego County purchases aggregate lodging statistics from Smith Travel Research, a business that acquires and audits travel-related data, and sells derivative statistics and reports.³ Businesses within the City hold this data closely and will not disseminate it for research purposes.

The data in this report was collected through investigative research methods including: communicating with San Diego County and City officials, speaking with business managers and staff, visiting accommodations, researching accommodations on the Internet, and obtaining documents. The derivation of each number or set of numbers is described in the report and footnotes.

This data consist of researched estimates rather than data collected through a systematic, controlled, and audited process. Approximate error rates for numbers in this report are indicated as follows: green numbers are highly accurate, within 2%; yellow numbers are within 5%; orange numbers are within 10%; and red numbers are within 20%.

3. Locations and Affordability of Short-Term Rental Accommodations

Only three hotels and motels currently operate within the City, along with more than seventy private vacation rental properties and one recreational vehicle (RV) resort (see Table 1, Figure 1).

¹ This analysis does not constitute an endorsement by San Diego Coastkeeper of Pacifica Company's Seacoast Inn development proposal or other condotel development projects.

² The California Coastal Commission defines affordable accommodations as those having an average daily room rate less than \$100 per night.

³ See

3.1. Beachfront Accommodations

The Seacoast Inn is located on the beach near the City's public beachfront area (Portwood Pier Plaza and Dunes Park).⁴ The Sand Castle Inn is located across the street (inland) from the Seacoast Inn.⁵

Within walking distance from the City's public beachfront, only privately-owned residences (condominiums) compete for the short-term vacation accommodation business. Unlike the Seacoast Inn and Sand Castle Inn, however, most private units offer two or three bedrooms, and more than one bathroom. Also, most are available only for weekly or monthly rental during the summer, with a three-night minimum stay during the remainder of the year.⁶

3.2. Inland Accommodations

The Hawaiian Gardens Suites Hotel is located further inland, approximately 1.5 miles from the City's public beachfront. It offers studio, one and two bedroom apartments for short-term rental and long-term lease. It caters to transient business visitors, offering affordable long-term rates for apartments with hotel-like management and services.⁷

The Bernardo Shores RV Resort rents affordable RV and mobile home spaces along the San Diego Bay, approximately one mile from the City's public beachfront and Coronado's public beaches.⁸ A substantial part of its business includes long-term RV stays of one month or more.⁹

The El Camino Motel, formerly located along the San Diego Bay adjacent to the Bernardo Shores RV Resort, closed permanently during the winter of 2007.¹⁰

3.3. Affordability

None of the beachfront accommodations meet Coastal Commission affordability criteria based on 2007 average daily room rates.¹¹ However, the Seacoast Inn and Sand Castle Inn do have some affordable rooms at the low end of their rate scale during the off-season¹². The Hawaiian Gardens Suites Hotel has affordable studios during the peak-season and many affordable rooms for long-term stays during the off-season¹³. Only the Bernardo Shores RV Resort qualifies as affordable for both long and short-term stays (see Table 1, Table 2).

⁴ See

⁵ See

⁶ See

⁷ See

⁸ See

⁹ Conversation with Bernardo Shores RV Resort staff on duty, June 6, 2007.

¹⁰ Conversation with Imperial Beach City Manager, Mr. Gary Brown, June 5, 2007.

¹¹ Average daily room rate is calculated as follows: total the daily rates charged for each unit, for every day of the time period of interest; divide the total by the number of units, times the number of days in the time period of interest.

¹² Off-season is Labor Day through Memorial Day.

¹³ Peak-season is Memorial Day through Labor Day.



Table 1 – Imperial Beach Short-Term Rental Accommodations

Name and Address (Imperial Beach, CA 91932)	Distance from Portwood Pier & Dunes Park (mi)	Type (as of summer 2007)	Number of Units (2004-2007)
Seacoast Inn 800 Seacoast Dr.	0.1	Short-term >\$100 per night	38
Sand Castle Inn 785 Seacoast Dr.	0.2	Short-term >\$100 per night	14
Private Rental Units Concentrated in the vicinity of: 714 Seacoast Dr. (Beach Club) 1600's Seacoast Dr. 100's Palm Ave.	0.1 – 0.8	Short & long-term >\$100 per night	Unknown (2007) 73 (2006) 79 (2005) 82 (2004)
Bernardo Shores RV Resort 500 Highway 75	1.0	Short & long-term <\$100 per night	124
El Camino Motel 550 Highway 75 (Closed winter 2007)	1.3	Short-term <\$100 per night	0 (2007) 48 (2004-06)
Hawaiian Gardens Suites Hotel 1031 Imperial Beach Blvd.	1.5	Short-term >\$100 per night Long-term <\$100 per night	64

**Figure 1 -
Locations of Imperial Beach Short-Term Rental Accommodations**

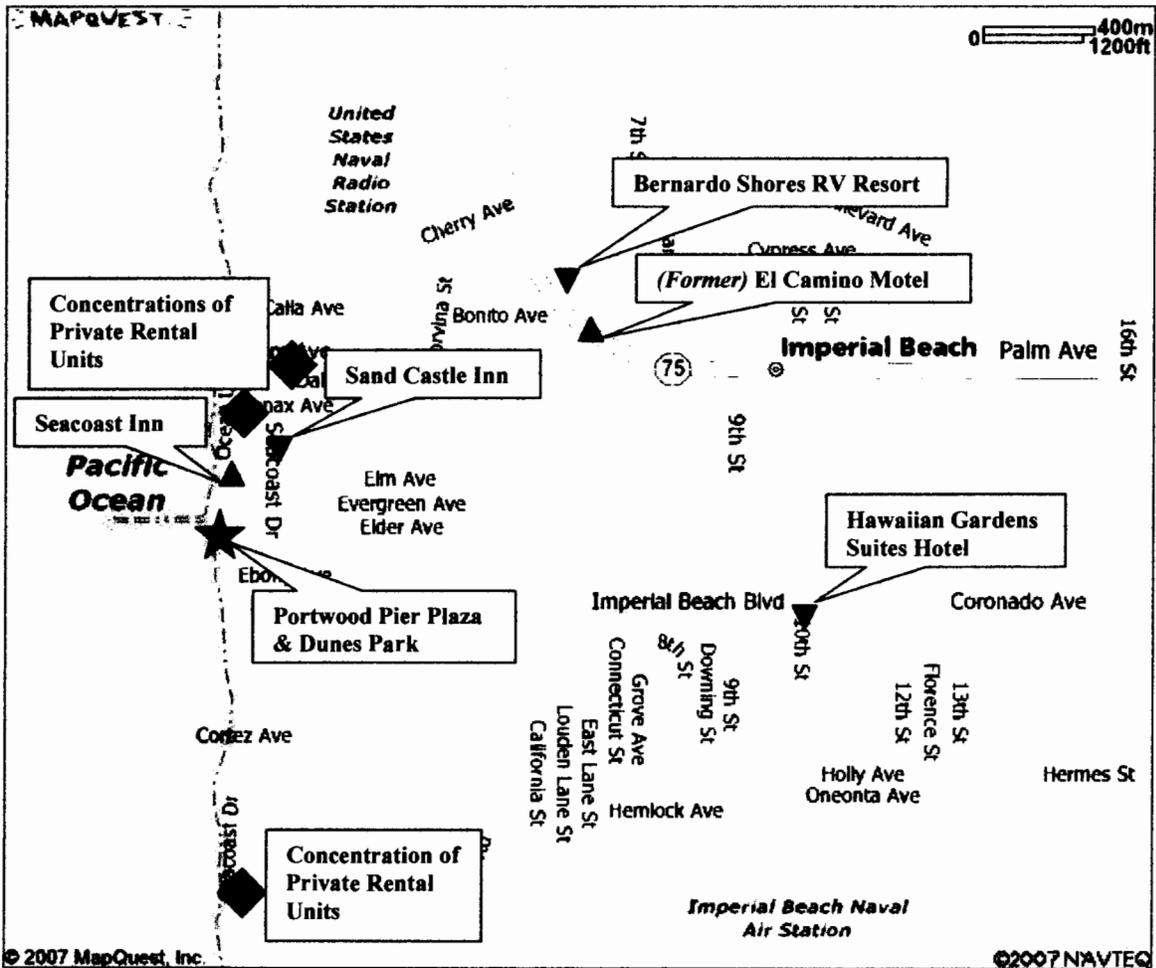


Table 2 – Imperial Beach Accommodations 2007 Peak-Season Daily Room Rates		
Name	Daily Room Rate (range)	Average Daily Room Rate
Seacoast Inn ¹⁴	\$102-\$189	
Sand Castle Inn ¹⁵	\$109-\$285	
Private Rental Units ¹⁶ (available only by week)	\$64-\$443	\$259
Bernardo Shores RV Resort ¹⁷	\$40-\$65	
El Camino Motel (Closed Winter 2007)	<i>Not operating</i>	<i>Not operating</i>
Hawaiian Gardens Suites Hotel ¹⁸	\$89-\$159	\$131

3.3. Historical Average Daily Room Rates

Historical average daily room rates were calculated by comparing 2007 room rates with 2005 room rates,¹⁹ along with the annual increases in average daily room rates for San Diego County from 2005 to 2007 (see Table 3).²⁰ These historical average room rates are calculated for the purpose of comparison with the City's historical Tourism Occupancy Tax (TOT) collections data.

¹⁴ Estimates are based on Summer 2007 advertised room rates obtained via the Internet and a conversation with the hotel manager on June 6, 2007. The Seacoast Inn has 12 king rooms, 12 double rooms, and 14 poolside rooms. Assumed that 1/3 of rooms rent at full price, 1/3 rent at the AAA 10% discount rate, and 1/3 rent at the 17% discount for Internet booking, which amounts to a 9% overall discount from the advertised rates. See

¹⁵ Estimates are based on Summer 2007 advertised room rates obtained via the Internet and a conversation with hotel staff on duty on June 6, 2007. The numbers of each type of room were estimated by a Sand Castle Inn staff member during a conversation on June 6, 2007 (4 standard queen, 2 kitchenette queen, 2 kitchenette double, 1 kitchenette with view, 5 suites with bed and sofa, 1 suite with view single, and 1 suite with view double). The Sand Castle Inn does not advertise any discounted room rates. See

¹⁶ Estimates are based on a 30-unit sample of 73 private units offered as vacation rental according to the City's TOT Monthly Payment Report for 2005-2006. The sample includes all but three units that were located by searching the Internet for addresses listed on the TOT Monthly Payment Report. Two of the three units excluded from the sample are available only for summer rental; the other provides only limited room rate information on its website. The advertised rates for the 30 sample units were used to determine the average daily room rate. Only weekly rates were included in the average daily room rate calculation (off-season daily rate and monthly rate information were excluded because many units are not offered on a daily basis, and long-term monthly occupancy is outside the scope of this report). See

¹⁷ The Bernardo Shores RV Resort's daily and weekly space rental rates were obtained through a conversation with a staff member on June 7, 2007. Assumed equal availability of \$50 and \$65 RV spaces, and equal demand throughout the summer for daily spaces and \$40 per night weekly spaces. See

¹⁸ The Hawaiian Gardens Suites Hotel's online booking tool was used to verify quotes given by a staff member over the phone on June 8, 2007. Assumed equal availability of each of the five room types (2 bedroom suite with 2 baths, 2 bedroom suite with 1.5 baths, 2 bedroom suite with 1 bath, 1 bedroom suite, and studios). The Hawaiian Gardens Suites Hotel does not advertise discounted room rates. Assumed equal demand for daily and weekly rental, and disregarded monthly room rates in calculating average daily room rates based on daily and weekly occupancy. See

¹⁹ See Pacifica Company's Seacoast Inn Specific Plan, Hotels in Imperial Beach and Nearby Cities.

²⁰ See Smith Travel Research lodging reports available on the Go California website

**Table 3 – Imperial Beach Accommodations
2004-2007 Average Daily Room Rates**

Name	Peak-season 2007 ²¹	Off-season 2007	Overall 2007 ²²	2006 ²³	2005 ²⁴	2004 ²⁵
Seacoast Inn				\$146	\$146	\$146
Sand Castle Inn				\$146	\$146	\$146
Private Rental Units	\$259	164 ²⁸	\$188			\$161
Bernardo Shores RV Resort				\$146	\$146	\$146
El Camino Motel (Closed Winter 2007)	N/A	N/A	N/A	\$146	\$146	\$146
Hawaiian Gardens Suite Hotel	\$131			\$146	\$146	\$146

²¹ See Table 2.

²² The overall 2007 average daily room rate was calculated by combining the peak-season average daily room rate (weighted according to the 28% of calendar days from Memorial Day weekend through Labor Day weekend), with the off-season average daily room rate (weighted by the other 72% of calendar days in 2007).

²³ Because data is available for 2007 and 2005, 2006 average daily room rates were calculated by averaging 2007 and 2005 average daily room rates, except where otherwise noted for private rental units and the El Camino Motel.

²⁴ 2005 annual average daily room rates were calculated by taking the average of the high and low-end daily room rate listed in Pacifica Company's 2005 Seacoast Inn Specific Plan, Hotels in Imperial Beach and Nearby Cities, except where otherwise noted for private rental units and the Hawaiian Gardens Suites Hotel.

²⁵ 2004 average daily room rates were calculated by applying a -5.3% change from 2005 average daily room rates. The -5.3% change from 2005 to 2004 is based on combining the average daily room rate increases from 2005 to 2006 (+5.7%) and from 2006 to 2007 (+4.9%). These numbers for San Diego County were obtained from Smith Travel Research lodging reports available on the Go California website

²⁶ See note 14 for method of calculation. The Seacoast Inn's off-season average daily rate is 12% less than its peak-season average daily rate.

²⁷ A Sand Castle Inn staff member stated that it keeps its rates similar to those of the Seacoast Inn (conversation on June 7, 2007). Because the Sand Castle Inn is not currently advertising its off-season rates, its \$146 peak-season average daily rate was reduced by 12%, the difference between the Seacoast Inn's peak and off-season average daily room rates.

²⁸ See note 16 for method of calculation.

²⁹ Because private rental unit rates prior to 2007 are not available, the 2007 average daily room rate was reduced by 4.9%. The -4.9% change reflects the average daily room rate change for San Diego County from 2006 to 2007, obtained from the Smith Travel Research lodging reports available on the Go California website

³⁰ See also note 29. Because private rental unit rates prior to 2007 are not available, the 2007 average daily room rate was reduced by 10.6%. The -10.6% change reflects the average daily room rate change for San Diego County from 2007 to 2006 (-4.9%) plus the change from 2006 to 2005 (-5.7%), obtained from the Smith Travel Research lodging reports available on the Go California website

³¹ Bernardo Shores' rates do not vary between the peak and off-seasons.

³² Because no data is available for El Camino Motel 2007 average daily room rates, the 2005 average daily room rate from Pacifica Company's 2005 Seacoast Inn Specific Plan, Hotels in Imperial Beach and Nearby Cities, was increased by 5.7%. The 5.7% increase reflects the average daily room rate increase for San Diego County from 2005 to 2006, obtained from the Smith Travel Research lodging reports available on the Go California website

³³ See note 18 for method of calculation. Off-season room rates are based on verbal price quotes obtained during a phone conversation with Hawaiian Gardens Suite Hotel staff on June 8, 2007.

³⁴ The Hawaiian Gardens Suites Hotel average daily room rate for 2005 was calculated by applying the percent difference between the low-end room rates in 2007 and 2005 (11%) to the overall 2007 average daily room rate. The high-end room rate was excluded from the calculation because it was unusually high compared to other published rates for the hotel, suggesting that during 2005 it was charging much higher rates for its two high-end suites compared with its other 12 rooms.

4. Occupancy Rates

Occupancy rates were calculated by comparing average daily room rates (see Table 2, Table 3) with the City's annual TOT collections data for the years 2004-2006.³⁵ TOT collections data for 2007 was not made available by the City.

4.1. **Estimating Occupancy Rates for Each Accommodation**

For the hotels, motels, and private vacation rental units, occupancy rates were calculated according to the following method. First, the total annual TOT payments for each accommodation (determined based on address) was multiplied by 1.10 to determine its actual annual short-term rental revenue. Next, the maximum possible annual short-term rental revenue (based on 100% occupancy) for each accommodation was calculated by multiplying the annual average daily room rate by 365 days and the number of its available rental units (see Table 4). Finally, the actual short-term rental revenue for each accommodation was divided by the maximum possible revenue to yield an estimate of its occupancy rate (see Table 5). Because TOT is not assessed on RV space rentals, occupancy rates for the Bernardo Shores RV Resort cannot be derived from TOT collections data.

**Table 4 – Imperial Beach Accommodations
Annual Actual Short-Term Rental Revenue Compared with
Maximum Possible Revenue (based on 100% occupancy)**

Name	2004			2005			2006		
	TOT Paid ³⁶	Actual Revenue ³⁷	Max Revenue ³⁸	TOT Paid ³⁹	Actual Revenue	Max Revenue	TOT Paid ⁴⁰	Actual Revenue	Max Revenue
Seacoast Inn	\$81,509	\$815,090	\$1,100,000	\$81,509	\$815,090	\$1,100,000	\$81,509	\$815,090	\$1,100,000
Sand Castle Inn			\$1,100,000			\$1,100,000			\$1,100,000
Private Rental Units	\$108,824	\$1,088,240	\$4,818,736						
Bernardo Shores RV Resort	No data	N/A		No data	N/A		No data	N/A	
El Camino Motel (Closed Winter 2007)	\$11,189	\$111,890							
Hawaiian Gardens Suites Hotel	\$37,469	\$374,690							

³⁵ The City imposes a 10% TOT tax on short-term (30 days or less) accommodation rental (hotel and motel rooms, and private homes operating as vacation rentals). TOT data was obtained from the City's TOT Monthly Payment Reports for 2003-2004, 2004-2005, and 2006-2007. The TOT Monthly Payment Reports were obtained by Pacifica Company from the City Manager, Mr. Gary Brown.

³⁶ Errors result from gaps in TOT Monthly Payment Report data. Data gaps (months for which TOT payment is not reported, not the same as zero payment) were filled with the average of the accommodation's TOT payments for the preceding and following months.

³⁷ Actual revenue is equal to the TOT paid by each accommodation multiplied by 1.10. Because TOT is not assessed against long-term rentals, actual revenue is systematically underestimated for accommodations which offer some units as long-term rentals, notably private rental units and the Hawaiian Gardens Suites Hotel.

³⁸ Max revenue is equal to the average daily room rate, multiplied by 365 days, multiplied by the number of units available. This method systematically overestimates the maximum annual rental revenue for accommodations which offer some units as less-expensive long-term rentals, notably private rental units and the Hawaiian Gardens Suites Hotel.

³⁹ See note 36.

⁴⁰ See note 36.



4.2. Systematic Underestimation of Occupancy Rates for Accommodations Offering Both Short and Long-Term Rentals

This report systematically under-estimates occupancy rates for accommodations offering a mix of both short and long-term rentals, notably private rental units and the Hawaiian Gardens Suites Hotel.⁴¹ The underestimation occurs because TOT is not assessed against long-term rentals (longer than thirty days). Additionally, part-year use by owners results in further underestimation of occupancy rates for private rental units (see Table 5).⁴² This problem must be considered when using this method to analyze occupancy in markets offering mixed long and short-term rental accommodations, such as condotels.

Name	2004	2005	2006
Seacoast Inn			41%
Sand Castle Inn	36%	28%	12%
Private Rental Units <i>(Systematically under-estimated)</i>	23%	18%	20%
Bernardo Shores RV Resort	Unknown	Unknown	Unknown
El Camino Motel <i>(Closed Winter 2007)</i>		11%	13%
Hawaiian Gardens Suite Hotel <i>(Systematically under-estimated)</i>		14%	17%

⁴¹ The average daily room rates for these accommodations are based only on daily and weekly room rates (excluding less-expensive monthly room rates), resulting in overestimates of their average daily room rates and their maximum annual rental revenue. Under-estimated annual rental revenue was divided by over-estimated maximum annual rental revenue to determine occupancy rates. Thus, occupancy rates for private rental units and the Hawaiian Gardens Suites Hotel were systematically underestimated.

⁴² The maximum annual rental revenue is calculated based on the assumption that units are available for rental throughout the year. This assumption inflates the maximum annual rental revenue for units reserved for use by their owners during part of the year, which decreases the maximum annual rental revenue according to the fraction of the year the unit is actually available for rental. No information is available on annual average use of private rental use by their owners.

5. Conclusion

Even considering the approximate error rates, annual occupancy rates for short-term vacation accommodations within the City do not exceed 70%, suggesting that supply exceeds demand for vacation accommodations more expensive than \$100 per night. Since the El Camino Motel closed in the winter of 2007, only the Bernardo Shores RV Resort offers affordable short-term accommodations during the summer. No numerical data is available regarding the demand for short-term stays at Bernardo Shores,⁴³ but the closure of the El Camino Motel suggests either low demand for, or infeasibility of operating affordable hotels or motels within the City.⁴⁴

⁴³ According to a Bernardo Shores staff member, short-term accommodations are usually available daily throughout the summer; however, the resort books up as much as one to three months in advance for long-term stays (conversation June 7, 2007).

⁴⁴ Several low-cost motels such as Motel 8 operate approximately one mile east of the former El Camino Motel, outside City limits and closer to the I-5 freeway, along Highway 75 (Palm Avenue).

ATTACHMENT C

Seacoast Inn's Contribution to Visitor Serving Accommodations in Imperial Beach

EXISTING HOTEL

38 rooms @ 365 days = 13,870 room nights available to the general public

PROPOSED HOTEL

78 rooms @ 365 days = 28,470 room nights

- the 90 day permitted stay = 7020 room nights used by owners

TOTAL = 21,450 room nights available to the general public

SUMMARY

- Under the worst case scenario*, the proposed hotel would result in a 55% increase in the number of room nights available to the general public (*even if owners stay the full 90 days permitted by the Development Agreement – which they likely will not).
- If owners stay the industry projected average of 2 weeks, the number of room nights available for public use increases from 13,870 currently to a total of 27,378 – which is an increase of 97% in on-site over-night accommodations.
- Owners earn revenue when their room is rented out to the public. Many will choose to stay at the hotel in the off-season so that they don't lose the summer revenues. Seacoast Inn has a very low occupancy rate in the winter. Owners will tend to stay at the hotel when it is hard to fill anyway. And, just like any member of the general public, they are required to pay TOT during their stays which, in turn, increases the City's ability to provide basic public safety (i.e., lifeguards) and improved access to and recreational opportunities for beach users, visitors and tourists.
- Conversion to residential cannot and will not occur. It would require a General Plan and LCP Amendment (for increased density) necessitating City Council AND Coastal Commission approval. In fact, the opposite trend is occurring as residential condominiums in this zone are almost exclusively being used as short term vacation rentals, not residences.

ATTACHMENT D

IB Compared to Other Beach Cities

	Imperial		Solana		Del
	Beach	Coronado	Beach	Mar	
Property Tax	\$2.2	\$15.6	\$4.9	\$3.2	\$3.2
Sales Tax	\$1.0	\$2.6	\$3.1	\$1.7	\$1.7
VLF In Lieu	\$2.1	\$1.7	\$1.0	\$0.3	\$0.3
T.O Tax	\$0.3	\$9.8	\$0.9	\$1.7	\$1.7
Other Taxes	\$0.3	\$0.2	\$0.2	\$0.3	\$0.3
Tax Revenue	\$5.9	\$29.9	\$10.1	\$7.2	\$7.2

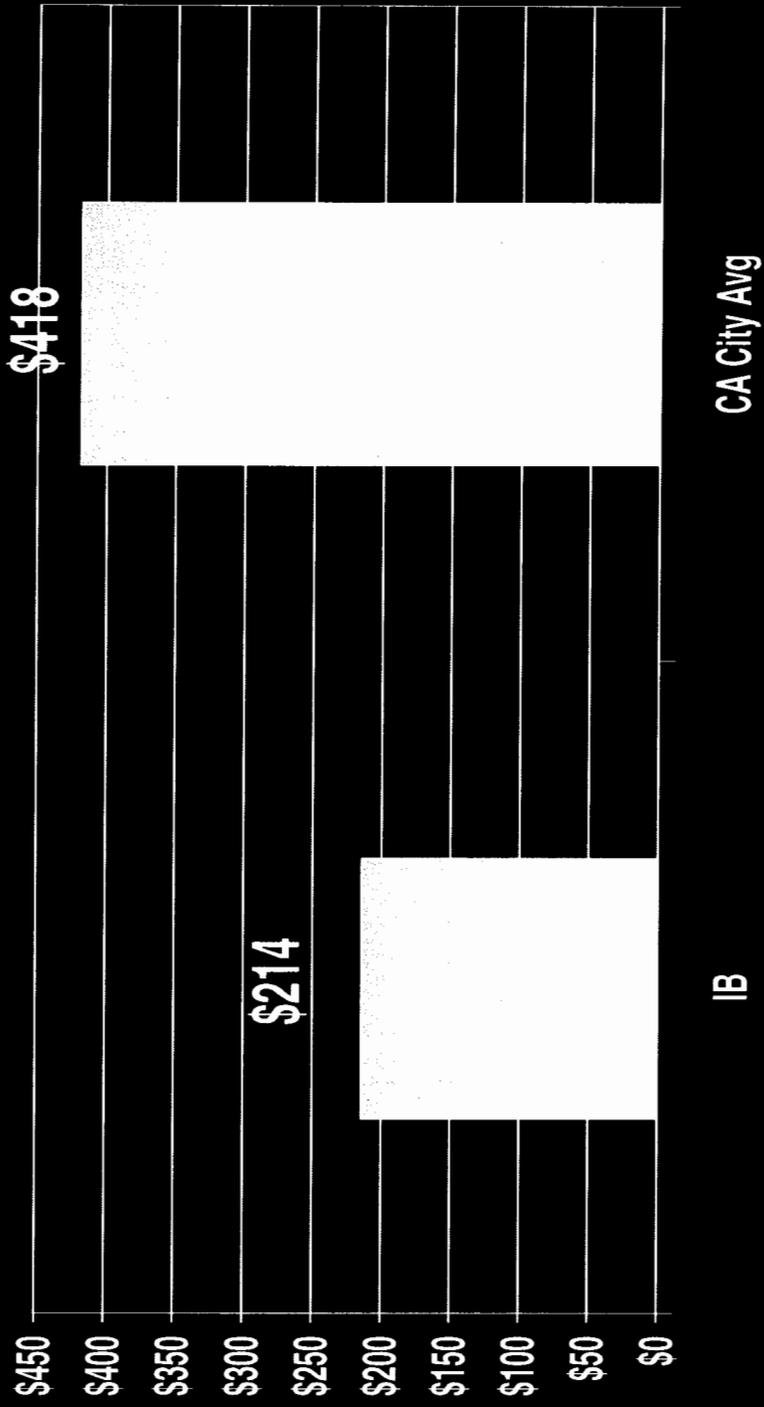
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Per Capita General Fund Tax Revenue Comparisons

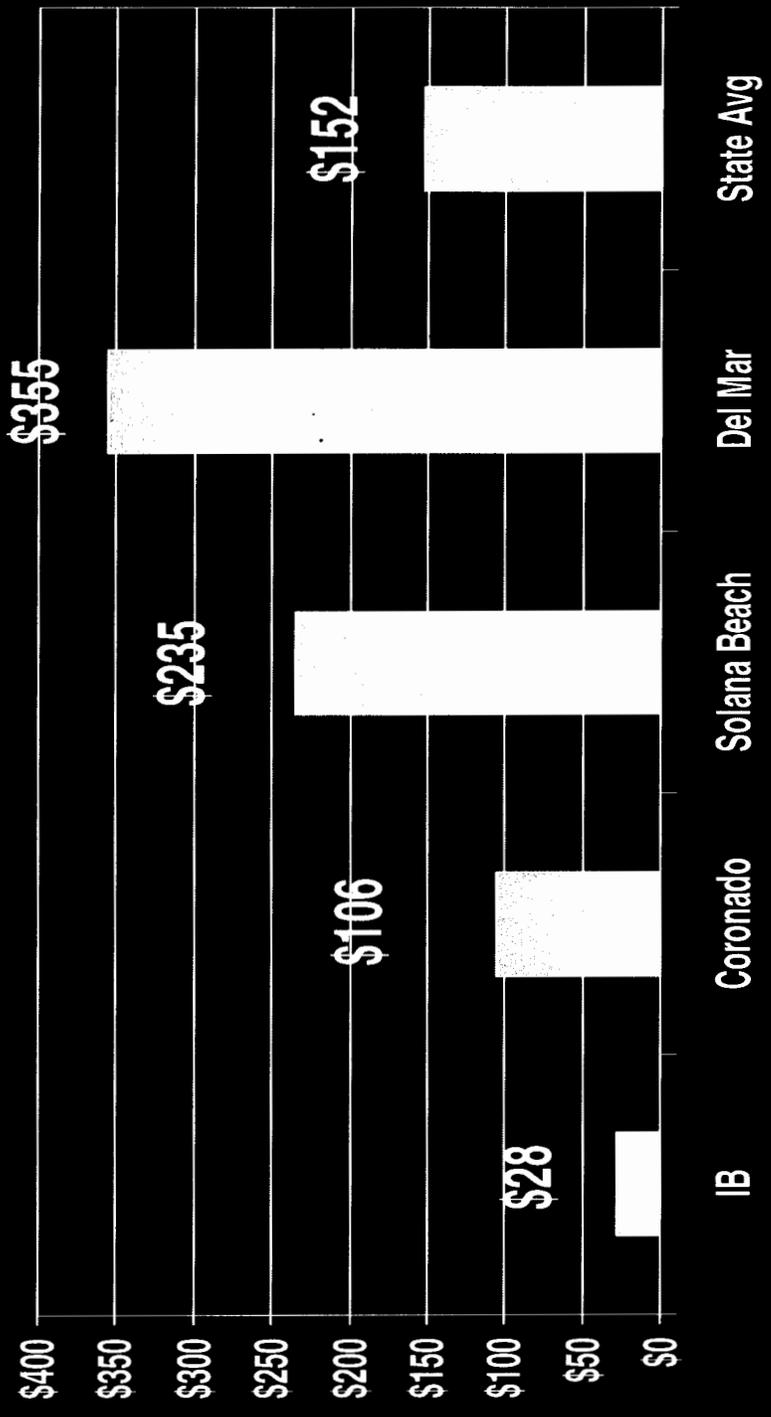


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IB Per Capita Tax Revenue Compared to City Average



Sales Tax Revenue Per Capita



A

Sales Tax per Capita

- Imperial Beach receives \$28 of sales tax per capita
- State Average is \$152 per capita
- Imperial Beach ranks 507 out of 535 California jurisdictions in Sales Tax per Capita
- Sales Tax would increase \$3.4 million if IB was at the State per capita average

42

Tax Revenues Lagging

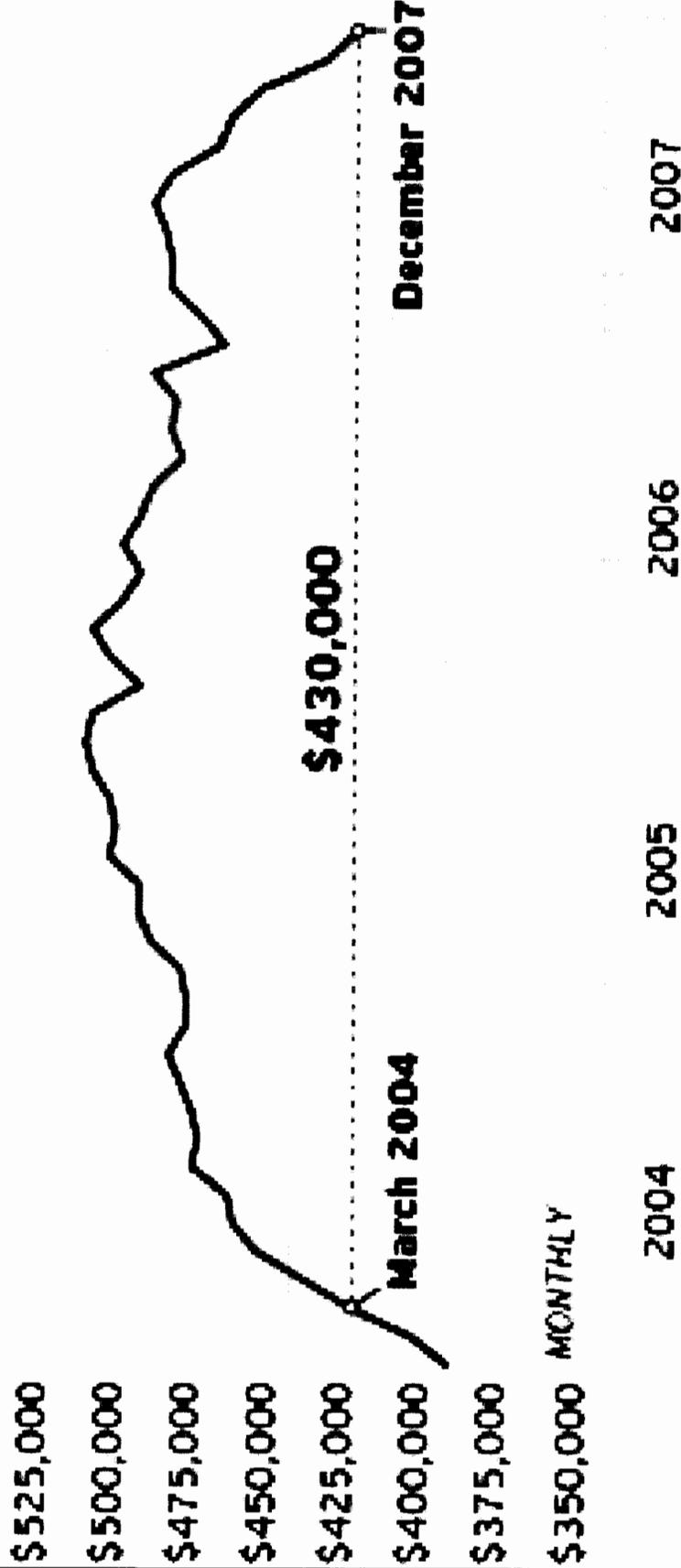
	Tax Revenue	% of Total Taxes	
Base Property Tax	\$1.8	31%	Frozen, will not grow
Sales Tax	\$1.0	17%	Has not grown since FY 2004-05
T.O Tax	\$0.3	5%	Has not grown since FY 2004-05
Subtotal	\$3.1	53%	
VLF In Lieu	\$2.1	36%	Growth tied to Assessed Value
Tax Incr. Pass Thru	\$0.4	7%	Growth tied to Assessed Value
All Other Taxes	\$0.3	5%	
Total Tax Revenue	\$5.9	100%	

- Half of the Tax Revenues are not growing
- Remaining Tax Revenues tied to Assessed Value growth
- Need healthy AV growth to balance budget

Falling Housing Prices

MEDIAN HOME PRICES FOR SAN DIEGO COUNTY

The median home price has returned to the level of almost four years ago.



SOURCE: DataQuik Information Systems

UNION-TRIBUNE

Allison Rolfe

From: Front Desk
Sent: Thursday, January 24, 2008 9:15 AM
To: Allison Rolfe
Subject: Seacoast inn. (news paper article)
Attachments: image005.gif

RECEIVED

FEB 04 2008

CALIFORNIA
 COASTAL COMMISSION
 SAN DIEGO COAST DISTRICT

Seacoast Inn redevelopment facing appeal

Coastal Commission will take up plan

By Janine Zúñiga
 STAFF WRITER

January 24, 2008

IMPERIAL BEACH – The California Coastal Commission will consider an appeal to a plan to redevelop the dilapidated Seacoast Inn in Imperial Beach. And that has city officials puzzling over the agency's concerns.

In November, Imperial Beach officials approved plans to demolish the city's only beachfront hotel – a 38-room, rectangular eyesore. It is to be replaced with a curvilinear resort hotel with 78 rooms, which will be individually sold as limited-term-occupancy condominiums.

The idea of a condo-hotel appears to be the central issue in the appeal, filed Dec. 28 by Coastal Commission members Mary K. Shallenberger and Sara Wan. The commission will discuss it Feb. 7 at 8 a.m. in the Oceanside City Council chambers.

In the city's response dated Jan. 16, Community Development Director Greg Wade said officials are disappointed given the time and effort spent on the project for seven years. Wade said it has received unprecedented approval from residents, business owners and city leaders.

“Never has the city witnessed a beachfront project of this scale enjoy such widespread community support and enthusiasm,” the letter stated.

The appeal suggests the project is inconsistent with the city's Local Coastal Plan, which dictates development along Imperial Beach's shore in partnership with the Coastal Commission.

Shallenberger and Wan cite concerns about whether condo-hotels are permitted in the coastal zone. They said condo-hotel projects “would function only part time as overnight visitor-serving accommodations.”

The appeal noted that if owners occupy the rooms, visitors cannot, adding that it may be better instead to provide “year-round



DON KOHLBAUER / Union-Tribune
 Plans to replace the Seacoast Inn near the Imperial Beach pier gained city approval in November. Pacifica Cos. will build a resort hotel with condo ownership.

Seacoast Inn redevelopment

■ Imperial Beach recently approved plans to redevelop the city's only beachfront hotel, the dilapidated Seacoast Inn.

■ The 78 new rooms will be sold as

45

overnight accommodations in all rooms.”

Further, if investors aren't satisfied with the financial return, commissioners say there may be pressure to allow longer stays for owners and convert the rooms to “purely residential use.” Under the proposal, owners could use them 90 days a year, but no more than 25 consecutively.

The two commissioners also said the estimated \$138 nightly room rate is not “lower cost” and raises “questions about the adequacy of supply of lower-cost, visitor-serving accommodations in the coastal zone.” Current room rates at the Seacoast Inn are \$115 per night, the appeal noted.

City officials responded that the commission recently approved two projects with similar condo-hotel financing: a 35-suite addition to the Hotel del Coronado and a 130-room hotel in Encinitas.

Imperial Beach official Wade said the project is consistent with city codes and coastal plans. In addition to providing nearly twice as many rooms for visitors, the project will return about 7,000 square feet of private beach to the public.

Owner-developer Pacifica Cos. estimates that each condo-room will be sold for \$345,000 to help finance construction. The condo-rooms will require full room service and a centralized reservation system.

Advertisement

Wade said the project will provide the public better views and access to the beach, conference facilities and a restaurant. He said owner-investors would be more restricted than regular guests, who do not have time limits on their stays. Wade said that when hotel developers use the term “condo-hotel,” they are typically referring to a financing mechanism and not how the property will be used.

“Extensive attention has been given to ensure that this project is and will always function as a hotel,” Wade said.

Wade noted that a development agreement between the hotel owner and the city restricts owner usage. He also said that owners and nonowners, both of whom will pay a 10 percent hotel tax, are by definition transient occupants and not residents.

Wade said the hotel will be significantly upgraded and have twice as many rooms, “but will still remain one of the most affordable beachfront hotels in the state.” He said rates will not increase significantly, and that neither the new rate nor the current rate qualifies as lower-cost as defined by the Coastal Commission at \$100 per night.

City officials say they have letters of support for the project from the cities of Coronado, Chula Vista and National City. They also are supported by Port Commission Chairman Mike Bixler, the city's port representative, and environmental and business groups.

limited-term-occupancy condos to raise money for construction.

■When not used by owners, the rooms will be placed in the hotel's rental program.

■The Coastal Commission will consider an appeal by two commissioners who cite concerns with the condo-hotel model and room availability and affordability.

■The meeting is at 8 a.m. Feb. 7 in the Oceanside City Council chambers, 300 N. Coast Highway.

TH8C

NAKAWATASE & COMPANY

Certified Public Accountant

923 Seacoast Drive • Imperial Beach, CA 91932-2401

(619) 423-7093 • FAX 423-8857

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JAN 25 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

January 14, 2007

Dear California Coastal Commission:

As the chair of the City of Imperial Beach Design and Review Board, former President of Imperial Beach Kiwanis and former President of the Imperial Beach Boys and Girls Club, I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town. Allison of Pacifica Companies (the developer) presented the project to our Board and to our Club and we were uniformly impressed with her integrity, the buildings "green" features, the donation of beachfront land to public use, and the overall benefits to coastal access, and the project's curvilinear design and ways to save energy and water.

Imperial Beach does not have a sustainable hotel in our city limits and our tourism dollars are severely lower per capita than any other beach town in Southern California. Our only motels in town are all over 30 years old and in poor condition. Unlike our neighbors Chula Vista and Coronado, we have seen little growth or improvements in many decades.

As a resident for 45 years, I cannot express strongly enough how a poor beach community like ours needs this hotel in order to provide necessary services for people visiting the California coast.

I can't imagine a better project in terms of providing a venue that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

LETTERS OF SUPPORT

www.BeachCPAs.com

47

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there.

This is one of those rare projects that has wide community support and deserves your support as well. The win-win scenario presented seems almost too good to be true and we plead with you to hasten the process needed to permit this development to move forward.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely

SIGNATURE ON FILE



Shirley Nakawatase, CPA

January 8, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Re: Seacoast Inn – Imperial Beach, CA

Dear Ms. Lilly and the Coastal Commissioners:

I am writing this letter in support of the proposed Seacoast Inn in Imperial Beach. I have been a resident of Imperial Beach since November 2005, and see nothing but positives with this project.

The existing building is an eyesore to the community, as well as to the beachfront area. I don't know anyone who would want to stay in the existing building, and I have in fact, had friends who have come to visit me stay in a hotel in another area, not here in Imperial Beach. I am very excited about the new hotel and cannot wait to be able to have both my family and friends stay there when they come to visit, both in the summer and winter months.

The new hotel will attract tourists to our small town and will help increase our revenues, which in turn will help our community as a whole. The fact that the hotel will be giving back beach area to the public is just another plus in this project. How wonderful it will be to have an additional 35 feet of beach for the public to use! This, in and of itself, speaks volumes of just how much this project will benefit the public as well as the City and it's residents.

Our small community does have the attraction of ecotourism and having a facility like the proposed Seacoast Inn will help to encourage those persons to come and enjoy the bird watching, bike riding, and beach walking we have to offer as well as enjoying the small community feel the City of Imperial Beach has. The fact that the hotel will be built with "green", ecologically friendly and energy saving designs, is just another added feature and bonus to those who come to stay.

Currently, the existing structure blocks any view of the beach from the street, and the new design will open up the view so that the beach and ocean can be seen from the sidewalk. The new hotel will also have additional amenities for both the community and the visiting public with both the conference rooms and the full service restaurant. How wonderful it will be for our Chamber of Commerce and City Staff to be able to have functions here in Imperial Beach instead of having to go outside of the city.

Received

JAN 09 2008

California Coastal Commission
San Diego Coast District

19

As a homeowner here in Imperial Beach, I see the hotel as a way to help with our City's economy by having tourists come and stay, eat and shop here. It is a wonderful design, both inside and out, that can only help to showcase Imperial Beach as a place to come visit and enjoy the beach and estuary and the city itself. By allowing the Seacoast Inn to rebuild, I only see a plus for everyone; the City of Imperial Beach, the families that live here, the people who wish to come and continue to enjoy our beaches and those who may not have had a chance to come here, but may be encouraged by such a wonderfully designed hotel.

I implore you to allow this project to move forward and start breaking ground as soon as possible. There are only positives here, no negatives, in regards to this project.

Thank you for your time and attention in this matter.

Sincerely,

SIGNATURE ON FILE

Tina Barclay U
1061 11th St.
Imperial Beach, CA 91932

■■■ THE
■■■ SECURITIES
■■■ CENTER, INC.

245 "E" Street, Chula Vista, California 91910-2942

(619) 426-3550

January 22, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego District Office
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Re: Seacoast Inn

Dear Ms. Lilly,

I am a resident of the City of Chula Vista and a former President of the Chula Vista Chamber of Commerce and of the Rotary Club of Chula Vista. I frequently visit the City of Imperial Beach and often stop at the merchants along Seacoast Drive. This is a community and an area of our county that desperately needs more visitors drawn by a quality project as is proposed by Pacifica Company's redevelopment approach. The public and the local merchants will benefit from the open access to public facilities that are intended to add to the flavor along the coast and the Commission needs to positively align themselves with the wishes of the City of Imperial Beach and the local residents who seek to improve the quality of life and business along Seacoast Drive.

Thank you for the opportunity to address this important issue.

Sincerely,



SIGNATURE ON FILE

James E. Biddle
President

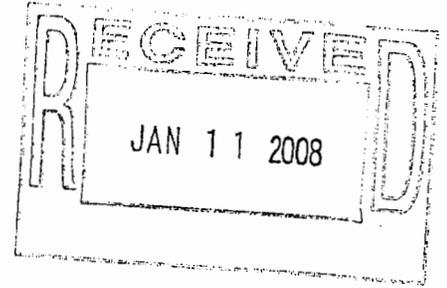
cc: City of Imperial Beach
Pacifica Companies

JAN 30 2008

California Coastal Commission

RECEIVED

JAN 11 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT**JANICE WINEKE**
1372 B Seacoast Drive
Imperial Beach, CA 91932
(562) 862-5300 * FAX (562) 862-0053

January 9, 2008

Greg Wade
City Hall
825 Imperial Beach Boulevard
Imperial, CA 91932

Re: PROPOSED NEW SEACOAST INN

Dear Mr. Wade:

I am a homeowner in Imperial Beach. I have been anxiously awaiting the final approvals for the new Seacoast Inn. The Inn will provide the following:

1. A medium priced hotel where more visitors/tourists can stay in a pleasant location to enjoy our lovely beach.
2. A much needed contribution to the other City business owners by bringing in more hotel guests. The hotel guests will undoubtedly shop and dine in the other City establishments.
3. A stimulation to other homeowners and business owners to clean up, fix up and repair their properties. Yes, Imperial Beach is a "quaint, low to medium income beach community". The new Seacoast Inn will not have a negative change to the make up of the community, it will add to the local flair.

Please do not deny us the opportunity to see this new development in town. Changes are good. Imperial Beach desperately needs changes, improvements and added sources of property tax and sale tax revenues.

Thank you for your consideration.

Cordially yours,

SIGNATURE ON FILE

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JAN 28 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

I am a resident of Imperial Beach and I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

I can't imagine a better project in terms of providing a beachfront hotel that everyone can enjoy. If you have seen the current Seacoast Inn, you understand what a vast improvement this project will bring to our coastline. The current hotel is a dilapidated eyesore, and absolutely needs to be replaced with the new, environmentally friendly design. This hotel will attract more people to our coast by providing more rooms to stay in, more beach area to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our town and they have succeeded. This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

I am not writing this because I stand to gain financially from the building of this hotel, I do not. I'm writing because I believe that this hotel is the first step in improving our town. It will be a catalyst for business and community growth, which will allow Imperial Beach to flourish.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

SIGNATURE ON FILE

Brian Kobets
728 Hemlock Ave
Imperial Beach, CA 91932
619.407.7203

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JAN 28 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

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Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

SIGNATURE ON FILE

Marey Stone, DDS
728 Hemlock Ave
Imperial Beach, CA 91932
619.407.7203

*We need this hotel!
We want this hotel!
Please help us improve our town!*

54

DL
Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

RECEIVED

JAN 28 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear California Coastal Commission:

As a resident of Imperial Beach I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

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Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

SIGNATURE ON FILE

Cathy Clamp
753 Elm Ave
Imperial Beach, CA 91932
619-701-1768

55

January 6, 2008

Diana Lilly
Costal Planner
California Coastal Commission
7575 Metropolitan Drive
Suite 103
San Diego, CA 92108

Dear Diana,

Why not have a new Seacoast Inn? Our Seacoast Drive businesses are struggling at our beach and a nice new Inn would give a tremendous boost to our economy.

Please reconsider this proposal and agree to approve this building plan immediately.

Sincerely,

SIGNATURE ON FILE

G. Beit-Ishoo
757 Emory Street
151
Imperial Beach, CA 91932

cc:
Gary Brown
or
Greg Wade
City Hall
Imperial Beach, CA

Received

JAN 08 2008

California Coastal Commission
San Diego Beach District

56

January 9, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

RECEIVED

JAN 09 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

As a life-long resident of this area, who served as a lifeguard for more than twelve years, as a high school civics teacher for more than thirty years, and as a current Imperial Beach city council member, I understand the duties and responsibilities of the California Coastal Commission which I fully support.

I read the Coastal Commission staff appeal on the Seacoast Inn. Also, I understand and appreciate the work and planning of all principals involved in the Seacoast Inn project, a process that has been ongoing for over eight years.

A reasonable, logical, and careful analysis of the project agreement would lead one to conclude as follows: the project will now and for the future provide locals and visitors with moderate cost, numerous beachfront accommodations. **This project doubles the number of moderately priced rooms available to the public.** In addition to easy access to the beach, there will be increased beach frontage and easy access by all beach goers to services provided by the project including meeting rooms and a new restaurant.

This project is an extremely important project to our city and to the region as it will serve as an attraction and as an anchor business for increased economic development of local and visitor serving businesses. As our beachfront is only approximately one and one half miles, with almost no other sites available, we urgently need this project. The lives of all, both locals and visitors, will be greatly enhanced. Moreover, it will help ensure the economic well-being of our region.

Thank you for your work on the Commission and for your interest and involvement in this worthy and important project.

Respectfully yours,

SIGNATURE ON FILE

Fred McLean
1312-A Seacoast Drive
Imperial Beach, CA 91932

57

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JAN 18 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Jan 17, 2008

California Coastal Commission
Attn: Diana Lilly

Dear Ms. Lilly as a long time resident of Imperial Beach I was very excited as well as all my friends that we were "finally" moving forward to improve our city. The Seacoast Inn project is the best thing that has happened in a long time. Any delays should not happen.

Please, let's move forward and start work immediately.

Thanks for your consideration in this matter.

Sincerely,

SIGNATURE ON FILE

1075 Flouder St
Imperial Beach, CA 91932

58

Classical Audio Consultant
940 RUNNYMEAD LANE • SAN DIEGO, CALIFORNIA 92106

RECEIVED

JAN 24 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear Ms Lilly,

I am writing in regard to the hotel proposal in Imperial Beach. My wife and I keep horses in the area and patronize local restaurants including MFM bistro on Seacoast. We would like to see a hotel project since it would help local business.

With that thought in mind I would encourage approval of the hotel project in the proximity of Seacoast boulevard

Sincerely

SIGNATURE ON FILE

M&

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RECEIVED

JAN 29 2008

January 28, 2008

Diana Lily
Coastal Planner
California Coastal Commission
7575 Metropolitan Drive, Suite 103
San Diego, California 92108

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

FAX: 619-767-2384

Dear Ms. Lily:

I am writing concerning the Seacoast Inn and the appeal on the construction by the California Coastal Commission. **I would urge the Commission to allow the construction of the Hotel as proposed with the proposed financing mechanism.**

You have received all of the justifications for the permitting from the City of Imperial Beach and from Pacifica in their application and also current letters to you.

My approach to you is from the citizen volunteer and resident of Imperial Beach working the past decade and a half to improve the "Quality-of-Life" for the residents. We have done this through the Neighborhood Revitalization Strategy of 1999 approved by the City Council of which I was a member of that committee. I continued as the Chairman of the Neighborhood Revitalization Oversight Committee in the implementation of the Strategy. One of the most important tasks for the Seacoast Neighborhood and the city as a whole is the renovation of the current Seacoast Inn. This issue even predated this Committee by another decade of work by other community members.

Many people in the community have worked to improve the cleanliness, public beautification projects, and the "image of Imperial Beach" through non-profits I. B. Beautiful, Inc. (President), Paint IB (founding chairman) and City standing committees (TAC member) throughout the city. We have spent a lot of philanthropist money brought into the city and volunteer hours and city staff hours to prepare Seacoast Drive, Palm Avenue, Imperial Beach Boulevard, and the beachfront to welcome visitors to our city.

We are a bedroom community with very little businesses that basically are service industry jobs. We have the lowest sales tax revenue in the county. Our city financial prospects are on the precipice each year. We need the income that will be generated by the Seacoast Hotel to remain a City. The businesses along Seacoast Drive struggle to survive each winter with a great turnover as businesses don't survive. We need foot traffic to all of the area's businesses that will come from visitors to our city who will be able to stay in the city and spend money in Imperial Beach instead of Coronado or Chula Vista or San Diego. Please help this city survive!

As far as the cost of the rooms, by the time that the permits are issued and the structure completed, the cost-of-living will already surpass the proposed room rate. This Hotel fits the goals of the Coastal Commission and will be run as a hotel into perpetuity as required by the City of Imperial Beach and Pacifica Agreements. Thank you for your time and reading this letter. **Please advise the California Coastal Commission to deny the appeal and grant us a new hotel!**

Respectfully submitted,
SIGNATURE ON FILE 
Robert Wadham

Cc: Gary Brown, City Manager, City of Imperial Beach



RECEIVED

JAN 24 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

As President of Imperial Beach Kiwanis, I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town. The developer presented the project to our club and we were uniformly impressed with her integrity, the buildings "green" features, the donation of beachfront land to public use, and the overall benefits to coastal access. The Kiwanis Club members fully supported this project for our City. A poor beach community like ours needs this hotel in order to provide necessary services for people visiting the California coast. I also am a member of the City's Design Review Committee, and we too were greatly impressed with the project's curvilinear design and ways to save energy and water. We recommended and supported this project through a vote of support to the City council.

I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. The city ocean front truly needs improving and through this project and financing finally something can happen. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy. Please support this win-win project for our city.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the our City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach, which will go along way of help Imperial Beach re-development, grow, and business for all of us.

Sincerely

— SIGNATURE ON FILE —

Tom Schaaf
1430 5th street
Imperial Beach, CA. 91932

61

RECEIVED

JAN 24 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 21, 2008

Chairperson Patrick Kruer and Member of the
California Coastal Commission
San Diego District Coast Office
Deborah Lee, District Manager
Diana Lilly, Project Manager
7575 Metropolitan Ave, Ste 103
San Diego, CA 92108-4402

Dear Members;

I am a resident homeowner in Imperial Beach writing to you in support of the Seacoast Inn hotel redevelopment project, which will appear on your February 2008 meeting agenda.

This project is vital to the revitalization of our beach area, and the fact that the hotel design will open up 35 feet more public beach; has green design features and projected room rates that are affordable is a major plus.

I know concerns were raised thru the appeal process regarding the condotel financing. This project won't work with traditional financing----if it did a hotel would have been built long ago. If there was ever a circumstance where the upfront capital that condotel financing provides makes sense, it's here. It allows a hotel to be built where there is no market and make it the environmentally-sensitive type of hotel that should be in a coastal zone.

Imperial Beach has waited a long time for this project. I urge the Commission to take a positive vote to avoid further delay and allow this project to move forward.

Sincerely,

SIGNATURE ON FILE

Susan Fuller
1140 Seacoast Dr.
Imperial Beach, CA 91932

62

COPY

SAN DIEGO AUDUBON SOCIETY
 4891 Pacific Highway, Suite 112 • San Diego CA 92110 • 619/682-7200

January 21, 2008

Chairperson Patrick Kruer and Members of the California Coastal Commission
 San Diego District Coast Office
 7575 Metropolitan Avenue, Suite 103
 San Diego, CA 92108-4402

Dear Chairperson Kruer and Commissioners:

SUBJECT: Support for Permit Application for Seacoast Inn Redevelopment, February Agenda, Item, Thurs 8 (c), Appeal No. A-6-IMB-07-131

For many years the San Diego Audubon Society has supported efforts to develop ecotourism as a viable business in Imperial Beach (IB). We have done this with the hope that workers and business owners and decision makers would support efforts to protect and enhance the wildlife resources that surround their city and they would resist development proposals that would degrade them if these resources contribute to their prosperity and quality of life.

So far, the lack of attractive lodging and eating facilities has detracted from the development of economically productive ecotourism in IB. Large numbers of visitors enjoy the birding, surfing, and beach town tranquility in IB, but they do not stay there, so they provide little or no economic benefit to the community that would encourage the conservation of these benefits.

The proposed hotel would provide the sort of facilities needed to attract birders, surfers, and photographers to stay in IB when visiting the region. The beach location, green building design, proximity to two National Wildlife Refuges, reasonable room rates, measures to prevent bird strikes, small town setting, energy efficiency, and water conservation would be attractive features to visitors that appreciate the region's natural and coastal resources. No other lodging facility in our region provides a similar set of values. It also would provide a sharp and refreshing contrast to the mostly large, expensive, and crass hotels in the coastal zone in the San Diego region

We urge that the Commission approve this development and encourage future hotels to adopt as many of its features as possible. In case of questions or follow-up, the undersigned can be reached at 619-224-4591 or peugh@cox.net.

Respectfully,

SIGNATURE ON FILE

James A. Peugh
 Coastal and Wetlands Conservation Chair

Cc: Deborah Lee, District Manager
 Diana Lilly, Project Manager

JAN 24 2008

63

***MZM Seacoast Bistro
Marek W. Migdalski
Zofia M. Migdalska
875 Seacoast Drive
Imperial Beach, CA 91932
Tel: (619) 424-5800
Fax: (619) 424-5896***

RECEIVED

FEB 05 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 15, 2007

Diana Lilly, Costal Planner
California Coastal Commission
7575 Metropolitan Drive, Suite #103
San Diego, CA 92108

Re: New Seacoast Inn

Dear Ms. Diana Lilly,

In 2003, after many months of research and many hours of attending city council meetings, my husband and I purchased a small restaurant in picturesque Imperial Beach. At the meetings, we heard and saw that the renovations of the Seacoast Inn would be completed by the end of 2005. With that in mind, we based our business plan to SBA for small business loan on the information we received; now, after four years of struggle and hardship, our existence is threatened.

We are confident that this project is vital to the well being of the unique community of Imperial Beach, as well as it's perfectly suited for the future plans of eco-tourism and essential to local small businesses like ours. The city would benefit from additional tax revenue and the community with more vibrant life. We need this condotel here!!!

With the right planning and marketing, this hotel would be a catalyst of all the good things to come to the community of Imperial Beach. Like creating a promenade on the Seacoast Dr. and pier, extending the Old Town Trolley route through Silver Strand to the estuary, and exposing San Diego county residents as well as national and international tourists to the most beautiful (as I call it Disneyland in reality or The Golden Coast of Southern California) road to Imperial Beach.

If you have any questions please contact me at (619) 424-5800. Thank you for your consideration and we are looking forward to a positive outcome for all.

Sincerely, *M M M*

SIGNATURE ON FILE

Zofia Migdalska

64

20 January 2008

TO Patrick Kruer, Chairperson
& Members of the California Coastal Commission
Deborah Lee, District Manager
Diana Lilly, Project Manager
7575 Metropolitan Avenue, Suite 103
San Diego, CA 92108-4402

RE: The Seacoast Inn, Imperial Beach

To All Whom It may Concern:

We would like to speak in support of the Seacoast Inn hotel redevelopment project which was approved by the Imperial Beach City Council, Design Review Board and Tidelands Advisory Committee.

As property owners, we believe that it is in the best interest of Imperial Beach and the surrounding communities for developments along our beach to be closely monitored. However, the proposed hotel project has been under review for a number of years and during that period the developers have made a number of changes to the plan to insure that the project will be an asset to the community. The general consensus is that the project will be a definite upgrade to the parking lot and old building that currently occupy the site. Imperial Beach needs a quality hotel to spearhead a revitalization of beach front area.

Without questioning why the Coastal Commission approved a similar fractional ownership project for the Hotel del Coronado, it is widely understood concept in the hotel industry that the occupancy behavior of fractional owners bears little difference to that of timeshare owners. Restrictions placed on consecutive occupancy of fractional owners means that a significant number of nights are always available for daily rental. For this reason we are at a loss to understand why the Coastal Commission has made a distinction between timeshare and fractional ownership.

In closing we request the Coastal Commission to give serious consideration to approving the Seacoast Inn project..

Sincerely,

SIGNATURE ON FILE

Mirja and John Muñoz
970 J Avenue
Coronado, CA 92118

Received
JAN 24 2008
California Coastal Commission
San Diego Coastal Office

JAN 23 2008 2:55

CC: Imperial Beach City Hall

RECEIVED

JAN 22 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

As a resident of Imperial Beach I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

Resident Name
Street Address
Imperial Beach, CA 91932
Telephone number

Nelly Albenge
1036 EMORY Street
IMPERIAL BEACH
CA 91932
Tel: 619-628-0167

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RECEIVED

JAN 24 2008

20 January 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

TO Patrick Kruer, Chairperson
& Members of the California Coastal Commission
Deborah Lee, District Manager
Diana Lilly, Project Manager
7575 Metropolitan Avenue, Suite 103
San Diego, CA 92108-4402

RE: The Seacoast Inn, Imperial Beach

To All Whom It may Concern:

We would like to speak in support of the Seacoast Inn hotel redevelopment project which was approved by the Imperial Beach City Council, Design Review Board and Tidelands Advisory Committee.

As property owners, we believe that it is in the best interest of Imperial Beach and the surrounding communities for developments along our beach to be closely monitored. However, the proposed hotel project has been under review for a number of years and during that period the developers have made a number of changes to the plan to insure that the project will be an asset to the community. The general consensus is that the project will be a definite upgrade to the parking lot and old building that currently occupy the site. Imperial Beach needs a quality hotel to spearhead a revitalization of beach front area.

Without questioning why the Coastal Commission approved a similar fractional ownership project for the Hotel del Coronado, it is widely understood in the hotel industry that the occupancy behavior of fractional owners bears little difference to that of timeshare owners. Restrictions placed on consecutive occupancy of fractional owners means that a significant number of nights are always available for daily rental. For this reason we are at a loss to understand why the Coastal Commission has made a distinction between timeshare and fractional ownership.

In closing we request the Coastal Commission to give serious consideration to approving the Seacoast Inn project.

Sincerely,

SIGNATURE ON FILE

Mirja and John Muncy
970 J Avenue
Coronado, CA 92118



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JAN 22 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT



<http://californiayachtsales.com>

California Yacht Sales
2040 Harbor Island Drive
San Diego, CA 92101, USA

Tel 619-295-9669
Fax 619-295-9909
Email ian@californiayachtsales.com

Chairperson Patrick Kruer and Members of the California Coastal Commission
San Diego District Coast Office
Deborah Lee, District Manager
Diana Lilly, Coastal Planner
7575 Metropolitan Avenue, Suite 103
San Diego, CA 92108

Dear Mr. Kruer,

My wife Gillian and I are the owners of California Yacht Sales Inc. and reside in Imperial Beach CA.

We see the potential in the revitalization of the Seacoast Inn in Imperial Beach as beneficial not only to our local property values but to our business. We will often have out of state (or country) visitors here on business – an opportunity for us to book them into a local hotel would be a significant improvement over our current options. In addition, a seafront hotel would be a nice addition to the recreational options available to our family.

The City of Imperial Beach would benefit from transient-occupancy taxes to be collected annually. The increase in local sales tax would help the city balance its budget in the coming years. Local retail shops and restaurants would benefit from an expanded client base.

Please support the planning and construction of the New Seacoast Inn, 800 Seacoast Drive Imperial Beach, CA 91932

Thank you,

SIGNATURE ON FILE

Ian Bossenger
Owner, California Yacht Sales Inc.

cc Gary Brown
Greg Wade
City Hall, Imperial Beach

68

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FEB 04 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Sally and James Keating
1390 Seacoast Drive
Imperial Beach, CA 91932

Jan. 29, 2008

Mr. Patrick Kruer, Chair. and Cal. Coastal Commission Members
San Diego District Coast Office
Ms. Deborah Lee, District Mgr
Ms. Diana Lilly, Project Mgr.
7575 Metropolitan Ave., Suite 103
San Diego CA 92108-4402

Dear Sirs and Madams:

Re: Seacoast Inn Redevelopment Project, Imperial Beach

We have owned two condominiums on Seacoast Drive since 1993.
As we get older (now 74 and 72), we would like to move into the new Seacoast Inn
for short periods of time while we rent our lovely beach residence for 30 day
periods.

The present Seacoast Inn is blighted, unattractive, and falls far short of the revenue
potential for the property. Imperial Beach has come a long way, in terms of sound
development, in the 15 years we've been here. This project is a logical extension of
the "New" Imperial Beach.

The Imperial Beach Council, Mayor, Design Review Board, and Tidelands Advisory
committees have unanimously approved this project.

The future economic vitality of Imperial Beach will be much enhanced when the
new facility is completed. We urge The California Coastal Commission to join us in
support of this wonderful project.

Sincerely,



SIGNATURE ON FILE

James Keating
Sally Keating

69

C.J. PADEREWSKI F.A.I.A. O.P.R.
A r c h i t e c t

RECEIVED

FEB 04 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 31, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
7575 Metropolitan Drive, Suite #103
San Diego, CA 92108

Re: New Seacoast Inn

Dear Ms. Lilly:

I do not understand why it is taking so long for the Seacoast Inn Hotel redevelopment project to be completed.

My husband and I drive down to Imperial Beach for breakfast or lunch at MZM Bistro. It would be delightful to be able to spend a weekend at the Seacoast Inn, enjoy our meals at MZM Bistro, and enjoy the beach without having to drive back the same day.

Please reconsider the proposal and agree to approve this building plan immediately.

Sincerely,

SIGNATURE ON FILE

Genie Paderewski

70

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4421
(619) 767-2370



Th 8c

Filed: December 28, 2007
49th Day: February 15, 2008
180th Day: June 25, 2008
Staff: D. Lilly-SD
Staff Report: January 17, 2008
Hearing Date: February 6-8, 2008

STAFF REPORT AND RECOMMENDATION ON APPEAL
SUBSTANTIAL ISSUE

LOCAL GOVERNMENT: City of Imperial Beach

DECISION: Approval with Conditions

APPEAL NO.: A-6-IMB-07-131

APPLICANT: Pacifica Companies

PROJECT DESCRIPTION: Demolition of an existing 38-unit hotel and construction of a new 4-story, 129,845 sq.ft., 78-unit condominium-ownership hotel, including a restaurant, pool, conference facilities, and 111 space underground parking garage, on a beachfront lot; removal of an existing perched beach on the seaward side of the hotel, relocation and construction of a vertical seawall 35 feet inland of its existing location, and street improvements on Date Avenue.

PROJECT LOCATION: 800 Seacoast Drive, Imperial Beach (San Diego County)
APN 625-262-01

APPELLANTS: Coastal Commissioners Sara Wan and Mary Shallenberger

SUMMARY OF STAFF RECOMMENDATION:

The staff recommends that the Commission, after public hearing, determine that substantial issue exists with respect to the grounds on which the appeal has been filed.

The primary issues raised by the subject development relate to the Coastal Act and LCP requirements to protect public access and lower cost visitor-serving facilities. As proposed, the project would demolish 38 existing, more affordable traditional hotel units, and replace them with 38 condo-hotel units—units that will be less available to the general public both because each unit will be privately owned and subject to owner occupancy, and because the units will be more expensive.

SUBSTANTIVE FILE DOCUMENTS: Appeal by Commissioners Wan and Shallenberger dated 12/28/07; Imperial Beach Resolution #2007-6559; Imperial Beach City Council Ordinances No. 2007-1061 with Development Agreement; Seacoast Inn Specific Plan; Seacoast Inn EIR; Certified City of Imperial Beach Local Coastal Program.

I. Appellants Contend That: The project, as approved by the City, is inconsistent with the certified LCP with respect to the protection of public access, recreation and visitor-serving facilities. Thus, they claim that the project is also inconsistent with the public access policies of Chapter 3 of the Coastal Act.

II. Local Government Action: The coastal development permit was approved by the City of Imperial Beach City Council on December 5, 2008. The permit includes adoption of a Specific Plan and development agreement. The Specific Plan and development agreement contain special conditions addressing the operation of the condo-hotel, public access improvements, water quality BMPs, landscaping, energy conservation measures, and placement of any suitable sand on the beach, detailed below under V. Findings and Declarations.

III. Appeal Procedures: After certification of a municipality's Local Coastal Program (LCP), the Coastal Act provides for limited appeals to the Coastal Commission of certain local government actions on coastal development permit applications. One example is that the approval of projects within cities and counties may be appealed if the projects are located within mapped appealable areas. The grounds for such an appeal are limited to the assertion that "development does not conform to the standards set forth in the certified local coastal program or the [Coastal Act] public access policies." Cal. Pub. Res. Code § 30603(b)(1).

After the local government has taken final action on an appealable project, it must send a notice of that final action (NOFA) to the Commission. Cal. Pub. Res. Code § 30603(d); 14 C.C.R. § 13571. Upon proper receipt of a valid NOFA, the Commission establishes an appeal period, which runs for 10 working days. Cal. Pub. Res. Code § 30603(c); 14 C.C.R. § 13110 and 13111(b). If an appeal is filed during the appeal period, the Commission must "notify the local government and the applicant that the effective date of the local government action has been suspended," 14 C.C.R. § 13572, and it must set the appeal for a hearing no later than 49 days after the date on which the appeal was filed. Cal. Pub. Res. Code § 30621(a).

Section 30625(b)(2) of the Coastal Act requires the Commission to hear an appeal of the sort involved here unless the Commission determines that no substantial issue is raised by the appeal. If the staff recommends "substantial issue" and no Commissioner objects, the Commission may proceed directly to the de novo portion of the hearing on the merits of the project then, or at a later date.

If the staff recommends “no substantial issue” or the Commission decides to hear arguments and vote on the substantial issue question, proponents and opponents will have 3 minutes per side to address whether the appeal raises a substantial issue. It takes a majority of Commissioners present to find that no substantial issue is raised. If a substantial issue is found, the Commission will proceed to a full public hearing on the merits of the project either immediately or at a subsequent meeting. If the Commission conducts the de novo portion of the hearing on the permit application, the applicable test for the Commission to consider is whether the proposed development is in conformity with the certified Local Coastal Program.

In addition, for projects located between the sea and the first public road paralleling the sea, Sec. 30604(c) of the Coastal Act requires that, for a permit to be granted, a finding must be made by the approving agency, whether the local government or the Coastal Commission on appeal, that the development is in conformity with the public access and public recreation policies of Chapter 3 of the Coastal Act.

The only persons qualified to testify before the Commission at the “substantial issue” stage of the appeal process are the applicant, persons who opposed the application before the local government (or their representatives), and the local government. Testimony from other persons must be submitted in writing. At the time of the de novo hearing, any person may testify.

IV. Staff Recommendation on Substantial Issue.

The staff recommends the Commission adopt the following resolution:

MOTION: *I move that the Commission determine that Appeal No. A-6-IMB-07-131 raises NO substantial issue with respect to the grounds on which the appeal has been filed under §30603 of the Coastal Act.*

STAFF RECOMMENDATION:

Staff recommends a **NO** vote. Failure of this motion will result in a de novo hearing on the application, and adoption of the following resolution and findings. Passage of this motion will result in a finding of No Substantial Issue and the local action will become final and effective. The motion passes only by an affirmative vote of the majority of the appointed Commissioners present.

RESOLUTION TO FIND SUBSTANTIAL ISSUE:

The Commission hereby finds that Appeal No. *A-6-IMB-07-131* presents a substantial issue with respect to the grounds on which the appeal has been filed under §30603 of the Coastal Act regarding consistency with the Certified Local Coastal Plan and/or the public access policies of the Coastal Act.

V. Findings and Declarations.

1. Project Description/History. The proposed project would demolish an existing 38-unit hotel and construct a new 4-story, 129,845 sq.ft., 78-unit condominium-ownership hotel, including a restaurant, pool, conference facilities, and 111 space underground parking garage, on a beachfront lot on the west side of Seacoast Drive, immediately north of Date Street, in the City of Imperial Beach. All units would include kitchens.

All 78 units would be condo-hotel units; that is, each unit would be owned by individual investors. Owners' stays would be limited to 90 days per calendar year with a maximum of 25 days use during any immediately preceding 50 day time period. The facility would operate on the surface as a hotel, including maid service, room service, centralized room reservations with all rooms rented out in a "mandatory pool," and marketed by Pacifica Host Hotels and their in-house reservation center. The owner-operator of the project would maintain the legal ability and responsibility to ensure compliance with all of the conditions of the City's permit regarding construction and operation of the development.

The project also includes removal of an existing seawall and perched beach currently located on sandy beach. These encroachments extend onto the beach considerably further than development on either side of the Inn, into a "paper" street known as Ocean Lane (Boulevard). The City has indicated that their best efforts at researching the history of the seawall and perched beach have determined that the improvements are on privately owned land. The encroachments clearly predate the Coastal Act. The seawall would be reconstructed 35 feet inland of the existing seawall, consistent with the stringline of shoreline protection to the north of the site. The beach area seaward of the new wall would be dedicated to the City for public beach access. Sand taken from the perched beach and excavated from the subject site will be tested for suitability for beach replenishment and deposited on the beach if compatible.

Other aspects of the project include street end improvements at the western terminus of Date Avenue, adjacent to the south side of the subject site, consisting of enhanced paving, landscaping, and parking.

The standard of review is the certified City of Imperial Beach Local Coastal Program and the public access and recreation policies of the Coastal Act.

2. Permitted Use. The appellants assert that the proposed project is inconsistent with the policies of the certified LCP regarding the permitted use on the subject site.

The City's certified LCP contains the following policies regarding allowable uses on the subject site:

Zoning Code:

19.04.410. Hotel.

“Hotel” means any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public, including any incidental services such as eating, drinking, meeting, banquet, entertainment, or recreational services intended primarily for the convenience of guests. Hotels shall consist of various types which are further defined as follows:

- H-1: A site area of a minimum square footage of thirty-five thousand square feet, at least thirty guest rooms, facilities for conference, meeting or public use and a full service restaurant on site.
- H-2: A “Motel” which is an establishment providing guest rooms on a less than monthly basis, with most rooms gaining access from an exterior walkway.
- H-3: A lot, parcel or segment of real property dedicated to “timeshare units” as defined in Section 19.04.756 of this Code.
- H-4: A “bed and breakfast” lodging place containing no more than six guest rooms and one kitchen.

Chapter 19.27. C-2 SEACOAST COMMERCIAL ZONE

19.27.010. Purpose of zone.

The purpose of the C-2 zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C-2 zone will be visitor-serving retail such as specialty stores, surf shops, restaurant, hotels and motels. The development standards of the C-2 zone encourage pedestrian activity through the design and location of building frontages and parking provisions.

19.27.020. Permitted uses.

- A. The following commercial uses shall be permitted subject to subsections B, C, and D of this section as appropriate:
1. Beach equipment rental;
 2. Bed and breakfast;
 3. Bookstores;
 4. Boutiques;
 5. Financial institutions:
 - a. On first floor, subject to subsection B of this section,
 - b. All floors when located on Palm Avenue, Silver Strand Boulevard and/or Third Street.
 6. Fishing supply;
 7. Hotels and motels;
 8. Personal services;
 9. Professional offices:
 - a. On first floor, subject to subsection B of this section,

- b. All floors when located on a Palm Avenue, Silver Strand Boulevard and/or Third Street.
 10. Public parks;
 11. Resident inns;
 12. Real estate offices;
 13. Private postal services;
 14. Restaurants;
 15. Retail shops;
 16. Specialty shops;
 17. Surf shops;
 18. Any other retail business or service establishment which the City Council finds to be consistent with the purposes of this chapter and which will not impair the present or potential use of adjacent properties, excluding those listed under subsection B of this section;
 19. Residential dwelling units may be permitted above the first floor at a maximum density of one unit per every one thousand five hundred square feet of lot area, subject to approval of a CUP and subject to subsections B and C of this section as appropriate;
 20. Kiosks (not to exceed twenty square feet in area each). The kiosks shall be located on public plazas or private leaseholds and shall not exceed ten locations in the Seacoast commercial zone;
 21. Short-term rentals.
- B. The uses listed below are permitted subject to the approval of a conditional use permit. Conditional use permits for financial institutions and professional offices shall be considered, provided these uses do not exceed thirty percent of the existing commercial square footage on Seacoast Drive and intersecting residential streets. Upper floor professional offices and financial institutions are not subject to this section.
1. Arcades and centers;
 2. Athletic and health clubs (second floor only);
 3. Bars and cocktail lounges;
 4. Liquor stores;
 5. Churches, clubs, fraternal organization (e.g., Masons, Moose, Elks and Eagles), service organizations (e.g., Rotary, Kiwanis, Lions Club and Jaycees), and veterans organizations (e.g., American Legion, VFW, FRA and Disabled American Veterans) subject to subsections E, F, G, and H of this section as appropriate;
 6. Commercial recreation facilities not otherwise listed;
 7. Educational institutions;
 8. Timeshares; shall be prohibited on the first floor unless twenty-five percent of the units are restricted to overnight accommodation;
 9. Residential dwelling units above the first floor at a maximum density of one unit per every one thousand five hundred square feet of lot area, subject to subsections C and D of this section as appropriate;
 10. Financial institutions: On first floor, subject to a conditional use permit per this subsection B;

11. Professional offices: On first floor, subject to a conditional use permit per this subsection B;
 12. Theaters and assemblies;
 13. Public parking lots;
 14. Wireless communications facilities.
- C. Site plan review by the City Council will be required if any of the following applies for proposed uses located in the C-2 zone:
1. All proposed commercial developments involving new construction;
 2. Any addition, construction, remodeling or alteration of existing buildings resulting in an increase of ten percent or greater of the gross floor area of a commercial structure or in an individual commercial space within the structure or within a commercial shopping center;
 3. Any proposed commercial use, residential use or structure requiring the approval of a conditional use permit;
 4. Any development including residential dwelling units above the first floor.
- D. Site plan review by the community development director (administrative approval) will be required if any of the following applies for proposed uses located in the C-2 zone:
1. Any addition, construction, remodeling or alteration of existing buildings resulting in a one-time increase of less than ten percent of the gross floor area of a commercial structure or in an individual commercial space within the structure or within a commercial shopping center. Multiple additions to existing commercial buildings which cumulatively result in an increase of ten percent or greater of the originally approved gross floor area of a commercial building shall require site plan review by the City Council;
 2. Exterior facade alterations to existing buildings located on a design review corridor as identified in subsection 19.83.020(A)(1) of this title;
 3. The building or site or a portion of the building or site that is proposed to be occupied has been vacant for a period of two years or greater;
 4. Kiosks.
- [...]

19.27.150. Specific Plan.

- A. The City Council may approve a Specific Plan for a hotel use that allows deviations from the following regulations in the C-2 zone:
1. Building heights specified in Section 19.27.070, provided that a height deviation may not exceed four stories;
 2. Building setbacks specified in Section 19.27.040; and
 3. Parking requirements specified in Section 19.48.040.
- B. The intent of this section is to accommodate, to the greatest extent possible, an equitable balance of project design, project amenities, public improvements, and community and City benefits. The purpose of the Specific Plan is to provide flexibility in the application of development regulations for hotel projects where strict application of those regulations would restrict design options and result in a less desirable project.

- C. The City Council may approve a Specific Plan for a proposed hotel project that occupies property within both the Seacoast commercial (C-2) and Seacoast mixed-use overlay (MU-2) zones that allows deviations from the C-2 zoning regulations that are authorized by subsection A and deviations from the following regulations in the MU-2 zone:
1. Conditional use permit requirement specified in subsection 19.27.140(B)(1);
 2. Building setbacks specified in subsection 19.27.140(C)(2)(b);
 3. Building heights specified in subsection 19.27.040(C)(2)(c), provided that a height deviation may not exceed four stories; and
 4. Parking requirements specified in Section 19.48.040.
- D. All of the following findings must be made before a Specific Plan may be approved under this section:
1. The proposed project will not adversely affect the General Plan or the local coastal program;
 2. The proposed project will not be detrimental to the public health, safety or welfare;
 3. The proposed project, when considered as a whole, will be beneficial to the community and the City; and
 4. The proposed deviations are appropriate for the location and will result in a more desirable project than would be achieved if designed in strict conformance with zoning regulations in the C-2 zone.
- E. A Specific Plan approved under this section must state the ways in which the project benefits the community and the City and the ways in which the resulting project is preferable to what the existing regulations would have allowed.

Land Use Plan

Table L-2, **LAND USE DESIGNATIONS AND SPECIFICATIONS** states in part:

C-2 Seacoast Commercial (3 stories)

The Seacoast Commercial land use designation provides for land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in this designation will be visitor-serving retail such as specialty stores, surf shops, restaurants, hotels and motels, etc. In order to promote a more pedestrian-oriented community character, as well as to reduce the high volume of vehicle trips attracted by drive-thru establishments, drive-thru services for restaurants, banks, dry cleaners, and other similar auto related business establishments shall be prohibited in this zone. Residential uses may (included below) be permitted above the first floor at a maximum density of one unit per every 1,500 square feet of land. Discretionary permit review by the City shall be required for such residential use.

The subject site is zoned and designated C-2 Seacoast Commercial. The designation requires that the dominant type of commercial activity in the C-2 zone will be visitor-serving retail such as specialty stores, surf shops, restaurant, hotels and motels. The LCP

defines “hotel” as “any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public...” As such, a hotel would be a permitted use in this zone, with adoption of a Specific Plan, which the City prepared and approved.

However, condo-hotels are not listed as a permitted use in the C-2 Seacoast Commercial Zone. A condo-hotel is not a hotel as traditionally defined, nor does it meet the definition in the code as available “to the general public” because a portion of the time the units would be occupied by the owners. Nor is the project a residential or timeshare project, both permitted uses in the zone under certain circumstances.

Thus, the proposed project is not a permitted use on the project site. Therefore, a substantial issue exists with respect to the consistency of the proposed project with the City's certified Local Coastal Program.

3. Public Access/Lower-Cost Visitor-serving Commercial. The appellants contend that the project, as approved by the City, is inconsistent with the certified LCP in that approval would reduce public access, fail to promote tourist commercial uses, and adversely impact recreational and lower-cost, visitor-serving uses. Thus, appellants also assert that the proposed project is inconsistent with the public access policies of Chapter 3 of the Coastal Act.

In addition to the policies cited above, the following Land Use Plan policies of the certified City of Imperial Beach address public access and visitor-serving commercial requirements in the City:

The **L-4 Commercial Uses and Areas** contains specific policies for commercial uses and areas, and states:

e. Seacoast Commercial (C-2 & MU-2)

The Seacoast commercial area shall serve as a visitor serving, pedestrian-oriented commercial area. Existing residential uses shall be slowly transitioned to new visitor serving commercial uses. As part of the design review, 2nd or 3rd stories may be required to be set-back from Seacoast Drive.

Timeshares shall be prohibited on the first floor unless 25% are reserved for overnight accommodation.

Policy L-6 and L-9 state:

L-6 Tourist Commercial Uses

Imperial Beach should provide, enhance and expand tourist commercial uses to the extent that they can be compatible with the small beach oriented town character of the City.

L-9 Lower Cost Visitor and Recreational Facilities

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

Policies P-1, P-2 and P-7 state:

P-1 Opportunities For All Ages, Incomes, and Life Styles

To fully utilize the natural advantages of Imperial Beach's location and climate, a variety of park and recreational opportunities for residents and visitors shall be provided for all ages, incomes and life styles.

This means that:

- a. The beach shall be free to the public.
- b. Recreational needs of children, teens, adults, persons with disabilities, elderly, visitors and others shall be accommodated to the extent resources and feasibility permit.

[...]

P-2 Ocean and Beach Are The Principal Resources

The ocean, beach and their environment are, and should continue to be, the principal recreation and visitor-serving feature in Imperial Beach. Oceanfront land shall be used for recreational and recreation-related uses whenever feasible.

P-7 Increase Tourist Related Commercial Land Uses

The City and its business community should take direct action to increase the amount of tourist-oriented businesses both along the beachfront, South San Diego Bayfront and inland areas.

Coastal Act public access policies include the following:

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.

The Seacoast Inn is the only beachfront hotel in the City and one of only three hotels in the entire City. The City's LUP states that Imperial Beach should provide, enhance and expand tourist commercial uses, and encourages the protection of new lower-cost visitor and recreational accommodations. However, the proposed condo-ownership of the hotel units may result in a use on the site that functions, at least to some extent, as a residential use and thus could lessen the overall visitor-serving use of the existing hotel, inconsistent with the certified LCP and the public access policies of the Coastal Act.

As proposed, condominium hotel owners could use their units as vacation homes for up to 90 days per year. Thus, the units may function more as a second home, or residential use. Additionally, although each owner would be limited to no more than 25 days within any preceding 50 day time period, there remains the potential for owners to use their unit during the summer when hotel rooms for the general public are in highest demand. For instance under the applicant's suggested time use restriction, condominium owners could use their units for 25 days in June, wait 25 days and then use the units again in late July or August for an additional 25 days. Thus, up to ¼ of the hotel units could be unavailable over a 1-year time period. Due to its prime location adjacent to the beach and public amenities, it might be more appropriate to develop the subject site only with a use that truly and exclusively serves the visiting public by providing year-round overnight accommodations in all rooms.

In addition, the condominium form of ownership raises concerns regarding the long-term security and viability of visitor amenities on the subject site. Some of the questions raised include the means by which the units will be made available for public rental, the amount of time and time of year during which units will be available to visitors, and responsibility for on-going and long-term maintenance of the units and public areas. Further, the conversion to condominium ownership raises concerns regarding who will ultimately be responsible for enforcement of the restrictions and monitoring of the hotel operation.

The public access policies of the Coastal Act, and particularly section 30213, the relevant portions of which are included in the Imperial Beach LUP, require that lower cost visitor and recreational facilities be protected, encouraged, and provided. The City's LCP also requires recreational opportunities for residents and visitors shall be provided for all ages, incomes and life styles. The proposed redevelopment of an existing older hotel is likely to result in fewer affordable overnight accommodations. Without mitigation in the form of the provision of replacement lower-cost recreational opportunities, the proposed project cannot be found consistent with the certified LCP.

In summary, the City has not adequately addressed the development's conformity with LCP standards regarding lower-cost visitor-serving accommodations. Therefore, the Commission finds that a substantial issue exists with respect to the consistency of the local government action with the City's certified Local Coastal Program.

(G:\San Diego\Reports\Appeals\2007\A-6-IMB-07-131 Seacoast Inn SI stfrpt.doc)

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
(619) 767-2370



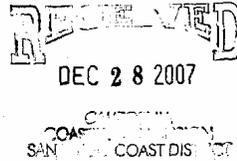
APPEAL FROM COASTAL PERMIT
DECISION OF LOCAL GOVERNMENT

Please Review Attached Appeal Information Sheet Prior To Completing This Form.

SECTION I. Appellant(s)

Name: Sara J. Wan
Mailing Address: 22350 Carbon Mesa Road
Malibu, CA 90265

Phone Number: (310) 456-6605



SECTION II. Decision Being Appealed

1. Name of local/port government: City of Imperial Beach
2. Brief description of development being appealed: Demolish existing 3-story, 38-room Seacoast Inn Hotel and tiber seawall, and construct new 4-story, 78-guest room condo-hotel.
3. Development's location (street address, assessor's parcel no., cross street, etc.): 800 Seacoast Drive, Imperial Beach (San Diego County) APN 625-262-01
4. Description of decision being appealed:
 - a. Approval; no special conditions:
 - b. Approval with special conditions:
 - c. Denial:

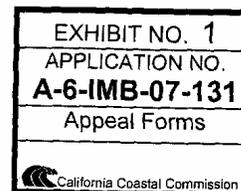
Note: For jurisdictions with a total LCP, denial decisions by a local government cannot be appealed unless the development is a major energy or public works project. Denial decisions by port governments are not appealable.

TO BE COMPLETED BY COMMISSION:

APPEAL NO: A-6-IMB-07-131

DATE FILED: December 28, 2007

DISTRICT: San Diego



APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT
Page 2

5. Decision being appealed was made by (check one):
- a. Planning Director/Zoning Administrator c. Planning Commission
- b. City Council/Board of Supervisors d. Other

Date of local government's decision: December 5, 2007

Local government's file number (if any): Resolution No. 2007-6559

SECTION III. Identification of Other Interested Persons

Give the names and addresses of the following parties. (Use additional paper as necessary.)

Name and mailing address of permit applicant:

Allison Rolfe
Pacifica Companies
1785 Hancock Street, Suite 100
San Diego, CA 92110

Names and mailing addresses as available of those who testified (either verbally or in writing) at the city/county/port hearing(s). Include other parties which you know to be interested and should receive notice of this appeal.

SECTION IV. Reasons Supporting This Appeal

Note: Appeals of local government coastal permit decisions are limited by a variety of factors and requirements of the Coastal Act. Please review the appeal information sheet for assistance in completing this section, which continues on the next page.

APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT
Page 3

State briefly your reasons for this appeal. Include a summary description of Local Coastal Program, Land Use Plan, or Port Master Plan policies and requirements in which you believe the project is inconsistent and the reasons the decision warrants a new hearing. (Use additional paper as necessary.)

See Attachment "A" dated December 28, 2007

Note: The above description need not be a complete or exhaustive statement of your reasons of appeal; however, there must be sufficient discussion for staff to determine that the appeal is allowed by law. The appellant, subsequent to filing the appeal, may submit additional information to the staff and/or Commission to support the appeal request.

SECTION V. Certification

The information and facts stated above are correct to the best of my/our knowledge.

Signed: *Laura J. Allan*
Appellant or Agent

Date: 12/28/07

Agent Authorization: I designate the above identified person(s) to act as my agent in all matters pertaining to this appeal.

Signed: _____

Date: _____

December 28, 2007

ATTACHMENT "A" – Seacoast Inn Condo-Hotel Appeal

The proposed project would demolish an existing 38-unit hotel and construct a 78-unit condominium-ownership hotel. All 78 units would be condo-hotel units; that is, each room would be owned by individual investors. Owners' stays would be limited to 90 days per calendar year with a maximum of 25 days use during any immediately preceding 50 day time period. The facility would operate on the surface as a hotel, including maid service, room service, centralized room reservations with all rooms rented out in a "mandatory pool," and marketed by Pacifica Host Hotels and their in-house reservation center. The owner-operator of the project would maintain the legal ability and responsibility to ensure compliance with all of the conditions of the permit regarding construction and operation of the development.

The project appears to be inconsistent with several policies of the LCP, cited below. The subject site is zoned and designated C-2 Seacoast Commercial, with an MU-2 Mixed Use Overlay. The designation requires an emphasis on visitor-serving tourist-oriented uses such as specialty retail, restaurants, and hotel and motels. The LCP defines "hotel" as "any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public..." As such, a hotel would be a permitted use in this zone, with adoption of a Specific Plan, which the City prepared and approved. However, a condo-hotel is not a hotel as traditionally defined, nor does it meet the definition in the code as available "to the general public" because a portion of the time the units would be occupied by the owners. Nor is the project a residential or timeshare project, both permitted uses in the zone. Condo-hotel projects and other limited use/fractional ownership hotel proposals should not be considered unless the applicable LCP specifically allows such development.

In February 2004, the Commission approved an amendment to the City's LCP clarifying that short-term rentals (vacation rentals of multi-family units) are a permitted use only in primarily commercial areas, not residential areas. The Commission found the restriction of short-term rentals consistent with the Coastal Act only because at that time the City's existing visitor-serving designations were adequate to serve the needs of visitors. The proposed project would essentially eliminate 38 existing hotel units, and replace them with a quasi-residential land use that would function only part time as overnight visitor-serving accommodations.

Numerous sections of the Coastal Act require that public access and public recreational facilities be provided, promoted, and protected. Section 30210 requires that maximum access and recreational opportunities shall be provided for all the people. Section 30213 requires that lower cost visitor and recreational facilities be protected, encouraged, and provided—preferably public recreational opportunities. Section 30221 requires that oceanfront land suitable for recreational use be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area. Section 30222 prioritizes the use of private lands suitable for visitor-serving commercial recreational facilities that are designed to enhance public

December 28, 2007

Attachment "A" Seacoast Inn #A-IMB-07-131

Page 2

opportunities for coastal recreation, over private residential, general industrial, or general commercial development.

In response to these Coastal Act requirements, the City's LCP similarly requires that oceanfront land shall be used for recreational and recreation-related uses whenever feasible. The proposed change in ownership of the hotel units would result in a use on the site that functions, at least to some extent, as a private residential use and thus could lessen the overall visitor-serving use of the existing hotel site inconsistent with the certified LCP and the public access and recreation policies of the Coastal Act. Due to its prime location adjacent to the beach, public amenities, and accessibility, it may be most appropriate to develop the subject site only with a use that truly and exclusively serves the visiting public by providing year-round overnight accommodations in all rooms.

In addition, the conversion to condominium ownership raises concerns regarding the long-term security and viability of visitor amenities on the subject site. If owners are not satisfied with the financial return on the properties, the Commission anticipates that there will be considerable pressure to allow longer stays for the condominium owners, defer maintenance costs of public areas, reduce access to public amenities, and/or convert the property to purely residential use and eliminate the public components of the project altogether.

The Coastal Act also establishes a preference for lower cost visitor-serving accommodations. In addition, condo-hotels generally do not offer accommodations at what can be considered "lower-cost," raising questions about the adequacy of supply of lower-cost visitor-serving accommodations in the coastal zone. The City's analysis of the financing aspect of the project projects average daily room rates of approximately \$138 per night, which is not lower cost. (Current average daily room rates at the existing hotel are approximately \$115). In addition, the proposed rooms would not be available to the public when the rooms are occupied by owners of the units.

Therefore, because the project would have impacts to public recreational uses and visitor-serving accommodations, the project is potentially inconsistent with the policies of the certified LCP and the Coastal Act.

Relevant policies in the adopted LCP include the following:

Zoning Code:

19.04.410. Hotel.

"Hotel" means any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public, including any incidental services such as eating, drinking, meeting, banquet, entertainment, or recreational services intended primarily for the convenience of guests. Hotels shall consist of various types which are further defined as follows:

December 28, 2007

Attachment "A" Seacoast Inn #A-IMB-07-131

Page 3

H-1: A site area of a minimum square footage of thirty-five thousand square feet, at least thirty guest rooms, facilities for conference, meeting or public use and a full service restaurant on site.

H-2: A "Motel" which is an establishment providing guest rooms on a less than monthly basis, with most rooms gaining access from an exterior walkway.

H-3: A lot, parcel or segment of real property dedicated to "timeshare units" as defined in Section 19.04.736 of this Code.

H-4: A "bed and breakfast" lodging place containing no more than six guest rooms and one kitchen.

Chapter 19.27. C-2 SEACOAST COMMERCIAL ZONE

19.27.010. Purpose of zone.

The purpose of the C-2 zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C-2 zone will be visitor-serving retail such as specialty stores, surf shops, restaurant, hotels and motels. The development standards of the C-2 zone encourage pedestrian activity through the design and location of building frontages and parking provisions.

19.27.140. Seacoast commercial overlay (MU-2) zone.

The area located between Ocean Boulevard on the west, Ocean Lane on the east and between Imperial Beach Boulevard on the south and Palm Avenue on the north is designated as a commercial-residential overlay zone (MU-2). The purpose of this transition zone designation is to allow for the gradual commercial expansion in an area which is currently used for residential purposes.

A. The following uses shall be permitted in the MU-2 overlay zone:

1. Residential;
2. Short-term rentals.

B. The following uses are permitted in the MU-2 overlay zone subject to approval of a conditional use permit and subject to the development property regulations in subsection C of this section:

1. Hotels/motels (daily rentals);
2. Bed and breakfast inns;
3. Time shares.

C. Property development regulations.

19.27.150. Specific Plan.

A. The City Council may approve a Specific Plan for a hotel use that allows deviations from the following regulations in the C-2 zone:

1. Building heights specified in Section 19.27.070, provided that a height deviation may not exceed four stories;

December 28, 2007

Attachment "A" Seacoast Inn #A-IMB-07-131

Page 4

2. Building setbacks specified in Section 19.27.040; and

3. Parking requirements specified in Section 19.48.040.

B. The intent of this section is to accommodate, to the greatest extent possible, an equitable balance of project design, project amenities, public improvements, and community and City benefits. The purpose of the Specific Plan is to provide flexibility in the application of development regulations for hotel projects where strict application of those regulations would restrict design options and result in a less desirable project.

C. The City Council may approve a Specific Plan for a proposed hotel project that occupies property within both the Seacoast commercial (C-2) and Seacoast mixed-use overlay (MU-2) zones that allows deviations from the C-2 zoning regulations that are authorized by subsection A and deviations from the following regulations in the MU-2 zone:

1. Conditional use permit requirement specified in subsection

19.27.140(B)(1);

2. Building setbacks specified in subsection 19.27.140(C)(2)(b);

3. Building heights specified in subsection 19.27.040(C)(2)(c), provided that a height deviation may not exceed four stories; and

4. Parking requirements specified in Section 19.48.040.

D. All of the following findings must be made before a Specific Plan may be approved under this section:

1. The proposed project will not adversely affect the General Plan or the local coastal program;

2. The proposed project will not be detrimental to the public health, safety or welfare;

3. The proposed project, when considered as a whole, will be beneficial to the community and the City; and

4. The proposed deviations are appropriate for the location and will result in a more desirable project than would be achieved if designed in strict conformance with zoning regulations in the C-2 zone.

E. A Specific Plan approved under this section must state the ways in which the project benefits the community and the City and the ways in which the resulting project is preferable to what the existing regulations would have allowed.

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
(619) 767-2370

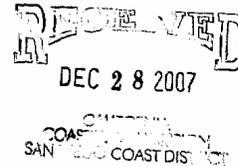


APPEAL FROM COASTAL PERMIT
DECISION OF LOCAL GOVERNMENT

Please Review Attached Appeal Information Sheet Prior To Completing This Form.

SECTION I. Appellant(s)

Name: Mary Shallenberger
Mailing Address: 45 Fremont Street, Suite 2000
San Francisco, CA 94105
Phone Number: (415) 904-5200

SECTION II. Decision Being Appealed

1. Name of local/port government: City of Imperial Beach
2. Brief description of development being appealed: Demolish existing 3-story, 38-room Seacoast Inn Hotel and fiber seawall, and construct new 4-story, 78-guest room condo-hotel.
3. Development's location (street address, assessor's parcel no., cross street, etc.):
800 Seacoast Drive, Imperial Beach (San Diego County) APN 625-262-01
4. Description of decision being appealed:
 - a. Approval; no special conditions:
 - b. Approval with special conditions:
 - c. Denial:

Note: For jurisdictions with a total LCP, denial decisions by a local government cannot be appealed unless the development is a major energy or public works project. Denial decisions by port governments are not appealable.

TO BE COMPLETED BY COMMISSION:

APPEAL NO: A-6-IMB-07-131

DATE FILED: December 28, 2007

DISTRICT: San Diego

APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT
Page 2

5. Decision being appealed was made by (check one):

- a. Planning Director/Zoning Administrator c. Planning Commission
- b. City Council/Board of Supervisors d. Other

Date of local government's decision: December 5, 2007

Local government's file number (if any): Resolution No. 2007-6559

SECTION III. Identification of Other Interested Persons

Give the names and addresses of the following parties. (Use additional paper as necessary.)

Name and mailing address of permit applicant:

Allison Rolfe
Pacifica Companies
1785 Hancock Street, Suite 100
San Diego, CA 92110

Names and mailing addresses as available of those who testified (either verbally or in writing) at the city/county/port hearing(s). Include other parties which you know to be interested and should receive notice of this appeal.

SECTION IV. Reasons Supporting This Appeal

Note: Appeals of local government coastal permit decisions are limited by a variety of factors and requirements of the Coastal Act. Please review the appeal information sheet for assistance in completing this section, which continues on the next page.

APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT
Page 3

State briefly your reasons for this appeal. Include a summary description of Local Coastal Program, Land Use Plan, or Port Master Plan policies and requirements in which you believe the project is inconsistent and the reasons the decision warrants a new hearing. (Use additional paper as necessary.)

See Attachment "A" dated December 28, 2007

Note: The above description need not be a complete or exhaustive statement of your reasons of appeal; however, there must be sufficient discussion for staff to determine that the appeal is allowed by law. The appellant, subsequent to filing the appeal, may submit additional information to the staff and/or Commission to support the appeal request.

SECTION V. Certification

The information and facts stated above are correct to the best of my/our knowledge.

Signed: Mary Skalleberg
Appellant or Agent

Date: 12/28/07

Agent Authorization: I designate the above identified person(s) to act as my agent in all matters pertaining to this appeal.

Signed: _____

Date: _____

December 28, 2007

ATTACHMENT "A" – Seacoast Inn Condo-Hotel Appeal

The proposed project would demolish an existing 38-unit hotel and construct a 78-unit condominium-ownership hotel. All 78 units would be condo-hotel units; that is, each room would be owned by individual investors. Owners' stays would be limited to 90 days per calendar year with a maximum of 25 days use during any immediately preceding 50 day time period. The facility would operate on the surface as a hotel, including maid service, room service, centralized room reservations with all rooms rented out in a "mandatory pool," and marketed by Pacifica Host Hotels and their in-house reservation center. The owner-operator of the project would maintain the legal ability and responsibility to ensure compliance with all of the conditions of the permit regarding construction and operation of the development.

The project appears to be inconsistent with several policies of the LCP, cited below. The subject site is zoned and designated C-2 Seacoast Commercial, with an MU-2 Mixed Use Overlay. The designation requires an emphasis on visitor-serving tourist-oriented uses such as specialty retail, restaurants, and hotel and motels. The LCP defines "hotel" as "any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public..." As such, a hotel would be a permitted use in this zone, with adoption of a Specific Plan, which the City prepared and approved. However, a condo-hotel is not a hotel as traditionally defined, nor does it meet the definition in the code as available "to the general public" because a portion of the time the units would be occupied by the owners. Nor is the project a residential or timeshare project, both permitted uses in the zone. Condo-hotel projects and other limited use/fractional ownership hotel proposals should not be considered unless the applicable LCP specifically allows such development.

In February 2004, the Commission approved an amendment to the City's LCP clarifying that short-term rentals (vacation rentals of multi-family units) are a permitted use only in primarily commercial areas, not residential areas. The Commission found the restriction of short-term rentals consistent with the Coastal Act only because at that time the City's existing visitor-serving designations were adequate to serve the needs of visitors. The proposed project would essentially eliminate 38 existing hotel units, and replace them with a quasi-residential land use that would function only part time as overnight visitor-serving accommodations.

Numerous sections of the Coastal Act require that public access and public recreational facilities be provided, promoted, and protected. Section 30210 requires that maximum access and recreational opportunities shall be provided for all the people. Section 30213 requires that lower cost visitor and recreational facilities be protected, encouraged, and provided—preferably public recreational opportunities. Section 30221 requires that oceanfront land suitable for recreational use be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area. Section 30222 prioritizes the use of private lands suitable for visitor-serving commercial recreational facilities that are designed to enhance public

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Attachment "A" Seacoast Inn #A-IMB-07-131
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opportunities for coastal recreation, over private residential, general industrial, or general commercial development.

In response to these Coastal Act requirements, the City's LCP similarly requires that oceanfront land shall be used for recreational and recreation-related uses whenever feasible. The proposed change in ownership of the hotel units would result in a use on the site that functions, at least to some extent, as a private residential use and thus could lessen the overall visitor-serving use of the existing hotel site inconsistent with the certified LCP and the public access and recreation policies of the Coastal Act. Due to its prime location adjacent to the beach, public amenities, and accessibility, it may be most appropriate to develop the subject site only with a use that truly and exclusively serves the visiting public by providing year-round overnight accommodations in all rooms.

In addition, the conversion to condominium ownership raises concerns regarding the long-term security and viability of visitor amenities on the subject site. If owners are not satisfied with the financial return on the properties, the Commission anticipates that there will be considerable pressure to allow longer stays for the condominium owners, defer maintenance costs of public areas, reduce access to public amenities, and/or convert the property to purely residential use and eliminate the public components of the project altogether.

The Coastal Act also establishes a preference for lower cost visitor-serving accommodations. In addition, condo-hotels generally do not offer accommodations at what can be considered "lower-cost," raising questions about the adequacy of supply of lower-cost visitor-serving accommodations in the coastal zone. The City's analysis of the financing aspect of the project projects average daily room rates of approximately \$138 per night, which is not lower cost. (Current average daily room rates at the existing hotel are approximately \$115). In addition, the proposed rooms would not be available to the public when the rooms are occupied by owners of the units.

Therefore, because the project would have impacts to public recreational uses and visitor-serving accommodations, the project is potentially inconsistent with the policies of the certified LCP and the Coastal Act.

Relevant policies in the adopted LCP include the following:

Zoning Code:

19.04.410. Hotel.

"Hotel" means any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public, including any incidental services such as eating, drinking, meeting, banquet, entertainment, or recreational services intended primarily for the convenience of guests. Hotels shall consist of various types which are further defined as follows:

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Attachment "A" Seacoast Inn #A-IMB-07-131
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H-1: A site area of a minimum square footage of thirty-five thousand square feet, at least thirty guest rooms, facilities for conference, meeting or public use and a full service restaurant on site.

H-2: A "Motel" which is an establishment providing guest rooms on a less than monthly basis, with most rooms gaining access from an exterior walkway.

H-3: A lot, parcel or segment of real property dedicated to "timeshare units" as defined in Section 19.04.756 of this Code.

H-4: A "bed and breakfast" lodging place containing no more than six guest rooms and one kitchen.

Chapter 19.27. C-2 SEACOAST COMMERCIAL ZONE

19.27.010. Purpose of zone.

The purpose of the C-2 zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C-2 zone will be visitor-serving retail such as specialty stores, surf shops, restaurant, hotels and motels. The development standards of the C-2 zone encourage pedestrian activity through the design and location of building frontages and parking provisions.

19.27.140. Seacoast commercial overlay (MU-2) zone.

The area located between Ocean Boulevard on the west, Ocean Lane on the east and between Imperial Beach Boulevard on the south and Palm Avenue on the north is designated as a commercial-residential overlay zone (MU-2). The purpose of this transition zone designation is to allow for the gradual commercial expansion in an area which is currently used for residential purposes.

A. The following uses shall be permitted in the MU-2 overlay zone:

1. Residential;
2. Short-term rentals.

B. The following uses are permitted in the MU-2 overlay zone subject to approval of a conditional use permit and subject to the development property regulations in subsection C of this section:

1. Hotels/motels (daily rentals);
2. Bed and breakfast inns;
3. Time shares.

C. Property development regulations.

19.27.150. Specific Plan.

A. The City Council may approve a Specific Plan for a hotel use that allows deviations from the following regulations in the C-2 zone:

1. Building heights specified in Section 19.27.070, provided that a height deviation may not exceed four stories;

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Attachment "A" Seacoast Inn #A-IMB-07-131
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2. Building setbacks specified in Section 19.27.040; and
 3. Parking requirements specified in Section 19.48.040.
- B. The intent of this section is to accommodate, to the greatest extent possible, an equitable balance of project design, project amenities, public improvements, and community and City benefits. The purpose of the Specific Plan is to provide flexibility in the application of development regulations for hotel projects where strict application of those regulations would restrict design options and result in a less desirable project.
- C. The City Council may approve a Specific Plan for a proposed hotel project that occupies property within both the Seacoast commercial (C-2) and Seacoast mixed-use overlay (MU-2) zones that allows deviations from the C-2 zoning regulations that are authorized by subsection A and deviations from the following regulations in the MU-2 zone:
1. Conditional use permit requirement specified in subsection 19.27.140(B)(1);
 2. Building setbacks specified in subsection 19.27.140(C)(2)(b);
 3. Building heights specified in subsection 19.27.040(C)(2)(c), provided that a height deviation may not exceed four stories; and
 4. Parking requirements specified in Section 19.48.040.
- D. All of the following findings must be made before a Specific Plan may be approved under this section:
1. The proposed project will not adversely affect the General Plan or the local coastal program;
 2. The proposed project will not be detrimental to the public health, safety or welfare;
 3. The proposed project, when considered as a whole, will be beneficial to the community and the City; and
 4. The proposed deviations are appropriate for the location and will result in a more desirable project than would be achieved if designed in strict conformance with zoning regulations in the C-2 zone.
- E. A Specific Plan approved under this section must state the ways in which the project benefits the community and the City and the ways in which the resulting project is preferable to what the existing regulations would have allowed.

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Land Use Plan

Table L-2, LAND USE DESIGNATIONS AND SPECIFICATIONS states in part:

C-2 Seacoast Commercial (3 stories)

The Seacoast Commercial land use designation provides for land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in this designation will be visitor-serving retail such as specialty stores, surf shops; restaurants, hotels and motels, etc. In order to promote a more pedestrian-oriented community character, as well as to reduce the high volume of vehicle trips attracted by drive-thru establishments, drive-thru services for restaurants, banks, dry cleaners, and other similar auto related business establishments shall be prohibited in this zone. Residential uses may (included below) be permitted above the first floor at a maximum density of one unit per every 1,500 square feet of land. Discretionary permit review by the City shall be required for such residential use.

MU-2 Mixed Use Overlay

The Mixed Use Overlay land use designation provides for future expansion of uses allowed in the C-2 Land Use Designation in an orderly way without requiring the amendment of the General Plan. In this overlay designation, commercial activities would be allowed to expand into areas otherwise designated as Residential. Discretionary permit review by the City shall be required for such commercial use.

The **L-4 Commercial Uses and Areas** contains specific policies for commercial uses and areas, and states:

e. Seacoast Commercial (C-2 & MU-2)

The Seacoast commercial area shall serve as a visitor serving, pedestrian-oriented commercial area. Existing residential uses shall be slowly transitioned to new visitor serving commercial uses. As part of the design review, 2nd or 3rd stories may be required to be set-back from Seacoast Drive.

Timeshares shall be prohibited on the first floor unless 25% are reserved for overnight accommodation.

Policy L-6 states:

L-6 Tourist Commercial Uses

Imperial Beach should provide, enhance and expand tourist commercial uses to the extent that they can be compatible with the small beach oriented town character of the City.

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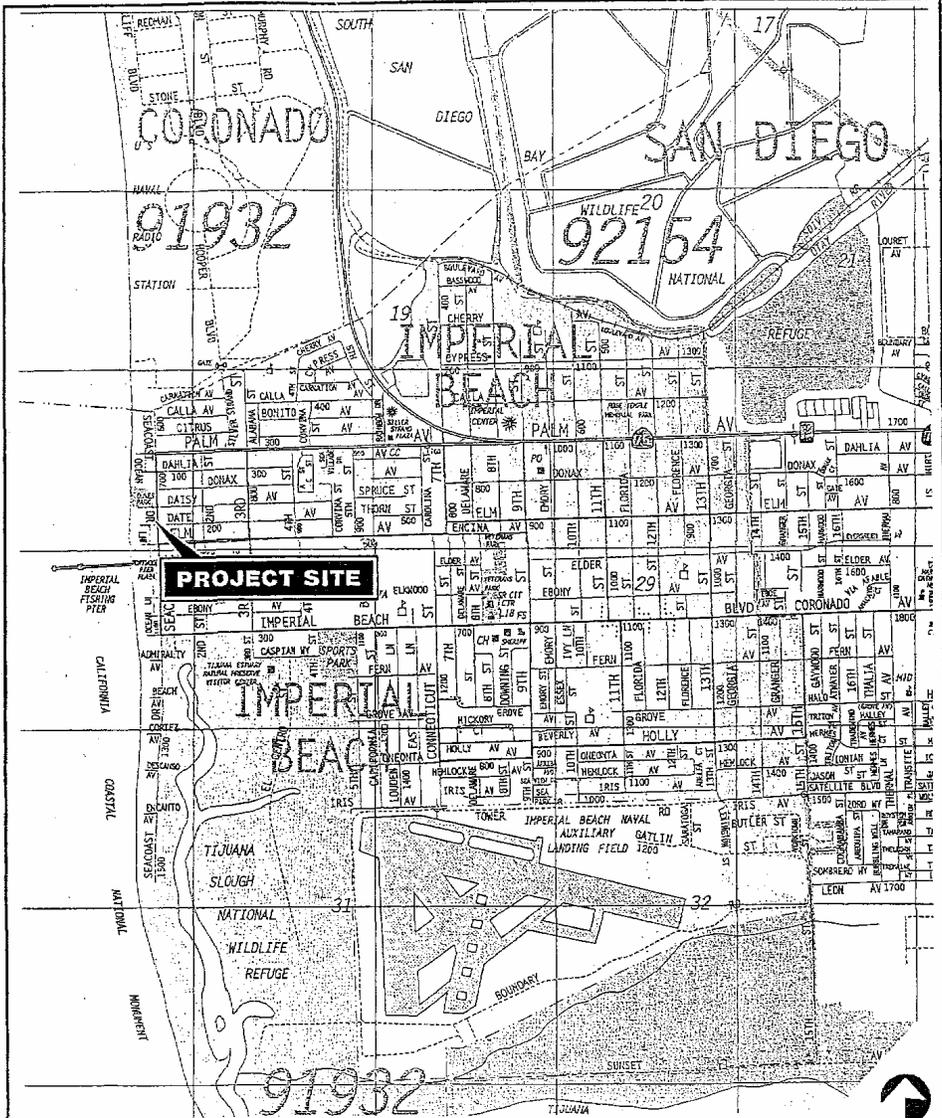
Policy P-2 and P-7 state:

P-2 Ocean and Beach Are The Principal Resources

The ocean, beach and their environment are, and should continue to be, the principal recreation and visitor-serving feature in Imperial Beach. Oceanfront land shall be used for recreational and recreation-related uses whenever feasible.

P-7 Increase Tourist Related Commercial Land Uses

The City and its business community should take direct action to increase the amount of tourist-oriented businesses both along the beachfront, South San Diego Bayfront and inland areas.



Source: Thomas Guide, 2005
 LLG1345.DWG

NO SCALE

**LINSCOTT
 LAW &
 GREENSPAN**
 engineers

EXHIBIT NO. 2
APPLICATION NO.
A-6-IMB-07-131
Location Map

California Coastal Commission

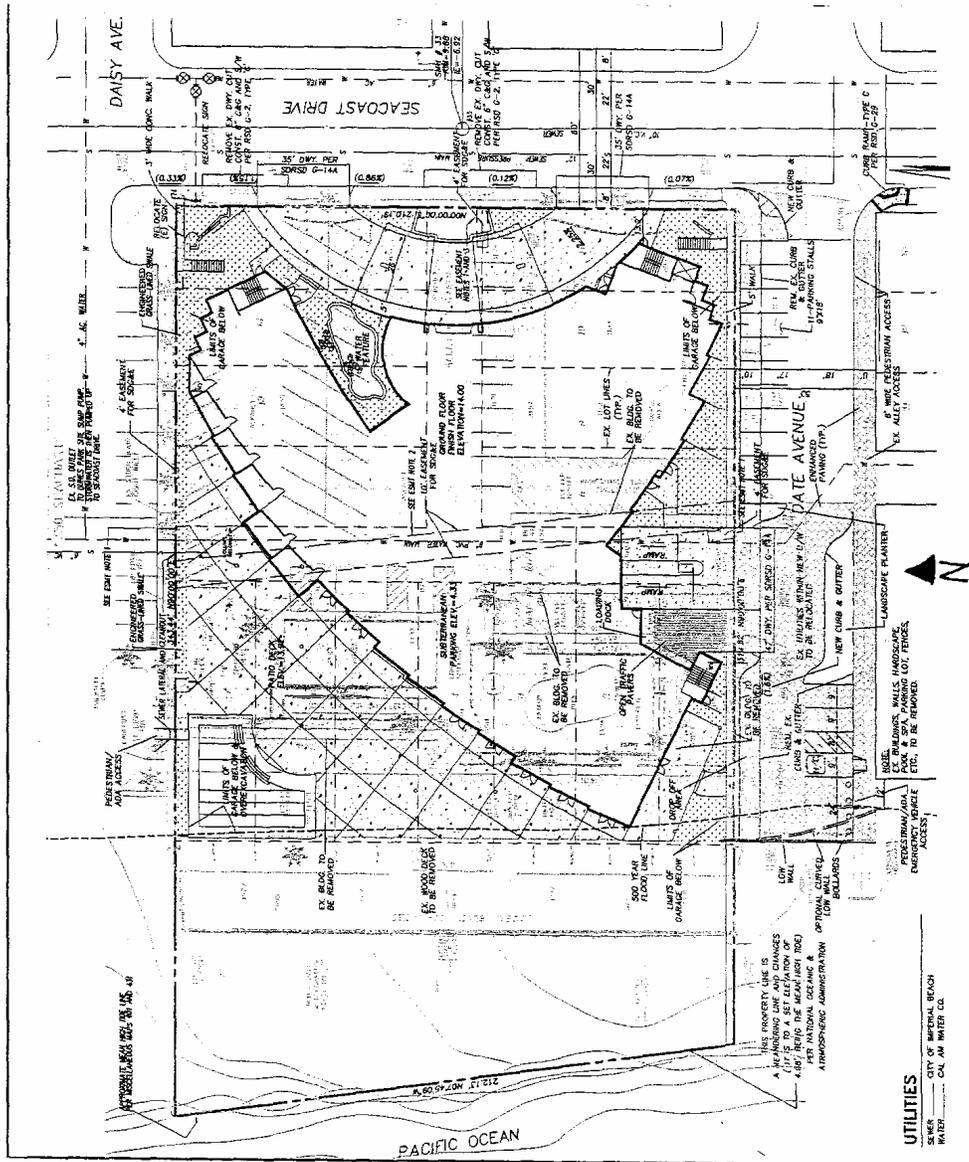


EXHIBIT NO. 3
APPLICATION NO.
A-6-IMB-07-131
Site Plan

California Coastal Commission

IMPERIAL BEACH
CITY COUNCIL
RESOLUTION NO. 2007-6559

EXHIBIT NO. 4
APPLICATION NO.
A-6-IMB-07-131
City Resolution
 California Coastal Commission

RESOLUTION NO. 2007-6559

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING REGULAR COASTAL DEVELOPMENT PERMIT (CP 03-091), DESIGN REVIEW (DRC 03-094), SITE PLAN REVIEW (SPR 03-093), TENTATIVE MAP (TM 03-092), AND ENVIRONMENTAL IMPACT REPORT (EIA 04-034) FOR THE DEMOLITION OF THE EXISTING 38-ROOM SEACOAST INN AND CONSTRUCTION OF A 4-STORY, 78-ROOM HOTEL WITH A SEAWALL, 111 PARKING SPACES, A RESTAURANT, A MEETING ROOM AND RELATED DATE AVENUE STREET END IMPROVEMENTS LOCATED AT 800 SEACOAST DRIVE IN THE C-2 (SEACOAST COMMERCIAL) ZONE. MF 661

APPLICANT: PACIFICA COMPANIES

WHEREAS, on November 21, 2007 and on December 5, 2007, the City Council of the City of Imperial Beach held duly advertised public hearings to consider the merits of approving or denying an application for a Specific Plan (03-095), Regular Coastal Permit (CP 03-091), Design Review (DRC 03-091), Site Plan Review (SPR 03-093), Development Agreement, Tentative Map (TM 03-092), and Environmental Impact Report (EIA 03-034) to demolish an existing 3-story, 38-room Seacoast Inn Hotel and timber seawall, and to redevelop the site as a 4-story, 78-guest room hotel, 40-feet high with 111 parking spaces in a subterranean garage, a restaurant, swimming pool, meeting rooms, and a new vertical seawall to be located 35 feet east of the existing timber seawall. The new hotel would be located landward of the new seawall. Currently private property on the beach to the mean high tide line is proposed to be dedicated as a public beach. The proposed project is located on 1.39 acres (APN 625-262-01-00) at 800 Seacoast Drive in the C-2 (Seacoast Commercial Zone) and is legally described as follows:

Lots 1 to 15, inclusive, in Block 7, in South San Diego Beach, in the City of Imperial Beach, County of San Diego, State of California, according to Map Thereof No. 1071, filed in the Office of the County Recorder of San Diego County, July 6, 1907.

Also all that certain alley in said Block 7 lying and being east of and adjacent to Lots 1 and 7, inclusive, in said Block and West of and adjacent to Lots 8 and 12 in said Block, and also all of the other certain alley of said Block, lying between Lots 8, 9, 10 and 11 on the south and Lots 12, 13, 14 and 15 on the north.

Also all that portion of Ocean Boulevard described as follows:

Commencing at the Southwest Corner of Said Block 7, and running thence Northerly along the West line of said Block as shown upon said Map to the Northwest Corner Thereof; Thence at right angles westerly to the high tide line of said Pacific Ocean; Thence Southerly along said high tide line to a point opposite and directly West of the Southwest Corner of said Block; Thence East to said Southwest Corner of said Block and being all that point of said boulevard lying between said Block 7 and the high tide of Pacific Ocean, and extending in a general Northerly direction from said south line of said Block projected Westerly to said high tide line, to the North line of said Block projected Westerly to said high tide line. Said alleys and said portion of Ocean Boulevard were vacated and closed to public use on December 9, 1908, by an order of the Board of Supervisors of San Diego County, recorded in Book 27, Page 432 and Page 433 of the records of said Supervisors Office.

Except any portion thereof lying below the Mean High Tide Line of the Pacific Ocean.

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Together with the reversionary rights, if any, to the centerline of Seacoast Drive, Daisy Avenue, and Date Avenue adjacent Thereto.

Lots 18 and 19, Block 7, Silver Strand Beach Gardens Addition to Imperial Beach, in the City of Imperial Beach, County of San Diego, State of California, according to map thereof No. 1902, filed in the Office of the County Recorder of San Diego County, March 25, 1926; Excepting therefrom any portion therefore heretofore or now lying below the ordinary high tide of the Pacific Ocean; and,

WHEREAS, on October 18, 2007, the Design Review Board of the City of Imperial Beach held a duly noticed public meeting and recommended approval of this application for Design Review (DRC 03-094) for to demolish an existing 3-story, 38-room Seacoast Inn Hotel and timber seawall, and to redevelop the site as a 4-story, 78-guest room hotel, 40-feet high with 111 parking spaces in a subterranean garage, a restaurant, swimming pool, meeting rooms, and a new vertical seawall to be located 35 feet east of the existing timber seawall in the C-2 (Seacoast Commercial) Zone, on a site at 800 Seacoast Drive; and

WHEREAS, the City Council of the City of Imperial Beach hereby finds that the project is consistent with the General Plan and the project design of the 78-guest room hotel, 40 feet high is compatible in use with surrounding commercial and residential developments in the vicinity which consist of multiple-story multiple-family residential developments to the north and south, and commercial buildings to the north and east, and, therefore, would be consistent with Policy D-8 of the Design Element of the General Plan which promotes project design harmonious with adjoining residential and surrounding uses; and

WHEREAS, in compliance with the provisions of AB 32, The California Climate Solutions Act of 2006, the potential impacts of the Seacoast Inn project were, to the extent that such impacts were, as directly associated with the project conditions, evaluated in the Draft and Final EIR for the project (reference- Section 3.12 of said EIR). The project applicant has agreed to incorporate: solar panels for direct use, hot water production and other specific measures discussed in the EIR, and

WHEREAS, in compliance with Section 15063 of the California Environmental Quality Act (CEQA) Guidelines, an Environmental Impact Report (EIR) has been prepared for this project and routed for public review from August 15 to October 1, 2007, and submitted to the State Clearinghouse (SCH # 2005101113) in accordance with the requirements of the (CEQA) for agency review, and

WHEREAS, the City Council has considered and heard any and all public testimony regarding the potential environmental impacts associated with this project, and hereby determines that:

- 1) the Final Environmental Impact Report (SCH # 2005101113) reflects the decision-making body's independent judgment and analysis;
- 2) the decision-making body has, pursuant to CEQA Guidelines Section 15074(b), considered the information contained in the Draft and Final Environmental Impact Reports (SCH # 2005101113) and the written comments received during the public review period;

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- 3) revisions in the project plans or proposals made by or agreed to by the project applicant, pursuant to CEQA Guidelines Section 15070(b)(1), would avoid the effects or mitigate the effects to a point where no identified significant effects would occur;
- 4) Upon review of the EIR, the City Council has determined that the submitted Final Environmental Impact Report, inclusive of the Draft EIR and written comments received during the public review period, shall be certified based on substantial evidence, in light of the whole record. This determination is based on the EIR information that the proposed project impacts will not cause a significant effect on the environment as proposed, as conditioned, or as revised: and
- 5) a Statement of Overriding Considerations is hereby adopted, by the City Council of the City of Imperial Beach, for short-term construction noise levels associated with pile driving and vibration effects. These short-term construction noise impacts, as identified in the Draft and Final EIR, will remain significant and unavoidable.

The City Council hereby finds and determines that these short-term construction noise level impacts shall be mitigated, to the extent possible as specified in the adopted Mitigation Monitoring & Reporting Plan and according to the conditions herein specified, in compliance with Section 15070 of CEQA.

The economic and social benefits of this proposed project as described in the Seacoast Inn Specific Plan outweigh the unavoidable but temporary adverse effects of the project and the effects are found to be acceptable.

WHEREAS, the City Council further finds and offers the following in support of its decision to conditionally approve the project:

SITE PLAN REVIEW FINDINGS:

1. **The proposed use does not have a detrimental effect upon the general health, welfare, safety and convenience of persons residing or working in the neighborhood, and is not detrimental or injurious to the value of property and improvements in the neighborhood.**

The applicant proposes the demolish of an existing 3-story, 38-room hotel and redevelop the site as a 4-story, 78-guest room hotel, 40-feet high with 111 parking spaces in a subterranean garage, a restaurant, swimming pool, meeting rooms, and a new vertical seawall to be located 35 feet east of the existing timber seawall. The new hotel would be located landward of the new seawall. Currently private property on the beach to the mean high tide line is proposed to be dedicated as a public beach. Enhanced street end improvements to Date Avenue along with its new vertical seawall are also proposed.

The 1.39 acre property (APN 625-262-01-00) is located at 800 Seacoast Drive and designated C-2 (Seacoast Commercial Zone) by the General Plan/Local Coastal Plan construction of a 4-story, full service 78-guest room hotel with an underground parking garage.

The project includes the placement of the new hotel buildings and a seawall system that will be installed a minimum of thirty-five (35) feet landward (east) of the applicant's existing timber seawall. A new seawall system will be constructed as a part of the proposed hotel building and conform to the stringline north and south of the subject

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property. The height of the building will be required to be no higher than 40 feet, based on average grade methodology, above mean sea level. Coastal engineering reports prepared by Moffatt & Nichol dated November 2005 with an update dated February 2006 provide information regarding wave runup conditions, seawall design, beach sand erosion, scouring, and the avoidance of adverse impacts on neighboring properties. A geotechnical analysis was prepared by TGR Geotechnical date December 24, 2002 with an update dated May 18, 2005. Based on this engineering information, no adverse impacts to adjacent properties would occur.

The proposed hotel use is similar to the other hotel operations within the region, and compatible with other residential uses established nearby. The current timber seawall configuration is further seaward than the adjoining structures both north and south. This existing condition may be impacting the up-and-down coast properties by acting as a barrier for the longshore transport of sediments. The new proposed seawall location is to be located thirty-five (35) feet landward of the existing seawall and should be more in line to an existing seawall north of Dunes Park. The landward shift of the existing seawall should create greater uniformity for shoreline protection. Constructing the new seawall thirty-five (35) feet landward of the existing timber seawall will decrease the encroachment onto the public beach area that currently exists. As such, the project is not expected to have a detrimental effect upon the health, welfare, safety and convenience of persons residing or working in the neighborhood. The on-site parking for the proposed hotel conforms to the requirements specified by the City's Specific Plan Ordinance for off-street parking.

The project building footprint has been set back from its west property line to be more consistent with the City's established stringline of the beach area and thereby, providing enhanced public lateral and horizontal access along the coast. The project is being required to re-dedicate a private beach area for public use and access.

The project building footprint has replaced an existing asphalt parking with a "grand entryway" design element and features that enhances the street level perspective of the project, and provides greater public view access from Dunes Park and properties to the south by its proposed building orientations on the property.

2. The proposed use will not adversely affect the General Plan/Local Coastal Plan.

The subject site is located within the Seacoast Commercial (C-2) Zone and land use designation. This zoning classification and land use designation provides for the development of a new hotel development based on Specific Plan requirements pursuant to the City's Specific Plan Ordinance. The Specific Plan Ordinance will permit the construction of a hotel with a maximum roof level height of forty (40) feet and off-street parking, design standards, full-service facilities inclusive of a public restaurant and meeting rooms. This project has provided various technical studies and environmental analysis in compliance with the Specific Ordinance, including an off-street parking study, visual analysis, market-demand analysis, specific design standards, and full-service facilities. Additionally, the maximum building height shall be fifty-four (54) feet from an average grade of fourteen (14) feet from mean sea level. Therefore, the project is determined to be consistent with the City's General/Local Coastal Plan.

3. The proposed use is compatible with other existing and proposed uses in the neighborhood.

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The subject site is located in the "Seacoast Commercial Area" which encompasses beachfront development along Seacoast Drive from Palm Avenue south to Imperial Boulevard. Within this area, generally commercial and residential developments dominate, and structural types and residential densities vary in character, bulk and scale. The proposed project is compatible with the established two-story and three-story residential and commercial beachfront developments along Seacoast Drive.

The project design relates in bulk, setback and scale to similar multiple-family residential projects developed along Seacoast Drive, north of Imperial Beach Boulevard. The proposed building design provides a visual link with similar existing commercial and high density residential beachfront developments, north and south that incorporate seawalls, beachfront decks, upper level balconies, stucco or wood exterior finish, glass and concrete tile roof materials in their designs. As such, the project is compatible with commercial and residential developments along the City's developed beachfront, Imperial Beach Boulevard to Palm Avenue, and complies with the requirements of the City's Specific Plan Ordinance.

4. **The location, site layout and design of the proposed use properly orients the proposed structures to streets, driveways, sunlight, wind and other adjacent structures and uses in a harmonious manner.**

The proposed hotel buildings will enhance view corridors to the ocean as shown and described in the Final EIR shadow analysis section. No adjacent structures or uses are affected by the proposed building orientation for sunlight, wind or views. Most guest rooms and public areas of the proposed hotel provide views toward the ocean. This project thereby demonstrates proper orientation.

5. **The combination and relationship of one proposed use to another on the site is properly integrated.**

The project represents a redevelopment development on a beachfront site that is predominantly commercial and visitor serving in character. As a visitor serving facility, the hotel provides an important link and relationship to the City's plan for eco-tourism visitor serving facilities, and for the revitalization/redevelopment efforts planned within the Palm Avenue's commercial area. The project is not a mixed-use development; therefore, this finding is not applicable.

6. **Access to and parking for the proposed use will not create any undue traffic problems.**

The hotel's planned subterranean garage provides sufficient parking, per the submitted traffic study analysis provided by the applicant, to meet the peak demands generated by the project. There is adequate back-out area for the cars to maneuver for access/egress onto Date Avenue and Seacoast Drive. Ocean Lane is a low volume local access road. The project proposes to provide 1.43 parking spaces per guest room as recommended by the submitted traffic study, prepared by Linscott, Law & Greenspan Traffic Engineers, and evaluated in the EIR. This meets the parking requirements as specified in the City's Specific Plan Ordinance.

COASTAL PERMIT FINDINGS:

1. The proposed development conforms to the Certified Local Coastal Plan including Coastal Land Use Policies.

Shore Processes and Shore Protection

The subject site is situated within the Silver Strand Littoral Cell (SSLC), representing a coastal compartment which contains a complete cycle of littoral (beach) sedimentation, including sand sources, transport pathways and sediment sinks. Recent Army Corps of Engineers studies indicate that erosion problems are most noticeable in Imperial Beach and at Playas de Tijuana. A detailed description of coastal conditions and processes for this project is provided in the coastal engineering reports prepared by Moffatt & Nichols, dated November 2005.

The City of Imperial Beach has approximately 17,600 feet of shoreline, approximately 12,000 feet or 68% of which is either publicly owned or has direct vertical or lateral access. This includes 6,000 linear feet of sandy beach owned by the State of California within the Border Field State Park in the extreme southwest corner of the City. The project represents infill development where shore protection is provided by seawalls and rock revetment, both authorized and unauthorized. However, in 1994, the City of Imperial Beach incorporated new language in its Local Coastal Program that established the construction of vertical seawalls north of Imperial Beach Boulevard. Such shore protection must be shown to be necessary to protect the infill development and must not extend seaward of the western property limits.

The proposed project represents the material impact of this new language on infill development north of Imperial Beach Boulevard. A seawall is proposed to be constructed entirely on the subject site and a minimum of thirty-five (35) feet landward of the existing timber seawall, and in accordance with design standards described in the coastal engineering reports prepared by Alan Alcorn of Moffatt & Nichols dated November 2005. The project is not expected to alter lateral beach access or any portion of beach area for public recreation uses consistent with the certified Local Coastal Plan.

Policy S-11 of the Safety Element of the General Plan/Local Coastal Plan states that new development fronting on Seacoast Drive north of Imperial Beach Boulevard shall incorporate an engineered vertical seawall in its design if it is determined that shoreline protection is necessary. Such a seawall shall be located within the private property of the development and shall be sufficient to protect the development from wave runup and flooding during combined design storm and high tide events. The coastal engineering study presents the justification for the seawall, designed to withstand the 1982-83 winter storms.

Public Access

The subject site is located between the ocean and the first public road, which is Seacoast Drive. Date Avenue is a fifty-three (53) foot wide public street that runs in an east-west direction and intersects Seacoast Drive. Date Avenue also provides public access to the beach area at the existing street end. Public access to the beach is provided from Dunes Park to the north. The hotel project will provide public access to the existing north and south public accessway.

The certified Local Coastal Program contains policies that address street-end improvement standards designed to facilitate beach access. These planned

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improvements will include enhanced landscaping and more parking spaces with an ADA space. Given this, and the fact that improved beach street ends are programmed adjacent to the project site, it can be found that there is adequate and enhanced vertical access to the shoreline. Additionally, adequate on-site parking for the hotel will be provided to serve the needs of the development.

The project is in conformity with the public access and public recreation policies in the certified Local Coastal Program and Chapter 3 of the Coastal Act, commencing with Section 30200, because:

- a) improved public access to the beach and shoreline is readily available adjacent and to the south and north of the subject site;
- b) improved lateral and horizontal coastal access is being provided by having this project set back away from the beach in conformance with the Coastal Commission's stringline development policy, and the project is being required to re-dedicate a private beach area from mean high tide to the new building seawall and associated buildings for public use and access;
- c) the new development will be located entirely on private property upland (landward) of the sandy beach;
- d) the project protects public access parking opportunities through the provision of 111 on-site parking spaces, as required by the certified Local Coastal Program and in conformance with the City's Specific Plan Ordinance requirements.

Coastal View Access

The beach is not entirely visible from Seacoast Drive given some of the existing hotel development. Public viewing areas are provided at the street ends to the south of the site and from Dunes Park to north. From a position on the beach seaward of the subject site, the proposed hotel seawall, patio, swimming pool, outdoor restaurant area and guest room balconies appear similar to other buildings on this frontage. Additionally, enhanced lateral and horizontal coastal access is being provided by having this project set back away from the beach in conformance with the Coastal Commission's stringline development policy and the re-dedication of the private beach area for public use and access.

Refer to Site Plan Review Finding No. 2 for land use consistency, incorporated here by reference.

Scenic Views: The seawall and the proposed hotel project will not be significantly out of scale with the height of nearby structures. Refer to photo simulation and shadow analysis study in the Draft and Final EIR.

2. **For all development seaward of the nearest public highway to the shoreline, the proposed development meets standards for public access and recreation of Chapter Three of the 1976 Coastal Act and regulations promulgated thereunder.**

The subject site is located between the ocean and the first public road, which is Seacoast Drive. Date Avenue is a fifty-three (53) foot wide public street that runs intersects Seacoast Drive and the beach. The existing hotel development does not allow public access to the beach area. The property owner will provide lateral and horizontal coastal access by having this project set back away from the beach in

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conformance with the Coastal Commission's stringline development policy and re-dedicating the private beach for public use.

The certified Local Coastal Program contains policies that address street-end improvement standards designed to facilitate beach access. Given this, and the fact that improved beach street ends are programmed near the site, it can be found that there is adequate horizontal and lateral access to the shoreline. Additionally, adequate on-site parking will be provided to serve the needs of the development.

Section 30252 of the Coastal Act addresses public access, and states in part, "The location and amount of new development should maintain and enhance public access to the coast by providing adequate parking facilities..." This project will provide 111 off-street parking spaces as required by the Specific Plan Ordinance. Additionally, fourteen (14) on-street parking spaces are planned for Date Avenue to replace spaces from Seacoast Drive and provide more parking spaces on Date Avenue than currently exist.

3. **The proposed development meets the minimum relevant criteria set forth in Title 19, Zoning.**

Refer to Site Plan Review findings No.3, 4 and 5 incorporated herein.

4. **For all development involving the construction of a shoreline protective device, a mitigation fee shall be collected which shall be used for beach sand replenishment purposes. The mitigation fee shall be deposited in an interest bearing account designated by the Executive Director of the California Coastal Commission and the City Manager of Imperial Beach in lieu of providing sand to replace the sand and beach area that would be lost due to the impacts of any protective structures.**

The project includes the construction of a vertical seawall. Therefore the project is conditioned to provide the fee in compliance with Section 19.87.050 of the City of Imperial Beach Municipal Code. However, due to an interpretation by the Coastal Commission, this project may not need to pay a fee since the seawall will be placed on private property.

DESIGN REVIEW FINDINGS:

1. **The project is consistent with the City's Design Review Guidelines.**

The design of the project and the landscaping improvements are consistent with the City's Design Review Guidelines as per Design Review Compliance checklist and the findings adopted by the Design Review Board per their Resolution No. 2007-09.

NOW, THEREFORE, BE IT RESOLVED, that Regular Coastal Permit (CP 03-091), Design Review (DRC 03-094), Site Plan Review (SPR 03-093), Tentative Map (TM 03-091) Environmental Impact Report (EIA 04-034) to demolish an existing 3-story, 38-guest room hotel and construct a 4-story, 78-guest room full service hotel, 40-feet-high to roof level height with a new vertical seawall on a 1.39 acre lot at 800 Seacoast Drive in the C-2 (Seacoast Commercial) Zone, are hereby **approved** by the City Council of the City of Imperial Beach subject to the following:

CONDITIONS OF APPROVAL:

A. PLANNING:

General Conditions:

1. Final building permit plans shall indicate and the site shall be developed substantially in accordance with the approved conceptual plans on file in the Community Development Department as of November 1, 2007 and with the conditions adopted herein.
2. The applicant shall submit a licensed surveyor's certificate upon completion of the foundation work that demonstrates proper placement of the structure relative to building setbacks from property lines and a certificate upon completion of framing that demonstrates and ensures that the building does not exceed the maximum roof level height of 40 feet above an average grade of 14 feet mean sea level grade.
3. Approval of this request shall not waive compliance with any portion of the Uniform Building Code and Municipal Code in effect at the time a building permit is issued.
4. Mechanical equipment, including solar collectors and panels or other utility hardware on the roof, ground, or buildings shall be screened from public view with materials harmonious with the building, and shall be located so as not to be visible from any public way. (19.83).
5. No improvements, structural or non-structural, may be placed on the roof deck. Only personal property, which does not obstruct views, is permitted on the roof deck while authorized person(s) are actually present on the roof deck.
6. All landscaped areas, including any in the public right-of-way, shall be maintained, at all times, in a healthy condition, free from weeds, trash, and debris.
7. It shall be the applicant's responsibility to assure that shoreline protection structures on adjacent properties are not damaged during construction on the subject site, and to repair any damage to the adjacent property's shoreline protection structures that may be caused by the construction on the subject site. The construction of temporary slopes shall be shored in compliance with CAL-OSHA requirements.
8. All sand excavated from the project site shall be analyzed for suitability as beach nourishment material. If determined to be suitable, any sand in excess of that required to provide berming along the first level wall shall be used for beach nourishment at such locations as may be determined appropriate by the City for compliance with sand nourishment programs. Local sand, cobbles or armor stones shall not be used for backfill or construction materials. Additionally, the applicant shall remove from the beach and seawall area any and all debris that result from the construction period and dispose of such materials in an acceptable landfill site.
9. Within 60 days following project completion, the applicant shall submit certification by a registered civil engineer verifying that the seawall has been constructed in conformance with the final approved plans for the project.
10. Construction materials or equipment shall not be stored on the beach seaward of the western property line. Equipment shall be removed from the beach at the end of any given work day.
11. A Registered Engineer shall supervise the construction of the seawall.
12. The property owner shall be responsible for maintenance of the permitted seawall. Any debris or other materials which become dislodged after completion through weathering and coastal processes, which impair public access, shall be removed from the beach.

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Any future additions or reinforcements may require a coastal development permit. If after inspection it is apparent that repair and maintenance is necessary, the applicant shall contact the City to determine whether such a permit is necessary.

13. The applicant or applicant's representative shall, pursuant to Section 711.4 of the California Fish and Game Code, pay by certified or cashier's check payable to the San Diego County Clerk \$2,500 plus a \$50 documentary handling fee at the time the Notice of Determination is filed by the City, which is required to be filed with the County Clerk within five working days after project approval becomes final (Public Resources Code Section 21152).
14. Applicant shall pay off any unpaid negative balances in the Project Account Numbers (03-91/03-92/03-93/03-94/03-95/04-034) prior to issuance of building permit and prior to final inspection/certificate of occupancy.
15. The applicant or applicant's representative shall read, understand, and accept the conditions listed herein and shall, within 30 days, return a signed affidavit accepting said conditions.
16. The applicant shall comply and conform to the requirements, specifications, mitigation measures and conditions provided, by separate action or as specified herein, for the City Council approved Development Agreement applicable to this project, the certified Final EIR and Mitigation Monitoring & Reporting Plan, and the Specific Plan applicable to this project.
17. Building design and architectural treatment/style, project amenities and features shall conform and comply with the standards and requirements specified by the Seacoast Inn Specific Plan as adopted by the City Council. No deviation or modification shall be allowed unless prior approval for modifications have been granted by public hearing action by the City Council.

Prior to the Issuance of Construction or Grading Permits or Commencement of Site Work:

18. The applicant shall dedicate an easement over, under, along and across that portion of the property west (seaward) of the proposed seawall from the mean high tide line to the new seawall to the City of Imperial Beach for public use and access by City maintenance and emergency vehicles to the beach.
19. The applicant shall provide the City Community Development Department with a construction schedule in order to commence any site work. All construction activity on the beach shall be scheduled during low tides.
20. The applicant shall submit final plans for the shoreline protection device consistent with the recommendations contained in the Wave Runup engineering report prepared by Moffatt & Nichols dated November 2005 with an update dated February 14, 2006, and a Geotechnical Study report prepared by TGR Geotechnical December 24, 2002 with an update dated May 18, 2005.
21. The applicant shall submit plans showing the locations, both on and off site that will be used as staging or storage areas for materials and equipment during the construction phase of the project. The staging/storage plan shall be subject to review and written approval of the Community Development Director. The plan shall also note that no work requiring encroachment on the public beach shall be allowed on weekend days between Memorial Day and Labor Day, and during predicted grunion runs, of any year.

Disturbance to the beach more than 10 feet seaward of the existing hotel seawall during construction shall be prohibited except for beach replenishment. Construction activity up

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to 10 feet seaward of the existing seawall shall be allowed only for demolition of the existing seawall and for beach restoration. Beach replenishment will be allowed only under conditions stated in the Environmental Impact Report, Section 2.6, or in a beach replenishment program permitted by the U.S. Army Corps of Engineers. During grunion spawning periods forecasted by the California Department of Fish and Game, no construction activity shall be allowed seaward of the new seawall.

22. The applicant shall submit a traffic control plan for the diversion of traffic on Ocean Lane during construction. Ocean Lane shall remain open, except at intersection with Date Avenue, for vehicular traffic, including emergency vehicles during construction of the project. If traffic must be impeded, the applicant must submit a traffic control plan to the Public Works Director for approval at least 10 days prior to closure of Date Avenue and Ocean Lane intersection or closure of Date Avenue at Seacoast Drive.
 23. The landowner, if required, shall execute and record a deed restriction in a form and content that is acceptable to the Community Development Director which shall provide: (a) that the applicant understands that the site may be subject to extraordinary hazard from waves during storms and from erosion or flooding, and the applicant assumes the liability from such hazards; and (b) that the applicant unconditionally waives any claim of liability on the part of the City of Imperial Beach and agrees to indemnify and hold harmless the City of Imperial Beach relative to its approval of the project for any damage due to natural hazards. The document shall run with the land, binding all successors and assigns, and shall be recorded free of prior liens.
 24. The applicant shall pay a sand mitigation fee if required which shall be used for beach sand replenishment purposes, in lieu of providing sand to replace the sand and beach area that would be lost due to the impacts of the proposed shoreline protection structure. The mitigation fee shall be deposited in an interest-bearing account designated by the Executive Director of the California Coastal Commission and the City Manager of the City of Imperial Beach. The mitigation fee shall be determined in accordance with Section 19.87.050 of the City of Imperial Beach Municipal Code, in consultation with the California Coastal Commission technical staff.
 25. Form 7-B shall be submitted with the Building Permit Application.
 26. Identify all BMPs on the site plan or a separate landscape or drainage plan in compliance with Form 7-B of the Storm Water Management Plan.
 27. Provide this note on the plans: "All construction wastes shall be collected, stored and disposed of in an approved manner per Caltrans Storm Water Quality Handbook." Show the location of your waste container or dumpster on site. If you intend to set a dumpster in the public right of way an Encroachment Permit is required.
 28. Show proposed drainage pattern with high point elevation and flow-lines elevation every 25'.
 29. Provide a final soils report from a licensed soils engineer.
 30. Locate on the site plan the sewer line for the new dwellings.
 31. A final grading / Improvement plan is required for this project and shall be approved by the City Of Imperial Beach Engineer prior to permit issuance.
 32. Provide this note on the plans: "BMPs shall be maintained through final inspection. If the building Inspector finds that BMPs are not in place during a regularly scheduled inspection, the inspection will not be complete and a re-inspection fee may be assessed at the discretion of the Building Official."
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33. Project building plans shall show and ensure that the hot water tank P.T. discharge pipe is directly connected to the sanitary sewer system or the landscape area. A design that has the water discharge directly into the storm drain conveyance system onto an impervious surface that flows to a public street shall be avoided and would be in violation of the Municipal Storm Water Permit – Order 2001-01.
 34. No building roof or landscape water drains may be piped to the street or onto impervious surfaces that lead to the street. A design that has these water discharges directly into the storm drain conveyance system (onto an impervious surface that flows to the street) is in violation of the Municipal Storm Water Permit – Order 2001-01.
 35. Require the building foundation elevation be at least 1 foot above gutter line to minimize flooding during storm conditions.
 36. Ensure construction design includes adequate storage for trash containers for regular trash, recycled waste, green waste as required by the City Public Works Director.
 37. Install survey monuments, as specified and required by Public Works Director, on all property lines and/or adjacent to the property line. Record same with county office of records.
 38. Applicant shall incorporate into project design and implement pre- and post construction Best Management Practices (BMPs), inclusive of site design, source control and treatment controls, and verify maintenance provisions through a legal agreement, covenant, CEQA mitigation requirement, and/or the conditions as required by the City Public Works Director.
 39. Applicant shall submit for review and approval a Storm Water Pollution and Prevention Plan (SWPPP), project is greater than 1-acre in size, by City Public Works Director.
 40. For alley, sidewalk or curb and gutter replacement ensure compliance with San Diego Regional Standard Drawing G-11 in that the "Area to be removed [must be] 5' or from joint to joint in panel, whichever is less." The distance between joints or score marks must be a minimum of 5 feet. Where the distance from "Area to be removed" to existing joint, edge or score mark is less than the minimum shown, "Area to be removed" shall be extended to that joint, edge or score mark.
 41. For any work to be performed in the street submit a traffic control plan for approval by Public Works Director a minimum of 10 working days in advance of street work. Traffic control plan is to be per Regional Standard Drawings or Caltrans Traffic Control Manual.
- Prior to Final Map Approval for Recordation:**
42. The applicant shall dedicate an easement over, under, along and across that portion of the property west (seaward) of the proposed seawall from the mean high tide line to the new seawall to the City of Imperial Beach for public use and access by City maintenance and emergency vehicles to the beach.
-

Expiration Date:

43. Approval of Regular Coastal Permit (CP 03-091), Design Review (DRC 03-094), Site Plan Review (SPR 03-093), Tentative Map (TM 03-092) and Environmental Impact Report (EIA 04-034) is valid for three years from the date of final action, to **expire on December 5, 2010**, unless an appeal is filed to or by the California Coastal Commission. Any such appeal will stay the expiration date until the case is resolved and the permit will expire 3 years from the date the Commission acts on the appeal. In the event that no appeal is filed, conditions of approval must be satisfied, building permits issued, and substantial construction must have commenced prior to the expiration date, or unless a time extension is granted by the City pursuant to such a request for extension by the applicant. The applicant is responsible for tracking these expiration dates and shall, if necessary, file a written request for a time extension at least 45 days prior to said expiration dates, either the Coastal Commission decision or the City Council of the City of Imperial Beach Notice of Decision(s).

B. ENVIRONMENTAL CONDITIONS OF APPROVAL:

General:

All mitigation measures, as specified in the Draft and Final EIR Mitigation Monitoring and Reporting Plan (MMRP), shall, at a minimum be initiated or completed, by designated responsible parties.

The following conditions shall also be incorporated into the project as additional requirements to assure conformance or compliance with City regulations, and are in addition to required EIR Mitigation Measures:

Air Quality:

Temporary impacts to air quality associated with construction activities are anticipated. Implementation of the following conditions during construction operations shall be required:

44. Water all active construction areas at least twice daily.
45. Cover all trucks hauling soil, sand, and other loose materials, or require trucks to maintain at least 2 feet of free board.
46. Pave/apply water three times daily, or apply nontoxic soil stabilizers, on all unpaved access roads, parking areas, and staging areas at the construction sites.
47. Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction site.
48. Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.
49. Hydroseed or apply nontoxic soil stabilizers to inactive construction areas. Inactive construction areas are areas that have been previously graded and are inactive for 10 days or more.
50. Install sandbags, silt fences or other erosion control measures to prevent silt runoff to public roadways.
51. Replant vegetation in disturbed areas as quickly as possible.
52. Suspend excavation and grading activity when wind gusts exceed 25 MPH.

Biological Resources:

The following conditions shall be implemented to reduce potential impacts to the Pismo clam and grunion. Although not listed as an endangered or threatened species, the City has implemented a standard protocol for the protection of the Pismo clam and grunion associated with construction activities by incorporating the following:

53. Impacts to Pismo clam shall be mitigated by avoiding vehicle use in the lower intertidal zone, and minimizing vehicle use in the middle intertidal zone (or conduct a survey at the time of construction to verify their absence); and
54. Disturbance to the beach below the high tide line (Mean Higher High Water) during construction shall be prohibited except for beach replenishment. Beach replenishment will be allowed only under conditions stated in the Environmental Impact Report, Section 2.6, or in a beach replenishment program permitted by the U.S. Army Corps of Engineers. During grunion spawning periods forecasted by the California Department of Fish and Game, no construction activity shall be allowed seaward of the new seawall.

Geology:

The following geotechnical conditions shall be required in the planning and implementation of the project:

55. A comprehensive geotechnical evaluation, including development-specific subsurface exploration and laboratory test, shall be conducted prior to design and construction if previous studies need to be updated. The purpose of the subsurface evaluation shall evaluate the subsurface conditions in the area of the proposed structures and to provide information pertaining to the engineering characteristics of earth materials at the project site. From the data, recommendations for grading/earthwork, surface and subsurface drainage, foundations, pavement structure sections, and other pertinent geotechnical design considerations shall be formulated and submitted to City Building Official for approval.
56. Vibration induced settlement due to driving of sheet piles may occur during the construction of the seawalls. Nearby structures and pavement may experience distress due to the induced settlements. A vibration monitoring plan, in accordance with 2007 California Building Code requirements, shall be developed and implemented during construction of the sheet pile seawalls. The purpose of the plan would be to document construction induced vibrations and is subject to the approval of the City Building Official and/or Public Works Director prior to issuance of building or grading permits.
57. A baseline geotechnical reconnaissance shall be performed at each of the nearby structures to document pre-construction distress features, if any. Such an evaluation may include manometer surveys, crack measurements, and photographic/video documentation.
58. During construction, nearby structures shall be monitored for distress and/or settlement that may occur as a result of construction. Upon completion, a final evaluation of the nearby structures shall be performed, and the results compared with the initial baseline findings.
59. Liquefiable soils may be present on the site. The confirmation of their presence (or absence) shall be done through subsurface exploration (e.g. drilling) and laboratory testing.

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60. Loose surficial soils that are not suitable for structural support in their current state are present on the sites. The loose surficial soils shall be mitigated by their removal during site grading. Much of the soils should be suitable for reuse as compacted fill.
61. The project has a potential for strong ground motions due to earthquakes. Accordingly, the potential for relatively strong seismic accelerations shall be considered in the design of proposed improvements.

Hydrology and Water Quality:

The potential for impacts to water quality would primarily occur as a result of construction activities. The following measures shall be implemented prior to initiation of construction activities:

62. Prior to City approval of construction permits, the final grading and drainage plans will be reviewed for compliance with SUSMP.
63. The proposed project includes a subterranean parking garage; therefore, excavation below the street level elevation may intercept the groundwater table. An updated geotechnical report shall be required prior to construction to ensure the appropriate measures are implemented. Temporary construction dewatering may be required during excavation. The applicant shall be responsible for obtaining an appropriate permit(s) for construction dewatering.
64. Project shall adhere to the Water Pollution Control Plan (WPCP) prepared by Landmark Consulting Engineers as conditioned and approved by the City of Imperial Beach including Construction and Permanent Best Management Practices (BMP) and other requirements pursuant to the City's Standard Urban Storm Water Mitigation Plan (SUSMP).
65. In order to provide the appropriate protection to the project site in case of a flood event, the applicant shall be required to Implement Flood Hazard Reduction Standards established for construction in order to assure protection from flooding (Imperial Beach Municipal Code 15.50.160).
66. In addition to building permits, a flood hazard area development permit may need to be obtained from the City Engineer prior to commencement of any construction (Imperial Beach Municipal Code 19.32.020).

Noise:

It is anticipated that the project will create temporary noise impacts associated with construction activities. During construction, equipment and material transport will generate temporary noise, which could be a significant increase in levels for the adjacent residents. Therefore, the following conditions shall also be incorporated into the project as additional requirements to assure conformance or compliance with City regulations, and are in addition to required EIR Mitigation Measure:

67. To further deter construction noise from adjacent properties, the applicant shall be responsible for notifying residents and businesses within a 300-foot radius prior to shoring or pile driving activities.
68. Additionally, construction activities associated with implementation of pile driving shall be limited to the hours of 8 a.m. to 5 p.m., Monday through Friday.
69. The applicant shall notify all residents within 500 feet of the project site prior to pile driving activities. The applicant shall also incorporate the best available technology acoustical dampening features during pile driving or drilling, including but not limited to

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the installation of a ten (10) foot high sound attenuating wall at the property perimeters. Other Best Management Practices for construction noise abatement shall be employed, to the extent feasible, by the contractor throughout the construction phase, including limiting equipment warm-up to no more than fifteen (15) minutes prior to start of daily construction activities.

C. BUILDING:

70. This project is subject to all Model Codes, State Codes and City Ordinances adopted by the City of Imperial Beach, including but not limited to the applicable 2007 California Building and Mechanical Code requirements for building design, ADA access for swimming pool and all areas of the hotel, garage ventilation, building sprinkler systems, alarm system, elevator access and controls.
71. Applicant shall submit a complete set of construction documents for building permit review including complete architectural, structural, civil, mechanical, electrical, plumbing, energy calculations and landscape/irrigation plans.
72. The project shall be fully fire sprinklered in accordance with NFPA 13 requirements and include an alarm system in conformance with NFPA 72 requirements and Knox box located near the main entry or specified by the Fire Department.
73. Building design shall comply with the Uniform Fire Code or the IFC requirements, if adopted by the City and applicable to this project.
74. Building design plans shall note that all elevator sizes and controls shall comply with the 2007 California Building Code requirements.
75. Building design and amenities shall conform to the requirements and specifications as adopted by the City Council for the Seacoast Inn Specific Plan, Development Agreement and EIR Mitigation Monitoring & Reporting Plan for this project.

D. PUBLIC WORKS:

76. For alley, sidewalk or curb and gutter replacement ensure compliance with San Diego Regional Standard Drawing G-11 in that the "Area to be removed [must be] 5' or from joint to joint in panel, whichever is less." The distance between joints or score marks must be a minimum of 5 feet. Where the distance from "Area to be removed" to existing joint, edge or score mark is less than the minimum shown, "Area to be removed" shall be extended to that joint, edge or score mark.
77. Relocate and replant, to the extent possible, existing Palm trees out of the public rights-of-way, including Seacoast Drive and/or Date Avenue. Applicant may incorporate any removed Palm trees into the landscape design for Seacoast Drive or Date Avenue.
78. Applicant shall remove sidewalk on Seacoast Drive frontage and construct an 8-foot-wide sidewalk with a design that conforms to the constructed sidewalk adjacent to Dunes Park and to the proposed improvements for Date Avenue. These sidewalk improvements must comply with applicable ADA accessibility requirements and applicable design criteria.
79. Remove existing driveway approach on Seacoast Drive and replace with new curb, gutter, and sidewalk, wherever not coincident with the new driveway approach, per Regional Standard drawings G-2 and G-7.
80. Applicant shall install new driveway approach(es) on Seacoast Drive in accordance with Regional Standard Drawing G-14A or an alternative meeting ADA accessibility requirements and as approved by City Public Works Director. Asphalt cuts for said installation shall conform to the requirements and satisfaction of the City Public Works Director.

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81. All street work construction requires a Class A contractor to perform the work. Street repairs must achieve 95% sub soil compaction. Asphalt repair must be a minimum of four (4) inches thick asphalt placed in the street trench. Asphalt shall be AR4000 ½ mix (hot).
 82. In accordance with I.B.M.C. 12.32.120, applicant must place and maintain warning lights and barriers at each end of the work site, and at no more than 50 feet apart along the side thereof from sunset of each day until sunrise of the following day, until the work is entirely completed. Barriers shall be placed and maintained not less than three feet high.
 83. Advise the property owner that he/she must institute "Best Management Practices" to prevent contamination of storm drains, ground water and receiving waters during both construction and post construction. The property owner or applicant must provide the following documents to the City of Imperial Beach following before project may begin work:
 - A certification of intent to comply with storm water requirements – Form 7-A.
 - A checklist of selected BMPs and location of the BMPs on project plans for review by the City – Form 7-B and Table 7-3
 - Certification of intent to maintain selected BMPs – Form 7-B.
 - A Storm Water Management Plan –Form 7-B.
 84. Additionally these BMP practices shall include but are not limited to:
 - Contain all construction water used in conjunction with the construction. Contained construction water is to be properly disposed in accordance with Federal, State, and City statutes, regulations and ordinances.
 - All recyclable construction waste must be properly recycled and not disposed in the landfill.
 - Water used on site must be prevented from entering the storm drain conveyance system (i.e., streets, gutters, alley, storm drain ditches, storm drain pipes).
 - All wastewater resulting from cleaning construction tools and equipment must be contained on site and properly disposed in accordance with Federal, State, and City statutes, regulations, and ordinances.
 - Erosion control - All sediment on the construction site must be contained on the construction site and not permitted to enter the storm drain conveyance system. Applicant is to cover disturbed and exposed soil areas of the project with plastic-like material (or equivalent product) to prevent sediment removal into the storm drain system
 85. Any disposal/transportation of solid waste/construction waste in roll-off containers must be contracted through EDCO Disposal Corporation unless the hauling capability exists integral to the prime contractor performing the work.
- E. PUBLIC SAFETY:**
86. **Provide a note on the plans stating:** "Approved numbers or addresses shall be provided for all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property and from any alley that fronts the property. Lettering shall be a minimum of four (4) inches high, with a minimum ¾ inch stroke, on a contrasting background." CFC Section 901.4.4
 87. **Provide a note on the plans stating:** "All electric, gas, and water meters shall be clearly marked to indicate the unit or portion of the building they serve."

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88. No on-street parking shall be allowed in Ocean Lane, south of Date Avenue.

Appeal Process under the California Code of Civil Procedure (CCP): The time within which judicial review of a City Council decision must be sought is governed by Section 1094.6 of the CCP. A right to appeal a City Council decision is governed by CCP Section 1094.5 and Chapter 1.18 of the Imperial Beach Municipal Code.

PROTEST PROVISION: The 90-day period in which any party may file a protest, pursuant to Government Code Section 66020, of the fees, dedications or exactions imposed on this development project begins on the date of the final decision.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its regular meeting held on the 5th day of December 2007, by the following roll call vote:

AYES:	COUNCILMEMBERS:	MCLEAN, MCCOY, WINTER, JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	NONE
DISQUALIFIED:	COUNCILMEMBERS:	BRAGG (DUE TO POTENTIAL CONFLICTS OF INTEREST)

James C. Janney
JAMES C. JANNEY, MAYOR

ATTEST:

Jacqueline M. Hald
JACQUELINE M. HALD, CMC
CITY CLERK

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2007-6559 – A Resolution of the City of Imperial Beach, California, APPROVING REGULAR COASTAL DEVELOPMENT PERMIT (CP 03-091), DESIGN REVIEW (DRC 03-094), SITE PLAN REVIEW (SPR 03-093), TENTATIVE MAP (TM 03-092), AND ENVIRONMENTAL IMPACT REPORT (EIA 04-034) FOR THE DEMOLITION OF THE EXISTING 38-ROOM SEACOAST INN AND CONSTRUCTION OF A 4-STORY, 78-ROOM HOTEL WITH A SEAWALL, 111 PARKING SPACES, A RESTAURANT, A MEETING ROOM AND RELATED DATE AVENUE STREET END IMPROVEMENTS LOCATED AT 800 SEACOAST DRIVE IN THE C-2 (SEACOAST COMMERCIAL) ZONE. MF 661.

Jacqueline M. Hald
CITY CLERK

12/07/07
DATE

IMPERIAL BEACH
CITY COUNCIL
ORDINANCE NO. 2007-1061 WITH
DEVELOPMENT AGREEMENT

Received
DEC 13 2007
California Coastal Commission
San Diego, California

EXHIBIT NO. 5
APPLICATION NO.
A-6-IMB-07-131
City Ordinance and
Develop. Agreement
 California Coastal Commission

ORDINANCE NO. 2007-1061

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AND IMPERIAL COAST LIMITED PARTNERSHIP OF A GENERAL PARTNERSHIP OF PACIFICA HOSPITALITY GROUP, INC. MF 661

WHEREAS, the California Government Code, Section 65864 *et seq.* authorizes local agencies to enter into a property development agreement with any person having a legal or equitable interest in real property for development of such real property in order to establish certain development rights in the real property; and

WHEREAS, on July 7, 2004, the City Council of the City of Imperial Beach adopted Chapter 19.89 enacting procedures and requirements for the consideration of Development Agreements pursuant to Section 65864; and

WHEREAS, the City Council of the City of Imperial Beach ("City") desires to enter into this Development Agreement ("Agreement") with Imperial Coast Limited Partnership ("Developer") for the purpose of and related to the development of real property known as the "Seacoast Inn Development Project" ("Project"); and

WHEREAS, the Developer is a corporation organized under the laws of the State of California and owns in fee that real property, 1.39 acres, more specifically described as Assessor's Parcel Number 625-262-01, located at 800 Seacoast Drive (the "Site") in the City of Imperial Beach; and

WHEREAS, the Developer intends to develop the real property as a seventy-eight (78) guest suite full-service resort hotel on an existing 1.39 acres site located at 800 Seacoast Drive in compliance with land use policies and regulations as set forth in the City's General Plan and in the project Specific Plan (GPA 03-093), and with the terms and conditions set forth in this Ordinance and the related Development Agreement document; and

WHEREAS, a Final Environmental Impact Report ("EIR") SCH 2005101113 has been prepared for the Project and certified by the City Council of the City of Imperial Beach on December 5, 2007 in accordance with the provisions and requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, this Final EIR having been certified by the City Council of the City of Imperial Beach did identify significant effects on the environment of the proposed hotel project, and indicated the manner in which those significant effects are to be mitigated to a level of insignificance or avoided whenever feasible to do so; and

WHEREAS, a Statement of Overriding Considerations was adopted by the City Council of the City of Imperial Beach for short-term construction noise levels associated with pile driving and vibration effects that would not be mitigated to a level below significance; and

WHEREAS, this certified Final EIR includes a Mitigation Monitoring & Reporting Program, as required by CEQA, specifying mitigation measures to be completed and responsible parties for purposes of monitoring and reporting of each Mitigation Measure; and

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WHEREAS, the Developer and City have agreed to enter into this Agreement for purposes of providing additional terms, conditions and enforcement provisions for the Project development and implementation of project-related mitigation measures or conditions of approval related to the Project; and

WHEREAS, environmental effects associated with the Project, which are also applicable to this Agreement, have been identified, evaluated and mitigated per CEQA requirements in the Final EIR (SCH 2005101113) and based on applicable findings herein.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH DOES ORDAIN AS FOLLOWS:

SECTION 1. This Development Agreement (attached as Exhibit A) by and between the City Council of the City of Imperial Beach and Imperial Coast Limited Partnership of a General Partnership of Pacifica Hospitality Group, Inc. is adopted, subject to the following findings, terms and conditions to read as follows:

FINDINGS:

Development Agreement: The City Council, hereby, determines that the Agreement, complies with the findings set forth herein:

Finding:

1. Consistent with the objectives, policies, general land uses and programs specified in the general plan, the local coastal plan and any applicable specific plan;

General Plan and Local Coastal Plan Consistency: The City Council has, based on recommendations of the City's Community Development Director and City Manager, determined that the Development Agreement is consistent with the Goals and Objectives of the City's General Plan. This determination is made based on the following:

The City's Land Use Element of the General Plan specifies Goals and Objectives that the Seacoast Drive Commercial Corridor (C-2/MU-2) shall serve as a visitor-serving pedestrian-oriented commercial area.

The Project is a redevelopment and expansion of an existing 38 guest room hotel into a full-service, 78 guest room resort hotel. This expanded guest room capacity will provide new opportunities for visitor/tourism services to the City, and will complement the City's adopted eco-tourism strategies that will enhance opportunities for the in-town Federal Preserve and State Park facilities.

Finding:

2. Compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located.

The Land Use Element of the General Plan and the Local Coastal Plan specify that the Seacoast Drive Commercial Corridor should provide a stimulus for the

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revitalization of commercial developments along the corridor and enhance the overall design features and appearance in a manner consistent with the "classic California Beach Community" theme and motif.

The Project is proposing the redevelopment and expansion of an existing 38 guest room hotel into a full-service, 78 guest room resort hotel, which has been reviewed by the City's Design Review Board and determined to be consistent with a California Beach Community architectural style and appearance. The Project increases opportunities for visitor-serving facilities and usage by increasing the number of rooms and providing new public and visitor serving facilities.

The Project is providing enhancement to beach and coastal access, horizontal and vertical, through a re-dedication of a private beach area for public benefit and use and by coordinating private development improvements with public street end improvements for Date Avenue, including sidewalks and parking spaces.

Finding:

3. Provides for the public convenience and will not adversely affect the health, safety and general welfare or the orderly development of the property or the preservation of property values.

The Land Use Element of the General Plan specifies that the Seacoast Drive Commercial Corridor should provide a stimulus for the revitalization of commercial developments along the corridor and enhance the overall design features and appearance in a manner consistent with the "classic California Beach Community" theme and motif.

The Project applicant has prepared a Specific Plan in accordance with State and City regulations. The Project is consistent with Specific Plan regulations by providing for a general plan consistency analysis, a set of policies, an environmental review, design review and a set of requirements and diagrams based on various technical studies that support the Specific Plan for the subject property and its proposed development as a full-service hotel operation, with the dedication of a private beach area for public benefit and use, by providing design and architectural features that reduce carbon footprints in accordance with State public policy as described by AB 32, and improvement of existing property value by new building construction and development as a full-service hotel to serve the community of Imperial Beach.

Environmental Review:

Finding:

4. There are no new significant or unavoidable environmental impacts, and no new information concerning environmental impacts applicable to this Agreement.

The Final EIR (SCH 2005101113) has been certified by the City Council with specific findings and a Statement of Overriding Consideration for the Project. This Final EIR evaluated impacts for traffic and parking, land use, noise, aesthetics, biological resources, cultural resources, hydrology, water quality, hazardous materials, climate change, air quality, geology and coastal process and public services. Furthermore,

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the Final EIR contained an analysis of project alternatives, cumulative impacts and a detailed Mitigation Monitoring & Reporting Program for the Project applicable to this Agreement. The City Council has independently considered and certified with specified findings at a City Council public hearing on December 5, 2007, the Final EIR (SCH 2005101113) for the Project and determined that any environmental impacts associated with this Agreement are the same as those evaluated for the Project.

CEQA regulation, Section 15153, specifies that a Lead Agency may use a single EIR prepared for another project, such as the subject Agreement, when such circumstances and impacts are essentially the same as those described and evaluated in an earlier EIR.

The City has reviewed an Initial Study for this Agreement and has determined that there are no changes in the environmental setting, in any significant impacts, any alternatives and any mitigation measures related to this Agreement that would require additional environmental analysis.

TERMS AND CONDITIONS:

The terms and conditions specified in the Development Agreement are hereby incorporated by reference. All terms and conditions of said Agreement shall be completed as specified unless otherwise modified or amended by action(s) of the City Council at a public hearing conducted in accordance with procedures and requirements specified by State law and City Ordinance.

Recordation: Within ten days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder.

If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply with good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder. (Ord. 2004-1018 § 1 (part), 2004)

SECTION 2: The City Council of the City of Imperial Beach hereby declares that should any section, paragraph, sentence, phrase, term or word of this Ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this Ordinance irrespective of any such portion declared invalid.

SECTION 3: The City Clerk is directed to prepare and have published a summary of this ordinance no less than five days prior to the consideration of its adoption and again within 15 days following adoption indicating votes cast.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Imperial Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code section 36933.

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INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Imperial Beach, California, held the 21st day of November 2007; and thereafter **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 5th day of December 2007, by the following roll call vote:

AYES: COUNCILMEMBERS: **MCLEAN, MCCOY, WINTER, JANNEY**
NOES: COUNCILMEMBERS: **NONE**
ABSENT: COUNCILMEMBERS: **NONE**
DISQUALIFIED: COUNCILMEMBERS: **BRAGG (DUE TO POTENTIAL CONFLICTS OF INTEREST)**

James C. Janney
JAMES C. JANNEY, MAYOR

ATTEST:

Jacqueline M. Hald
JACQUELINE M. HALD, CMC
CITY CLERK

APPROVED AS TO FORM:

James P. Lough
JAMES P. LOUGH
CITY ATTORNEY

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Ordinance No. 2007-1061 – An Ordinance of the City Council of the City of Imperial Beach, California, APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AND IMPERIAL COAST LIMITED PARTNERSHIP OF A GENERAL PARTNERSHIP OF PACIFICA HOSPITALITY GROUP, INC. MF 661.

Jacqueline M. Hald
CITY CLERK

12/6/07
DATE

**EXHIBIT A
to Ordinance No. 2007-1061**

**RECORDING REQUESTED BY
CITY OF IMPERIAL BEACH**

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383 - Benefits City)

AND WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF IMPERIAL BEACH
825 IMPERIAL BEACH BOULEVARD
IMPERIAL BEACH, CALIFORNIA 91932

SPACE ABOVE THIS LINE FOR RECORDERS USE

**DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF IMPERIAL BEACH AND
IMPERIAL COAST LIMITED PARTNERSHIP
RELATIVE TO THE DEVELOPMENT KNOWN AS
THE SEACOAST INN DEVELOPMENT PROJECT**

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into this _____ day of December, 2007 (the "Effective Date"), by and between Imperial Coast Limited Partnership, a California limited partnership ("Developer"), and the City of Imperial Beach, a municipal corporation ("City"), pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of the State of California.

RECITALS:

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864 *et seq.* of the California Government Code (the "Development Agreement Legislation").

B. The Development Agreement Legislation authorizes the City to enter into a property development agreement with any person having a legal or equitable interest in real property for the development of such real property in order to establish certain development rights in the real property.

C. This Agreement is voluntarily entered into in consideration of the benefits to and the rights and obligations of the parties on the basis of the facts cited herein, understanding and intentions of the parties and in reliance upon the various representations and warranties contained herein.

D. Developer is a limited partnership organized under the laws of the State of California and is in good standing thereunder.

E. Developer owns in fee that certain parcel of land (the "Project Site" or "Subject Property") as more specifically described in Exhibit "A", attached hereto.

F. Developer intends to develop the Project Site as a seventy-eight (78) guest suite, beach resort hotel.

G. The Project Site is located in the City and consists of a total of approximately 1.39 acres of land.

H. The Project Site is located at 800 Seacoast Drive, Imperial Beach, California (APN No. 625-262-01-00).

I. The General Plan designates the area in which the Subject Property is located as Seacoast Commercial (C-2). The Seacoast Inn Specific Plan ("Specific Plan") provides for the Subject Property to be developed for hotel and ancillary uses under the guidelines established in the Specific Plan, adopted concurrently with this Agreement by Ordinance No. 2007-1060.

J. Developer seeks to comply with conditions of approval and develop the Subject Property in accordance with the anticipated land use policies and regulations set forth in the City's General Plan, the Specific Plan, and with the terms and conditions of this Agreement.

K. Developer shall not receive any density increases for the Project (hereinafter defined), and the City has approved this Project in a manner consistent with existing rules and regulations governing maximum density and hotel unit totals established by the Specific Plan for the Project for the term of this Agreement, thus ensuring that appropriate facilities and services are planned and implemented.

L. Pursuant to California Government Section 65865 of the Development Agreement Legislation, a City may establish procedures and requirements for the consideration of development agreements. The City, under Imperial Beach Municipal Code ("IBMC") Chapter 19.89 ("Development Agreement Ordinance") has adopted such procedures and requirements and the parties hereto desire to enter into such a development agreement pursuant thereto.

M. For the reasons recited herein, the City has determined that the Project is a development for which this Agreement is appropriate under the Development

Agreement Legislation and Enacting Ordinance.

N. This Agreement will eliminate uncertainty in planning for and securing orderly development of the Project Site, assure progressive installation of necessary improvements, provide public services appropriate to each stage of development of the Project Site, ensure attainment of the maximum effective utilization of resources within the City at the least economic cost to its citizens, and otherwise achieve the purposes for which the Development Agreement Legislation was enacted.

O. In exchange for the benefits to the City, contained herein, the City has taken or will take all reasonable actions required so that Developer may begin and consummate development of the Project, including the approval, adoption or issuance of necessary development permits, and the future ministerial approval of building plans and ministerial issuance of final maps, appropriate building permits, lot line adjustments, and other necessary or desired approvals and entitlements which are consistent with the development requirements of the Project (collectively, the "Ministerial Approvals").

P. In exchange for the benefits to City, Developer desires to receive the assurance that it may proceed with the Project in accordance with the existing land use ordinances, including the Specific Plan, subject to the terms and conditions contained in this Agreement and to secure the benefits afforded Developer by Government Code Section 65865.3.

Q. It is the intent of the parties that all acts referred to in this Agreement shall be accomplished in such a way as to fully comply with CEQA, the Development Agreement Legislation, the Development Agreement Ordinance and conditions of the various Development Approvals required for this Project.

R. The terms of this Agreement support the vital and best interests of the City by insuring the development of the Project, which will provide additional sales tax and transient occupancy tax revenue for the City.

S. The City has an expressed interest in ensuring the provisions of regional and community level infrastructure, and in pursuing the use of development agreements as a method whereby a level of assurance can be achieved concerning the service demands within the Seacoast Commercial Zone and surrounding areas impacted by the Development so that long-range plans for needed infrastructure can be developed and implemented.

T. This Agreement is made and entered into in consideration of the mutual covenants and in reliance upon the various representations and warranties contained herein. The parties acknowledge that, in reliance on the agreements, representations and warranties contained herein, Developer will take certain actions, including making substantial investments and expenditures of monies, relative to the Project Site and the development thereof.

U. City and Developer desire to enter into a binding agreement for purposes of (i) identifying the terms, conditions, and regulations for the construction of the Project, certain components of which constitute a Planned Development (as defined in Civil Code Section 1351(k)); (ii) setting forth a payment schedule for the Developer's payment to the City of certain amounts designed to compensate the City for lost transient occupancy tax ("TOT") during the construction phase of the Project; (iii) setting forth a payment schedule for the Developer's payment to the City of TOT and payments made in lieu of TOT that the City would receive based on expected hotel occupancy as defined hereunder; (iv) payments made to mitigate impacts of the Project on the community; (v) setting forth the extent to which Developer may construct, develop, use and operate the Project and (vi) setting forth Developer and City obligations.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Legislation, and in consideration of the mutual covenants and promises of the parties herein contained, the parties agree as follows:

AGREEMENT:

SECTION 1. GENERAL ACKNOWLEDGMENTS.

The parties acknowledge that: (a) the City, which has an adopted General Plan, has entered into this Agreement pursuant to the Development Agreement Legislation and its police power in order to address public health and safety and general welfare concerns including those relating to the amount, density, intensity and timing of development within the Subject Property and the need for public facilities and infrastructure in connection with the Subject Property and other property in the area; (b) there is a certain authority under the police power to address public health and safety concerns that cannot be legally relinquished or restricted by this Agreement and that such authority intended to be reserved and hereby is reserved to City hereunder, provided that to the extent possible it shall be construed as to provide Developer with the assurances intended by this Agreement; and (c) nothing herein shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

SECTION 2. GENERAL PROVISIONS.

2.01 Property Description. The legal description of the Subject Property is specifically set forth on Exhibit "A" attached hereto and made a part hereof.

2.02 Location of Subject Property. The Subject Property is located in the City and consists of a total of approximately 1.39 acres.

2.03 Effective Date. This Agreement has been entered into by the parties as of the date and year first above-written, and shall be effective as of such date ("Effective Date"); provided, however, that if a referendum election is duly and lawfully held on the Enacting Ordinance and said ordinance is disapproved, this Agreement shall be null

and void as of the date of the final declaration by the City Council of the disapproval by the referendum election of the Enacting Ordinance.

2.04 Term. The term of this Agreement shall commence upon the Effective Date and shall extend thirty-five (35) years thereafter, unless said term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties. The City and Developer agree that the term of this Agreement is necessary in order to permit the orderly and planned development of the Project.

2.05 Expiration of Term. Following the expiration of said term, this Agreement, except for those terms and provisions that are specified to survive the termination of this Agreement, shall be deemed terminated and has no further force and effect without the need of further documentation from the parties hereto.

2.06 Time Is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

2.07 Enforceability of Agreement. City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter in any of the "Existing Rules" (defined in Section 4.04 infra) which changes, alters or amends the Existing Rules applicable to the development of the Project Site at the time of the approval of this Agreement as provided by Government Code Sections 65866 and 65867.5. This Agreement shall not prevent City from denying or conditionally approving any subsequent development project application by a third party not a successor-in-interest hereto on the basis of such existing or new rules, regulations and policies.

2.08 Further Assurances. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

2.09 Singular and Plural; Gender. As used herein, and except where the context requires otherwise, the singular of any word includes the plural and vice versa, and pronouns inferring the masculine gender shall include the feminine gender and vice versa.

2.10 Covenants Run With The Land. All of the terms, provisions, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors, and assigns, and all other persons or entities acquiring all or any portion of the Subject Property, or any interest therein, whether by operation of law or in any manner whatsoever, and the rights thereof shall inure to the benefit of such parties and their respective heirs, successors and assigns.

2.11 Enforcement of Covenants. All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law, including but not limited to, Section 1468 of the Civil Code of the State of California.

2.12 Constructive Notice. Every person who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project or the Subject Property is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Subject Property.

SECTION 3. DEFINITIONS.

Reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term.

3.01 Approvals. Any and all permits or approvals of any kind or character required under the terms of this Agreement to develop the Subject Property in the manner as described herein.

3.02 Building Ordinances. Those building standards, of general application and not imposed solely with respect to the Subject Property, in effect from time to time that govern building and construction standards, including, without limitation, the City's building, plumbing, electrical, mechanical, grading, underground parking, sign, and fire codes.

3.03 CEQA. CEQA means the California Environmental Quality Act, California Public Resources Code section 21000, et seq., and the State CEQA Guidelines, (California Code of Regulations, title 14, section 15000, et seq.), as each is amended from time to time.

3.04 City. City of Imperial Beach, County of San Diego, State of California.

3.05 Development. The subdivision or improvement of the Subject Property for purposes of constructing the structures, improvements and facilities comprising the Project including, without limitation: grading, the construction and installation of infrastructure and public facilities related to the Project whether located within or outside the Subject Property; the construction of structures and buildings; and the installation of landscaping; but not including the maintenance, repair, reconstruction or redevelopment of any structures, improvements or facilities after the construction and completion thereof. As part of the development review process, the structures to be constructed at the Subject Property shall be measured to determine height by using the average grade of the parcel as set out in the Specific Plan applicable to the Subject Property. The measurement method established in IBMC Section 19.04.400 shall not be applicable to the Subject Property.

3.06 Development Agreement Legislation. Sections 65864 through 65869.5 of the California Government Code, as it exists on the Effective Date.

3.07 Development Approval(s). Site-specific permits and other entitlements to use of every kind and nature approved or granted by the City in connection with the Development including, but not limited to: subdivision approvals (including tentative maps, vesting tentative maps, final maps, parcel maps and map waivers), development permits, conditional use permits, specific plans, coastal permits, variances, grading permits, building permits and occupancy permits.

3.08 Development Fees. All City adopted fees and monetary exactions that are designed to pay for new or expanded public facilities needed to serve, or to mitigate the adverse effects of a given development project and that are imposed by the City as a condition of approval of discretionary or ministerial permits for, or in connection with the implementation of, that development project. The term "development fees" does not include processing fees and charges as described in this Agreement. The term "development fees" also does not include requirements that development be served by a public utility even if that public utility imposes a capital improvement fee or similar charge as a condition of providing service. All development fees shall be deposited in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, and shall be spent solely for the purpose for which the fee was collected, pursuant to California Government Code Section 66006.

3.09 Director. The "Director" is the Director of the Community Development Department of the City of Imperial Beach.

3.10 Enacting Ordinance. The "Enacting Ordinance" is Ordinance No. 2007-1061 enacted by the City Council on December 5, 2007, approving this Agreement. The Enacting Ordinance is adopted pursuant to IBMC Chapter 19.89, governing development agreement procedures. IBMC Chapter 19.89 is attached hereto and incorporated herein by reference as Exhibit "B".

3.11 Exactions. To the extent any exactions are authorized for this Project and in addition to the development fees set out above in Section 3.08, all project-specific exactions, in-lieu fees or payments, dedication or reservation requirements, obligations for on-site or off-site improvements, construction requirements for public improvements, facilities, or services imposed in connection with the development of or construction on the Subject Property, whether such requirements constitute subdivision improvements, mitigation measures in connection with environmental review of any project, or impositions made under any applicable ordinance or in order to make a project approval consistent with the anticipated land use policies of the City's General Plan, including the Certified Local Coastal Plan.

3.12 Existing Land Use Ordinances and Plans. The Land Use Ordinances

in effect as of the Effective Date of this Agreement are attached hereto and incorporated herein by reference as Exhibit "C".

3.13. General Plan. The City of Imperial Beach General Plan as duly adopted by the City Council. The General Plan also includes the certified Local Coastal Plan as approved by the City Council.

3.14 Land Use Ordinances. The ordinances, resolutions, codes, rules, regulations and official policies of City, governing the development of the Subject Property, including but not limited to, the permitted uses of land, the density and intensity of use of land, exactions, and the timing of development, all as applicable to the development of the Subject Property. Specifically, but without limiting the generality of the foregoing, Land Use Ordinances shall include the City's General Plan, the Local Coastal Plan, the City's Zoning Code, the applicable Specific Plan and the City's Subdivision Code. The term Land Use Ordinances does not include Regulations relating to the following: the conduct of business, professions and occupations generally; taxes and assessments; the control and abatement of nuisances; Owners' Association Covenants, Conditions and Restrictions and other permits and the conveyances of rights and interests that provide for the use of or entry upon public property; and any exercise of the power of eminent domain.

3.15 Owner-Investor. A person who owns one or more units or unit interests of the Project hotel pursuant to purchase from the Developer. "Owner-Investor" includes the assignees and successors-in-interest of an original purchaser, subject to the condition that the assignment or transfer of the unit(s) or unit interest(s) complied with the terms and conditions of this Agreement and the applicable covenants, conditions, and restrictions ("CC&Rs"). Unit ownership may be of specific units (guest rooms) in fee or of units in general, such as in the form of a property interest in a unit that is not of a specific unit but otherwise provides the same rights and obligations as if the Owner-Investor owned a specific unit ("unit interest").

3.16 Persons. As used herein, any reference to or use of the word "person" shall mean, in addition to a natural person, any governmental entity and any partnership, corporation, joint venture or any other form of business entity.

3.17 Project. The condominium-hotel and conference center commercial development and associated amenities, and on-site and off-site improvements, contemplated by or embodied within the Specific Plan to be constructed on the Subject Property, as the same may hereafter be further refined, enhanced or modified pursuant to the provisions of this Agreement, as shown in the Specific Plan.

3.18 Project Site. Shall have the same meaning as "Subject Property".

3.19 Regulations. Constitutions, statutes, City ordinances and codes, City resolutions and official policies of the City that are applicable to the Project shall constitute the Regulations applicable to the Project.

3.20 Subject Property. That real property described in Exhibit "A" attached hereto and made a part hereof. Shall also have the same meaning as "Project Site".

3.21 Certain Other Terms. Certain other terms shall have the meanings set forth for such terms in this Agreement.

SECTION 4. GENERAL DEVELOPMENT OF THE PROPERTY.

4.01 Project. The Project is defined and described in the Specific Plan which specifies all of the following aspects of the Project: (i) proposed uses of the Subject Property, (ii) height and size of buildings to be constructed on the Subject Property, (iii) density and intensity of use of the property, and (iv) requirements for reservation or dedication of portions of the Subject Property for public purposes.

4.02 General Development. Any Development of the Project on the Project Site shall be conducted in accordance with the terms and conditions of this Agreement.

4.03 Future Approvals. The City hereby agrees that land uses set forth in the New Development Permits are approved or will be approved pursuant to the terms of this Agreement, provided that Developer satisfactorily complies with all preliminary procedures, actions, payments and criteria applicable as of the Effective Date and generally required of developers by the City for processing applications for developments at such time. City agrees to grant and implement the necessary land use, zoning, site plan or subdivision approvals and to grant other approvals and permits, including the Ministerial Approvals, that will accomplish or facilitate development of the Project Site for the uses and to the density or intensity of development described and shown in the New Development Permits and/or this Agreement pursuant to those rules, regulation policies and conditions in force on the Effective Date.

4.04 Applicable Rules, Regulations and Official Policies. Except as otherwise provided in this Agreement, the rules, regulations, official policies, and conditions of approval governing the permitted uses of the Project Site, the density or intensity of use, and the design, improvement, construction, building and occupancy standards and specifications applicable to the Project and the Project Site shall be those in force on the Effective Date ("Existing Rules"). The City shall have the right to impose reasonable conditions in connection with such subsequent discretionary permit actions which are not deemed Ministerial Approvals, but such conditions and actions shall not prevent development of the Project as contemplated by this Agreement and the Development Approvals, or place burdensome or restrictive measures on Developer in connection with the development of the Project.

4.05 Amendment to Applicable Ordinances. In the event the City Zoning Code is amended by the City in a manner, which provides more favorable site development standards than those in effect as of the Effective Date, Developer shall have the right to notify City in writing of its desire to be subject to the new standards for

the remaining term of this Agreement. If City agrees, by resolution of the City Council or by action of a City official whom the City Council may designate, such new standards shall become applicable to the Subject Property. Should City thereafter amend such new standards, upon the effective date of such amendment, the original new standards shall have no further application to the Subject Property, but Developer may notify City and City may agree by resolution to apply such amended new standards to the Subject Property.

4.06 Application of New Rules, Regulations and Policies. This Agreement shall not prevent City in subsequent actions applicable to the Subject Property from applying new rules, regulations and policies which do not conflict with those rules, regulations, and policies applicable to the Subject Property and set forth herein; nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations, and policies.

4.07 Approval of Subsequent Tentative and Final Maps. Although the Existing Land Use Ordinances and Plans shall determine the standards for granting or withholding approval of tentative, vesting tentative and final tract maps, the procedures for processing approval of all such maps shall be governed by such ordinances and regulations as may be applicable at the time of submission of such maps to the City.

4.08 Changes in State and Federal Rules and Regulations. Nothing in this Agreement shall preclude the application to the development of the Subject Property of changes in the City's laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations as provided in Government Code Section 65869.5.

4.09 Processing Fees. This Agreement shall not be construed to limit the authority of the City to charge processing fees for land use approvals, building permits or other similar permits or entitlements which are in force and effect on a City-wide basis at the time application is made for such permits or entitlements.

SECTION 5. PERIODIC REVIEW.

5.01 Annual Review. City shall conduct a review of this Agreement in the manner set forth in Section 5 (Periodic Review). City shall review the extent of good faith compliance by Developer with the terms of this Agreement at least once every 12-month period from the Effective Date.

5.02 Procedure. Such annual review shall be conducted in accordance with the City's duly adopted development agreement procedures ("Development Agreement Procedures"), found in IBMC Chapter 19.89, as amended, which are attached hereto as Exhibit "B".

5.03 Notice. City shall notify Developer in writing of the date of review at least

thirty (30) days prior thereto.

5.04 Good-faith Compliance. During each annual review, Developer is required to demonstrate good faith compliance with the terms of this Agreement.

5.05 Production of Documents and Other Evidence. Developer agrees to furnish such reasonable evidence and adequate documentation of good faith compliance as the City, in the exercise of its reasonable discretion, may require.

5.06 Cost of Annual Review. The actual costs incurred by City in connection with the annual review shall be borne by Developer.

SECTION 6. RIGHTS AND OBLIGATIONS OF DEVELOPER.

6.01 Contributions. In consideration of City entering into this Agreement, Developer has agreed to comply with the applicable provisions of the Specific Plan in developing the Project and to perform certain obligations and provide certain contributions set forth therein, which City acknowledges will have an overall benefit to the public and surrounding area, including but not limited to those benefits set out under this Section 6 (Rights and Obligations of Developer).

6.02 Certain Conditions of Development and Off-site Improvements. The Project is subject to the following conditions of development, in addition to the Conditions of Approval, which are set forth in Exhibit "E", attached hereto:

Public Improvements:

(a) Developer shall, upon the earlier of the issuance of building permits or filing of the final map, convey and dedicate to the City for public beach access and use a portion of Ocean Lane (Boulevard) extending easterly from the high tide line of the Pacific Ocean to the seawall of the new hotel, which will be located thirty-five (35) feet east (landward) of the existing seawall.

(b) Developer shall, upon the earlier of the issuance of building permits or filing of the final map, convey and dedicate to the City sufficient right-of-way necessary to accommodate the proposed Date Avenue street end improvements. Balconies fronting Date Avenue shall be allowed to project over the dedicated right-of-way, and beyond the newly established property line, a distance equal to the width of the required right-of-way dedication.

(c) Developer shall provide and construct required public right-of-way improvements on Seacoast Drive and shall also provide recessed stairways and/or access ways to Date Avenue and to Dunes Park as designed and shown in the approved Site Plan (Exhibit "D") to allow for improved public access to the beach. Improvements along Seacoast Drive shall be designed to be compatible with and to compliment the existing sidewalk improvements at Dunes Park to the north of the

project and the public improvements proposed for Date Avenue. Landscaping shall be provided along the Seacoast Drive frontage as shown on the approved Landscape Plan component of the Specific Plan. Every effort shall be made by the Developer to save and reuse the existing palm trees currently located on Seacoast Drive within the on-site landscaping of the project. Off-site Improvements shall include construction of curb, gutter, driveways and sidewalk of eight (8) feet in width meeting applicable Regional Standard Drawings. All such improvements shall meet applicable Americans with Disability Act (ADA) requirements as well as the recommendations of the Landscape Design Guidelines for Seacoast Drive (dated October 4, 1999) and the Seacoast Drive Phase III Street Improvement Project with respect to lighting, landscaping and sidewalk improvements. If additional right-of-way is necessary to construct ADA compliant driveways along Seacoast Drive, the applicant shall dedicate the necessary right-of-way to construct these driveways. All proposed off-site improvements shall be incorporated into off-site improvement drawings (D-sheets) and shall be submitted to the City for review and approval by the City Engineer, the Public Works Director and the Community Development Director prior to issuance of a building permit.

(d) Developer shall be required to construct new shoreline protection devices at locations approved by the City Engineer and City Council.

(e) Developer shall eliminate any existing encroachments into public rights-of-way on the north and south property lines.

Hotel Facilities:

(f) Developer shall provide an expanded visitor serving hotel facility with a minimum of 78 guest rooms, and ancillary uses, such as a full service fine dining restaurant, and conference center open to the public and hotel guests. Said facilities shall be accessible to the public from the primary hotel access from Seacoast Drive, the beach area and Date Avenue.

(g) Developer shall ensure and provide for operation of the hotel as a full-service visitor serving facility, which is inclusive of but not limited to: maid service, room service, year-round centralized room reservation system for all guests and Owner-Investors, conference facilities, restaurant and ancillary services.

(h) Owner-Investor room stays shall be governed by terms and conditions specified in this Agreement and the Specific Plan.

(i) Hotel design and construction shall incorporate "green building" development concepts, inclusive of but not limited to: bio-filtration of storm water runoff areas, energy conservation measures, rooftop design treatments or landscaping to minimize or eliminate heating and cooling losses and use of solar panels as may be required by the City and State law.

(j) The Developer shall, in accordance with Section 6.09 of the Agreement, record Covenants, Conditions and Restrictions ("CC&Rs") against the Subject Property. All hotel guest rooms shall be bound by a single set of CC&Rs as well as the conditions of approval set forth in this Agreement, and those of the California Coastal Commission ("CCC") if any, to ensure that guest rooms will function as traditional guest rooms under hotel management. The restrictions shall be recorded on or against every deed, title, or interest for every guest room and cannot be altered or removed without approval from the City and from CCC, if CCC staff determines CCC approval is warranted.

(k) The Developer shall make reasonable efforts to coordinate advertising of the hotel in a manner consistent with the City's established Eco-tourism Program.

(l) The Developer or any successor-in-interest as hotel owner-operator shall maintain the legal ability to ensure compliance with the conditions of this Section at all times in perpetuity and shall be responsible in all respects for ensuring that all parties subject to these conditions comply. Each Owner-Investor is jointly and severally liable with the hotel owner-operator for violations of the conditions herein.

(m) All documents related to the marketing and sale of the condominium interests, including marketing materials, sales contracts, deeds, CC&R's and similar documents, shall notify potential buyers that Owner-Investors are jointly and severally liable with the hotel owner-operator for any violations of the conditions in this Section.

(n) The Developer, any successor-in-interest as hotel owner-operator, and each future Owner-Investor shall obtain, prior to sale of individual guest rooms or unit interests, a written acknowledgement from the buyer of the limitation on occupancy, use, and reservation of the guest rooms or unit interests.

(o) The Developer and any successor-in-interest as hotel owner-operator shall monitor and record hotel occupancy and use by the general public and the owners of individual hotel units throughout each year. The records shall be sufficient to demonstrate compliance with the restrictions and requirements set forth in Section 6.09 of the Agreement regarding hotel operations and guest room use and occupancy. The Developer and any successor-in-interest as hotel owner-operator shall also maintain documentation of rates paid for hotel occupancy and of advertising and marketing efforts. All such records shall be maintained for ten (10) years and shall be made available to the auditor named below and, upon request, to the Director, and the CCC Executive Director—if his action is warranted as determined by CCC—if the CCC has determined its involvement is warranted. Within thirty (30) days of commencing hotel operations, the Developer and any successor-in-interest as hotel owner-operator shall submit notice of commencement of hotel operations to the Director, and the CCC Executive Director—if his action is warranted as determined by CCC.

(p) On the first anniversary of the commencement of hotel operations, and exactly every year thereafter, the Developer and any successor-in-interest as hotel owner-operator shall retain an independent auditing company to perform an audit to evaluate compliance with the restrictions and requirements set forth in Section 6.09 of the Agreement regarding hotel operations and guest room use and occupancy. The audit shall evaluate compliance by the hotel owner-operator and Owner-Investors during the prior one-year period. The Developer and any successor-in-interest as hotel owner-operator shall obtain written approval from the Director, and the CCC Executive Director—if his action is warranted as determined by CCC—of the independent auditor before the auditor is retained. Such approval shall be sought at least three (3) months before the deadline for retaining an auditor (the first anniversary of hotel operations). The Developer and any successor-in-interest as hotel owner-operator shall require the auditor to prepare a report identifying the auditor's findings, conclusions and the evidence relied upon, and such report shall be submitted to the Director and the CCC Executive Director—if warranted as determined by CCC—within six (6) months after the conclusion of each one-year period of hotel operations. After five (5) years, the one-year audit period may be extended to two (2) years upon written approval of the Director and the CCC Executive Director—if warranted as determined by CCC. The Director, and the CCC Executive Director—if his action is warranted as determined by CCC, may grant such approval if each of the previous audits revealed compliance with the relevant restrictions and requirements of Section 6.09.

(q) Developer and any successor-in-interest as hotel owner-operator shall submit a quarterly report to the City documenting that the project is in conformance with the City's TOT requirements.

(r) If the hotel owner and hotel operator at any point become separate entities, the hotel owner and the hotel operator shall be jointly and severally liable for violations of the conditions of this Section.

(s) PRIOR TO OCCUPANCY OF THE APPROVED UNITS, the Developer and any successor-in-interest as hotel owner-operator shall submit for review and written approval by the Director, and the CCC Executive Director—if his action is warranted as determined by CCC, a plan specifying how the Developer and any successor-in-interest as hotel owner-operator will implement the requirements herein. The plan must include, at a minimum, the sale contract, grant deed, CC&Rs and the rental program agreement entered into between Owner-Investors and the hotel owner-operator that will be used to satisfy the conditions. The plan must demonstrate that the Developer has established mechanisms that provide the Developer and any successor-in-interest as hotel owner-operator adequate legal authority to implement the requirements of this condition. Any proposed changes to the approved plan and subsequent documents pertaining to compliance with and enforcement of the conditions of this Section including deeds and CC&R's shall be reported to the Director, and the CCC Executive Director—if his action is warranted as determined by CCC. No change to any documents noted above pertaining to compliance with and enforcement of the conditions of this Section shall occur without the written approval of the Director, and

the CCC Executive Director—if his action is warranted as determined by CCC.

6.03 Nexus/Reasonable Relationship Challenges. After reviewing the Certified Environmental Impact Report and accompanying approvals, the Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions, requirements, policies or programs required by the Existing Land Use Regulations or this Agreement including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

6.04 Cooperation By Developer. Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder, and cause Developer's planners, engineers, and all other consultants to submit in a timely manner all required materials and documents therefore.

6.05 Other Governmental Permits. Developer shall apply in a timely manner for such other permits and approvals from other governmental or quasi-governmental agencies having jurisdiction over the Subject Property as may be required for the development of, or provision of services to, the Project. The City will use reasonable efforts to assist the Developer in securing necessary permits and entitlements from other public entities with jurisdiction over this Project.

6.06 Reimbursement for City's Efforts on Behalf of Developer. To the extent that City, on behalf of and when requested by Developer, attempts to enter into binding agreements with other entities (e.g. San Diego Unified Port District) in order to assure the availability of certain permits and approvals or services necessary for development of the Project as described in this Agreement, Developer shall reimburse City for all costs and expenses incurred in connection with seeking and entering into any such agreement. Any fees, assessments or other amounts payable by City pursuant to any such agreement described herein shall be borne by Developer except where Developer has notified City in writing, prior to City entering into such agreement, that it does not desire for City to execute such agreement. City shall use its best efforts to notify Developer fifteen (15) days prior to entry of an agreement or expending funds on behalf of the Developer under this Section.

6.07 Right to Develop. Subject to the terms, conditions, and covenants of the Agreement, including the Schedule of Performance set forth in Exhibit "F" attached hereto, Developer's right to develop the Project in accordance with the Specific Plan shall be deemed vested upon the Effective Date, which vesting shall expire upon the earliest of the following occurrences: (a) termination of this Agreement; (b) an uncured default by Developer of this Agreement; (c) the issuance of a certificate of occupancy for the Project; or (d) the date set forth in the Schedule of Performance in which the Developer was required to have completed the development of all improvements for the Project. Except for the expiration set forth in clause (a) of the preceding sentence, the

expiration of the vesting right set forth in the preceding sentence shall not terminate the obligations of Developer under this Agreement.

The development fees and exactions applicable to the Project are those that are in effect as of the Effective Date, as modified by Section 10.02, which are the following: (i) sewer capacity fees (IBMC Chapter 13.05) and (ii) school impact fees (IBMC Chapter 15.46). The imposition of the school impact fees is subject to the determination by the appropriate school districts that the fees are applicable to the Project. No new development fees or exactions adopted after the Effective Date shall be applicable to the Project unless required to be imposed by State or Federal law.

Notwithstanding anything in this Agreement to the contrary, the Project shall remain subject to:

- (a) the Existing Rules;
- (b) all amendments or modifications to Existing Rules after the Effective Date and all ordinances, regulations, rules, laws, plans, policies, and guidelines of the City and its City Council and all other City commissions, and committees enacted or adopted after the Effective Date (collectively "New Laws"), except such New Laws which would materially impair Developer's ability to develop the Project in accordance with the Specific Plan unless such New Laws are adopted by the City on a City-wide basis and applied to the Site in a non-discriminatory manner, such New Laws are required by a non-City entity to be adopted by or applied by the City (or if optional the failure to adopt or apply such non-City law or regulation would cause City to sustain a loss of funds or loss of access to funding or other resources), or are New Laws the City reserves the right to apply under this Agreement, including but not limited to Sections 6.08 (Additional Applicable Codes and Regulations) and 10.04 (Other Fees and Charges);
- (c) all subsequent development approvals and the conditions of approval associated therewith, including but not limited to site development permits, project tract maps and building permits; and
- (d) the payment of all development fees and exactions in the categories and in the amounts as required at the time such fees and exactions are due and payable which may be at the time of issuance of the building permits, or otherwise as specified by applicable law, as existing at the time such fees are due and payable.

6.08 Additional Applicable Codes and Regulations. Notwithstanding any other provision of this Agreement, City also reserves the right to apply the following to the development of the Project:

- (a) Building, electrical, mechanical, fire and similar building codes based upon uniform codes adopted in, or incorporated by reference into the Imperial Beach Municipal Code, as existing on the Effective Date or as may be enacted or

amended thereafter, applied on a City-wide basis.

(b) In the event of fire or other casualty requiring partial or total reconstruction of any building, nothing herein shall prevent the City from applying to such reconstruction the requirements of the City's building codes in a manner consistent with IBMC Section 19.76.050, to the extent applicable to all development projects in the City.

6.09 Recordation of Covenants, Conditions and Restrictions and Establishing the Seacoast Inn Owners' Association. Prior to, and as a condition of, the City's issuance of any building permits for the Development, the Developer shall submit to the City, obtain approval thereof, and record, Covenants, Conditions and Restrictions ("CC&Rs") against the Subject Property which, in addition to the obligations set forth in the Conditions of Approval, shall (i) establish an association of Owner-Investors (the "Seacoast Inn Owners' Association"); (ii) provide for the Seacoast Inn Owners' Association's payment of the City's Transient Occupancy Tax; (iii) provide for the rental of each of the units in the Project on behalf of Seacoast Inn Owners' Association members, through a centralized reservation system; and (iv) contain a prohibition against the conversion of any units into residences allowing residential occupancy on the Subject Property. In addition, the CC&Rs shall include the following requirements:

(a) No portion or fraction of the Project may be converted to a time-share, full-time occupancy condominium, apartment, or any other type of project that differs from the proposed 78 guest room hotel. Owner-Investors and hotel operator guarantee that the Subject Property shall remain in usage and operations as a commercial hotel and shall not be converted to time-share or full-time occupancy condominium, apartment, or other similar form of residential use. This requirement will survive the termination of this Agreement.

(b) The hotel operator shall market and advertise all 78 units of the Project to the general public. The Seacoast Inn Owners' Association will utilize a centralized reservation system under the operation of a unified on-site hotel operator to manage the reservations for all guest rooms. Pacifica Host, Inc., the hotel operation division of Pacifica Companies and its successors in interest will operate this system. City shall have the reasonable right to approve any new operator of the centralized reservation system to be assured that the Project remains in operation as a commercial hotel.

(c) The Project's proposed restaurant and conference center will be available for use to the general public, as well as to hotel guests, subject to the hotels' schedule of charges that are in effect at the time of usage.

(d) The Seacoast Inn Owners' Association shall provide for room and maid service to all guest rooms.

(e) Each guest room/unit interest shall be restricted so as to limit its

reservation, use, or occupancy by an Owner-Investor to a maximum of ninety (90) days in any calendar year, with no stay exceeding twenty-five (25) consecutive days and which stay must be immediately preceded by a fifty (50) day period during which the guest room/unit interest is not reserved or used by an Owner-Investor. Furthermore, this use period limitation shall be unaffected by multiple owners or the sale of a guest room/unit interest to a new owner during the calendar year, meaning that all such owners of any given guest room/unit interest shall be collectively subject to the use restriction as if they were a single, continuous owner.

(f) When not reserved, used, or occupied by Owner-Investor(s), guest rooms shall be available for rental by the hotel operator on the same basis as traditional hotel rooms and room availability shall not be conditioned on a renter's willingness to rent any additional guest room.

(g) Owner-Investors shall not discourage rental of their guest rooms or create disincentives meant to discourage rental of their guest rooms.

(h) All guest rooms, regardless whether Owner-Investor-owned, shall be rented at the same or comparable rate to that charged by the hotel operator for hotel rooms of a similar class or amenity level.

(i) The hotel operator's management duties shall include the booking of reservations through the rental agent, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing the units for use by guests/Owner-Investors. The keys shall be electronic and created upon each new occupancy to control the use of the guest rooms.

(j) The Seacoast Inn Owners' Association shall be required to pay to the City the Transient Occupancy Tax ("TOT") for all units that are occupied, regardless of the occupant (i.e. whether Owner-Investor or hotel guest).

(k) The Seacoast Inn Owners' Association or hotel operator shall maintain records of usage by Owner-Investors and renters and rates charged for all guest rooms, and shall be responsible for reporting TOT based on records of use for all guest rooms.

(l) The hotel operation, including its physical components, shall be owned by a viable hotel operator, and if sold, then only to a viable hotel operator.

(m) The City shall be a third party beneficiary to the CC&Rs and shall have the right to enforce the provisions of the CC&Rs referenced herein.

(n) Any amendments or modifications to the CC&Rs shall require City approval, which approval the City has the right to reasonably withhold. Amendments or modifications shall be subject to approval by the California Coastal Commission in the manner found in Section 6.02(j).

Developer shall develop CC&Rs, subject to approval by the City and the State of

California Department of Real Estate that will be recorded against all individual properties and property interests. Any hotel operating agreement entered into by the Developer or the Seacoast Inn Owners' Association shall include all of the conditions listed in this section. This Section shall survive the termination of this Agreement.

6.10 Owner-Investor Development Prospectus. Developer will provide a copy of the Owner-Investor development prospectus to the City prior to commencement of the guest room sales program.

SECTION 7. OBLIGATIONS OF CITY.

In consideration of Developer entering into this Agreement, City has agreed to the following with respect to the development of the Project Site:

7.01 Processing. Upon satisfactory completion by Developer of all required preliminary actions and payments of appropriate processing fees, if any, City shall promptly commence and diligently proceed to complete all required steps necessary for the implementation of this Agreement and the development by Developer of the Project Site in accordance with the Specific Plan, Coastal Development Permit, Site Plan Review and Design Review Permits, including, but not limited to, the following:

(a) the holding of all required public hearings; and

(b) the processing and approval of all Ministerial Approvals and related matters as necessary for the completion of the development of the Project. In this regard, Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder as required by the Existing Rules and shall cause Developer's planners, engineers and all other consultants to submit in a timely manner all required materials and documents.

7.02 Standard of Review. The rules, regulations and policies that apply to any Ministerial Approvals that must be secured prior to the construction of any portion of the Project shall be the Existing Rules. The City shall approve any Ministerial Approval, including without limitation a building permit, within a reasonable period of time after application is made therefore.

7.03 Contract Services. If requested by Developer, at Developer's expense, City shall obtain outside contractual services as necessary to ensure prompt processing of all development approvals.

SECTION 8. AMENDMENTS.

8.01 Amendment by Mutual Consent. This Agreement may be amended from time to time by mutual consent of the original parties or their successors in interest, with City's costs payable by amendment applicants, in accordance with the provisions of Government Code Sections 65867 and 65868 and provided that: (i) any amendment to this Agreement which does not relate to the term, permitted uses, density or intensity of

use, height or size of buildings, provisions for reservation and dedication of land, conditions, terms, restrictions and requirements relating to subsequent discretionary actions, monetary contributions by Developer or any conditions or covenants relating to the use of the Subject Property, shall not require notice or public hearing before the parties may execute an amendment hereto; and (ii) any other amendment of this Agreement shall follow the City's adopted procedures and requirements for the consideration of development agreements.

8.02 Amendment Exemptions. Any amendment of the City's land use regulations that, pursuant to this Agreement, is applicable to the property, including, but not limited to, an amendment to the General Plan and zoning ordinances, shall not require an amendment to this Agreement. Instead, any such amendment shall be deemed to be incorporated into this Agreement at the time that such amendment is approved.

8.03 Amendment of Development Permits. Upon the written request of Developer, the Development Permits described in 7.01, above, may from time to time be amended or modified in the manner set forth in this Agreement and applicable State and City laws.

SECTION 9. TRANSFERS AND ASSIGNMENTS.

9.01 City's Intent. Developer has demonstrated, and the City finds that Developer possesses, the experience, reputation and financial resources to develop and maintain the Subject Property in the manner contemplated by this Agreement. It is because of such qualifications, which assure the development of the Subject Property to a high quality standard contemplated by the General Plan that the City is entering into this Agreement. Accordingly, restrictions on the right of Developer to assign or transfer the rights and privileges contained in this Agreement are necessary in order to assure the achievement of the objectives of the City's anticipated General Plan and this Agreement.

9.02 Developer's Right to Assign or Transfer. Developer may assign or transfer any of its rights or interests under this Agreement subject to consent of City, which consent shall not be unreasonably withheld, delayed or conditioned except as specifically described in this Section 9.

9.03 Restriction on Assignment Does Not Constitute an Unreasonable Restraint on Alienation. Developer agrees that the restriction on its right to transfer any of its rights or interests under this Agreement is not repugnant or unreasonable in that such a restriction is a material inducement to the City to enter into this Agreement since the restriction reserves for the City the power to prevent the transfer of any of the rights and obligations hereunder to an unreliable party.

9.04 Restriction on Assignment Shall Not Prevent Developer From Conveying the Subject Property. The parties agree that the restriction on assignment

without consent is limited solely to those certain vested rights created under this Agreement and such restriction shall not affect Developer's right to convey the Subject Property itself.

9.05 Request Procedure. City shall administer the provisions of this Section through its Director. Developer shall notify the Director and the City Manager in writing of its request for City's consent to an assignment or transfer under this Section, together with a statement that if the Director does not notify Developer within forty-five (45) days of receipt of the request, the request will be deemed approved.

9.06 45 Day Period. If, within such 45-day period the Director does not so notify Developer, the request for consent shall automatically be deemed approved and no further action by Developer or the City shall be necessary. If, within such 45-day period, the Director notifies Developer that the request will be considered and acted upon by City, Developer shall furnish such additional information as the Director may reasonably request at the time of such notice, and City shall proceed to consider and act upon the Developer's request for City's consent to the proposed assignment or transfer. Except as provided in Section 9.07, failure by the City to act within thirty (30) days of giving such notice or of receiving the additional requested information shall automatically be deemed an approval of the request.

9.07 City Council Approval. In the event the Director determines that the assignment or transfer should be acted upon by the City Council, and the Director so notifies Developer within fifteen (15) days of giving the notice or receiving the information described herein, the matter shall be referred to the City Council. The City Council shall have forty-five (45) days from the date of such notice to approve or deny the requested transfer or assignment. Failure of City to act within the forty-five (45) day period shall automatically be deemed an approval of the request.

9.08 Assignment. The management control and responsibility of Developer and the expertise, competence, and financial strength of Developer are integral components of the consideration for City entering into this Agreement. In order to preserve such consideration for City and for City to receive full value, the parties hereto agree that the occurrence of any of the following events constitute, for purposes of this provision, an assignment:

(a) A change in the composition of ownership interests in and control of Developer, the result of which diminishes Ashok (Ash) Israni's ownership interest to less than fifty-one percent (51%).

(b) A change in the composition of ownership interests in and control of the Subject Property such that Developer's legal interest or equity in the Subject Property is reduced to less than fifty-one percent (51%), excluding individual investor interest transfers.

9.09 Minor Assignments. The following transfers shall be considered minor

assignments, which shall not require City consent: changes in the composition of ownership interests in and control of Developer, the result of which does not diminish Ashok (Ash) Israni's ownership interest to less than fifty-one percent (51%).

9.10 Notice of Proposed Assignment. Developer must provide City with adequate evidence that the proposed assignee, buyer or transferee is qualified using the standards and conditions described in this Section, and ability to comply with these standards and conditions will be the test of reasonableness.

9.11 Conditions and Standards. The conditions and standards referred to above are as follows:

(a) Such assignee or transferee possesses the experience, reputation and financial resources to cause the Subject Property to be developed and maintained in the manner contemplated by the City's General Plan and this Agreement;

(b) Such assignee or transferee enters into a written assumption agreement, in form and content satisfactory to the City Attorney, expressly assuming and agreeing to be bound by the provisions of this Agreement;

(c) Such assignment or transfer will not impair the ability of City to achieve the objectives of its general Plan and this Agreement;

(d) Good cause exists for Developer to make such assignment or transfer. For purposes of this subsection, good cause shall include but is not limited to such causes as business reorganizations, financing arrangements for the development of the Subject Property, and exigent circumstances creating the need to generate capital to offset material business losses.

9.12 Financing Exemption. Mortgages, deeds of trust, sales and lease-backs, or other forms of conveyance required for any reasonable method of financing requiring a security arrangement with respect to the Subject Property are permitted without the consent of the City, provided the City receives prior notice of such financing (including the name and address of the lender and the person or entities acquiring any such secured interest) and Developer retains the legal and equitable interest in the Subject Property and remains fully responsible hereunder. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction and land development.

9.13 Notice of Assignment. Upon receiving approval of an assignment, Developer shall provide City with written notice of such assignment and as part of such notice the assignee must execute and deliver to City an assumption agreement in which the name and address of the assignee is set forth and the assignee expressly and unconditionally assumes the obligations of all the provisions set forth in the Agreement.

9.14 Unapproved Assignments. If City reasonably makes the determination

not to consent to the assignment or transfer of the rights and privileges contained in this Agreement, and Developer conveys the Subject Property to a third party, in whole or in part, Developer shall remain liable and responsible for all of the duties and obligations of this Agreement.

9.15 Notice of Sale of Subject Property. Developer shall give written notice to the city, within ten (10) days after close of escrow, of any sale or transfer of any portion of the Subject Property required herein, specifying the name or names of the purchaser, the purchaser's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given.

SECTION 10. PAYMENTS TO CITY BY DEVELOPER.

10.01 General. During the term of this Agreement, Developer or the Seacoast Inn Owners' Association shall make the payments to City described in this Section 10.

10.02 Sewer Capacity Fee. Developer shall pay to the City a sewer capacity fee in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) per equivalent dwelling unit (EDU) for the cost of the Project's impacts on the environment and sewer system infrastructure.

10.03 Transient Occupancy Tax (TOT) Offset. During construction, Developer shall be required to pay to the City an offset fee that is the equivalent of the lost TOT that would have been otherwise paid to the City. The amount of the offset fee shall be the average TOT paid for the applicable quarter (*i.e.* January – March) of the previous three (3) years. The offset fee shall be paid for each day throughout the period of construction, commencing from the time of application for demolition permit up to the time a Certificate of Occupancy is issued.

10.04 Other Fees and Charges: Assessment Appeals. Except for the development fees and exactions set forth in Section 6, above, nothing set forth in this Agreement is intended or shall be construed to limit or restrict the City's authority to impose its existing, or any new or increased fees, charges, levies, or assessments for the development of the Project Site, or to impose or increase, subject to the required procedure, any taxes applicable to the Project Site including but not limited to transient occupancy taxes, provided nothing set forth herein is intended or shall be construed to limit or restrict whatever right Developer might otherwise have to challenge any fee, charge, levy, assessment, or tax imposed. Developer shall timely pay all applicable fees, charges, levies, assessments, and special and general taxes validly imposed in accordance with the Constitution and the laws of the State of California.

Section 11. DELAYS IN PERFORMANCE.

11.01 Permitted Delays. In addition to any other provisions of this Agreement with respect to delay, Developer and City shall be excused for performance of their obligations hereunder during any period of delay caused by acts of God or civil

commotion, riots, strikes, picketing, or other labor disputes, shortage of materials or supplies, or damage to or prevention of work in process by reason of fire, floods, earthquake, or other casualties, litigation, acts or neglect of the other party, or restrictions imposed or mandated by governmental or quasi-governmental entities, enactment of conflicting provisions of the Constitution or laws of the United States of America or the State of California or any codes, statutes, regulations or executive mandates promulgated thereunder.

However, with respect to Developer's obligation under Section 10.03 (payment of TOT offset fee), the following shall not constitute a Permitted Delay: strikes, picketing, or other labor disputes, or shortage of materials or supplies.

11.02 Third Party Actions. Any court action or proceeding brought by any third party to challenge this Agreement, or any other permit or approval required from City or any other governmental entity for development or construction of all or any portion of the Project, whether or not Developer is a party to or real party in interest in such action or proceeding, shall constitute a Permitted Delay under this Section.

11.03 Notice of Permitted Delays. If written notice of such delay is given to either party within (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

SECTION 12. DEFAULT.

12.01 Events of Default. Subject to any extensions of time by mutual consent in writing, and subject to the provisions of the Section regarding Permitted Delays, the failure or unreasonable delay by either party to perform any material term or provision of this Agreement for a period of thirty (30) days after the dispatch of a written notice of default from the other party shall constitute a default under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

12.02 Notice of Default. Any Notice of Default given hereunder shall specify in detail the nature of the alleged Event of Default and the manner in which such Event of Default may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

12.03 Cure Period. During the time periods herein specified for cure of an Event of Default, the party charged therewith shall not be considered to be in default for purposes of termination of this Agreement, institution of legal proceedings with respect thereto, or issuance of any building permit with respect to the Project.

12.04 General Default Remedies. After notice and expiration of the 30-day period without cure, the non-defaulting party shall have such rights and remedies

against the defaulting party as it may have at law or in equity, including, but not limited to, the right to terminate this Agreement pursuant to Government Code Section 65868 or seek mandamus, specific performance, injunctive or declaratory relief.

12.05 Remedies Cumulative. Any rights or remedies available to non-defaulting party under this Agreement and any other rights or remedies that such party may have at law or in equity upon a default by the other party under this Agreement shall be distinct, separate and cumulative rights and remedies available to such non-defaulting party and none of such rights or remedies, whether or not exercised by the non-defaulting party, shall be deemed to exclude any other rights or remedies available to the non-defaulting party. The non-defaulting party may, in its discretion, exercise any and all of its rights and remedies, at once or in succession, at such time or times as the non-defaulting party considers appropriate.

12.06 Legal Action. Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy a default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation hereof, or enforce by specific performance the obligations and rights of the parties hereto.

12.07 No Damages Relief. The parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Developer for any breach thereof. As such, the parties agree that in no event shall either party be entitled to recover monetary damages against the other party for breach of this Agreement.

12.08 Developer Default. No building permit shall be issued or building permit application accepted for any structure on the Subject Property after Developer is determined by City, to be in default of the terms and conditions of this Agreement, and until such default thereafter is cured by the Developer or is waived by City.

12.09 Waiver. All waivers must be in writing to be effective or binding upon the waiving party, and no waiver shall be implied from any omission by a party to take any action with respect to such Event of Default. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by such other party in the future.

12.10 Scope of Waiver. No express written waiver of any Event of Default shall affect any other Event of Default, or cover any other period of time specified in such express waiver.

12.11 Attorneys' Fees. Should legal action be brought by either party for breach of this Agreement or to enforce any provision herein, the prevailing party in any such suit or proceedings shall be entitled to a reasonable award of attorneys' fees and costs in addition to any other award made in such suit or proceeding. Reasonable attorneys' fees of either party shall be based on comparable fees for private attorneys

practicing in San Diego County.

12.12 Venue. In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the State courts of the County of San Diego or where appropriate, in the United States District Court, Southern District of California, San Diego, California.

SECTION 13. TERMINATION.

13.01 Effect of Termination. Upon termination of this Agreement, the rights, duties and obligations of the parties hereunder shall, subject to the following provisions, cease as of the date of such termination.

13.02 Termination by City. If City terminates this Agreement because of Developer's default, then City shall retain any and all benefits, including money or land received by City hereunder.

SECTION 14. RELATIONSHIP OF PARTIES.

14.01 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project Site is a separately undertaken private development.

14.02 Independent Contractors. The parties agree that the Project is a private development and that neither party is acting as the agent of the other in any respect hereunder.

14.03 No Joint Venture or Partnership. City and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint venturers or partners.

14.04 No Third Party Beneficiaries. The only parties to this Agreement are Developer and City. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever.

14.05 Ambiguities or Uncertainties. The parties hereto have mutually negotiated the terms and conditions of this Development Agreement and this has resulted in a product of the joint drafting efforts of both parties. Neither party is solely or independently responsible for the preparation or form of this agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

SECTION 15. APPLICABLE LAW.

This Agreement shall be construed and enforced in accordance with the laws of

the State of California.

SECTION 16. SUPERSEURE OF SUBSEQUENT LAWS OR JUDICIAL ACTION.

The provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with any new law (including any laws of the City, when so required by state or federal law) or decision issued by a court of competent jurisdiction, enacted or made after the Effective Date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement other than all new laws enacted by the City.

SECTION 17. COOPERATION IN THE EVENT OF LEGAL CHALLENGE.

In the event of any legal or equitable action or other proceeding instituted by any third party (including a governmental entity or official) challenging the validity of any provision of this Agreement or potential subsequent development approvals, should any be obtained, the parties hereby agree to cooperate in defending said action or proceeding.

SECTION 18. HOLD HARMLESS AGREEMENT.

Developer hereby agrees to, and shall defend, save and hold City and its elected and appointed boards, commissions, officers, agents, and employees harmless from, any and all claims, costs and liability for any damages, personal injury or death, which may arise, directly or indirectly, from Developer's or Developer's contractors', subcontractors', agents or employees' operations under this Agreement, whether such negligent operations be by Developer or by any of Developer's contractors, subcontractors, agents or employees. City shall retain the right to select the attorney of its choice to defend any action requiring a defense under this section.

SECTION 19. INDEMNIFICATION.

Developer shall defend, indemnify and hold harmless City and its agents, officers and employees against and from any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to the legality, validity or adequacy of any of the following: (i) this Agreement; (ii) the environmental impact report prepared in connection with the adoption of the Project; and (iii) the proceedings undertaken in connection with the adoption or approval of any of the above. City shall retain the right to select the attorney of its choice to defend any action requiring a defense under this section.

SECTION 20. NOTICES.

Any notice or communication required hereunder between City or Developer shall be in writing, and may be given either personally or by registered mail, return-receipt requested. Notice, whether given by registered mail or personal delivery, shall be deemed to have been given and received on the actual receipt by any of the addresses designated below as the party to whom notices are to be sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

To City:

Community Development Director (Notices to City Manager can be
City of Imperial Beach sent to the same address)
825 Imperial Beach Boulevard
Imperial Beach, California 91932

To Developer:

Imperial Coast Limited Partnership
1785 Hancock Street, Suite 100
San Diego, California 92110
Attn: Deepak Israni

SECTION 21. EXHIBITS.

21.01 Designation of Exhibits. The reference to a specified Exhibit in this Agreement is a reference to a certain one of the exhibits listed below, as determined by the accompanying letter designation.

<u>Exhibit Designation</u>	<u>Description</u>
Exhibit A	Property Description of the Subject Property
Exhibit B	Development Agreement Procedures Ordinance
Exhibit C	Existing Land Use Ordinances
Exhibit D	Site Plan
Exhibit E	Conditions of Approval
Exhibit F	Schedule of Performance

21.02 Incorporation by Reference. All exhibits are deemed incorporated by reference into this Agreement.

SECTION 22. SEVERABILITY.

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

SECTION 23. RECORDATION.

In order to comply with Section 65868.5 of the Development Agreement Legislation and the Enacting Ordinance, the parties do hereby direct the City Manager to cause a copy of this Agreement to be recorded with the County Recorder of the County, within ten (10) days after passage by the City of the Enacting Ordinance.

SECTION 24. ENTIRE AGREEMENT.

This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between the parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement and the Exhibits hereto, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement and Exhibits hereto.

SECTION 25. COUNTERPARTS.

This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

The Rest of This Page is Intentionally Left Blank

Executed at Imperial Beach, California on _____

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement for the Seacoast Inn Development Project to be executed as of the date written above.

City of Imperial Beach

Imperial Coast Limited Partnership
**see notes below*

By: _____
Jim Janney, Mayor

By: _____
[Name of Officer, Title]

By: _____
[Name of Officer, Title]

APPROVED AS TO CONTENT:

By: _____

APPROVED AS TO FORM:

By: _____
James P. Lough, City Attorney

ATTEST:

By: _____
Jacque Hald, City Clerk

*Notes: If the Developer is a Corporation, then this document must be executed by the Corporation's Chief Executive Officer, President or Vice-President, on the one hand, and the Corporations' Chief Financial Officer, Treasurer, Assistant Treasurer or Secretary on the other hand. Developer's signature must be notarized.

EXHIBIT "A"**PROPERTY DESCRIPTION****LEGAL DESCRIPTION FOR SEACOAST INN PROPERTY—800 SEACOAST DRIVE**

Lots 1 to 15, inclusive, in Block 7, in South San Diego Beach, in the City of Imperial Beach, County of San Diego, State of California, according to Map Thereof No. 1071, filed in the Office of the County Recorder of San Diego County, July 6, 1907.

Also all that certain alley in said Block 7 lying and being east of and adjacent to Lots 1 and 7, inclusive, in said Block and West of and adjacent to Lots 8 and 12 in said Block, and also all of the other certain alley of said Block, lying between Lots 8,9, 10 and 11 on the south and Lots 12, 13, 14 and 15 on the north.

Also all that portion of Ocean Boulevard described as follows:

Commencing at the Southwest Corner of Said Block 7, and running thence Northerly along the West line of said Block as shown upon said Map to the Northwest Corner Thereof; Thence at right angles westerly to the high tide line of said Pacific Ocean; Thence Southerly along said high tide line to a point opposite and directly West of the Southwest Corner of said Block; Thence East to said Southwest Corner of said Block and being all that point of said boulevard lying between said Block 7 and the high tide of Pacific Ocean, and extending in a general Northerly direction from said south line of said Block projected Westerly to said high tide line, to the North line of said Block projected Westerly to said high tide line. Said alleys and said portion of Ocean Boulevard were vacated and closed to public use on December 9, 1908, by an order of the Board of Supervisors of San Diego County, recorded in Book 27, Page 432 and Page 433 of the records of said Supervisors Office.

Except any portion thereof lying below the Mean High Tide Line of the Pacific Ocean.

Together with the reversionary rights, if any, to the centerline of Seacoast Drive, Daisy Avenue, and Date Avenue adjacent Thereto.

EXHIBIT "B"

**CHAPTER 19.89
DEVELOPMENT AGREEMENT PROCEDURES
IN EFFECT ON NOVEMBER 21, 2007**

Title 19 ZONING

Chapter 19.89. DEVELOPMENT AGREEMENT PROCEDURES

19.89.010. Applications.

- A. Authority for Adoption. These regulations are adopted under the authority of Government Code Sections 65864 through 65869.5.
- B. Forms and Information.
 - 1. The Community Development Director shall prescribe the form for each application, notice and document provided for or required under these regulations for the preparation and implementation of development agreements.
 - 2. The Community Development Director may require an applicant to submit such information and supporting data, as the Community Development Director considers necessary to process the application.
- C. Fees. The City Council shall by separate resolution fix the schedule of fees and charges imposed for the filing and processing of each application and document provided for or required under these regulations.
- D. Qualification as an Applicant. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person who has legal or equitable interest in the real property, which is the subject of the development agreement. Applicant includes authorized agent. The Community Development Director shall require an applicant to submit proof of his interest in the real property and of the authority of the agent to act for the applicant. Before processing the application, the Community Development Director shall obtain the opinion of the City Attorney as to the sufficiency of the applicant's interest in the real property to enter into the agreement.
- E. Proposed Form of Agreement. Each application shall be accompanied by the form of development agreement approved by the City. This requirement may be met by designating the City's standard form of development agreement and including specific

proposals for changes in or additions to the language of the standard form.

- F. **Review of Application.** The Community Development Director shall endorse on the application the date it is received. He shall review the application and may reject it if it is incomplete or inaccurate for processing. If he finds that the application is complete, he shall accept it for filing. The director shall review the application and determine the additional requirements necessary to complete the agreement. After receiving the required information, he shall prepare a staff report and recommendation and shall state whether or not the agreement proposed or in an amended form would be consistent with the general plan and any applicable specific plan. (Ord. 2004-1018 § 1 (part), 2004)

19.89.020. Notices and hearing.

- A. **Duty to Give Notice.** The Community Development Director shall give notice of intention to consider adoption of development agreement and of any other public hearing required by law or these rules.
- B. **Requirements for Form and Time of Notice of Intention to Consider Adoption of Development Agreement.**
1. **Form of Notice.** The form of the notice of intention to consider adoption of development agreement shall contain:
 - a. A time and place of the hearing;
 - b. A general explanation of the matter to be considered, including a general description of the area affected; and
 - c. Other information required by specific provisions of these regulations or which the planning director considers necessary or desirable.
 2. **Time and Manner of Notice.** The time and manner of giving notice is by:
 - a. **Publication or Posting.** Publication at least once in a newspaper of general circulation, published and circulated in the City of Imperial Beach, or if there is none, posting in at least three public places in the City of Imperial Beach.
 - b. **Mailing.** Mailing of the notice to all persons shown on the last equalized assessment roll as owing real property within five hundred feet of the property, which is the subject of the proposed development agreement. If the number of owners to whom notice is to be mailed is greater than one thousand, the Community Development Director may, as an alternative, provide notice in the manner set forth in Section 65091 as amended of the Government Code.
 3. **Additional Notice.** The City Council may direct that notice of the public hearing to be held before it shall be given in a manner that exceeds the notice requirements prescribed by State law.
 4. **Declaration of Existing Law.** The notice requirements referred to in subsections (B)(2)(a) through (b) of this section are declaratory of existing law. (Government Code Section 65867 as amended and as incorporated by reference). If State law

prescribes a different notice requirement, notice shall be given in that manner.

- C. Failure to Receive Notice. Lack of receipt by any person entitled to notice required by law or these regulations do not affect the authority of the City to enter into a development agreement.
- D. Rules Governing Conduct of Hearing. The public hearing shall be conducted as nearly as may be in accordance with the procedural standards adopted under Government Code Section 65804 for the conduct of zoning hearings and applicable local procedural rules established by the City Council. Each person interested in the matter shall be given an opportunity to be heard. The applicant has the burden of proof at the public hearing on the proposed development agreement.
- E. Irregularity in Proceedings. No action, inaction or recommendation regarding the proposed development agreement shall be held void or invalid or be set aside by a court by reason of any error, irregularity, informality, neglect or omission ("error") as to any matter pertaining to petition, application, notice, finding, record, hearing, report, recommendation, or any matters of procedure whatever, unless after an examination of the entire case, including the evidence, the court is of the opinion that the error complained of was prejudicial and that by reason of the error, the complaining party sustained and suffered substantial injury, and that a different result would have been probable if the error had not occurred or existed. There is no presumption that error is prejudicial or that injury was done if error was shown. (Ord. 2004-1018 § 1 (part), 2004)

19.89.030. Standards of review, findings and decision.

- A. Determination by the City Council. After the hearing by the City Council, the City Council shall make its decision to approve or deny the proposed development agreement. The approval shall include the City Council's determination whether or not the development agreement proposed:
 - 1. Is consistent with the objectives, policies, general land uses and programs specified in the general plan, the local coastal plan and any applicable specific plan;
 - 2. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;
 - 3. Is in conformity with public convenience, general welfare and good land use practice;
 - 4. Will not be detrimental to the health, safety and general welfare; and
 - 5. Will not adversely affect the orderly development of the property or the preservation of property values.
- B. Approval of the Development Agreement. If the City Council approves the development agreement, it shall do so by the adoption of an ordinance.

After the ordinance approving the development agreement takes effect, the City Council may enter into the agreement. (Ord. 2004-1018 § 1 (part), 2004)

19.89.040. Amendment and cancellation of agreement by mutual consent.

- A. Initiation of Amendment or Cancellation. For an existing development agreement, either party may propose an amendment to or cancellation in whole or in part.
- B. Procedure. The procedure and notice requirements for proposing an adoption of an amendment to or cancellation in whole or in part of the development agreement is the same as the procedure for entering into the agreement in the first instance. (Ord. 2004-1018 § 1 (part), 2004)

19.89.050. Recordation of development agreement, amendment or cancellation.

- A. Within ten days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder.
- B. If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply with good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder. (Ord. 2004-1018 § 1 (part), 2004)

19.89.060. Periodic review.

- A. Time for and Initiation of Review. The City shall review the development agreement every twelve months from the date the agreement is entered into. The time for review may be modified either by agreement between the parties or by initiation in one or more of the following ways:
 - 1. Recommendation of the Community Development Department;
 - 2. Affirmative vote of at least three members of the City Council;
- B. Notice of Periodic Review. The Community Development Director shall initiate the review proceeding by giving notice to the property owner that the City intends to undertake a periodic review of the development agreement. He or she shall give the notice as provided in Government Code Section 65091(a)(1) and (2).
- C. Hearing. The City Council shall conduct a hearing at which the property owner must demonstrate good faith compliance with the terms of the agreement. The burden of proof on this issue is upon the property owner.
- D. Findings Upon Hearing. The City Council shall determine, upon the basis of substantial evidence, whether or not the property owner has, for the period under review, complied in good faith with the terms and conditions of the agreement.
- E. Procedure Upon Findings. If the City Council finds and determines on the basis of substantial evidence that the property owner has complied in good faith with the terms and conditions of the agreement during the period under review, the review for that

period is concluded, and a notice of that determination shall be published and mailed as provided in subsection B of this section. If the City Council finds and determines on the basis of substantial evidence that the owner has not complied with the terms and conditions of the agreement, the City Council may set the matter for modification or termination of the agreement under the procedures set forth in Section 19.89.070 of this chapter. (Ord. 2004-1018 § 1 (part), 2004)

19.89.070. Modification or termination.

- A. Proceedings Upon Modification or Termination. If, upon a finding, under Section 19.89.060(E) of this chapter, the City determines to proceed with modification or termination of the agreement, the City shall give notice as provided in Section 19.89.060(B) of this chapter to the property owner of its intention so to do. The notice shall contain:
1. The time and place of the hearing, which shall be conducted by the City Council;
 2. A statement as to whether or not the City proposes to terminate or to modify the development agreement; and
 3. Other information that the City considers necessary to inform the property owner of the nature of the proceeding.
- B. Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, the property owner shall be given an opportunity to be heard. At the hearing, the City Council shall make a determination as to whether the development agreement should be terminated or modified. If, as a result of the hearing, the City Council finds and determines that the applicant or successor in interest has not complied in good faith with the terms and conditions of the agreement, the City may terminate or modify the agreement. The City Council may also modify or suspend the provisions of the development agreement if the City Council finds and determines implementation of the agreement poses a health or safety risk to the community. The City Council may refer the matter back to the Community Development Department for further review or for report and recommendation. The City Council may impose those conditions to the action it takes as it considers necessary to protect the interests of the City and/or the surrounding community. The decision of the City Council is final. (Ord. 2004-1018 § 1 (part), 2004)

19.89.080. Issuance of building permit.

- A. A building permit may not be issued for any project approved pursuant to the development agreement process, if at the time for issuance the development agreement has been terminated.
- B. If at the time a building permit is requested for any project approved pursuant to the development agreement process there is a hearing pending to determine the existence of default by the property owner or any obligor under the terms of the development agreement, then in such case no building permit may be issued without written approval of the City Manager. (Ord. 2004-1018 § 1 (part), 2004)

EXHIBIT "C"

EXISTING LAND USE ORDINANCES AND PLANS

Title 19 of the Imperial Beach Municipal Code and Ordinance No. 2007-1060 are on file with the City Clerk.

EXHIBIT "D"

SITE PLAN

The Site Plan (SPR 03-093) is on file with the City Clerk.

EXHIBIT "E"

CONDITIONS OF APPROVAL

A. PLANNING:

General Conditions:

1. Final building permit plans shall indicate and the site shall be developed substantially in accordance with the approved conceptual plans on file in the Community Development Department as of November 1, 2007 and with the conditions adopted herein.
2. The applicant shall submit a licensed surveyor's certificate upon completion of the foundation work that demonstrates proper placement of the structure relative to building setbacks from property lines and a certificate upon completion of framing that demonstrates and ensures that the building does not exceed the maximum roof level height of 40 feet above an average grade of 14 feet mean sea level grade.
3. Approval of this request shall not waive compliance with any portion of the Uniform Building Code and Municipal Code in effect at the time a building permit is issued.
4. Mechanical equipment, including solar collectors and panels or other utility hardware on the roof, ground, or buildings shall be screened from public view with materials harmonious with the building, and shall be located so as not to be visible from any public way. (19.83).
5. No improvements, structural or non-structural, may be placed on the roof deck. Only personal property, which does not obstruct views, is permitted on the roof deck while authorized person(s) are actually present on the roof deck.
6. All landscaped areas, including any in the public right-of-way, shall be maintained, at all times, in a healthy condition, free from weeds, trash, and debris.
7. It shall be the applicant's responsibility to assure that shoreline protection structures on adjacent properties are not damaged during construction on the subject site, and to repair any damage to the adjacent property's shoreline protection structures that may be caused by the construction on the subject site. The construction of temporary slopes shall be shored in compliance with CAL-OSHA requirements.
8. All sand excavated from the project site shall be analyzed for suitability as beach nourishment material. If determined to be suitable, any sand in excess of that required to provide berming along the first level wall shall be used for beach nourishment at such locations as may be determined appropriate by the City for compliance with sand nourishment programs. Local sand, cobbles or armor stones shall not be used for backfill or construction materials. Additionally, the applicant shall remove from the beach and seawall area any and all debris that result from the construction period and dispose of

such materials in an acceptable landfill site.

9. Within 60 days following project completion, the applicant shall submit certification by a registered civil engineer verifying that the seawall has been constructed in conformance with the final approved plans for the project.
10. Construction materials or equipment shall not be stored on the beach seaward of the western property line. Equipment shall be removed from the beach at the end of any given work day.
11. A Registered Engineer shall supervise the construction of the seawall.
12. The property owner shall be responsible for maintenance of the permitted seawall. Any debris or other materials which become dislodged after completion through weathering and coastal processes, which impair public access, shall be removed from the beach. Any future additions or reinforcements may require a coastal development permit. If after inspection it is apparent that repair and maintenance is necessary, the applicant shall contact the City to determine whether such a permit is necessary.
13. The applicant or applicant's representative shall, pursuant to Section 711.4 of the California Fish and Game Code, pay by certified or cashier's check payable to the San Diego County Clerk \$2,500 plus a \$50 documentary handling fee at the time the Notice of Determination is filed by the City, which is required to be filed with the County Clerk within five working days after project approval becomes final (Public Resources Code Section 21152).
14. Applicant shall pay off any unpaid negative balances in the Project Account Numbers (03-91/03-92/03-93/03-94/03-95/04-034) prior to issuance of building permit and prior to final inspection/certificate of occupancy.
15. The applicant or applicant's representative shall read, understand, and accept the conditions listed herein and shall, within 30 days, return a signed affidavit accepting said conditions.
16. The applicant shall comply and conform to the requirements, specifications, mitigation measures and conditions provided, by separate action or as specified herein, for the City Council approved Development Agreement applicable to this project, the certified Final EIR and Mitigation Monitoring & Reporting Plan, and the Specific Plan applicable to this project.
17. Building design and architectural treatment/style, project amenities and features shall conform and comply with the standards and requirements specified by the Seacoast Inn Specific Plan as adopted by the City Council. No deviation or modification shall be allowed unless prior approval for modifications have been granted by public hearing action by the City Council.

Prior to the Issuance of Construction or Grading Permits or Commencement of Site Work:

18. The applicant shall dedicate an easement over, under, along and across that portion of the property west (seaward) of the proposed seawall from the mean high tide line to the new seawall to the City of Imperial Beach for public use and access by City maintenance and emergency vehicles to the beach.

19. The applicant shall provide the City Community Development Department with a construction schedule in order to commence any site work. All construction activity on the beach shall be scheduled during low tides.
20. The applicant shall submit final plans for the shoreline protection device consistent with the recommendations contained in the Wave Runup engineering report prepared by Moffatt & Nichols dated November 2005 with an update dated February 14, 2006, and a Geotechnical Study report prepared by TGR Geotechnical December 24, 2002 with an update dated May 18, 2005.
21. The applicant shall submit plans showing the locations, both on and off site that will be used as staging or storage areas for materials and equipment during the construction phase of the project. The staging/storage plan shall be subject to review and written approval of the Community Development Director. The plan shall also note that no work requiring encroachment on the public beach shall be allowed on weekend days between Memorial Day and Labor Day, and during predicted grunion runs, of any year.

Disturbance to the beach more than 10 feet seaward of the existing hotel seawall during construction shall be prohibited except for beach replenishment. Construction activity up to 10 feet seaward of the existing seawall shall be allowed only for demolition of the existing seawall and for beach restoration. Beach replenishment will be allowed only under conditions stated in the Environmental Impact Report, Section 2.6, or in a beach replenishment program permitted by the U.S. Army Corps of Engineers. During grunion spawning periods forecasted by the California Department of Fish and Game, no construction activity shall be allowed seaward of the new seawall.
22. The applicant shall submit a traffic control plan for the diversion of traffic on Ocean Lane during construction. Ocean Lane shall remain open, except at intersection with Date Avenue, for vehicular traffic, including emergency vehicles during construction of the project. If traffic must be impeded, the applicant must submit a traffic control plan to the Public Works Director for approval at least 10 days prior to closure of Date Avenue and Ocean Lane intersection or closure of Date Avenue at Seacoast Drive.
23. The landowner, if required, shall execute and record a deed restriction in a form and content that is acceptable to the Community Development Director which shall provide: (a) that the applicant understands that the site may be subject to extraordinary hazard from waves during storms and from erosion or flooding, and the applicant assumes the liability from such hazards; and (b) that the applicant unconditionally waives any claim of liability on the part of the City of Imperial Beach and agrees to indemnify and hold harmless the City of Imperial Beach relative to its approval of the project for any damage due to natural hazards. The document shall run with the land, binding all successors and assigns, and shall be recorded free of prior liens.
24. The applicant shall pay a sand mitigation fee if required which shall be used for beach sand replenishment purposes, in lieu of providing sand to replace the sand and beach area that would be lost due to the impacts of the proposed shoreline protection structure. The mitigation fee shall be deposited in an interest-bearing account designated by the Executive Director of the California Coastal Commission and the City Manager of the City of Imperial Beach. The mitigation fee shall be determined in accordance with

Section 19.87.050 of the City of Imperial Beach Municipal Code, in consultation with the California Coastal Commission technical staff.

25. Form 7-B shall be submitted with the Building Permit Application.
26. Identify all BMPs on the site plan or a separate landscape or drainage plan in compliance with Form 7-B of the Storm Water Management Plan.
27. Provide this note on the plans: "All construction wastes shall be collected, stored and disposed of in an approved manner per Caltrans Storm Water Quality Handbook." Show the location of your waste container or dumpster on site. If you intend to set a dumpster in the public right of way an Encroachment Permit is required.
28. Show proposed drainage pattern with high point elevation and flow-lines elevation every 25'.
29. Provide a final soils report from a licensed soils engineer.
30. Locate on the site plan the sewer line for the new dwellings.
31. A final grading / Improvement plan is required for this project and shall be approved by the City Of Imperial Beach Engineer prior to permit issuance.
32. Provide this note on the plans: "BMPs shall be maintained through final inspection. If the building Inspector finds that BMPs are not in place during a regularly scheduled inspection, the inspection will not be complete and a re-inspection fee may be assessed at the discretion of the Building Official."
33. Project building plans shall show and ensure that the hot water tank P.T. discharge pipe is directly connected to the sanitary sewer system or the landscape area. A design that has the water discharge directly into the storm drain conveyance system onto an impervious surface that flows to a public street shall be avoided and would be in violation of the Municipal Storm Water Permit – Order 2001-01.
34. No building roof or landscape water drains may be piped to the street or onto impervious surfaces that lead to the street. A design that has these water discharges directly into the storm drain conveyance system (onto an impervious surface that flows to the street) is in violation of the Municipal Storm Water Permit – Order 2001-01.
35. Require the building foundation elevation be at least 1 foot above gutter line to minimize flooding during storm conditions.
36. Ensure construction design includes adequate storage for trash containers for regular trash, recycled waste, green waste as required by the City Public Works Director.
37. Install survey monuments, as specified and required by Public Works Director, on all property lines and/or adjacent to the property line. Record same with county office of records.
38. Applicant shall incorporate into project design and implement pre- and post construction Best Management Practices (BMPs), inclusive of site design, source control and treatment controls, and verify maintenance provisions through a legal agreement, covenant, CEQA mitigation requirement, and/or the conditions as required by the City Public Works Director.

39. Applicant shall submit for review and approval a Storm Water Pollution and Prevention Plan (SWPPP), project is greater than 1-acre in size, by City Public Works Director.
40. For alley, sidewalk or curb and gutter replacement ensure compliance with San Diego Regional Standard Drawing G-11 in that the "Area to be removed [must be] 5' or from joint to joint in panel, whichever is less." The distance between joints or score marks must be a minimum of 5 feet. Where the distance from "Area to be removed" to existing joint, edge or score mark is less than the minimum shown, "Area to be removed" shall be extended to that joint, edge or score mark.
41. For any work to be performed in the street submit a traffic control plan for approval by Public Works Director a minimum of 10 working days in advance of street work. Traffic control plan is to be per Regional Standard Drawings or Caltrans Traffic Control Manual.

Prior to Final Map Approval for Recordation:

42. The applicant shall dedicate an easement over, under, along and across that portion of the property west (seaward) of the proposed seawall from the mean high tide line to the new seawall to the City of Imperial Beach for public use and access by City maintenance and emergency vehicles to the beach.

Expiration Date:

43. Approval of Regular Coastal Permit (CP 03-091), Design Review (DRC 03-094), Site Plan Review (SPR 03-093), Tentative Map (TM 03-092) and Environmental Impact Report (EIA 04-034) is valid for three years from the date of final action, to **expire on December 5, 2010**, unless an appeal is filed to or by the California Coastal Commission. Any such appeal will stay the expiration date until the case is resolved and the permit will expire 3 years from the date the Commission acts on the appeal. In the event that no appeal is filed, conditions of approval must be satisfied, building permits issued, and substantial construction must have commenced prior to the expiration date, **or** unless a time extension is granted by the City pursuant to such a request for extension by the applicant. The applicant is responsible for tracking these expiration dates and shall, if necessary, file a written request for a time extension at least 45 days prior to said expiration dates, either the Coastal Commission decision or the City Council of the City of Imperial Beach Notice of Decision(s).

B. ENVIRONMENTAL CONDITIONS OF APPROVAL:

General:

All mitigation measures, as specified in the Draft and Final EIR Mitigation Monitoring and Reporting Plan (MMRP), shall, at a minimum be initiated or completed, by designated responsible parties.

The following conditions shall also be incorporated into the project as additional requirements to assure conformance or compliance with City regulations, and are in addition to required EIR Mitigation Measures:

Air Quality:

Temporary impacts to air quality associated with construction activities are anticipated. Implementation of the following conditions during construction operations shall be required:

44. Water all active construction areas at least twice daily.
45. Cover all trucks hauling soil, sand, and other loose materials, or require trucks to maintain at least 2 feet of free board.
46. Pave/apply water three times daily, or apply nontoxic soil stabilizers, on all unpaved access roads, parking areas, and staging areas at the construction sites.
47. Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction site.
48. Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.
49. Hydroseed or apply nontoxic soil stabilizers to inactive construction areas. Inactive construction areas are areas that have been previously graded and are inactive for 10 days or more.
50. Install sandbags, silt fences or other erosion control measures to prevent silt runoff to public roadways.
51. Replant vegetation in disturbed areas as quickly as possible.
52. Suspend excavation and grading activity when wind gusts exceed 25 MPH.

Biological Resources:

The following conditions shall be implemented to reduce potential impacts to the Pismo clam and grunion. Although not listed as an endangered or threatened species, the City has implemented a standard protocol for protection of Pismo Clams and Grunion, associated with construction activities by incorporating the following:

53. Impacts to Pismo clam shall be mitigated by avoiding vehicle use in the lower intertidal zone, and minimizing vehicle use in the middle intertidal zone (or conduct a survey at the time of construction to verify their absence); and
54. Disturbance to the beach below the high tide line (Mean Higher Water) during construction shall be prohibited except for beach replenishment. Beach replenishment will be allowed only under conditions stated in the Environmental Impact Report, Section 2.6, or in a beach replenishment program permitted by the U.S. Army Corps of Engineers. During grunion spawning periods forecasted by the California Department of Fish and Game, no construction activity shall be allowed seaward of the new seawall.

Geology:

The following geotechnical conditions shall be required in the planning and implementation of the project:

55. A comprehensive geotechnical evaluation, including development-specific subsurface exploration and laboratory test, shall be conducted prior to design and construction if previous studies need to be updated. The purpose of the subsurface evaluation shall evaluate the subsurface conditions in the area of the proposed structures and to provide information pertaining to the engineering characteristics of earth materials at the project site. From the data, recommendations for grading/earthwork, surface and subsurface drainage, foundations, pavement structure sections, and other pertinent geotechnical design considerations shall be formulated and submitted to City Building Official for approval.
56. Vibration induced settlement due to driving of sheet piles may occur during the construction of the seawalls. Nearby structures and pavement may experience distress due to the induced settlements. A vibration monitoring plan, in accordance with 2007 California Building Code requirements, shall be developed and implemented during construction of the sheet pile seawalls. The purpose of the plan would be to document construction induced vibrations and is subject to the approval of the City Building Official and/or Public Works Director prior to issuance of building or grading permits.
57. A baseline geotechnical reconnaissance shall be performed at each of the nearby structures to document pre-construction distress features, if any. Such an evaluation may include manometer surveys, crack measurements, and photographic/video documentation.
58. During construction, nearby structures shall be monitored for distress and/or settlement that may occur as a result of construction. Upon completion, a final evaluation of the nearby structures shall be performed, and the results compared with the initial baseline findings.
59. Liquefiable soils may be present on the site. The confirmation of their presence (or absence) shall be done through subsurface exploration (e.g. drilling) and laboratory testing.
60. Loose surficial soils that are not suitable for structural support in their current state are present on the sites. The loose surficial soils shall be mitigated by their removal during site grading. Much of the soils should be suitable for reuse as compacted fill.
61. The project has a potential for strong ground motions due to earthquakes. Accordingly, the potential for relatively strong seismic accelerations shall be considered in the design of proposed improvements.

Hydrology and Water Quality:

The potential for impacts to water quality would primarily occur as a result of construction activities. The following measures shall be implemented prior to initiation of construction activities:

62. Prior to City approval of construction permits, the final grading and drainage plans will be reviewed for compliance with SUSMP.

63. The proposed project includes a subterranean parking garage; therefore, excavation below the street level elevation may intercept the groundwater table. An updated geotechnical report shall be required prior to construction to ensure the appropriate measures are implemented. Temporary construction dewatering may be required during excavation. The applicant shall be responsible for obtaining an appropriate permit(s) for construction dewatering.
64. Project shall adhere to the Water Pollution Control Plan (WPCP) prepared by Landmark Consulting Engineers as conditioned and approved by the City of Imperial Beach including Construction and Permanent Best Management Practices (BMP) and other requirements pursuant to the City's Standard Urban Storm Water Mitigation Plan (SUSMP).
65. In order to provide the appropriate protection to the project site in case of a flood event, the applicant shall be required to Implement Flood Hazard Reduction Standards established for construction in order to assure protection from flooding (Imperial Beach Municipal Code 15.50.160).
66. In addition to building permits, a flood hazard area development permit may need to be obtained from the City Engineer prior to commencement of any construction (Imperial Beach Municipal Code 19.32.020).

Noise:

It is anticipated that the project will create temporary noise impacts associated with construction activities. During construction, equipment and material transport will also generate temporary noise, which could be a significant increase in levels for the adjacent residents. Therefore, the following conditions shall also be incorporated into the project as additional requirements to assure conformance or compliance with City regulations, and are in addition to required EIR Mitigation Measure.

67. To further deter construction noise from adjacent properties, the applicant shall be responsible for notifying residents and businesses within a 300-foot radius prior to shoring or pile driving activities.
68. Additionally, construction activities associated with implementation of pile driving shall be limited to the hours of 8 a.m. to 5 p.m., Monday through Friday.
69. The applicant shall notify all residents within 500 feet of the project site prior to pile driving activities. The applicant shall also incorporate the best available technology acoustical dampening features during pile driving or drilling, including but not limited to the installation of a ten (10) foot high sound attenuating wall at the property perimeters. Other Best Management Practices for construction noise abatement shall be employed, to the extent feasible, by the contractor throughout the construction phase, including limiting equipment warm-up to no more than fifteen (15) minutes prior to start of daily construction activities.

C. BUILDING:

70. This project is subject to all Model Codes, State Codes and City Ordinances adopted by

the City of Imperial Beach, including but not limited to the applicable 2007 California Building and Mechanical Code requirements for building design, ADA access for swimming pool and all areas of the hotel, garage ventilation, building sprinkler systems, alarm system, elevator access and controls.

71. Applicant shall submit a complete set of construction documents for building permit review including complete architectural, structural, civil, mechanical, electrical, plumbing, energy calculations and landscape/irrigation plans.
72. The project shall be fully fire sprinklered in accordance with NFPA 13 requirements and include an alarm system in conformance with NFPA 72 requirements and Knox box located near the main entry or specified by the Fire Department.
73. Building design shall comply with the Uniform Fire Code or the IFC requirements, if adopted by the City and applicable to this project.
74. Building design plans shall note that all elevator sizes and controls shall comply with the 2007 California Building Code requirements.
75. Building design and amenities shall conform to the requirements and specifications as adopted by the City Council for the Seacoast Inn Specific Plan, Development Agreement and EIR Mitigation Monitoring & Reporting Plan for this project.

D. PUBLIC WORKS:

76. For alley, sidewalk or curb and gutter replacement ensure compliance with San Diego Regional Standard Drawing G-11 in that the "Area to be removed [must be] 5' or from joint to joint in panel, whichever is less." The distance between joints or score marks must be a minimum of 5 feet. Where the distance from "Area to be removed" to existing joint, edge or score mark is less than the minimum shown, "Area to be removed" shall be extended to that joint, edge or score mark.
77. Relocate and replant, to the extent possible, existing Palm trees out of the public rights-of-way, including Seacoast Drive and/or Date Avenue. Applicant may incorporate any removed Palm trees into the landscape design for Seacoast Drive or Date Avenue.
78. Applicant shall remove sidewalk on Seacoast Drive frontage and construct an 8-foot-wide sidewalk with a design that conforms to the constructed sidewalk adjacent to Dunes Park and to the proposed improvements for Date Avenue. These sidewalk improvements must comply with applicable ADA accessibility requirements and applicable design criteria.
79. Remove existing driveway approach on Seacoast Drive and replace with new curb, gutter, and sidewalk, wherever not coincident with the new driveway approach, per Regional Standard drawings G-2 and G-7.
80. Applicant shall install new driveway approach(es) on Seacoast Drive in accordance with Regional Standard Drawing G-14A or an alternative meeting ADA accessibility requirements and as approved by the City Public Works Director. Asphalt cuts for said installation shall conform to the requirements and satisfaction of the City Public Works Director.
81. All street work construction requires a Class A contractor to perform the work. Street

✓

RECEIVED

JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

As a resident of Imperial Beach I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

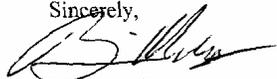
I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Brian McCray
700 Seacoast Dr.
Imperial Beach, CA 91932
619-423-6001

January 9, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

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JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

As a life-long resident of this area, who served as a lifeguard for more than twelve years, as a high school civics teacher for more than thirty years, and as a current Imperial Beach city council member, I understand the duties and responsibilities of the California Coastal Commission which I fully support.

I read the Coastal Commission staff appeal on the Seacoast Inn. Also, I understand and appreciate the work and planning of all principals involved in the Seacoast Inn project, a process that has been ongoing for over eight years.

A reasonable, logical, and careful analysis of the project agreement would lead one to conclude as follows: the project will now and for the future provide locals and visitors with moderate cost, numerous beachfront accommodations. **This project doubles the number of moderately priced rooms available to the public.** In addition to easy access to the beach, there will be increased beach frontage and easy access by all beach goers to services provided by the project including meeting rooms and a new restaurant.

This project is an extremely important project to our city and to the region as it will serve as an attraction and as an anchor business for increased economic development of local and visitor serving businesses. As our beachfront is only approximately one and one half miles, with almost no other sites available, we urgently need this project. The lives of all, both locals and visitors, will be greatly enhanced. Moreover, it will help ensure the economic well-being of our region.

Thank you for your work on the Commission and for your interest and involvement in this worthy and important project.

Respectfully yours,



Fred McLean
1312-A Seacoast Drive
Imperial Beach, CA 91932

10

January 7, 2008
1138 Seacoast Dr. #1
Imperial Beach, CA 91932

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JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

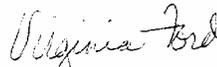
Dear Ms. Lilly,

I have learned that the Seacoast Inn project in Imperial Beach has been delayed, and I am hoping that the issue can be resolved at the February meeting and the project be allowed to move forward. My husband and I have owned our condo on the beach in IB for over 12 years, and in that time, we have watched the slow progress the city has made in cleaning up the town, especially along Seacoast Dr. Finally, we have a few nice retail stores and one really fine restaurant. These were all put in during recent years when the plan to scrape and rebuild the Seacoast Inn was moving ahead and there would be more tourist business to sustain them. These businesses are struggling to stay afloat. Please at the February meeting allow the project to go forward.

There is only one other lodging place on Seacoast Dr. It is a 12 room motel. Any time friends or family want to come to IB to visit, this place is booked up. The city of IB desperately needs a new, beautiful hotel with some decent amenities and restaurants, not only for the convenience and use of the residents, but also for the revenues it would provide to our city from the tourist dollars.

Imperial Beach has a reputation as a Biker Beach Town dating back to the 1950's. Slowly, we have tried to improve our image. We are the last beach town before Mexico, the end of the line. We don't have the luxury of having the Hotel del Coronado or Sea World, or anything but our beautiful beach and pier and bird sanctuary to attract tourists to our town. We need this new, upscale hotel in our little city. Please allow the project to go forward as planned and let it happen at the February meeting!

Sincerely,



John and Virginia Ford

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JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

As a resident of Imperial Beach I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Pamela J. Langston
249 Date Avenue
Imperial Beach, CA 91932

24/

Tod & Grace Parker
908 8th Street
Imperial Beach, California 91932

January 9, 2008

RECEIVED

JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coastal District
7575 Metropolitan Drive, Suite 103
San Diego, California 92108

Re: Seacoast Inn, Imperial Beach

Dear Ms. Lilly:

We have been waiting for over 10 years for the Seacoast Inn to be renovated. We live in a small house so when we have out-of-town visitors they end up staying in Coronado since there are no nice hotels in Imperial Beach. It would be nice to be able to have our friends and family in a hotel nearby, and also give the business to Imperial Beach instead of Coronado.

Sincerely,

Tod & Grace Parker

Tod & Grace Parker

cc: Gary Brown

JAN. 10. 2008 2:40PM IB Chamber of Commerce

NO. 2212 P. 2

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

January 15, 2008

Dear Ms. Lilly,

In regard to the proposed Seacoast Inn project that is to be considered at the February Coastal Commission meeting:

It is better to have "timeshare"-type owners who will finance their part of a new hotel than to have one become so dilapidated that it has to rent to Section 8 tenants, as I have heard is taking place now.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Evon A. Wilson
1247 Granger Street
Imperial Beach, CA 91932
619-575-8948

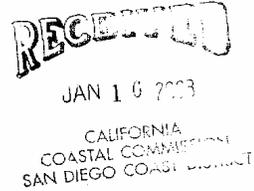
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JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 15, 2008

Diana Lilly
California Coastal Commission
7575 Metropolitan Dr. Suite #103
San Diego, CA 92108



Re: Seacoast Inn

Dear Ms. Lilly and California Coastal Commissioners:

I am writing to implore you to please allow the construction of the proposed Seacoast Inn. It would be such an improvement to the pepto-bismol pink colored monstrosity that currently fronts our shoreline here in Imperial Beach. The beautiful design, plus the great green features of proposed project would be such a wonderful addition to our little city. The design alone should be enough for you to allow the building of this project, but considering how 30 plus feet of beach will be given back for public use, should make this a slam dunk decision to allow the developer to proceed.

Though I have only lived here in Imperial Beach for a few years, I know that many years of effort have been put into this project to make the best hotel situation for the City of Imperial Beach – even in spite of the type of financing that has been chosen. The financing mechanism should not matter since the hotel will be run as a hotel. This is in the development agreement. The general public will not be limited to access to the hotel and the beach, if anything, the persons who purchase through the condo-hotel financing mechanism will be the ones limited – limited to the amount of consecutive days they can spend there, limited to having to have a certain amount of required time in between stays, etc.

This hotel will help the City of Imperial Beach as well as the general public. It will help our local businesses, it will help with the education of ecology through our ecotourism available here, bottom line, it will help EVERYONE!!!

Please allow the developer and the City of Imperial Beach, and most importantly, the residents of Imperial Beach, to realize the dream of having such a wonderful project move forward.

Thank you for listening – and thank you for allowing this project.

Sean Forehand
Sean Forehand
Imperial Beach, CA 91932

Jan. 15. 2008 1:15PM IB Chamber of Commerce

No. 2265 P. 1

15 January 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear Ms. Lilly,

As a resident of Imperial Beach since 1971, I have seen many ups and downs on our beachfront, including the steady decline of the beloved old Seacoast Inn. Alas, it is well past time for it to be replaced, and I am proud of the planning efforts that have gone into the current proposed new hotel.

And what a wonderful, environmentally conscientious design has been wrought! Surely this proposed hotel meets the needs of the green community as well as the business community and affords more access to the beach for the general public. Imperial Beach needs a fine new hotel and has strived, with the cooperation of the developer, to put together a design that meets the philosophy behind its general plan.

I feel certain that the vast majority of Imperial Beach citizens agree with me that the proposed hotel should be approved at the commission's February meeting, notwithstanding some misgivings about the mode of financing. As I understand it, the modified "timeshare" arrangement has been a hotel industry practice for some time now, and I am told that the Coastal Commission did approve a similar plan in the city of Coronado. Surely Imperial Beach deserves equal treatment—perhaps even preferential treatment in light of the number of years that have gone into negotiating a viable beachfront plan for a hotel.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Carleen R. Hess
1247 Granger Street
Imperial Beach, CA 91932
619-575-8948

RECEIVED
JAN 16 2008
CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Jan. 15. 2008 1:15PM IB Chamber of Commerce

No. 2265 P. 2

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

January 15, 2008

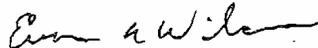
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Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Evon A. Wilson
1247 Granger Street
Imperial Beach, CA 91932
619-575-8948

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JAN 16 2008
CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear Mr. Brown, January 14, 2008

This is a request in favor of Sea
Coast Inn being given a Hotel-
Condo ruling. It's changed enhance-
ment would benefit Imperial
Beach greatly. The Hotel Del
Coronado is now a Condo-Hotel and
it's the wave of the future.
Thank you. *Mary A. Adkins*

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JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly
California Coastal Commission
7575 Metropolitan Dr. Suite #103
San Diego, CA 92108



January 12, 2008

Diana Lilly,

I am writing you in regards to and in support of the Seacoast Inn Hotel project in Imperial Beach that is currently under consideration. As someone who has grown up in the area and now make my permanent residence here, I'd like to inform you of my opinion of the positive impact a new hotel will have on the community.

To have a project that has such a potential to help to vitalize the surrounding businesses as well as make an impact on the future design of the area and feel towards the community needs careful consideration. As this project is now before the coastal commission, I am hopeful that your direction and cooperation with the developer will lead to an outcome that is beneficial to all involved.

I'd like to thank you in advance for your efforts on behalf of this project and to encourage you to help to make this the great success we are all looking forward to.

Bob Iacomett

cc IB City Hall

WILLIAM T. TYSON
ATTORNEY AT LAW *ret'd.*

1-13-08

615 SAN GORGONIO
SAN DIEGO, CALIFORNIA 92106
TELEPHONE (619) 223-0632

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Ca 92108

As a long time patron of the
M2M Seacoast Bistros, we know
how they would benefit from
additional viable business's in the
area. The new Seacoast Inn
would provide the needed sparks
they need, as well as other
companies. Suffice it to say it
would certainly enhance the
Imperial Beach Community.

RECEIVED
JAN 1 2008
CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COUNTY

Dill & Tyson
Martha Tyson

Jan 14, 2008
To: California Coastal Commission
Attn: Diana Lily
Re: Imperial Beach Seacoast Inn Project

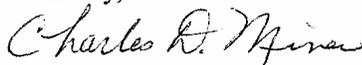
Ms Lily,

I am a lifetime resident of Imperial Beach. I went to elementary school here and graduated from Mar Vista High in 1964. I have seen many changes in our city. We have made many improvements over the years, and are now at an important time. We need this project to provide additional income for more future improvements to our city.

Pacifica Company engineered a wonderful design, pleasing both to the eye and environment. They are giving us back some much-needed beach. I believe the way they are proceeding will be a good way to help the city get the project done and to help with their financing. They have set limits on the condo owner's use, so there will be plenty of rooms available for public use.

I am urging you to help this city become more self-reliant and attractive to the tourism industry by approving the Seacoast Inn Project quickly. We have waited many years to get something going in that location and I think this is it. I have listened to the proposal and have seen the slide show of the drawings, and it is wonderful. We need this. Thank you.

Sincerely,



Charles D. Miner

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JAN 14 2008
CALIFORNIA
COASTAL COMMISSION
IMPERIAL BEACH

repairs must achieve 95% sub soil compaction. Asphalt repair must be a minimum of four (4) inches thick asphalt placed in the street trench. Asphalt shall be AR4000 ½ mix (hot).

82. In accordance with I.B.M.C. 12.32.120, applicant must place and maintain warning lights and barriers at each end of the work site, and at no more than 50 feet apart along the side thereof from sunset of each day until sunrise of the following day, until the work is entirely completed. Barriers shall be placed and maintained not less than three feet high.
83. Advise the property owner that he/she must institute "Best Management Practices" to prevent contamination of storm drains, ground water and receiving waters during both construction and post construction. The property owner or applicant must provide the following documents to the City of Imperial Beach following before project may begin work:
- A certification of intent to comply with storm water requirements – Form 7-A.
 - A checklist of selected BMPs and location of the BMPs on project plans for review by the City – Form 7-B and Table 7-3
 - Certification of intent to maintain selected BMPs – Form 7-B.
 - A Storm Water Management Plan –Form 7-B.
84. Additionally these BMP practices shall include but are not limited to:
- Contain all construction water used in conjunction with the construction. Contained construction water is to be properly disposed in accordance with Federal, State, and City statutes, regulations and ordinances.
 - All recyclable construction waste must be properly recycled and not disposed in the landfill.
 - Water used on site must be prevented from entering the storm drain conveyance system (i.e., streets, gutters, alley, storm drain ditches, storm drain pipes).
 - All wastewater resulting from cleaning construction tools and equipment must be contained on site and properly disposed in accordance with Federal, State, and City statutes, regulations, and ordinances.
 - Erosion control - All sediment on the construction site must be contained on the construction site and not permitted to enter the storm drain conveyance system. Applicant is to cover disturbed and exposed soil areas of the project with plastic-like material (or equivalent product) to prevent sediment removal into the storm drain system
85. Any disposal/transportation of solid waste/construction waste in roll-off containers must be contracted through EDCO Disposal Corporation unless the hauling capability exists integral to the prime contractor performing the work.

E. PUBLIC SAFETY:

86. Provide a note on the plans stating: "Approved numbers or addresses shall be provided for all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property and from any alley that fronts the property. Lettering shall be a minimum of four (4) inches high, with a minimum ¼ inch stroke, on

a contrasting background.” CFC Section 901.4.4

87. Provide a note on the plans stating: “All electric, gas, and water meters shall be clearly marked to indicate the unit or portion of the building they serve.”
88. No on-street parking shall be allowed in Ocean Lane, south of Date Avenue.

EXHIBIT “F”

SCHEDULE OF PERFORMANCE

The following Project milestones and corresponding deadlines are material terms and conditions of the Agreement and are binding upon Developer:

<u>Milestone</u>	<u>Deadline</u>
1. Submittal of construction plans to City for review	Within 270 days from date of approval by California Coastal Commission
2. Commencement of construction	Within 180 days from issuance of building permits or grading permits, whichever is earlier
3. Completion of construction of on-site and off-site improvements	400 days from commencement of construction

The City Of
Imperial
Beach

(619) 628-1353
FAX: (619) 424-4083

COMMUNITY DEVELOPMENT DEPARTMENT
825 IMPERIAL BEACH BOULEVARD • IMPERIAL BEACH, CALIFORNIA 91932



January 16, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

RECEIVED

JAN 17 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

SUBJECT: SEACOAST INN – COASTAL COMMISSION APPEAL NO. A-6-IMB-07-131

Dear Ms. Lilly:

We are in receipt of the appeal notification advising us that the above-referenced project has been appealed by two members of the Coastal Commission. Needless to say, we are [extremely] disappointed by the appeal given the extensive time and effort that City staff and the project applicant have dedicated over the past seven years to ensure that this vitally important project received unanimous support from our Design Review Board, Tidelands Advisory Committee, and City Council/Redevelopment Agency as well as the strong support of the citizens of the City of Imperial Beach and all of its civic organizations. To that end, it should be noted that never has the City witnessed a beach-front project of this scale enjoy such widespread community support and enthusiasm.

In virtually every adopted policy document since 2000, the City of Imperial Beach has identified the redevelopment of the Seacoast Inn as major priority for the City to encourage and promote tourism, eco-tourism, coastal access and sustainability for our economically struggling City. While this project by no means will be the “end all” for our City’s economic prosperity, it certainly goes a long way to achieving every one of the afore-mentioned objectives. A comparison of our City’s general fund tax revenues to other local coastal cities shows the following:

	<u>Imperial Beach</u>	<u>Coronado</u>	<u>Solana Beach</u>	<u>Del Mar</u>
Property Tax	\$2,200,000	\$15,600,000	\$4,900,000	\$3,200,000
Sales Tax	\$1,000,000	\$2,600,000	\$3,100,000	\$1,700,000
Vehicle License	\$2,100,000	\$1,700,000	\$1,000,000	\$300,000
T.O.T.	\$300,000	\$9,800,000	\$900,000	\$1,700,000
All Other Taxes	\$300,000	\$200,000	\$200,000	\$300,000
Total Tax Revenue	\$5,900,000	\$29,900,000	\$10,100,000	\$7,200,000

For a city whose general fund tax revenues are \$1.1 million less than the net cost of providing basic public safety programs and, at only \$5.9 million per year, are \$24

EXHIBIT #6
A-6-IMB-07-131
City Response

million, \$4.5 million, and \$1.3 million less than the cities of Coronado, Solana Beach and Del Mar, respectively, all of which have much smaller populations, such a project is absolutely vital to ensuring that its tourists, visitors, and residents alike can safely have access to and enjoy one of its most precious environmental recreational and economic resources – the coast and beach. Additionally, the great disparity in TOT revenue gives some indication of how low our current room rates are, how few visitor accommodations we currently have and, therefore, how vital additional rooms within an attractive hotel would contribute to increased access and recreational use of our beach. Finally, our City's sales tax revenues per capita rank us at 507th out of 535 jurisdictions in the State of California. All of this speaks to just how essential this project is to the increasing tax revenues within our City.

With this in mind, the City would like to formally respond to the specific reasons cited for this appeal. Please therefore, consider the following:

1) **The project is consistent with the City's adopted General Plan and Local Coastal Program (LCP) and the Municipal Code** – Simply stated, the City of Imperial Beach strongly disagrees with the assertion that the project “appears to be inconsistent with several policies of the [City's] LCP.” Quite to the contrary, the project, as proposed, meets every element of the City's adopted General Plan, Local Coastal Program (LCP) and Municipal Code cited by Commission staff and is an exemplar of the type of project not only encouraged, but mandated by the Coastal Act. The proposed hotel will provide 78 newly constructed over-night visitor accommodations and will return approximately 7,000 square feet of existing private beach area to the public beach providing new public recreational opportunities that currently do not exist – a requirement specifically preferred under Section 30213 of the Coastal Act. By its curvilinear design, the project will also improve, enhance and create visual access to and along the beach and will improve physical access to the beach with the concurrent redesign and reconstruction of the Date Avenue street end. The new hotel will provide conference facilities and a full service restaurant both of which will be available to the public. In short, the project more than doubles the number of over-night visitor accommodations, improves and enhances both physical and visual access to and along the beach and provides new public recreational opportunities through a significant public beach dedication, a public restaurant and public conference facilities.

2) **The project is, by definition, a “hotel” and will actually provide more access to non-owner/investors** – Because of very stringent restrictions placed on individual owner/investor room usage through the approved Development Agreement, the project clearly meets the definition of a “hotel” found in the City's LCP and Municipal Code. While it is unclear why the Coastal Commission does not consider an individual owner/investor a member of the general public, the hotel will provide 78 newly constructed commercial transient lodging rooms that will be available to the general public. As stated above, this is more than twice the number of existing guest rooms.

Additionally, the project meets the more recently adopted definition of an H-1 hotel by virtue of its site area, the number of guest rooms and by the provision of public conference facilities and a public restaurant. In fact, based upon the restrictions applied to the project, the general public will have greater access to the hotel than will individual owner/investors. Owner/investors are restricted to no more than 90 days at the hotel during the year and cannot stay in the hotel any longer than 25 days during any stay. Non-owner/investors are not so restricted. That is, they may rent rooms for longer than 25 days (as is common at lower cost hotels – which this will be) and for more than 90 days during any given year. Therefore, use of the hotel rooms are limited more for the owner/investors than for non-owner/investors. The definition of a “hotel” is a land use definition. Condo-hotel financing is just that – a method of financing. It is not a type of land use. Extensive attention has been given to ensure that this project is and will always function as a hotel. Indeed, the project must include the hotel room restrictions in the CCR’s which will ensure its operation as a hotel.

Also because of the restrictions placed on the project, the project is a hotel not “quasi-residential” as suggested. It is a hotel providing affordable visitor-serving, over-night accommodations. It is unclear why owner/investors would not be considered visitors as those owner/investors who actually stay in these rooms are typically out of town visitors to the area. Additionally, owner/investors will be required to pay transient occupancy taxes (TOT) while staying at the hotel. By definition, therefore, they are transient occupants, they are not residents. For those individual owners, if any, that do live nearby, there would be no incentive to occupy the room. As this is an investment, the incentive will be to realize a return on the investment and rent the room as a hotel room. This is borne out by statistics for such projects which demonstrate that owner/investors in condo financed hotels use their rooms an average of only two weeks per year.

3) The proposed project functions primarily as overnight visitor accommodations and dramatically increases the number of existing rooms available on the site for this purpose – It is entirely misleading and inaccurate to state that the proposed project “would essentially eliminate 38 existing hotel units, and replace them with a quasi-residential land use that would function only part time as overnight visitor-serving accommodations.” The fact is there will be a dramatic increase in the number of visitor-serving accommodations with this project, regardless of the financing mechanism. Owner/investor use of hotel will be restricted to no more than 90 days per year. Therefore, even if each owner/investor maximized their hotel use, rooms would still be available for non-owner/investors 75% of the time. This equates to 58 rooms available to non-owner investors which is 20 more rooms than currently exist today. If statistics hold true, however, and owner/investors only used rooms for two weeks per year, this would mean that rooms would be available to non-owner/investors 96% of the time, which equates to an increase of 36 rooms more than are available today. The proposed hotel, therefore, not only increases the number of visitor accommodations available to both owner/investors and non-owner/investors, but also provides access to non-owners at least

75% of the time and more likely 96% of the time. To suggest, therefore, that this is a "quasi-residential" use that would function "only part time as overnight visitor-serving accommodations" rhetorically misrepresents the facts. Therefore, the proposed hotel would not "result in a use on the site that functions, at least to some extent, as a private residential use." Once again, because of the restrictions placed on owner/investor use of the rooms, the general public would actually have more access to the hotel. Additionally, as also stated previously, owner/investors would pay TOT and, therefore, by definition would be considered transient occupants, not residents. Their ownership interest does not and will not make them any less a tourist, visitor or a member of the public.

4) Condo-hotel financing is neither regulated nor prohibited by the City's General Plan and LCP, nor should it be – As stated above, this project conforms in every respect with the City's adopted LCP and with the Coastal Act. The City's adopted LCP neither prohibits nor regulates Condo-hotel financing of hotel projects. Nor should there be such a prohibition as this is strictly a financing mechanism and the restrictions placed on hotel room use make it function as a hotel. The LCP allows hotels in the C-2 Zone (Please note that the project is NOT located within the MU-2 Overlay Zone.) and also allows time shares which are fractional ownership hotels. Therefore, the LCP both anticipated and allowed for such a visitor-serving accommodation in the C-2 Zone. If an argument is made against a land use because its method of financing is not mentioned in the General Plan or LCP, it might be said that a conventionally financed hotel is not allowed along the coast because conventional financing is not mentioned in our LCP. This is not be the intended purpose of our LCP,

5) The project provides additional public recreational facilities and opportunities and improves and enhances both visual and physical access to and along the beach – The project dedicates approximately 7,000 square feet of beach area to the public realm, provides public conference facilities and a public restaurant, eliminates view corridor obstructions along Date Avenue and Dunes Park, enhances and improves visual access to and along the beach and improves physical access to the beach by the concurrent redesign and reconstruction of the Date Avenue street end as well as a newly established pedestrian access-way to Dunes Park. The proposed hotel, therefore, complies with Section 30210 of the Coastal Act by providing additional and improved access to recreational opportunities for all people. The project goes even further in compliance with the Coastal Act by providing additional "no cost" recreational opportunities by the dedication of existing private beach area to the public realm – a specific preference cited in Section 30213 of the Coastal Act.

6) The project cannot alter the owner/investor restrictions or convert to residential use without approval by the City Council and Coastal Commission – Regarding the "long-term security and viability of visitor amenities" of the project, we disagree with the point of view that, should owners not be satisfied with their financial return, a condo-hotel would be under "considerable pressure" to allow longer stays, defer maintenance of

public areas, reduce access to public amenities and/or convert the property to purely residential use. First, while there is no evidence provided by Commission staff that this has or might occur with similarly financed hotels, even if this were true, the Development Agreement precludes it from happening. **Additionally, any amendment of the Development Agreement would not only require approval by a majority of the owner's association but also – and more importantly – by our City Council and, potentially, the Coastal Commission itself.** Converting the project to purely residential use would violate the City's General Plan, LCP and Municipal Code by allowing a much higher residential density on the property than is currently permitted and, as such, would require a General Plan and LCP Amendment which would necessitate both City Council and Coastal Commission Approval. Beyond these significant restrictions, it should be noted that there is nothing to suggest that the same concerns would not exist for a conventionally financed hotel. Understanding that the concerns raised by Commission staff are largely market driven and, therefore, would apply regardless of the financing mechanism, one might expect a conventionally-financed hotel owner to pursue conversion of the hotel to a residential condominium. While this would also require City Council and Coastal Commission approval of a General Plan and LCP Amendment, conventional financing would eliminate the major step of an owner's association approval and would simply be subject to the desires of the hotel owner. Therefore, absent any owner/investor room restrictions and required owner's association approval, it could be argued that such a conversion would be more easily pursued for a conventionally financed hotel. Regardless, there is no desire or incentive on behalf of the City to allow the conversion of this hotel – or any hotel – to residential use as it would decrease the number of visitor accommodations and would eliminate vitally needed TOT paid by both owner/investors and non-owner/investors during their stays at the hotel. Also, the provided improvements to coastal access and recreational opportunities such as the dedication of beach property and enhanced access and views to and along the coast are impossible to rescind.

It should also be noted that Imperial Beach has approved two mixed-use projects on its coast that included permanent residential units within the appealable area of the coastal zone (Imperial Beach Club and the Shopkeepers project). Neither of these projects were objected to or appealed by the Coastal Commission. Our LCP allows these residential units as a conditional use in the C-2 zone. Curiously and contrary to the concerns raised in the appeal, the majority of these “permanent” residential units are now being utilized as short-term vacation rentals. Therefore, the concern that the proposed hotel units would be converted to permanent residential units is simply not supported by the facts.

7) **The existing Seacoast Inn provides some of the most affordable beach-front, visitor-serving overnight accommodations in the entire State** – Unfortunately, time and the elements have rendered the hotel dilapidated, unsightly and unappealing. The new hotel will provide significantly upgraded visitor accommodations with over twice the number of rooms but will still remain one of the most affordable beach-front hotels in

the State. Current average rates will increase only slightly from approximately \$115 to approximately \$138 per night. These rates, much the same as any conventionally financed hotel, will be dependent upon market demand. While it may be true that the new hotel would not be "lower cost" visitor accommodations as defined by the Coastal Commission it should be noted that neither are the rates the hotel charges today. Therefore, there is no loss of "lower-cost" visitor-serving accommodations. Regardless, the new hotel will still be far more affordable than any beach-front hotel in the County of San Diego and probably all of California.

It is our further understanding that it has been and may be the desire of the Coastal Commission to impose a "mitigation" fee for condo-hotel financed projects for the potential impact to the provision of lower cost visitor-serving accommodations. We would question whether or not the Coastal Commission has established that such a fee is, in fact, justified. If such a fee is justified, that fee would have to be based upon a study indicating how the fee was established and quantified.

8) **There is an already-established precedent for condo-hotel financing** – the Coastal Commission recently approved the construction of eight new beach-front hotel suites at the Hotel Del Coronado with the utilization of condo-hotel financing. All eight of these units (100% of the new units) were approved with use of this financing. In Leucadia/Encinitas, the Commission approved a 130-room hotel project while allowing 100 of the rooms (77%) to be similarly financed. As such, the precedent has been set by the Coastal Commission for approval of this type of hotel even in markets where the overnight visitor-accommodation rates – both for the existing hotel and for the newly constructed suites – far exceed those within the City of Imperial Beach. The City has ensured that the same restrictions on owner/investor occupancy approved by the Coastal Commission for the Hotel Del Coronado have been applied to the proposed Seacoast Inn.

9) **It is not necessary to amend our LCP to specifically address condo-hotels** – we recently have been made aware that a possible staff recommendation might be that we amend our LCP to specifically address condo-hotels. We remain convinced, however, that the proposed Seacoast Inn is consistent with our current LCP, and offer Mr. Douglas' December 26, 2006 memo on Condominium-Hotel Development to further support our position. This memo states, "First, condo-hotel projects and other limited use/fractional ownership hotel proposals should not be considered unless the LCP specifically allows such development." In fact our LCP allows limited-use/fractional ownership in the form of timeshares (which, incidentally, are less restrictive than condo-hotels in terms of owner/investor use). Therefore, condo-hotels can be considered as a permitted use under our General Plan and LCP by our City Council since this quoted criterion is met. Further evidence that "time share" is synonymous with condo-hotel in the context of their presumed impact upon visitor serving facilities is provided when the memo states, "An analysis of proposed LCP policies and standards, including mitigation requirements, for condo-hotels and fractionalized ownership or 'time share' projects,..." Again, the memo,

characterizes condo-hotels and other fractionalized ownership projects similarly and our LCP already addresses and allows for such projects. Finally, at least two local precedents exist for the Coastal Commission allowing such projects in cities without specific provisions addressing them in their LCP. The cities of Coronado and Encinitas have both been allowed to proceed with similar projects without any amendment of their respective LCP's. We would expect, therefore, that since our LCP currently allows similarly financed hotels and because other cities without such provisions have been permitted to proceed with similar projects by the Coastal Commission, we would be given the same consideration.

As demonstrated herein, the proposed Seacoast Inn will have many significant positive impacts to public recreational uses and opportunities and will more than double the number of visitor-serving accommodations that exist on the site today. To summarize, the project:

- Will replace 38 rooms in a dilapidated, sub-standard hotel with 78 newly constructed hotel rooms – more than double the amount of rooms
- Significantly restricts owner/investor use of the hotel to ensure that it operates in perpetuity as a hotel that is available to the general public
- Will dedicate approximately 7,000 square feet of private beach for the public and provide better views to and along the coast due to its distinctive, curvilinear design
- Significantly expands tourist and recreational opportunities along our coast
- Will increase tourism and improve, enhance and expand access to the coast
- Will help ecotourism by providing lodging for ecotourists interested in the Tijuana Estuary, the Pacific ocean, and the San Diego Bay Wildlife Refuge
- Is vital to the City's economic well being and sustainability and the provision of public safety services along the coast
- Will be one of the most affordable beach-front hotels in California
- Is a facility that will improve and increase beach-front visitor-serving accommodations to the region, the country and the world
- Will incorporate "green building," environmentally- and ecologically-friendly and energy saving design features

The City of Imperial Beach is more than happy to discuss this project with you. Beyond that, we might understand an appeal of the new Seacoast Inn if the project, as proposed, did not so clearly achieve so many objectives and policies set forth in our City's adopted LCP as well as those of the State Coastal Act. Therefore, it is our hope that the Coastal Commission will find that there is no substantial issue raised with this appeal. Barring this decision, we hope that the project can be considered for both the Substantial Issue and de novo hearings at the Coastal Commission meeting in February in Oceanside. If you have any questions or require any clarification regarding this response, please contact me at (619) 628-1354 or gwade@cityofib.org.

Sincerely,



Gregory Wade
Community Development Director

C: Gary Brown, City Manager
Jim Lough, City Attorney
Jim Nakagawa, City Planner
Allison Rolfe, Pacifica Companies



City of Imperial Beach, California

www.cityofib.com

RECEIVED

JAN 16 2008

OFFICE OF THE MAYOR

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 15, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

FAX: 619-767-2384

CORRECTED COPY

Dear California Coastal Commission:

I am writing to urge your support for the Seacoast Inn development. The city and the developer have gone to great extents to ensure that this project meets the goals of the California Coastal Act. This project has extensive community support.

The proposed Seacoast Inn project will replace an existing facility, a blighted hotel that is far below current hotel standards and beyond economical repair with something that will benefit not only the citizens of Imperial Beach but those who desire to visit California's most Southwesterly Coast.

The scale of this project fits our small town community. The new hotel will provide some of the following benefits:

- *Greater access to the beach for the public*
- *Rededication of more than 7,000 square feet of beach*
- *Improved view corridors*
- *Additional visitor serving amenities such as a restaurant and public meeting rooms*
- *Improved accommodations (including 100% more rooms, all with ocean views)*

I understand that the appeal for this project is based mostly on the concern for its financing mechanism (condo hotel). The Imperial Beach City Council went to great efforts to ensure that this development remains a fully functional hotel. The approved development agreement specifically addresses this and would require not only the City Council but yourselves (the California Coastal Commission) to

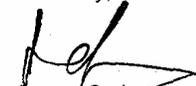
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel:

EXHIBIT #7
A-6-IMB-07-131
Letters of Support

change the uses of this development if your staff determines your approval is warranted.

Your consideration of the positive benefits that the new hotel facility would provide would be greatly appreciated. This community has been awaiting a quality project such as this for over a decade.

Sincerely,

A handwritten signature in black ink, appearing to read 'James C. Janney', with a stylized flourish extending to the right.

James C. Janney
Mayor

cc: City Council
City Manager
Greg Wade



Mayor Ron Morrison **City of National City**

1243 National City Blvd., National City, CA 91950 Phone: 619 336-4236 Fax: 619 336-4327 Email: RMorrison@ci.national-city.ca.us



January 14, 2008

RECEIVED

JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commission:

As Mayor of National City I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the whole South Bay and tourists from around the world. For many people of National City, Imperial Beach is the most convenient access to the coast for fishing, surfing, swimming, and just enjoying the ocean. Imperial Beach is also close to the Tijuana Estuary and Border State Park.

I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you could see the current Seacoast Inn you'd understand what a vast improvement this project will bring to the San Diego area. Without a doubt this hotel will attract more people by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

This is one of those rare projects that has regional support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

Ron Morrison

FROM

01/15/2008 16:34 6195227846

DATE/TIME TO 2008 10:07/31:10:00/NO. 0020290400 P. 2

CORONADO CITY MGRDFO

PAGE 02/03



CITY OF CORONADO

OFFICE OF THE MAYOR
1825 STRAND WAY
CORONADO, CA 92118

TOM SMISEK
MAYOR
(619) 522-7322

January 16, 2008

Chairman Patrick Kruer
Commission Members
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

RECEIVED

JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Re: Imperial Beach Seacoast Inn

Dear Chair Kruer and Commission Members:

On behalf of the City Council of Coronado, this letter is to express strong support for the new Seacoast Inn hotel development in Imperial Beach. This project will clearly enhance coastal access and services for the entire South Bay and tourists from around the world. It will be an attractive addition to our neighboring city that wants to enhance its hotel facilities to better serve coastal visitors.

A new Seacoast Inn will be a beachfront hotel that everyone can enjoy. If you could see the current Seacoast Inn, you'd understand what a vast improvement this project will bring to the San Diego area. Without a doubt this hotel will attract more people by providing more rooms to stay in, improved access to the beach to recreate on, and an oceanfront restaurant for guests and the general public.

Such a facility can provide greater coastal access to the general public if adequate conditions are an element of the approved development package. It is our understanding that the new Seacoast Inn will preclude long term residential stay and require significant itinerant use; in other words, operate like a hotel. Therefore, any coastal access issues should be resolved. This project is another demonstration of how a hotel can meet the Coastal Commission's basic mission, goals and ideals.

FROM

01/15/2008 16:34 6195227846

01/15/2008 16:34/31 10:00/NO. 0820298430 P. 3

CORONADO CITY MGROFC

PAGE 03/03

Chairman Krueer and Commission Members
Page 2
January 16, 2008

This is one of those rare projects that has regional support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,



Tom Smisek
Mayor

TS/mlc

cc: City Council
City Manager
Imperial Beach City Council
Imperial Beach City Manager

FROM : Chula Vista Mayor & Council

PHONE NO. : 619 476 5379

Jan. 12 2008 12:55PM P2



OFFICE OF THE MAYOR



CHERYL COX
MAYOR

January 11, 2008

VIA FACSIMILE: (619) 767-2384

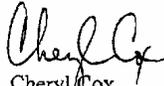
Diana Lilly
Coastal Planner
California Coastal Commission
San Diego District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear Ms. Lilly:

I am writing in support of the proposed Seacoast Inn project in Imperial Beach. Developments such as this send a positive message to residents and visitors that the South County is a great place to live, work, and relax. The development has been designed to maintain view corridors, rededicate more than 30 feet of beach area and promote public access. This project demonstrates what we are all working towards and has received wide community support.

I urge that the Coastal Commission return with a favorable decision in approving this project.

Sincerely,



Cheryl Cox
Mayor

Cc: Via Facsimile: (619) 424-4093
Greg Wade
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

027 17 2008 11:00 012000044

FRI JAN 11 2008 10:49/ST. 10:48/No. 8825298408 P. 2



GREG COX
CHAIRMAN
San Diego County Board of Supervisors

RECORDED
JAN 11 2008
CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COUNTY DISTRICT

January 10, 2008

California Coastal Commission
Attention: Chairman Pat Kruer
45 Fremont Street, Suite 2000
San Francisco, CA 94105

RE: *Seacoast Inn Project*

Dear Chairman ^{Pat} Kruer:

As Chairman of the San Diego County Board of Supervisors, I am writing to urge your support and approval of the Seacoast Inn Project in Imperial Beach.

Imperial Beach is perfectly positioned between the U.S./Mexico border, Coronado, Chula Vista, and San Diego to offer much needed amenities to visitors and tourists. There is growing demand for hotel space and improving public beach access in Imperial Beach, which this project achieves. The Seacoast Inn Project will re-dedicate more than thirty feet of prime central beach area to the public, and benefit all of San Diego County by enhancing the most southerly beach in the region.

I support the Seacoast Inn Project because it represents a complete proposal that will benefit all of San Diego County. If you have any questions, please contact me at (619) 531-5511.

I thank you for your support of this project.

Sincerely,

GREG COX
Chairman



PORT OF SAN DIEGO

BOARD OF PORT COMMISSIONERS
Chairman of the Board

January 17, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Via Facimile and Mail

Dear California Coastal Commission:

I am writing as an individual member of the Board of Port Commissioners to express my strong support for the new Seacoast Inn hotel development in Imperial Beach. This project will clearly enhance coastal access and services for the region and tourists from around the world. It will be an attractive addition to neighboring South Bay cities.

Imperial Beach and the Port have partnered for years to serve the beach-going public with the hope that the City can grow more financially secure and self-sufficient. The new hotel will go a long way to improve the City's ability to provide necessary public safety and maintenance for all who enjoy the coast. It will be a catalyst for improved public and private facilities designed to attract and serve people who visit California's most southwesterly coast.

The new Seacoast Inn will be a beach front hotel that everyone can enjoy. It is my understanding that the room rates will be very reasonable and affordable. If you could see the current Seacoast Inn you would understand what a vast improvement this project will bring to the San Diego area. Without a doubt this hotel will attract more people by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for guests and the general public.

In light of the increased room availability and the beach area donated by the developer for public use, this project is a demonstration of how a hotel can meet the Coastal Commission's basic mission, goals and ideals of assuring coastal access and expanding recreational opportunities.

This is one of those rare projects that has regional support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

Michael B. Bixler
Chairman, Board of Port Commissioners

RECEIVED

JAN 17 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

DL



Business Improvement District

RECEIVED

JAN 14 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 8, 2008

Ms. Diana Lilly
Coastal Program Analyst
California Coastal Commission – San Diego District
7575 Metropolitan Dr., Suite 103
San Diego, CA 92108-4402

Dear Ms. Lilly,

This letter is submitted on behalf of the membership of the Business Improvement District of Imperial Beach in support of the redevelopment project for the Seacoast Inn. This project is currently under consideration by the Coastal Commission. Our membership considers this redevelopment project the single most important enhancement initiative for the City of Imperial Beach. Specifically:

Ocean and Beach Access. The project will support increased public ocean and beach environment recreation and visitor-serving features for the city. The proposed design allows expanded views of the ocean from Seacoast Drive and the public park and street ends adjacent to the structure. Local citizens and visitors will greatly benefit from this increased visual access.

Economic Development. Our business community views the Seacoast Inn redevelopment as the “tipping point” for economic viability through expansion of visitor-serving tourism and hospitality commercial activities. Follow-on development geared towards city infrastructure improvements directly support beach and oceanfront recreation and eco-tourism opportunities for the public. The expanded tax base will greatly assist the city government in critical municipal funding initiatives.

Resident Civic and Social Quality. The Imperial Beach BID has engaged Pacifica Companies in a conversation to encourage them to seek services and employees from the City of Imperial Beach as a first priority. Our business community and local residents look most forward to new opportunities created by the Seacoast Inn redevelopment.

In summary, Coastal Commission approval of the Seacoast Inn Redevelopment Project is currently the most critical action item for the City of Imperial Beach and its citizens. A positive approval is needed now, and more importantly needed for the future. The Imperial Beach BID most strongly requests the Coastal Commissions approval on this matter to support:

- Enhanced public access for beach and oceanfront recreation
- Supports eco-tourism access initiatives
- “Tipping Point” for the City of IB economic development
- Supports local small business and employment opportunities

Thank you for your kind consideration in this matter.

Sincerely,

Jack Van Zandt
Co-Chairman, Imperial Beach Business Improvement District
702 Seacoast Drive
Imperial Beach, CA 91932

702 Seacoast Drive
Imperial Beach, CA 91932
Phone 619-424-3151 - Fax 619-424-3008
E-mail: ibchamber@yahoo.com www.IB-Chamber.com

01/16/2008 10:20 4201205

PAGE 02



**CHULA VISTA
CHAMBER OF
COMMERCE**

233 Fourth Avenue
Chula Vista, CA 91910
Tel: 619-420-6603 Fax: 619-420-1269
E-mail: info@chulavistachamber.org
Website: <http://www.chulavistachamber.org>

BOARD OF DIRECTORS

January 16, 2008

PRESIDENT
Charles Moore

Diana Lilly
Coastal Planner
California Coastal Commission
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108
Via Fax: 619.767.2384

PRESIDENT ELECT
Lourdes Valdez

VICE PRESIDENTS
Lisa Johnson
Scott Vinson
Chris Boyd
Bob Bliss

Dear Ms. Lilly,

PAST PRESIDENT
Dave Ruch

As the Chief Executive Officer of the Chula Vista Chamber of Commerce, I am writing you today regarding the appeal on the construction of a new Seacoast Inn.

DIRECTORS
Lowell Billings
Gary Bryant

The Chula Vista Chamber of Commerce is an 81 year-old community organization that serves as the voice for over 1,000 local businesses that provide jobs, generate tax revenue, build infrastructure and provide consumer services for the City of Chula Vista.

Rich D'Ascoli
Brett Davis
Jane Hieronimus
David McClurg
Tom Money
Christine Moore
Jay Norris
Raul Rehnborg
Jery Rindone
Ahmad Solomon
Gary Sullivan

Our members continue to be a key contributor to Chula Vista's economy and help foster the growth of new business and commerce throughout the region. They also make significant contributions to the local economy, employing more than 30,000 individuals in Chula Vista.

SPECIAL 1 YEAR TERMS
Ben Richardson
Lisa Moctezuma

We advocate for programs, projects and public policy that adequately plans for the future and protects Chula Vista's quality of life as well as those impacting the South County region.

CEO
Lisa Cohen

To that end, we strongly support the proposed hotel -- regardless of the financing mechanism used -- in Imperial Beach. The Chamber views this hotel as a catalytic project that will stimulate tourism, especially ecotourism, provide TOT income and sales taxes to City government necessary to maintain basic services such as lifeguards, emergency medical, fire and Sheriff's deputies as well as provide better visual access to the coast from the east.

Additionally, this project achieves many objectives that are embraced by the Coastal Commission. These include donating beach to the general public, linking to the City's ecotourism involving the Tijuana Estuary and the South San Diego Bay, providing enhanced beach access, utilizing "green" building design and resource saving features, increasing rooms available to the public from the present 38 to 78 and creating an attractive, visitor serving facility in Imperial beach.

The Chamber urges the Coastal Commission to support this project as it was approved by the Imperial Beach City Council.

Sincerely,

Lisa Cohen
Chief Executive Officer
Chula Vista Chamber of Commerce

RECEIVED
JAN 17 2008

CHULA VISTA CHAMBER OF COMMERCE



January 15, 2008

California Coastal Commission
San Diego Coast Office
7575 Metropolitan Drive, Suite 103
San Diego, CA
FAX # 619-767-2384

Dear Commissioners,

The Southwest Wetlands Interpretive Association (SWIA), based in Imperial Beach, is a 501(c)(3) non-profit organization founded in 1979. SWIA is dedicated to education in and acquisition, preservation and restoration of coastal wetlands.

SWIA works closely with California State Parks, U.S. Fish and Wildlife Service, County of San Diego and other agencies and organizations that cooperate under the umbrella of the Tijuana River National Estuarine Research Reserve. We are proud of our accomplishments and the investment of over \$30 million dollars in protection of this incredible resource. Much of this would not have happened if it were not for the educational outreach efforts by our reserve partners and the support of those who understand and share our goals.

SWIA has long supported the concept of eco-tourism and the benefits derived from not only the education gained by visiting eco-tourists but the economic benefits gained by our host community, the City of Imperial Beach.

Our office, located in the heart of our seacoast area, is called "A Walk on The Wild Side" and provides information, maps and brochures on the eco-tourism opportunities in the area to the many visitors who are here for the day. I have emphasized day, as Imperial Beach struggles to offer decent overnight accommodations or a venue that could support larger tour groups, meetings, or small conferences.

The proposed rebuilding of the Seacoast Inn offers an excellent opportunity to provide these amenities, an expanded opportunity to educate eco-tourists about our internationally recognized but threatened resources and, above all, an opportunity for economic survival of our struggling community.

We urge your approval of this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Cagle", is written over the typed name.

Fred Cagle
President

"For in the end, we will conserve only what we love. We will love only what we understand. We will understand only what we are taught." - Baba Dioum

Southwest Wetlands Interpretive Association • P.O. Box 575 • Imperial Beach, CA 91933
tel. (619) 575-0550 • fax (619) 424-6420 • www.swia4earth.org

JANICE WINEKE
1372 B Seacoast Drive
Imperial Beach, CA 91932
(562) 862-5300 * FAX (562) 862-0053

January 9, 2008

RECEIVED

JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego, CA 92108

Re: PROPOSED NEW SEACOAST INN

Dear Ms. Lilly:

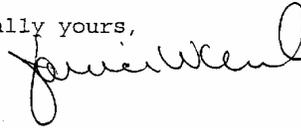
I am a homeowner in Imperial Beach. I have been anxiously awaiting the final approvals for the new Seacoast Inn. The Inn will provide the following:

1. A medium priced hotel where more visitors/tourists can stay in a pleasant location to enjoy our lovely beach.
2. A much needed contribution to the other City business owners by bringing in more hotel guests. The hotel guests will undoubtedly shop and dine in the other City establishments.
3. A stimulation to other homeowners and business owners to clean up, fix up and repair their properties. Yes, Imperial Beach is a "quaint, low to medium income beach community". The new Seacoast Inn will not have a negative change to the make up of the community, it will add to the local flair.

Please do not deny us the opportunity to see this new development in town. Changes are good. Imperial Beach desperately needs changes, improvements and added sources of property tax and sale tax revenues.

Thank you for your consideration.

Cordially yours,



Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

RECEIVED

JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear California Coastal Commission:

As a resident of Imperial Beach I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town.

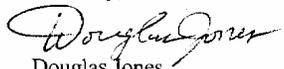
I can't imagine a better project in terms of providing a beach front hotel that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there. This is one of those rare projects that has community wide support and deserves your support as well.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely,

 1/14/2008

Douglas Jones
411 8th Street
Imperial Beach, CA 91932
619-271-7585

Richard S. Pilgrim
1182 5th Street
Imperial Beach, CA 91932

January 12, 2008

California Coastal Commission
Attn: Diana Lilly
7575 Metropolitan Drive, Ste. 103
San Diego, CA 92108-4402



JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

This letter is in support of the application by Pacifica Company for a proposed hotel in Imperial Beach to replace the existing Seacoast Inn. I am a member of the Imperial Beach Tidelands Advisory Committee and as such I participated in the public workshop on the proposed hotel. My opinion, after listening to, and participating in, extended questioning of Pacifica Company's representatives and Imperial Beach city staff, is that the proposed project should receive your approval and the existing appeal be denied. This project should be allowed to move forward on schedule.

It is my personal belief that the proposed condo-hotel is the only reasonable way to replace the existing decaying structure while still providing the only reasonably-priced beachfront accommodations in South San Diego County. The hotel should be a stimulus for an economic renaissance of Imperial Beach by providing modern facilities for potential visitors to this environmentally precious piece of Southern California. The restrictions placed on the owner-occupation of rooms as agreed to by the developer/operator will, in my opinion, benefit the public, visitors and residents alike.

Pacifica Company has been exceptionally cooperative in developing an environmentally sensitive design even though many items increase the cost of construction. Pacifica is also giving back some beachfront in the process as well as providing badly needed public meeting facilities which also drive up their costs. I wholeheartedly support the Pacifica Company condo-hotel project and urge the Coastal Commission to move beyond the appeal and allow this project to move forward.

Sincerely,

A handwritten signature in cursive script that reads "Richard S. Pilgrim".

Richard S. Pilgrim

Jan-16-08 07:42A z m migdalski 619 453 5020 P.01

*Marek W. Migdalski
Zofia M. Migdalska
875 Seacoast Drive
Imperial Beach, CA 91932
Tel: (619) 424-5800
Fax: (619) 424-5896*

January 15, 2007

Diana Lilly, Costal Planner
California Costal Commission
7575 Metropolitan Drive, Suite #103
San Diego, CA 92108

Re: New Seacoast Inn

Dear Ms. Diana Lilly,

In 2003, after many months of research and many hours of attending city council meetings, my husband and I purchased a small restaurant in picturesque Imperial Beach. At the meetings, we heard and saw that the renovations of the Seacoast Inn would be completed by the end of 2005. With that in mind, we based our business plan to SBA for small business loan on the information we received; now, after four years of struggle and hardship, our existence is threatened.

We are confident that this project is vital to the well being of the unique community of Imperial Beach, as well as it's perfectly suited for the future plans of eco-tourism and essential to local small businesses like ours. The city would benefit from additional tax revenue and the community with more vibrant life. We need this condotel here!!!

With the right planning and marketing, this hotel would be a catalyst of all the good things to come to the community of Imperial Beach. Like creating a promenade on the Seacoast Dr. and pier, extending the Old Town Trolley route through Silver Strand to the estuary, and exposing San Diego county residents as well as national and international tourists to the most beautiful (as I call it Disneyland in reality or The Golden Coast of Southern California) road to Imperial Beach.

If you have any questions please contact me at (619) 424-5800. Thank you for your consideration and we are looking forward to a positive outcome for all.

Sincerely,

Zofia Migdalska

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JAN 16 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

January 15, 2007

Diana Lilly, Coastal Planning
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Dear California Coastal Commissioners:

I have been asked by the Imperial Beach Tidelands Advisory Committee (TAC) to inform you the committee's unanimous and enthusiastic support for the new Seacoast Inn development.

In September 2007, the development team for the Seacoast Inn appeared before us and gave a very thorough presentation of the proposed development followed by a lengthy question and answer session. Aspects of the project discussed during the meeting included the building design, water features, landscaping, "green" elements incorporated into the design, the number of rooms (all suites), amenities such as meeting rooms and a beachfront restaurant, the return of 15' of beachfront to the public, parking plans, traffic impacts, projected room rates (beginning at under \$150 per night), the financing structure, and the length of the construction process.

At the end of the evening the entire committee stood together in support of the project and not only sent its recommendation to the Imperial Beach City Council to approve this project, but asked how as a committee and as individuals we could help bring this project to fruition. It is also noteworthy that there was no public opposition to the project.

It is our belief that the development of the new Seacoast Inn is exactly what Imperial Beach needs at this time. It is a small, elegant, environmentally friendly, beachfront boutique hotel that meshes perfectly with our General Plan, our Ecotourism program and the community's longstanding desire for development that protects Imperial Beach's unique small beach town atmosphere that can be found no where else in Southern California. It is a perfect fit for both the demographic and economic make up of our community.

We ask you to vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Yours truly,



Debra H. Carey
Chair, Tidelands Advisory Committee

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JAN 11 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT



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JAN 10 2008

<http://californiayachtsales.com>

California Yacht Sales
2040 Harbor Island Drive
San Diego, CA 92101, USA

Tel 619-295-9669
Fax 619-295-9909
Email ian@californiayachtsales.com

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego, CA 92108

Dear Ms Lilly,

Re: Seacoast Inn, 800 Seacoast Drive Imperial Beach, CA 91932

My wife Gillian and I are the owners of California Yacht Sales Inc. and reside in Imperial Beach CA.

We see the potential in the revitalization of the Seacoast Inn in Imperial Beach as beneficial not only to our local property values but to our business. We will often have out of state (or country) visitors here on business – an opportunity for us to book them into a local hotel would be a significant improvement over our current options. In addition, a seafront hotel would be a nice addition to the recreational options available to our family.

Please support the planning and construction of the New Seacoast Inn, 800 Seacoast Drive Imperial Beach, CA 91932

Thank you,

Ian Bossenger

Owner, California Yacht Sales Inc.

cc Gary Brown
Greg Wade
City Hall, Imperial Beach

Jackie & Palmer

Palmer/Palmer Propertyship
910 Beverly Avenue
Imperial Beach, California 91932

RECEIVED

JAN 11 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

1/9/08

California Coastal Commission
San Diego office

Dear Commissioners -

My husband and I moved to Imperial Beach in 1960, and have spent years involved in many capacities, serving on Boards as well as the City Council, working for the betterment of our Community, for the sake of our families and friends.

Additionally, we own substantial property on the beach, and Seacoast Drive, and have eagerly waited for years to finally see a proposal for a Hotel development. This is key for the development of our Beach!

Please support this proposal, as it is the first ray of sunshine for our long term future.

Sincerely
Dick + Jackie Palmer

Diana Lilly
California Coastal Commission
7575 Metropolitan Dr. Suite #103
San Diego, CA 92108

January 12, 2008

Diana Lilly,

I am writing you in regards to and in support of the Seacoast Inn Hotel project in Imperial Beach that is currently under consideration. As someone who has grown up in the area and now make my permanent residence here, I'd like to inform you of my opinion of the positive impact a new hotel will have on the community.

To have a project that has such a potential to help to vitalize the surrounding businesses as well as make an impact on the future design of the area and feel towards the community needs careful consideration. As this project is now before the coastal commission, I am hopeful that your direction and cooperation with the developer will lead to an outcome that is beneficial to all involved.

I'd like to thank you in advance for your efforts on behalf of this project and to encourage you to help to make this the great success we are all looking forward to.

Bob Laemitt

cc IB City Hall

RECEIVED

JAN 14 2008

California Coastal Commission
San Diego Coast District

STATE OF CALIFORNIA COUNTY OF IMPERIAL

10/16/2004

P.1

NAKAWATASE & COMPANY

Certified Public Accountant

923 Seacoast Drive • Imperial Beach, CA 91932-2401

(619) 423-7093 • FAX 423-8857

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

January 14, 2007

Dear California Coastal Commission:

As the chair of the City of Imperial Beach Design and Review Board, former President of Imperial Beach Kiwanis and former President of the Imperial Beach Boys and Girls Club, I would like to express my strong support for the new Seacoast Inn hotel development. This project will clearly enhance coastal access and services for the citizens of Imperial Beach and tourists alike who want to spend a few days in an affordable beach town. Allison of Pacifica Companies (the developer) presented the project to our Board and to our Club and we were uniformly impressed with her integrity, the buildings "green" features, the donation of beachfront land to public use, and the overall benefits to coastal access, and the project's curvilinear design and ways to save energy and water.

Imperial Beach does not have a sustainable hotel in our city limits and our tourism dollars are severely lower per capita than any other beach town in Southern California. Our only motels in town are all over 30 years old and in poor condition. Unlike our neighbors Chula Vista and Coronado, we have seen little growth or improvements in many decades.

As a resident for 45 years, I cannot express strongly enough how a poor beach community like ours needs this hotel in order to provide necessary services for people visiting the California coast.

I can't imagine a better project in terms of providing a venue that everyone can enjoy. If you have seen the current Seacoast Inn you would understand what a vast improvement this project will bring to our coastline. Without a doubt this hotel will attract more people to our coast by providing more rooms to stay in, more beach to play on, and an ocean front restaurant for everyone to enjoy.

The City and Developer have worked for years in designing a project that fits within the character of our small town and they have succeeded! This project respects our coastal environment by opening up view corridors, returning beach front to the public domain, and in designing a "green" hotel that eco-tourists will want to stay in while visiting one of the best birding areas in Southern California.

HOPE

JAN 15 2008

Seacoast Inn
Imperial Beach, CA

www.BeachCPAs.com

CITY OF IMPERIAL BEACH COMMUNITY DEVELOPMENT DEPARTMENT

1037572384

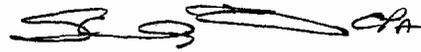
P.2

The City's agreement with the developer ensures the new Seacoast Inn will remain a hotel forever to the benefit of the City, local businesses, and the people who will work there.

This is one of those rare projects that has wide community support and deserves your support as well. The win-win scenario presented seems almost too good to be true and we plead with you to hasten the process needed to permit this development to move forward.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Sincerely



Shirley Nakawatase, CPA

FROM

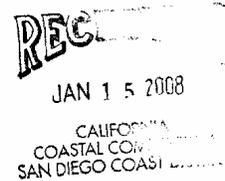
(QUE) JAN 15 2008 8:15/ST. 8:15/No. 6825298427 P 2

Tijuana River National Estuarine Research Reserve
"A Wetland of International Importance" *International Ramsar Convention, 2005*



January 14, 2008

Diana Lilly, Coastal Planner
California Coastal Commission
San Diego Coast District
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108



Dear California Coastal Commission:

As the Manager of the Tijuana River National Estuarine Research Reserve, I would like to express my support for the new Seacoast Inn development. The project could be a great asset to our efforts to provide environmental education focused on this wetland of international importance.

Birders from around the world come to the Estuary, but the lack of a convenient, high quality hotel discourages some people. For years we've worked with the City to promote ecotourism in this area with so many natural assets, but our efforts have been hampered for lack of a nice local hotel. The proposed project will enhance coastal access and services for tourists who want to spend a few days in an affordable beach town. I understand that the project incorporates many sustainable design features and that it will fit the character of the town.

I anticipate partnering with the proposed hotel to enhance environmental educational opportunities at the Research Reserve. Upcoast, California State Parks is enjoying significant success in a similar partnership between Loews Coronado Bay Resort and Silver Strand State Beach.

All of this leads me to believe that this project will be a key element in promoting ecotourism in this area and will benefit the education and outreach programs of the Tijuana River National Estuarine Research Reserve.

Please vote in favor of the new Seacoast Inn as approved by the City of Imperial Beach.

Clayton Phillips, Manager
Tijuana River National Estuarine Research
Reserve



Michael A. McCoy, D.V.M.



132 Citrus Avenue • Imperial Beach • CA • 91932

(619) 423-0495

January 13, 2008

California Coastal Commission
San Diego Coast Office
7575 Metropolitan Drive, Suite 103

RECEIVED

JAN 15 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear Commissioners:

Imperial Beach needs this hotel for its economic survival. We are blessed with an abundance of natural resources which we gladly share with the rest of California and beyond. We have two National Wildlife Refuges, a State Park, two San Diego County Parks and have been designated as a Wetland of International Importance under the Ramsar Convention. We are a stone's throw from the busiest international border crossing in the world.

Visitors come from all over the world to visit this oasis between San Diego and Tijuana, Mexico. The City of Imperial Beach has partnered with NGO's and other agencies in an effort to promote and develop ecotourism. But we have no place for them to stay. Any economic benefit derived from these resources flow to other places where there are decent lodgings. This is devastating to a struggling city.

Imperial Beach has worked for many years to build this hotel. I believe this is a golden economic opportunity for us. This modern hotel doubles the visitor serving capacity and increases our opportunity to compete with neighboring communities for our share of the tourist dollar.

The financing mechanism is just that. It is what it is, just a way to secure financing in a truly difficult financial market. It is sad that we are caught in an intellectual struggle over how to fund our only viable hotel.

Please look at this through the eyes of our community and how it sees this issue as one of economic survival.

We have an unparalleled natural setting. We have moved the structure back from beach improving lateral access. We have the visitors. We have listened to you when drafting our Specific Plan. All we need now is your approval giving us a chance to survive.

Sincerely

Michael A. McCoy, DVM

Michael A. McCoy, DVM
Member, Management Authority
Tijuana River National Estuarine Research Reserve

January 8, 2008

Ms. Diana Lilly
Coastal Program Analyst
California Coastal Commission – San Diego District
7575 Metropolitan Dr., Suite 103
San Diego, CA 92108-4402

RECEIVED

JAN 15 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear Ms. Lilly,

This letter is written in support of the proposed redevelopment project for the Seacoast Inn, currently under consideration by the California Coastal Commission. The Imperial Beach Chamber of Commerce membership most strongly recommends approval of this critical initiative.

Imperial Beach is uniquely situated on the Southern California border with Mexico. As the most southern California beach town, I.B. is a stakeholder in border, regional, and state issues. The City is impacted by cross-border pollution, poor economic growth and the lowest sales and transient occupancy tax revenues of any regional city.

Public ocean and beach recreation, along with eco-tourism opportunities at the Tijuana Estuary, are the primary local citizen and visitor-serving features in Imperial Beach. Our business community firmly believes that the redevelopment of the Seacoast Inn is the key factor in enhancing the City infrastructure to support public access and opportunity for coastal recreation.

Our Chamber membership is ninety percent local I.B. residents. The Chamber represents minority, women-owned and veteran-owned small businesses. Economic growth produced by projects like the Seacoast Inn Redevelopment is a major catalyst in broadened local small business opportunities and local employment advantages for Imperial Beach residents.

On behalf of the entire membership of the Imperial Beach Chamber of Commerce, the approval of the Seacoast Inn Redevelopment Project is strongly recommended. Thank you for your attention in this matter.

Sincerely,

Cynthia Melcher
President
Imperial Beach Chamber of Commerce