CALIFORNIA COASTAL COMMISSION

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 Staff:
 F. Sy-LB

 Staff Report:
 Jan. 23, 2014

 Hearing Date:
 Feb. 12-13, 2014

STAFF REPORT: CONSENT CALENDAR

Application No.:	5-13-0103
Applicant:	Dana Point Shipyard
Agent:	Anchor QEA, L.P., Attn: Adam Gale
Location:	34671 Puerto Place; City of Dana Point (County of Orange)
Project Description:	Replacement of existing piles, docks and travel lift runway piers resulting in an increase of 8 square feet of total water coverage, 1 additional dock guide pile, 4 additional pier piles and 4 additional landside pier piles. Additional landside work includes installation of a new water clarification/stormwater treatment system and other landside improvements.
Staff Recommendation:	Approval with conditions.

I. MOTION AND RESOLUTION

Motion: *I move that the Commission approve the Coastal Development Permit applications included on the consent calendar in accordance with the staff recommendations.*

Staff recommends a <u>YES</u> vote. Passage of this motion will result in approval of all the permits included on the consent calendar. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution: The Commission hereby approves a Coastal Development Permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. STANDARD CONDITIONS

This permit is granted subject to the following standard conditions:

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

II. SPECIAL CONDITIONS

- 1. Construction Pollution Prevention Plan (CPPP). PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit for the review and approval of the Executive Director, two (2) sets of a Construction Pollution Prevention Plan (CPPP) prepared and signed by licensed engineer that, at a minimum, includes the following:
 - A. Construction Best Management Practices (BMPs). The permittee shall comply with the following construction-related requirements:
 - (1) No demolition or construction materials, equipment, debris, or waste shall be placed or stored where it may enter sensitive habitat, receiving waters or a storm drain, or be subject to wave, wind, rain or tidal erosion and dispersion;
 - (2) Any and all debris resulting from construction activities shall be removed from the project site within 24 hours of completion of the project;
 - (3) Construction debris and sediment shall be removed from construction areas each day that construction occurs to prevent the accumulation of sediment and other debris which may be discharged into coastal waters;
 - (4) Erosion control/sedimentation Best Management Practices (BMP's) shall be used to control dust and sedimentation impacts to coastal waters during construction. BMP's shall include, but are not limited to: placement of sand bags around drainage inlets to prevent runoff/sediment transport into coastal waters; and
 - (5) All construction materials stockpiled on site, excluding lumber, shall be covered and enclosed on all sides to ensure that the materials are not discharged to a storm drain inlet or receiving waters.
 - **B. Spill Prevention Best Management Practices.** These practices are designed to prevent spillage and/or runoff of construction-related materials, sediment, or contaminants associated with construction activity shall be implemented prior to the on-set of such activity. Selected BMP's shall be maintained in a functional condition throughout the duration of the project. Such measures shall be used during construction:
 - (1) The permittee shall ensure the proper handling, storage, and application of petroleum products and other construction materials. These shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. The designated area shall be equipped with spill control

materials and located to minimize the risk of spills reaching receiving waters or storm drain inlets;

- (2) The permittee shall develop and implement spill prevention and control measures;
- (3) The permittee shall maintain and wash equipment and machinery in confined areas specifically designed to control runoff. Thinners or solvents shall not be discharged into sanitary or storm sewer systems. Washout from concrete trucks shall be disposed of at a location not subject to runoff and more than 50-feet away from a stormdrain, open ditch or surface water; and
- (4) The permittee shall provide adequate disposal facilities for solid waste, including excess concrete, produced during construction.
- C. Waterside Construction Best Management Practices. The permittee shall comply with the following construction related requirements:
 - (1) No demolition or construction materials, equipment, debris, or waste shall be placed or stored where it may enter sensitive habitat, receiving waters or a storm drain, or be subject to wave, wind, rain or tidal erosion and dispersion;
 - (2) Any and all debris resulting from demolition or construction activities, and any remaining construction material, shall be removed from the project site within 24 hours of completion of the project;
 - (3) Demolition or construction debris and sediment shall be removed from work areas each day that demolition or construction occurs to prevent the accumulation of sediment and other debris that may be discharged into coastal waters;
 - (4) Machinery or construction materials not essential for project improvements will not be allowed at any time in the intertidal zone;
 - (5) If turbid conditions are generated during construction a silt curtain will be utilized to control turbidity;
 - (6) Floating booms will be used to contain debris discharged into coastal waters and any debris discharged will be removed as soon as possible but no later than the end of each day;
 - (7) Non buoyant debris discharged into coastal waters will be recovered by divers as soon as possible after loss;

- (8) All trash and debris shall be disposed in the proper trash and recycling receptacles at the end of every construction day;
- (9) The applicant shall provide adequate disposal facilities for solid waste, including excess concrete, produced during demolition or construction;
- (10) Debris shall be disposed of at a legal disposal site or recycled at a recycling facility. If the disposal site is located in the coastal zone, a Coastal Development Permit or an amendment to this permit shall be required before disposal can take place unless the Executive Director determines that no amendment or new permit is legally required;
- (11) All construction materials stockpiled on site, excluding lumber, shall be covered and enclosed on all sides to ensure that the materials are not discharged to a storm drain inlet or receiving waters;
- (12) Machinery and equipment shall be maintained and washed in confined areas specifically designed to control runoff. If thinners, petroleum products or solvents must be used on site, they shall be properly recycled or disposed after use and not be discharged into stormdrains, sewers, receiving waters or onto the unpaved ground;
- (13) The discharge of any hazardous materials into any receiving waters shall be prohibited;
- (14) Spill prevention and control measures shall be implemented to ensure the proper handling and storage of petroleum products and other construction materials. Measures shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. The designated area shall be equipped with spill control materials and located to minimize the risk of spills reaching receiving waters, stormdrains, sewers or unpaved ground;
- (15) Best Management Practices (BMP's) and Good Housekeeping Practices (GHP's) designed to prevent spillage and/or runoff of demolition or construction-related materials, and to contain sediment or contaminants associated with demolition or construction activity, shall be implemented prior to the on-set of such activity; and
- (16) All BMP's shall be maintained in a functional condition throughout the duration of construction activity.
- **D.** The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the

Executive Director. No changes to the approved final plans shall occur without a Commission amendment to this Coastal Development Permit unless the Executive Director determines that no amendment is legally required.

2. Water Quality Management Plan (WQMP).

- A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit for the review and approval of the Executive Director, two (2) sets of a Water Quality Management Plan (WQMP) for the post-construction project site, prepared and signed by a licensed water quality professional, and shall include plans, descriptions, and supporting calculations. The WQMP shall incorporate structural and non-structural Best Management Practices (BMP's) designed to minimize discharge of pollutants to stormdrains and receiving waters, to minimize changes to the volume and velocity of stormwater runoff and to eliminate dry weather flows leaving the developed site. In addition to the specifications above, the plan shall be in substantial conformance with the following requirements:
 - (1) Appropriate structural and non-structural BMP's (site design, source control and treatment control) shall be designed and implemented to minimize water quality impacts to surrounding coastal waters;
 - (2) Trash, recycling and other waste containers, as necessary, shall be provided. All waste containers anywhere within the development shall be covered, watertight, and designed to resist scavenging animals;
 - (3) All runoff from the boat work areas and any vehicle wash station shall be collected, treated and discharged only through the sewer system;
 - (6) Runoff from all roofs, walkways, driveway and parking areas shall be collected and directed through a system of structural BMP's including vegetated areas and/or gravel filter strips or other vegetated or media filter devices. The system of BMP's shall be designed to 1) trap sediment, particulates and other solids and 2) remove or mitigate contaminants (including trash, debris and vehicular fluids) through, filtration or other separation methods;
 - (7) Post-construction structural BMP's (or suites of BMP's) shall be designed to treat, infiltrate or filter the amount of stormwater runoff produced by all storms up to and including the 85th percentile, 24-hour storm event for volume-based BMP's, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor (i.e., 2 or greater), for flow-based BMP's;
 - (8) Debris and other water pollutants removed from structural BMP's during clean-out shall be contained and disposed of in a proper manner; and

- (9) It is the permittee's responsibility to maintain the drainage system and the associated structures and BMP's for the life of the project according to manufacturer's specifications.
- **B.** The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without a Commission amendment to this Coastal Development Permit unless the Executive Director determines that no amendment is legally required.

3. Eelgrass Survey(s)

- A. Pre Construction Eelgrass Survey. A valid pre-construction eelgrass (*Zostera marina*) survey shall be completed during the period of active growth of eelgrass (typically March through October). The pre-construction survey shall be completed prior to the beginning of construction and shall be valid until the next period of active growth. The survey shall be prepared in full compliance with the "Southern California Eelgrass Mitigation Policy" Revision 8 (except as modified by this special condition) adopted by the National Marine Fisheries Service and shall be prepared in consultation with the California Department of Fish and Game. The applicant shall submit the eelgrass survey for the review and approval of the Executive Director within five (5) business days of completion of each eelgrass survey and in any event no later than fifteen (15) business days prior to commencement of any development. If the eelgrass survey identifies any eelgrass within the project area which would be impacted by the proposed project, the development shall require an amendment to this permit from the Coastal Commission or a new coastal development permit.
- **B**. Post Construction Eelgrass Survey. If any eelgrass is identified in the project area by the survey required in subsection A of this condition above, within one month after the conclusion of construction, the applicant shall survey the project site to determine if any eelgrass was adversely impacted. The survey shall be prepared in full compliance with the "Southern California Eelgrass Mitigation Policy" Revision 8 (except as modified by this special condition) adopted by the National Marine Fisheries Service and shall be prepared in consultation with the California Department of Fish and Game. The applicant shall submit the post-construction eelgrass survey for the review and approval of the Executive Director within thirty (30) days after completion of the survey. If any eelgrass has been impacted, the applicant shall replace the impacted eelgrass at a minimum 1.2:1 ratio on-site, or at another location, in accordance with the Southern California Eelgrass Mitigation Policy. All impacts to eelgrass habitat shall be mitigated at a minimum ratio of 1.2:1 (mitigation:impact). The exceptions to the required 1.2:1 mitigation ratio found within SCEMP shall not apply. Implementation of mitigation shall require an amendment to this permit or a new coastal development permit unless the Executive Director determines that no amendment or new permit is required.

4. Pre-construction *Caulerpa Taxifolia* Survey.

- A. Not earlier than 90 days nor later than 30 days prior to commencement or re-commencement of any development authorized under this coastal development permit (the "project"), the applicant shall undertake a survey of the project area and a buffer area at least 10 meters beyond the project area to determine the presence of the invasive alga *Caulerpa taxifolia*. The survey shall include a visual examination of the substrate.
- **B.** The survey protocol shall be prepared in consultation with the Regional Water Quality Control Board, the California Department of Fish and Game, and the National Marine Fisheries Service.
- **C.** Within five (5) business days of completion of the survey, the applicant shall submit the survey:
 - (1) for the review and approval of the Executive Director; and
 - (2) to the Surveillance Subcommittee of the Southern California Caulerpa Action Team (SCCAT). The SCCAT Surveillance Subcommittee may be contacted through William Paznokas, California Department of Fish & Game (858/467-4218) or Robert Hoffman, National Marine Fisheries Service (562/980-4043), or their successors.
- **D.** If *Caulerpa taxifolia* is found within the project or buffer areas, the applicant shall not proceed with the project until 1) the applicant provides evidence to the Executive Director that all *C. taxifolia* discovered within the project and buffer area has been eliminated in a manner that complies with all applicable governmental approval requirements, including but not limited to those of the California Coastal Act, or 2) the applicant has revised the project to avoid any contact with *C. taxifolia*. No revisions to the project shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.
- 5. Assumption of Risk, Waiver of Liability and Indemnity. By acceptance of this permit, the applicant acknowledges and agrees (i) that the site may be subject to hazards from waves, erosion, storm conditions, liquefaction, flooding, and sea level rise; (ii) to assume the risks to the applicant and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.
- 6. Future Development. This permit is only for the development described in Coastal Development Permit No. 5-13-0103. Pursuant to Title 14 California Code of Regulations Section 13253(b)(6), the exemptions otherwise provided in Public Resources Code Section 30610(b) shall not apply to the development governed by Coastal Development Permit No.

5-13-0103. Accordingly, any future improvements to the shipyard facilities authorized by this permit, including but not limited to repair and maintenance identified as requiring a permit in Public Resources Section 30610(d) and Title 14 California Code of Regulations Sections 13252(a)-(b), shall require an amendment to Permit No. 5-13-0103 from the Commission or shall require an additional Coastal Development Permit from the Commission or from the applicable certified local government.

IV. FINDINGS AND DECLARATIONS:

The Commission hereby finds and declares:

A. PROJECT LOCATION AND DESCRIPTION AND PREVIOUS COMMISSION ACTION ON SUBJECT SITE

1. Project Location and Description

The Dana Point Shipyard is located within Dana Point Harbor, which is owned by the County of Orange and operated by Orange County (OC) Dana Point Harbor though located within the City of Dana Point (**Exhibit No. 1**). The facility consists of a landside area, as well as, a waterside area harbor-ward of an existing on site bulkhead. Harbor-ward of the bulkhead is an adjacent rock slope protection. The Dana Point Shipyard has a lease with the County of Orange for use of the site. The City of Dana Point is situated in southwest Orange County, between the cities of Laguna Beach on the north and San Clemente on the south. Dana Point's coastline is approximately seven miles long. Dana Point Harbor is 276.8 (gross) acres and is bounded by the Pacific Ocean on the south, Doheny State Beach on the east, Old Cove Marine Preserve on the west, and residential and public park, commercial and hotel development on the north, north of Dana Point Harbor Drive. The Harbor was created as a small boat harbor in1968 from a natural cove. The Harbor opened in 1971.

The existing shipyard is a full service boat repair facility that provides haul-outs, limited dry boat storage, and repair services that provide recreational boating services that will increase recreational boating opportunities. The waterside area consists of an existing 50-ton travel lift system comprised of runway piers (used in removing boats from the water) supported by twelve (12) 12-inch travel lift runway pier piles & floating docks that are supported by eighteen (18) 12-inch dock guide piles. The existing travel lift runway piers and floating dock layout have a total area of 4,855 square feet. The upland portion of the parcel is largely covered in asphalt & includes a repair shop & ship room, a small gazebo and a small ancillary structure building on the southwest corner of the parcel. Under terms of the applicant's new lease, the applicant/tenant is required to maintain & operate a complete marine-oriented boat repair shipyard, ship chandlery & do-it-yourself repair facility. The terms of the lease also require increasing the functional capacity of the existing travel lift system & docks and modernizing/improving the existing stormwater treatment system.

The proposed project will replace and reconfigure existing floating docks and dock guide piles, replace the travel lift runway piers and piles, and construct upland improvements including installation of a new water clarification/stormwater treatment system, installing a new gate and realigning/reconfiguring a 6-foot high safety/security fence with curb and gutter for water quality control, relocating the existing gazebo; and replacing the current wash down pad with a larger,

stronger pad to accommodate the 100-ton travel lift system (**Exhibit No. 2**). The shipyard is the only facility of its kind offering these services in the area. The next closest areas where shipyard facilities are available would be San Diego and Newport Beach.

Currently, vessel haul-outs at the ship yard are performed using the 50-ton travel lift system, consisting of in-water runway piers. The entire existing system will be replaced with a 100-ton capacity system increasing the opportunity to service a wider range of recreational boats. The new travel lift runway piers will be supported by sixteen (16) 16-inch in-water travel lift runway pier piles and four (4) 16-inch landside travel lift runway pier piles, each encased in 30-inch steel casings located landward of the existing bulkhead. According to the submitted geotechnical investigation, the travel lift runway piers will traverse the existing bulkhead but will not apply any new axial or lateral loads on the bulkhead. The existing and proposed travel lift runway piers cross through notches in the bulkhead. Associated in-water work will be limited to replacement of the travel lift runway piers with new travel lift runway pier piles.

The existing travel lift runway pier piles and the dock guide piles will be cut off at the mudline.

The existing floating docks and dock guide piles will be removed and replaced in a different configuration. The new dock configuration will be supported by nineteen (19) 12-inch dock guide piles.

The combined area of these new floating docks and travel lift runway piers will be approximately 4,863 square feet, as compared to the existing area of 4,855 square feet. This results in an increase of 8 square feet. Currently, there are a total of thirty (30) in-water piles that support the travel lift runway piers and the floating docks. The proposed project will result in a total of thirty (39) piles, thirty-five (35) in-water piles and four (4) landside piles). There will be an increase of 9 total piles. The existing in-water piles currently cover approximately 23 square feet of water area and the proposed piles will cover approximately 37 square feet of water coverage, which is a 13 square foot square foot increase of water coverage.

The existing floating docks and travel lift runway piers will be disassembled in-water and then hauled upland to the boat repair area, where materials will be temporary stored to dry and be repurposed, or trucked to an approved upland disposal site.

Pile removal and installation will likely be completed with the use of a pile-driving barge, which will act as a staging area for pile driving and equipment storage. Piles shall not be rinsed or washed in any way. Piles shall be recycled or properly disposed at an approved disposal facility.

The proposed upland improvements that are part of the project include upgrading the current stormwater treatment system. Currently, the facility has a 3 stage clarifier installed which drains to sanitation. The new system will treat for total suspended solids, copper and zinc and will comprise of modular, skid-mounted units, which will be interconnected with hoses. This configuration enables easy mobility by fork trucks, flexibility in the arrangement of equipment, upgradability, sufficient equipment support to place the units on various surfaces, and the capability to move and store the equipment during the dry months. The new system will be integrated at the location of the

current system clarifier. Additional upland trenching will be required to convey storm water from the existing clarifier to the new upgraded water treatment system. The treatment system includes the existing clarifier and a new water treatment system with a flocculent injection system, 2,500 gallon storage and settling tank, four bad filter vessels, and a single media vessel with metal removing media. The system will withdraw water from the previously installed clarifier, remove pollutants and will have valves to select discharge to the sanitary sewer, recycling, or discharge to the harbor during a major storm event, only if needed. The new modernized water clarification/stormwater treatment system will improve treatment of stormwater runoff at the site, thereby significantly reducing existing stormwater impacts to the harbor associated with shipyard operation.

Other upland improvements include the following: the installation of a new gate and realignment/reconfiguration of a 6-foot high safety/security fence with curb and gutter control for water quality control, relocation of the existing gazebo; and replacement of the current wash down pad with a larger, stronger pad to accommodate the 100-ton travel lift system.

The proposed project does not include any dredging of the harbor. The proposed project also does not include any landside grading.

The proposed project does result in additional water coverage. The combined area of these new floating docks and travel lift runway piers will be approximately 4,863 square feet, as compared to the existing area of 4,855 square feet. This results in a minimum increase of 8 square feet. The existing floating docks are supported by eighteen (18) 12-inch dock guide piles and the travel lift runway piers are supported by twelve (12) 12-inch travel lift runway pier piles (for a total of thirty (30) in-water piles), while a shallow foundation behind the existing bulkhead supports the landside portion of the existing travel lift system. The proposed floating docks will be supported by nineteen (19) 12-inch dock guide piles and the travel lift runway piers will be supported by sixteen (16) 16inch in-water travel lift runway pier piles and four (4) 16-inch landside travel lift runway pier piles that are encased in 30-inch steel casings installed landward of the existing bulkhead (for a total of thirty-nine (39) piles consisting of Thirty-five (35) in-water piles and four (4) landside piles). The resultant project results in a total of five (5) additional in-water piles (1-additional 12-inch dock guide pile guide pile and 4-additional 16-inch travel lift runway pier piles) and four (4) additional land side piles (4-16-inch pier piles). The existing in-water piles currently cover approximately 23 square feet of water area and the proposed piles will cover approximately 37 square feet of water coverage, which is a total of 13 square foot square foot increase in-water pile coverage.

While the proposed project results in overall additional water coverage, the proposed development is the improvement of a shipyard that promotes a recreational boating, coastal dependent and encouraged marine related use. The additional water coverage from the in-water piles with their expanded diameters are required to meet current engineering standards and have been designed to minimize the fill of coastal waters and adequate mitigation has been provided. The proposed pilings are self mitigating by providing vertical habitat for marine organisms. While the project results in increased water coverage from the expanded floating dock area, there is currently no eel grass found on site (to be discussed later). The existing 50-ton capacity travel lift system has the ability to simultaneously service twenty-five (25) vessels in the 30-foot or less category, which is the most common size (75%) vessel in the harbor. However, approximately 350 vessels in the harbor cannot be serviced due to the existing haul/out/tonnage and beam width restrictions of the existing 50-ton capacity travel lift system. These vessels would instead travel to Newport Beach or San Diego to be serviced, as Dana Point Shipyard is the only facility in Dana Point that provides these services. The new proposed 100-ton capacity travel lift will accommodate vessels with a maximum beam of 25-feet, length of 100-feet, and weight of 100 tons. Additionally, the existing 50-on capacity travel lift system has reached the end of its operational lifespan so needs to be replaced.

The proposed floating dock alignment introduces a more linear dock layout, including five (5) equally sized slips measuring 77-feet by 27-feet and a single-84-foot length slip. This new configuration allows a much easier means of entry and exit into the shipyards, as compared to the existing irregular alignment. As with existing conditions, the exact slip mix at any time will be dependent on vessel maintenance and repair needs. The proposed larger slips will accommodate a variety of vessel sizes, ranging from one (1) large vessel to as many as six (6) smaller vessels per slip. Furthermore, larger vessels would no longer need to be staged in the travel lift runway, which potentially adversely impacts daily workloads or emergency haul-out operations.

The proposed 100-ton capacity travel lift system was designed to serve the entire Dana Point Harbor, including both the existing slip mix and the slip mix following implementation of the recently approved Dana Point Harbor Revitalization Plan Local Coastal Plan. The new travel lift system will continue to service the existing users, as well as larger vessels.

The work on the existing bulkhead is limited to notching the top of the bulkhead in order to create a flush transition from the upland area to the travel lift piers. The proposed project does not include any structural changes to the existing bulkhead. A project specific geotechnical report was completed for the proposed project and stated that the replacement travel lift piers will not apply any new axial or lateral loads on the existing bulkhead. The travel lift will be supported by sixteen (16) 16-inch in-water travel lift runway pier piles and four (4) 16-inch landside travel lift runway pier piles encased in 30-inch steel casings installed landward of the existing bulkhead. The steel casings are necessary to prevent liquefiable soils from acting on travel lift pier piles, to eliminate loads on the existing bulkhead from the new piles and to allow piles to perform uniformly during seismic loading.

The applicant has indicated that the upkeep and repair of the on-site bulkhead is the responsibility of the County of Orange, while the shipyard is responsible for any potential over load of the area immediately behind seawall. As indicated, the proposed project will not result in any additional loads on the existing bulkhead. The applicant has also coordinated with the County of Orange Engineering Manager regarding the how the bulkhead will deal with future sea level rise. The County has stated that if at the end of the travel lift pier design life, which is approximately 50 years, that the bulkheads can be raised to deal with sea level rise. The bulkhead has existed for approximately 45 years and at some point will need to be repaired or replaced. Approval of the proposed project will not prejudice the County's ability to replace the bulkhead at a location no further harbor-ward than the existing location.

The proposed development will occur adjacent to and within Dana Point Harbor. Construction of any kind adjacent to or in coastal waters has the potential to impact marine resources. The harbor provides an opportunity for water oriented recreational activities and also serves as a home for marine habitat. Because of the coastal recreational activities and the sensitivity of the harbor habitat, potential water quality issues must be examined as part of the review of this project. The applicant has stated that the project will adhere to established best management practices (BMPs) throughout construction to minimize or eliminate environmental impacts, such as contractor education on the terms and conditions of the permits, trash and debris control and control of equipment staging and maintenance areas. However, additional water quality measures are necessary in order to minimize any adverse water quality impacts. Thus, in order to avoid adverse construction-related impacts upon marine resources, the Commission imposes **Special Condition No. 1**, which requires prior to issuance of the Coastal Development Permit that the applicant submit a Construction Plan (CPPP).

The proposed project entails the installation of an upgraded storm water treatment system, which will aid in minimizing any adverse impacts to water quality. The applicant has provided a thorough description of the proposed storm water treatment system will function. However, the applicant has not submitted a Water Quality Management Plan (WQMP) that dictates how the new system will operate and be maintained. Additionally, the applicant has not indicated what appropriate measures will be taken on-site to assure that adverse impacts to water quality are minimized post construction. Thus, it is necessary to impose **Special Condition No. 2**, which requires prior to issuance of the Coastal Development Permit that the applicant to submit a Water Quality Management Plan. The WQMP shall meet water quality goals such as use of appropriate structural and non-structural BMP's designed to treat, infiltrate, or filter the runoff from all surfaces and activities on the development site and indicate that it is the permittee's responsibility to maintain the drainage system and the associated structures and BMP's for the life of the structure.

Besides the installation of an upgraded storm water treatment system, the Dana Point Shipyard has also taken other steps to improve and minimize any potential impacts to water quality from its boat yard operation on site. For example, Dana Point Shipyard is one of the first Boatyards in California to earn the American Boat Builders & Repairers Association (ABBRA) "California Clean Maritime Facility Certification". This certification process was developed by ABBRA working with various California agencies that oversee water quality and environmental compliance to develop their certification requirements.

Dana Point Shipyard operates under a lease with the County of Orange, requiring that the facility provide "do-it-yourself" maintenance accommodations. The site currently provides these public services to various vessels, including small vessels and is another recreational boating service that will increase recreational boating opportunities. Dana Point Shipyard will continue to provide this service following construction of the proposed project. In addition, the Dana Point Shipyard currently and will continue to implement Best Management Practices (BMPs) for all "do-it-yourself" activities to protect water quality. For example, the shipyard requires that there must be a tarp under every boat that encompasses the entire boat footprint in order to catch any paint drips, oil, etc.

The proposed project has also received necessary approval from the other government agencies that have reviewed the project's potential impacts to water quality. The shipyard has obtained a Section 401 Certification (No. R9-2013-0084) from the Regional Water Quality Control Board (RWQCB). The Regional Water Quality Control Board (RWQCB) has determined that the proposed project will not adversely impact water quality if standard construction methods and materials are used. Also, the proposed stormwater treatment system has been designed to conform to the existing site National Pollution Discharge Elimination System (NPDES) Permit (Order No. R9-2013-0026) issued by the Regional Water Quality Control Board (RWQCB). The NPDES permit provides a comprehensive list of required BMP's.

In addition, the proposed project has received a Provisional Letter of Permission (LOP) from the United States Army Corp of Engineers (USACOE) dated October 22, 2013.

The site has been surveyed by Ecomarine Consulting, LLC for eelgrass and Caulerpa taxifolia and neither was discovered within the project area. The eelgrass survey took place on August 7, 2012 and eelgrass surveys completed during the active growth phase of eelgrass (typically March through October) are valid for 60-days with the exception of surveys completed in August-October. A survey completed in August - October shall be valid until the resumption of active growth (i.e., March 1). The project is agendized for the February 2014 Coastal Commission Hearing so the eelgrass survey no longer continues to be valid. Therefore, a subsequent eelgrass survey will be required prior to beginning any construction. A pre-construction Caulerpa taxifolia survey was completed on August 7, 2012 as well. Caulerpa taxifolia surveys are valid for 90 days. The project is agendized for the February 2014 Coastal Commission Hearing and by this time the *Caulerpa* taxifolia survey would not continue to be valid since 90-days have passed since the survey was completed. Thus, an up-to-date *Caulerpa taxifolia* survey must be conducted prior to commencement of the project. Therefore, the Commission imposes Special Conditions No. 3 and **No. 4.** which identifies the procedures necessary to be completed prior to beginning any construction. Also, if any *Caulerpa taxifolia* is found on the project site, Special Conditions No. 4 also identifies the procedures necessary to be completed prior to beginning any construction.

The proposed project will not have an adverse effect on public access. The shipyard itself does not provide public access, where provision would interfere with repair operations and create a safety hazard. However, public access to the harbor is available via public roads thoroughfares in the vicinity of the shipyard such as at the end of Puerto Place, a public street adjacent to the project site. Public access to the harbor is also available at the nearby Embarcadero area, which includes visitor-serving uses. A boat launch facility is also located near the Embarcadero area.

2. Previous Commission Action on Subject Site

On December 5, 1977, the Commission approved Coastal Development Permit No. A-11-7-77-2252-(Anchor Marine Repair Company DBA Dana Point Shipyard) for the placement of a 10' x 50' trailer to house supplies used in conjunction with boat repair alongside an existing trailer, with no road or plumbing connection on a leased parcel. One (1) Special Condition was imposed stating that the permit would expire three (3) years from the date of issuance.

On March 9, 1981, the Commission approved Coastal Development Permit No. P-81-7602-(Anchor Marine Repair Company DBA Dana Point Shipyard) for the construction of a permanent boat repair facility including a 3,000 square foot service building, 210,800 square foot commercial support building and a ninety-nine (99) space parking area on a leased parcel currently being used as a temporary boat repair facility with a 1,000 square foot service building. No Special Conditions were imposed.

B. MARINE RESOURCES

The proposed development is the improvement of a shipyard which promotes recreational boating and is an encouraged marine related use. The proposed development has been designed to minimize the fill of coastal waters and adequate mitigation has been provided. The project design includes the minimum sized pilings and the minimum number of pilings necessary for structural stability. The proposed development has been conditioned to minimize adverse effects on the marine environment by avoiding or mitigating impacts upon sensitive marine resources, such as eelgrass and to avoid contributing to the dispersal of the invasive aquatic algae, *Caulerpa taxifolia*. As conditioned, there are no feasible less environmentally damaging alternatives available. Therefore, the Commission finds that the proposed development conforms with Sections 30224, 30230, 30231, and 30233 of the Coastal Act.

C. WATER QUALITY

The proposed work will be occurring on, within, or adjacent to coastal waters. The storage or placement of construction material, debris, or waste in a location where it could be discharged into coastal waters would result in an adverse effect on the marine environment. To reduce the potential for construction related impacts on water quality, the Commission imposes special conditions requiring, but not limited to, the appropriate storage and handling of construction equipment and materials to minimize the potential of pollutants to enter coastal waters. To reduce the potential for post-construction impacts to water quality the Commission requires the continued use and maintenance of post construction BMPs. As conditioned, the Commission finds that the development conforms with Sections 30230 and 32031 of the Coastal Act.

D. HAZARDS

Development adjacent to the ocean is inherently hazardous. Development which may require a protective device in the future cannot be allowed due to the adverse impacts such devices have upon, among other things, public access, visual resources and shoreline processes. To minimize the project's impact on shoreline processes, and to minimize risks to life and property, the development has been conditioned to: require a drainage and run-off control plan to direct, treat, and minimize the flow of water offsite; prohibit construction of protective devices (such as a bulkhead) in the future; and to require that the landowner and any successor-in-interest assume the risk of undertaking the development. As conditioned, the Commission finds that the development conforms to the requirements of Sections 30235 and 30253 of the Coastal Act regarding the siting of development in hazardous locations.

E. DEVELOPMENT

The development is located within an existing developed area and is compatible with the character and scale of the surrounding area. However, the proposed project raises concerns that future

development of the project site potentially may result in a development which is not consistent with the Chapter 3 policies of the Coastal Act. To assure that future development is consistent with the Chapter 3 policies of the Coastal Act, the Commission finds that a future improvements special condition be imposed. As conditioned the development conforms with the Chapter 3 policies of the Coastal Act.

F. PUBLIC ACCESS

The proposed development will not affect the public's ability to gain access to, and/or to use the coast and nearby recreational facilities. Therefore, as proposed the development, as conditioned, conforms with Sections 30210 through 30214, Sections 30220 through 30224, and 30252 of the Coastal Act.

G. LOCAL COASTAL PROGRAM (LCP)

The proposed development is taking place in the City of Dana Point that has a Certified Local Coastal Program, the Dana Point Harbor Revitalization Plan Local Coastal Plan (the Land Use Plan (LUP) component was effectively Certified on October 13, 2010 and the Implementation Plan (IP) was effectively certified on October 6, 2011). A portion of the proposed development is taking place in the Harbor water (Planning Area II of the Certified LCP), the Commission's area of retained permitting jurisdiction under Coastal Act Section 30519(b). Another portion of the proposed development is taking place on land (Planning Area I of the Certified LCP), an area where the CDP permitting authority is held by the City through their Certified LCP.). The City has provided consent to consolidate project review and abdicate authority to issue a single CDP, pursuant to the Chapter/Section 8.3 1-5 of the Dana Point Harbor Revitalization Plan and District Regulations and Section 3601.3 of the California Coastal Act. The development must be evaluated for consistency with the Chapter 3 policies of the Coastal Act. The policies of the Certified LCP may only be used for guidance.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

Orange County Dana Point Harbor is the lead agency responsible for certifying that the proposed project is in conformance with the California Environmentally Quality Act (CEQA). The County determined that in accordance with CEQA, the project is covered by FEIR 591 certified on January 31, 2006. Section 13096(a) of the Commission's administrative regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA).

The proposed project is located in an urban area. Infrastructure necessary to serve the project exists in the area. The proposed project has been conditioned in order to be found consistent with the marine resources, water quality, hazards, development and public access policies of the Coastal Act. As conditioned, there are no feasible alternatives or feasible mitigation measures available, beyond those required, which would substantially lessen any significant adverse effect which the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified effects, is the least environmentally damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA.

APPENDIX A

SUBSTANTIVE FILE DOCUMENTS: Approval-In-Concept from the County of Orange dated April 9, 2013; County of Orange CEQA (California Environmental Act) dated April 10, 2013; Anchor QEA Permit Application Supplement dated April 2013; Letter from the City of Dana Point to Anchor QEA, L.P., dated April 16, 2013; Letter from Anchor QEA, L.P., to Commission staff dated April 17, 2013; Ecomarine Consulting, LLC eelgrass (Zostera marina) and Caulerpa Survey letter dated August 11, 2012; Letter from Commission staff to Anchor QEA, L.P., dated May 17, 2013; Geotechnical Report for Dana Point Shipyard (Project No. 2012-034) prepared by Diaz Yourman & Associates dated January 29, 2013; Letter from Anchor QEA, L.P., to Commission staff dated June 5, 2013; Letter from Commission staff to Anchor QEA, L.P., dated July 3, 2013; Information received from Anchor QEA, L.P., on July 17, 2013; Letter from Commission staff to Anchor QEA, L.P., dated August 14, 2013; Email from the Regional Water Quality Control Board (RWQCB) regarding 401 Certification (Application No. R9-2013-0084) dated October 1, 2013; National Pollution Discharge Elimination System (NPDES) Permit (Order No. R9-2013-0026) issued by the Regional Water Quality Control Board (RWQCB) dated May 17, 2013; Email from Anchor OE, L.P., to Commission staff dated September 25, 2013 and Provisional Letter of Permission (LOP) from the United States Army Corp of Engineers (USACOE) dated October 22, 2013.









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