

CALIFORNIA COASTAL COMMISSION

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



Click here to go to
original staff report

W13b

Addendum

May 6, 2016

To: Commissioners and Interested Persons

From: California Coastal Commission
San Diego Staff

Subject: Addendum to **Item W13b**, Coastal Commission Permit Application
#6-15-0555 (BAE Systems San Diego Ship Repair), for the Commission
Meeting of May 11, 2016

The purpose of this addendum is to make a minor modification to the above-referenced staff report dated April 21, 2016] and attach letters of support, including one from the applicant. Underlined indicates text to be added to the staff report and ~~strikethrough~~ indicates text to be deleted from the staff report pursuant to this addendum, as shown below:

1. One Page 23 of the staff report, the second paragraph shall be revised as follows:

The stretch of shoreline between the Tenth Avenue Marine Terminal to the north and Naval Base San Diego to the south is utilized primarily by industrial facilities that are either coastal-dependent or coastal-related (**Exhibit #5**). There are two other shipyards that neighbor BAE, including General Dynamics NASSCO and ~~RE Staitte Engineering Inc.~~ Continental Maritime. Each shipyard has hundreds of employees, contractors, and Navy personnel that regularly drive cars to the facilities and park throughout the area, overflowing into the surrounding Barrio Logan neighborhood.

2. Add a new exhibit (Exhibit No. 6) that includes letters of support from the following:
 - BAE Systems Ship Repair
 - Retired Admiral Gortney, US Navy
 - Councilmember David Alvarez, City of San Diego
 - San Diego Regional Chamber of Commerce
 - CONNECT

- US Representative Juan Vargas
- San Diego Port Tenants Association
- San Diego Regional Economic Development Corporation
- US Representative Scott Peters

BAE Systems
San Diego Ship Repair
2205 East Belt Street
PO Box 13308
San Diego, California 92170-3308

BAE SYSTEMS

April 29, 2016

California Coastal Commission
San Diego Coast District Office
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108-4421
Attn: Melody Lasiter (via email)

RE: Application No. 6-15-0555 for BAE Systems Pier 1 North Drydock Project

BAE Systems is in receipt of the Staff Report for the above referenced item which is to be heard at the regularly scheduled Commission Hearing on May 11, 2016. BAE Systems has reviewed the Commission Staff's analysis and recommended special conditions and is in agreement with the report and recommended measures to address potential adverse impacts from the Project.

BAE Systems wishes to thank the Commission Staff for its thoughtful and comprehensive review of our project. We have enclosed a brief slide pack that summarizes some of our thoughts and concurrence with Staff's recommendation.

Sincerely,



Sandor Halvax
Environmental Manager
BAE Systems

[Enclosures]

EXHIBIT NO. 6
APPLICATION NO. 6-15-0555
Letters of Support
 California Coastal Commission



BAE Systems San Diego Ship Repair Dry Dock Installation

California Coastal Commission Hearing

May 11, 2016

Item W13b

Overview

Project Need

- The US Navy is executing a strategic pivot towards Asia Pacific and rebalancing assets in support.
 - 19 additional ships will be home-ported in San Diego by 2020
- Current San Diego port dry dock capacity will not support future ship repair requirements.
- The Port of San Diego is the only California port with US Navy industrial repair capacity.
- Without sufficient dry dock capacity in San Diego the Navy will seek alternative facilities outside of California.
- Additional local capacity generates significant benefit to US Navy ship's force and their families by allowing them to remain in San Diego during the dry dock repair period (often ≥ 6 months long).

Project Description

- BAE Systems SDSR proposes
 - Installation of 55,000 ton lift capacity floating dry dock;
 - construction of mooring dolphin, pier strengthening, and wharf structure;
 - dredging of sump adjacent to pier to allow for dry dock operations;
 - Project also calls for construction of a 7 acre environmental mitigation site located in the South Bay.
- The new dry dock will be larger than both the existing floating dry docks in San Diego to allow for greater flexibility in servicing larger US Navy and commercial ships.

LOCATION



Subject Site

- BAE Systems San Diego Ship Repair is a full service ship repair and maintenance facility located along the eastern shoreline of central San Diego Bay
- Site is surrounded by coastal-dependent and marine-related industrial facilities

**Planned dry dock berth-
Replaces
existing wet
berth**

**Existing
Dry Dock**

- 17 land acres leased from San Diego Port District
- 26,000 ton dry dock ("The Pride of San Diego")
- 3 piers totaling 2,085 ft of berthing
- 96,000 sq/ft of production shops

Proposed Dry Dock



**Artist Rendition*

Mitigation of Potential Impacts

BAE Systems proposes to implement detailed plans and mitigation measures to address potential impacts, including:

- Creation of Eelgrass Habitat Mitigation and Monitoring Plan
- Pile driving limitations to address potential acoustic impacts to fish and marine mammals
- Construction and operational water quality Best Management Practices (BMPs)
- Transportation Demand Management Plan (TDMP) to address parking by ship repair employees, Navy personnel, and local subcontractors in the Barrio Logan area

Special Conditions

Staff recommends approval with **eight (8) special conditions**, requiring:

- Adherence to proposed plans and mitigation measures (Spec. Cond. 1-4);
- Caulerpa Taxifolia Survey (Spec. Cond. 5);
- Compliance with requirements of other resource agencies to ensure protection of water quality and marine resources (Spec. Cond. 6);
- Assumption of Risk (Spec. Cond. 7); and
- Submittal of Final Transportation Demand Management Program (Spec. Cond. 8) to address parking issues present in Barrio Logan

Coastal Act Consistency

Project is **coastal dependent use** and will be carried out in conformance with Coastal Act resource protection policies.

- *“...the Commission finds that as conditioned, the proposed project (1) uses the least environmentally damaging feasible alternative; (2) provides feasible mitigation measures to minimize adverse environmental effects; and (3) protects the biological productivity and the quality of coastal wetlands and waters, consistent with Sections 30230, 30231, and 30233 of the Coastal Act.”* Staff Report, P. 22
- *“...the proposed project is not expected to result in any additional adverse visual impacts and is consistent with Section 30251 of the Coastal Act.”* Staff Report, P. 26

Agreement with Staff Recommendation

- BAE Systems SDSR is **in agreement** with staff recommendation and all special conditions.
- BAE Systems SDSR respectfully requests Commission **approval** as recommended by staff.



COMMANDER, U.S. FLEET FORCES COMMAND

22 October 2014

Bill
Dear Mr. Clifford,

Thank you for your superb and dedicated support to our Navy. Your tireless work consistently provides outstanding service to our hard-working ships of the Surface Force and facilitates the strong industrial base our country needs. Your innovative approach and steadfast commitment to improve the material condition of our ships is noteworthy and much appreciated in this time of uncertain resourcing and high operational tempo.

Our Navy relies on the superior business acumen, technical expertise and managerial prowess of the U.S. industrial base to maintain the strongest Navy in the world now and into the future. Your efforts and personal integrity are crucial to the trusted partnerships we enjoy.

The U.S. Navy requires an industrial base with the right capacity and the right capabilities along with a highly motivated and trained workforce to execute the required work to keep us mission ready. We need this support in all of our homeports and your recent efforts to secure additional dry-dock capacity in San Diego is significant. This capability and capacity is sorely needed.

I fully recognize the difficult and challenging decisions that industry must make to invest in this type of infrastructure. Your efforts to secure this decision are much appreciated and they underscore your staunch support of a strong Navy.

On behalf of a grateful Fleet, please accept my heart-felt thanks for your tremendous work. I look forward to thanking you in person soon.

Thanks Steve
Sincerely,

W. E. Gortney
WILLIAM E. GORTNEY
Admiral, U.S. Navy

Bill Clifford
750 W. Berkley Ave
Norfolk VA 23523

May 11, 2016
W13b



**COUNCILMEMBER
DAVID ALVAREZ**

CITY OF SAN DIEGO

May 4, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Dear Chair Kinsey and Honorable Commissioners:

I'm writing to support the BAE Systems Dry Dock Project, a significant investment in the marine related and coastal dependent infrastructure in the San Diego region. Given the U.S. Navy's pivot to the Asia-Pacific region, current San Diego dry dock capacity will not support future ship repair requirements. In addition to being critical for the U.S. Navy to accomplish its strategic goals, enhanced dry dock capacity in San Diego also significantly benefits the servicemen and women of U.S. Navy Ships by allowing them to remain here during the dry dock repair period which can be six months or longer.

As a long-time resident of Logan Heights and Barrio Logan, I've always found BAE Systems to be responsive to the concerns of adjacent neighborhoods, this project is no different. For instance, BAE Systems will implement a progressive Transportation Demand Management Plan to proactively address parking by employees and other personnel in adjacent neighborhoods, enhancing parking and coastal access for both residents of and visitors to Barrio Logan. Also, BAE Systems will implement detailed mitigation measures to address potential environmental impacts of the project, demonstrating thoughtful stewardship of our marine environment.

I urge you to support the BAE Systems Dry Dock Project at your May 11th meeting.

Thank you for your consideration with this matter. If you have any questions/concerns, please feel free to contact me at my office at (619) 236-6688 or via email at davidalvarez@sandiego.gov.

Sincerely,

David Alvarez
Councilmember, Council District 8
City of San Diego

Wednesday, May 11, 2016
W13b





402 West Broadway, Suite 1000
San Diego, CA 92101-3585
p: 619.544.1300

www.sdchamber.org

May 2, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Dear Chair Kinsey and Honorable Commissioners:

On behalf of the San Diego Regional Chamber of Commerce is proud to support the BAE Systems' dry dock project that will be considered by the California Coastal Commission on May 11, 2016, and to support the maritime industry that is integral to our community.

As the largest local Chamber on the West Coast, representing approximately 2,500 businesses and an estimated 300,000 jobs, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. This proposed project is a significant step further for one of our major employers and will be a definite benefit to the region.

San Diego is home to the largest concentration of military in the world. It is homeport to more than 60 percent of the ships in the U.S. Pacific Fleet and more than one-third of the combat power of the U.S. Marine Corps. The defense industry represents one out of every four jobs in the region and includes leaders in unmanned vehicles, robotics, cyber security and shipbuilding.

BAE Systems proposed dry dock will help accommodate current unmet demands, and the growing needs resulting from the shift of military resources to the Pacific. Not only will BAE's new dry dock serve as a critical piece of our nation's defense, but it will also add and retain high paying jobs in the region in a coastal dependent location.

BAE Systems' shipyard has been part of the economic fabric of the San Diego waterfront for more than 35 years, providing good jobs for thousands of employees since 1979. We applaud and support their efforts to expand their operations.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Sanders', is written over a light blue circular stamp.

Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

May 11, 2016
W13b



CREATING AND SCALING
GREAT COMPANIES

May 2, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Re: W13b

Dear Chair Kinsey and Honorable Commissioners:

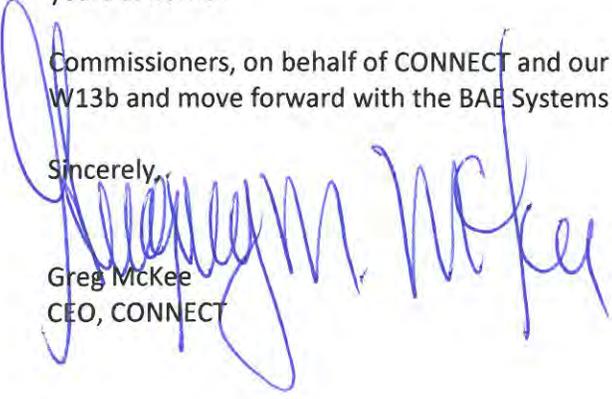
CONNECT is a premier innovation company accelerator in San Diego, originally created as a part of UC San Diego in 1985, that has supported the formation of more than 3,000 life science and technology companies. CONNECT is singularly focused on fostering innovation and creating economic opportunity in San Diego. We represent more than 200 member companies leading the way in the innovation economy and we support the BAE Systems dry dock project as a major step in growing innovation within our maritime industry and creating critical high skilled jobs for our city.

We compete with other great cities and regions to meet the investment, talent, education, and infrastructure needs of incredible companies from start-up through success. The BAE dry dock is a vital addition to San Diego's infrastructure and will ensure that that our city can retain and grow a talented workforce and create more opportunity by fostering our maritime industry ecosystem.

The defense industry has been a catalyst for incredible innovation in our region and CONNECT is proud to support our partners that are making the investments required to ensure San Diego is seen a global leader for years to come.

Commissioners, on behalf of CONNECT and our 200+ member companies, I encourage you to approve Item W13b and move forward with the BAE Systems dry dock project. Thank you for your consideration.

Sincerely,


Greg McKee
CEO, CONNECT

Wednesday, May 11, 2106
Item W13b

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VARGAS.HOUSE.GOV



Congress of the United States
House of Representatives

Juan Vargas

51st District, California

COMMITTEE ON
FINANCIAL SERVICES
FINANCIAL INSTITUTIONS AND
CONSUMER CREDIT
OVERSIGHT AND
INVESTIGATIONS

COMMITTEE ON
HOUSE ADMINISTRATION

May 4, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

**RE: California Coastal Commission Wednesday, May 11, 2016 Agenda Item #13b
Application No. 6-15-0555 (BAE Systems San Diego Ship Repair, San Diego)**

Dear Chair Kinsey and Honorable Commissioners:

I am writing to introduce you to BAE Systems dry dock project that will be considered by the California Coastal Commission on May 11, 2016. This maritime infrastructure project will help San Diego meet the growing ship repair demands of the United States Navy's strategic shift of assets towards the Pacific, which is already under way.

The Port of San Diego is the only California port with US Navy industrial repair capacity. BAE Systems is proposing a facility that will be larger than both of the existing floating dry docks in our region. This facility will accommodate larger ships and allow for greater flexibility, which is important to our maritime industry in San Diego. BAE Systems informs me that the approval of this project will facilitate responsible and innovative improvements, increasing California's economic competitiveness in this industry. This in turn will help to retain and increase the number of good jobs in the San Diego region.

In addition, BAE Systems has assured my office that this proposal is an environmentally sound and responsible project that respects the neighboring communities, our marine environment, and maintains priority on coastal dependent uses of the tidelands areas. Lastly, this project, which will be located in my district, has the potential to bring permanent jobs and much needed economic activity to the area. Naval families in my district could also benefit from these ships staying at their home port, by allowing the US Navy's ship's force to remain in San Diego during dry dock repair periods which can be six months or longer.

In regards to this matter, please provide full and fair consideration based on its merits and in compliance with all applicable laws and regulations. If you have any questions, please contact Janine Bryant of my staff at (619) 422-5963.

Sincerely,


JUAN VARGAS
Member of Congress

Wednesday, May 11, 2016
W13b

OFFICERS

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CONSIDINE & CONSIDINE



SAN DIEGO PORT TENANTS ASSOCIATION

May 4, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Dear Chair Kinsey and Honorable Commissioners:

The San Diego Port Tenants Association supports all maritime related projects on our tidelands, and we are committed to reasonable, responsible, and forward thinking plans for the future of our working waterfront.

The fostering of a strong maritime community is directly in support of the Port Act and the Unified Port of San Diego Master Plan. The maritime industry in San Diego has been recognized as a major economic engine within the City and County by providing jobs with annual wages that are 20% above the San Diego average. The industry provides the backbone of repair services to the United States Navy, the construction of Jones Act vessels, and two major cargo terminals.

We are confident that the California Coastal Commission will continue to recognize that the diversity of the maritime industry in conjunction with tourism and entertainment sectors provides a buffer for negative economic downturns. The Port of San Diego's unique qualities position it to remain the California leader in shipbuilding and repair.

The San Diego Port Tenants Association appreciates the time, energy, and wisdom that you and your staff have put into the review of maritime projects in the past, and regard today's review with equally high esteem.

Sincerely,
SAN DIEGO PORT TENANTS ASSOCIATION

George Palermo
Chairman

Wednesday, May 11, 2016
W13b

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***SDPTA Past Chairmen**



SAN DIEGO
REGIONAL
EDC

REGIONALLY
FOCUSED.
GLOBALLY
COMPETITIVE.

May 11,

2016
Item W13b

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Dear Chair Kinsey and Honorable Commissioners:

San Diego Regional Economic Development Corporation is pleased to offer our full support for BAE Ship Repair's dry dock project before you today. We are delighted to support their application for its tremendous role in supporting our maritime industries and the broader San Diego economy.

BAE's plan to make significant capital investments, in addition to hiring dozens of employees every year for the next five years into high paying blue collar jobs, will have far reaching impacts for our regional economy. BAE represents one of San Diego's strongest sectors and innovative industries: the maritime industry and our broader blue economy. San Diego's maritime industry is one of the fastest growing clusters in San Diego's innovation economy, impacting more than 46,000 employees throughout the county. San Diego's maritime industry is also intimately linked with our strong Navy presence, which relies on the quality work of private companies like BAE to maintain our fleet's ability to serve missions around the entire Pacific Ocean.

BAE Systems is one of the leaders in San Diego that have helped establish our region's growing and robust military community. Their proposed dry dock will help accommodate current unmet demands and the growing needs resulting from the shift of military resources to the Pacific. Not only will BAE's new dry dock serve as a critical piece of our nation's defense, but it will also add and retain high paying jobs in the region.

San Diego has long been home to some of the worlds' most advanced "blue tech" companies and research institutes, from Scripps Institute of Oceanography to a large diversity of maritime robotics. As the maritime industry evolves, confluence with other industries and clusters becomes more prevalent. In addition to traditional shared industries like navigation and aerospace, maritime is becoming increasingly intertwined with industries like telecommunications, biomedicine and robotics, to name a few.

In conclusion, BAE Ship Repair is one of our region's most valuable assets with a critical role in both our maritime industry and defense economy, and San Diego Regional EDC fully supports the efforts to expand their operations.

Sincerely,

Mark Cafferty
President & CEO

Wednesday, May 11, 2016
W13b

530 B Street | 7th Floor
San Diego, CA 92101
p | 619 234 8484

sandiegobusiness.org

Congress of the United States
House of Representatives
Washington, DC 20515-0552

May 4th, 2016

Hon. Steve Kinsey, Chairman
California Coastal Commission
45 Fremont Street, #2000
San Francisco, CA 94105

Dear Chair Kinsey and Honorable Commissioners:

I am writing to express my strong support for the BAE Systems Dry Dock Installation project which will appear before the California Coastal Commission for consideration on May 11th, 2016.

As the United States Navy rebalances more than 19 additional ships of all sizes to the West, there will be increasing demand for ship repair that cannot currently be met through existing facilities in California, particularly to accommodate large ships. The addition of this flexible large dry dock capacity will secure major infrastructure to serve San Diego's maritime industry well into the future, positioning the Port of San Diego and the entire region to benefit from BAE Systems' capital investment, expanding job opportunities, and community and environmental leadership. Jobs and services will be retained and grown in California, rather than being forced to Oregon or Washington to follow the ship repair demands.

The Coastal Commission has a very positive opportunity to support a project that will substantially increase San Diego's maritime industry capacity and secure benefits for the entire State of California. BAE Systems proposes an environmentally responsible project, with commitments to a proactive Transportation Demand Management Plan, protections to address water quality, fish and marine mammal impacts, and habitat mitigation and monitoring. I hope this letter will ensure that BAE Systems receives your full time, consideration, and support.

Sincerely,



Scott Peters
Member of Congress
US House of Representatives
California, 52nd District

CALIFORNIA COASTAL COMMISSION

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

**W13b**

Filed:	3/14/16
180th Day:	9/9/16
Staff:	M. Lasiter-SD
Staff Report:	4/21/16
Hearing Date:	5/11/16

STAFF REPORT: REGULAR CALENDAR

Application No.: 6-15-0555

Applicant: BAE Systems San Diego Ship Repair

Agent: Sandor Halvax

Location: 2205 East Belt Street, San Diego, San Diego County

Project Description: Installation of a 45 ft. tall, 852 ft. long, 205 ft. wide, 174,455 sq. ft. floating dry dock, construction of a mooring dolphin, expansion of an existing mooring dolphin, and 395,000 cu. yds. of dredging

Staff Recommendation: Approval with Conditions

SUMMARY OF STAFF RECOMMENDATION

The proposed project site is located on the eastern shoreline of central San Diego Bay in the Barrio Logan neighborhood of San Diego and is surrounded by coastal-dependent and marine-related industrial facilities. The purpose of the proposed project is to increase BAE Systems' capacity to conduct repair and maintenance activities, which cannot normally be conducted while vessels are afloat in the water. Currently, only two dry docks able to service large vessels operate in the San Diego area, one at BAE Systems' shipyard and the other at nearby General Dynamics NASSCO. The proposed dry dock will be larger than both existing dry docks in order to allow greater flexibility in the utilization of dry docking facilities, including the infrastructure necessary to serve larger ships, as well as multiple ships on the same dry dock.

6-15-0555 (BAE Systems San Diego Ship Repair)

The primary impact associated with this project is the disturbance of eelgrass habitat as a result of the proposed dredging and increased bay shading. In addition, pile driving would have potential acoustic impacts on fish and marine mammals. Water quality within San Diego Bay also has the potential to be adversely impacted during construction. In order to avoid and minimize potential coastal resource impacts, the applicant proposes to include the following as part of the project: a comprehensive Eelgrass Mitigation and Monitoring Plan, pile driving limitations, and construction and operational water quality Best Management Practices (BMPs).

To further address potential adverse impacts Commission staff is recommending eight (8) special conditions. **Special Conditions 1, 2, 3, and 4** would require the applicant to adhere to the proposed plans and mitigation measures and **Special Condition 5** would require the applicant to conduct a *Caulerpa taxifolia* survey to ensure the invasive algae is not present and if it is present, ensure its spreading is avoided. **Special Condition 6** would require the applicant to comply with the requirements and mitigation measures specified by other resource agencies. **Special Condition 7** requires the applicant to assume the risks of developing in a location that is subject to coastal hazards. Finally, to ensure public access impacts to Harbor Drive (a major coastal accessway), and the nearby César Chávez Park are not adversely impacted, **Special Condition 8** requires the applicant to submit a Final Transportation Demand Management Program that increases alternative transit opportunities for both employees and Navy personnel reporting to the project site.

Commission staff recommends **approval** of coastal development permit application 6-15-0555 as conditioned.

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APPENDICES

[Appendix A – Substantive File Documents](#)

EXHIBITS

[Exhibit 1 – Vicinity Map](#)

[Exhibit 2 – Aerial View](#)

[Exhibit 3 – Site Plan/Jurisdiction](#)

[Exhibit 4 – Visual Simulation](#)

[Exhibit 5 – Surrounding Maritime Use](#)

I. MOTION AND RESOLUTION

Motion:

*I move that the Commission **approve** Coastal Development Permit Application No. **6-15-0555** subject to the conditions set forth in the staff recommendation.*

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in conditional approval of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby approves coastal development permit 6-15-0555 and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any 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 of interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. **Final Plans.** The permittee shall undertake development in accordance with the final approved plans by Anchor QEA dated September 11, 2015 and by Triton Engineers dated September 18, 2015. 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 Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.
2. **Construction and Water Quality Responsibilities.** The permittee shall comply with the construction Best Management Practices listed in the plan titled "Construction BMP Plan (for soil disturbance or less than one acre or no soil disturbance)" dated February 1, 2016, and the operational Best Management Practices listed in the manual titled "Best Management Practices Program Manual" dated March 31, 2016.
3. **Pile Driving Limitations.** To be protective of marine resources, peak sound pressure levels generated by the pile driving activities should not exceed 206 dB at 10 meters from source and accumulated sound exposure levels (SEL_{cummm}) should not exceed 187 dB without implementation of all reasonable efforts to curtail the sound levels to below these thresholds. A number of steps shall be taken to identify, avoid, and minimize acoustic exceedances. The measures to be taken to mitigate high impact sound are outlined below.
 - A. **All pile driving activities shall be performed in full accordance with the following provisions:**
 - 1) Piles to be installed shall consist of those identified within the project plans and include mix of concrete and steel piles of various types.
 - 2) To the extent feasible, noise dampening including use of a nylon or wooden block shall be employed between the impact hammer and piles to dampen underwater noise generated by hammer strikes. This applies specifically to concrete piles that have a flattened driving surface.
 - 3) All impact pile driving activities shall incorporate a "soft start" approach whereby hammer strikes on each pile begin at low pressure and slowly increase to full hammer strength in order to drive fish away from the piles before the acoustics generated by pile driving approach levels that could result in injury. For any cessation of pile driving for greater than one hour, the soft start procedures shall be repeated to reinitiate behavioral relocation of fish from the acoustic impact area.

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- 4) For all piles, impact hammering shall be used only to 1) set piles to final grade after piles have been jetted or vibrated to within 5 feet of final depth, or 2) to set piles after jetting and vibratory driving have ceased to be effective at driving piles to required engineered depths.
- 5) To protect fish from the acoustic impacts of pile driving, piles shall be principally driven by vibratory or hydrojetting means with these methodologies being used to the extent feasible.
- 6) In the event that either the 206 dB peak or the 187 dB SEL_{cumm} sound levels are exceeded at a distance of 10 m from the piling being driven, - additional attenuation measures shall be implemented in the form of increased pile mass by temporarily attaching non-resonating materials (e.g., wood or nylon blocking) while piles are driven, use of unconfined bubble curtains to the extent possible on the individual piles, and application of a linear confined or unconfined bubble curtain along the faces of the combi-wall at segments being driven. Exceedances and subsequent avoidance measures taken shall be reported to the Executive Director and the National Marine Fisheries Service within 48 hours of the event.
- 7) Hydroacoustic monitoring shall be performed for each type of pile during the first week of pile driving that type of pile, to determine the hydroacoustic energies generated from the pile types. Sound levels shall be taken using an integrating data logging sound level meter (SLM) with one hydrophone positioned at 10 meters from the driven pile and one or more hydrophones positioned or moved in varying distance increments, including at least 20m, 40m, 120m, 240m from the sound source to determine acoustic attenuation over distance at the site. Hydroacoustic monitoring shall be conducted initially for at least the first five piles of each type driven by impact hammer. Monitoring results from the first five piles of each type shall be reported to the Executive Director. With the monitoring report, the permittee may submit evidence to support stopping hydroacoustic monitoring, including, at least, that the piles monitored in the report are representative of the water depths into which all piles will be driven, and that sound pressure levels at the closest hydrophone during sound testing (stationed at 10 meters from each pile being driven) are below both criteria of the dual metric exposure criteria (206 dB peak or 187 dB accumulated SEL level). Unless and until the Executive Director makes a determination that hydroacoustic monitoring may be discontinued, hydroacoustic monitoring shall continue for any additional pile-driving activities.
- 8) A final report that includes data collected and summarized for all monitoring locations shall be submitted to the Executive Director within 180 days of completion of the hydroacoustic monitoring. The report shall include all the following information:

- a. The dates, times, and distance at which either the 206 dB peak or 187 dB SEL_{cumm} thresholds were exceeded, if any;
 - b. The average total number of strikes to drive each pile and the total number of strikes during each 24 hour period when pile driving occurred;
 - c. Sizes and types of piles driven;
 - d. Scaled graphics and accompanying tables describing the pile driving environment, including:
 - i. the distance between hydrophones and piles driven;
 - ii. The depth of hydrophones and depth of water at the hydrophone location;
 - iii. The distance from the piles driven to the water's edge and
 - iv. The depth of water in which piles were driven;
 - v. The depth into the substrate that the piles were driven, and;
 - vi. The physical characteristics of the bottom substrate into which the piles were driven.
 - e. All results of the hydroacoustic monitoring;
 - f. A description of any marine mammal, sea turtle, or other significant marine life encounters and all actions taken, and;
 - g. A description of any dead fish observed and the behavioral response to pile driving of any live fish observed.
- 9) In the event of an exceedance of either criterion of the dual metric exposure criteria, (a) the extent of area and duration and magnitude of sound exceedance shall be determined; (b) the affected area will be examined for indications of injured or dead fish (c) additional attenuation measures, such as secondary bubble curtains, changes in dampening materials, or different hammers or cushioning block designs shall be tested to address the noise exceedance. In the event that primary and secondary measures are not determined to be successful, the exceedances shall be reported to the Executive Director, along with any observations of injured or dead fish associated with the pile driving activities. Working in conjunction with the Executive Director and in consultation with National Marine Fisheries Service, the permittee shall develop and test alternative attenuation strategies.
- 10) To insure injury does not occur to turtles and marine mammals:
- a. A qualified biological observer shall be maintained onsite with the authority to stop construction if a marine mammal approaches or enters the shutdown zone. The shutdown zone is defined as the area within 10 meters of construction activities, or inside the 190 dB rms isopleths for GST and marine mammal cetaceans, or 180 dB rms for marine mammal pinnipeds. The pile-driving activities will be stopped and delayed until the biological observer visually confirms either that the animal has voluntarily left the shutdown zone and is beyond the shutdown zone, or 15 minutes have passed without re-detection of the animal for pinnipeds or 30 minutes for cetaceans.

- b. Provisions of the NMFS Endangered Species Act Section 7(a)(2) Concurrence Letter for Structural Upgrades of Pier 1 at BAE Systems Drydock in San Diego Bay dated January 19, 2016 shall be implemented. These measures include mammal and turtle monitoring, hydroacoustic verification of noise conditions, prohibitions on pile driving when marine mammals or turtles are within shutdown zones, soft-start pile driving measures, and general vessel speed limits and work BMPs to protect mammals and turtles.

B. Pile driving shall be conducted at all times in accordance with these provisions. Any proposed changes to these pile driving requirements and limitations shall be reported to the Executive Director. No changes to the requirements of this special condition shall be made without a Coastal Commission approved amendment to this CDP unless the Executive Director determines that no amendment is legally required.

4. **Eelgrass Mitigation and Monitoring Plan.** Eelgrass mitigation and monitoring shall comply with the applicant's approved "Eelgrass Transplant and Monitoring Plan in Support of the BAE Systems San Diego Ship Repair Pier 1 North Drydock Project and San Diego Shipyard Sediment Remediation Project North Shipyard Site," dated January 21, 2016, and prepared by Merkel & Associates, Inc.
5. **Invasive Species.** No earlier than 90 days nor later than 30 days prior to commencement or re-commencement of any development authorized by this coastal development permit, the permittee shall undertake a survey of the project area and a buffer area at least 33 feet beyond the project area to determine the presence of the invasive alga *Caulerpa taxifolia*. The survey shall include a visual examination of the substrate. If any portion of the project commences in a previously undisturbed area after the last valid *Caulerpa taxifolia* survey expires, a new survey is required prior to commencement of work in that area. The survey protocol shall be prepared in consultation with the California Department of Fish and Wildlife and the National Marine Fisheries Service. Within five (5) business days of completion of the survey, the applicant shall submit the survey: (1) for the review and written approval by the Executive Director; and (2) to the Surveillance Subcommittee of the Southern California *Caulerpa* Action Team.

If *Caulerpa taxifolia* is found within the project or buffer areas, the applicant may not proceed with the project until: (1) the applicant provides evidence to the Executive Director that all *Caulerpa taxifolia* discovered within the project and buffer area have been eliminated in a manner that complies with all applicable governmental approval requirements, including but not limited to those required by California Coastal Act and Commission regulations; or (2) the applicant has revised the project to avoid any contact with *Caulerpa 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.

6. **Resources Agencies.** In order to protect water quality and marine resources, the applicant shall comply with all requirements and mitigation measures specified by the California Department of Fish and Wildlife, Regional Water Quality Control Board, U.S. Army Corps of Engineers, National Marine Fisheries Service, and U.S. Fish and Wildlife. Any change in the approved project that may be required by the above-stated agencies shall be submitted to the Executive Director in order to determine if the proposed change would require an amendment pursuant to the requirements of the Coastal Act and the Commission regulations.

7. **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, tidal inundation, and other hazards; (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.

8. **Final Transportation Demand Management Program.** PRIOR TO THE DELIVERY OF THE DRY DOCK, presently expected to be delivered on November 1, 2016, the applicant shall submit to the Executive Director for review and written approval a Final Transportation Demand Management (TDM) Program. Said program shall include, but not be limited to, the following:
 - a) Specific steps to increase ridership on alternative transportation and a timeline for implementation. Steps may include, but not be limited to the following: increasing shuttle service to and from the Barrio Logan trolley station and the Harborside trolley station as an incentive to encourage increased trolley ridership; increasing vanpool subsidies to increase vanpool ridership; increasing shuttle service to and from Naval Base San Diego (NBSD); and providing subsidized trolley passes to encourage increased trolley ridership.
 - b) Coordination and outreach with stakeholders to implement the subject TDM Program, including, but not limited to: BAE employees, San Diego Unified Port District, NBSD, and Navy personnel reporting to BAE Systems while their vessels are being serviced.
 - c) Evidence that adequate parking (on-site and off-site) is maintained for employees, contractors and naval personnel, or evidence that any deficit in parking is addressed by an associated increase in alternative transportation ridership through the improvement and/or expansion of the subject TDM program.

- d) A Monitoring Plan, which shall measure the success of the alternative transportation steps taken, including any increases in alternative transportation ridership. The Monitoring Plan shall also include the following: the number of naval personnel that remain on-site while their vessels are being serviced, the number of parking spaces provided specifically for these naval personnel, the average number of riders on the NBSD shuttle bus and its occupancy rate, and any naval personnel not accounted for in the parking and NBSD shuttle bus programs.
- e) One year after the commencement of operations for the proposed dry dock, and again at the end of the fifth year, the applicant shall prepare a Status Report on the subject TDM Program and submit the Status Report to the Executive Director for review and written approval. The Status Report shall document the findings of the required monitoring and update the TDM Program as needed. A copy of this Status Report shall also be provided to the San Diego Unified Port District.

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

IV. FINDINGS AND DECLARATIONS

A. PROJECT DESCRIPTION

The proposed project involves the installation of a new dry dock and associated improvements in the BAE Systems, San Diego Ship Repair, Inc. shipyard. The shipyard is located on the eastern shoreline of central San Diego Bay, at the southern terminus of Sampson Street in the Barrio Logan neighborhood of the City of San Diego (**Exhibit #1**). The facility is bordered to the west by the San Diego Bay and otherwise surrounded by coastal-dependent and marine-related industrial businesses (**Exhibit #2**).

A portion of the proposed project is within the Commission's original jurisdiction, thus Chapter 3 policies of the Coastal Act is the standard of review.

The subject project is part of a larger project that also includes improvements within the San Diego Unified Port District's jurisdiction. Permit jurisdiction for the project as a whole is split between Port jurisdiction and original jurisdiction retained by the Commission (**Exhibit #3**). While the entire project site is not within the Commission's original jurisdiction, the project elements function as a whole across and without regard to the jurisdictional boundaries, and there is no logical way that these project elements could be reviewed in part. Thus, the Commission is evaluating these project components as a whole. This permit, however, will authorize development only in those areas that fall within the Commission's original permit jurisdiction.

The applicant operates a shipyard encompassing 11.8 acres of land and 20.6 acres of water area that consist of public trust lands leased from the Port of San Diego. Existing facilities within the waterside area of the facility include three piers and a floating dry dock. The piers are designed to accommodate berthing for large deep-draft U.S. Navy and commercial vessels and are used to moor vessels during maintenance, repair, overhaul and conversion activities. The existing dry dock is used to conduct repair and maintenance activities which cannot normally be conducted while the vessel is afloat. These activities generally include exterior hull repair, preservations, shaft repair, propeller and rudder repair, and repair of valves and fittings below the waterline. Ships are docked by submerging and then raising the dry dock by means of integral ballast tanks, which take in and discharge seawater. Once the dry dock is lowered a vessel is positioned within the dock. The dry dock is then raised, raising the ship out of the water.

The applicant has indicated that the proposed additional dry-dock and associated improvements are intended to support U.S. Naval vessels in San Diego and to allow greater flexibility in the utilization of dry docking facilities. At present, only two dry docks able to service large vessels operate in the San Diego area, one at BAE Systems and the other at nearby General Dynamics NASSCO. The proposed floating dry dock would be located directly north of the existing Pier 1 (**Exhibit #4**) and would be the largest in San Diego at approximately 205 feet wide, 851 feet long (174,455 square feet total) and 45 feet high, and include aprons (approximately 16,165 square feet) attached to the dry dock on each end. The dry dock would have a design lifting capacity of 55,000 tons. Construction of the dock is to take place overseas and will be towed to the project site by vessel. The applicant anticipates that the majority of the dry dock would be assembled off-site, however, there will be some dry dock assembly work necessary once the dry dock is towed into the shipyard. Additional improvements associated with the proposed dry dock include the following:

Dredging

The proposed dry dock will require a bay bottom elevation of -65 feet Mean Lower Low Water (MLLW). Approximately 8.3 acres or 395,000 cubic yards of dredging is anticipated in order to provide sufficient water depth to submerge the floating dry dock. The majority of the dredging is located east of the U.S. Pierhead Line within Port tidelands; however, dredging proposed west of the U.S. Pierhead Line is within the Commission's jurisdiction.

Mooring Dolphins

To accommodate the mooring of the proposed dry dock, two mooring dolphins are proposed to be constructed approximately 344 feet and 890 feet offshore (west) of the U.S. Bulkhead Line. The dolphins would be 26 feet by 33 feet in size and include a 4-foot thick concrete deck. Each dolphin will be supported by 22 concrete 24-inch octagonal piles and outfitted with two 100-ton double bitts. The proposed western dolphin is in the Commission's jurisdiction, and would total 834 square feet.

In addition to the two new dolphins, an existing western Pier 1 mooring dolphin is in the Commission's jurisdiction and is proposed to be expanded from its current area of 345 square feet to 483 square feet, for a total increase of 138 square feet. The expansion also

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includes the installation of three additional 24-inch octagonal piles on the south side of the mooring dolphin.

Outside CCC Jurisdiction

Underwater Improvements

To prevent undermining of the existing Pier 1, construction of an underwater wall and cantilevered king pile installation is proposed. These improvements would allow for dredging adjacent to the pier without adversely impacting the strength and integrity of the pier, which would continue to moor large vessels on the south side. The overall length of the underwater wall will be approximately 700 ft. and extend from the U.S. Bulkhead Line to the U.S. Pierhead Line, entirely within the Port's jurisdiction.

Ramp Wharf

A ramp wharf designed for accessing the dry dock is proposed adjacent to and west of the bulkhead line. The wharf would extend from approximately the current bulkhead line to 125 feet into San Diego Bay and have an approximate surface area of 22,088 square feet (including pedestrian and vehicle ramps). The ramp wharf structures will be constructed of a cast-in-place reinforced concrete deck supported by precast concrete piles, and will be anchored into the shoreline. The deck support system will require pile driving and will consist of both vertical and batter piles. The batter piles will provide lateral resistance to seismic loads. Along the perimeter of the ramp wharf a concrete curb will be constructed that will control storm water runoff and divert it to existing onshore storm water collection facilities. The ramp wharf will be located entirely within the Port's jurisdiction.

B. MARINE RESOURCES & WATER QUALITY

Section 30230 of the Coastal Act states

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Section 30231 of the Coastal Act states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Section 30232 of the Coastal Act states:

Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.

Section 30233 of the Coastal Act states:

(a) The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:

(1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities. [...]

(b) Dredging and spoils disposal shall be planned and carried out to avoid significant disruption to marine and wildlife habitats and water circulation. Dredge spoils suitable for beach replenishment should be transported for these purposes to appropriate beaches or into suitable longshore current systems.

(c) In addition to the other provisions of this section, diking, filling, or dredging in existing estuaries and wetlands shall maintain or enhance the functional capacity of the wetland or estuary. [...]

Section 30255 of the Coastal Act states:

Coastal-dependent developments shall have priority over other developments on or near the shoreline. Except as provided elsewhere in this division, coastal-dependent developments shall not be sited in a wetland.[...]

Section 30260 of the Coastal Act states:

Coastal-dependent industrial facilities shall be encouraged to locate or expand within existing sites and shall be permitted reasonable long-term growth where consistent with this division. [...]

Coastal Act Section 30108.2 defines “fill” as “*earth or any other substance or material, including pilings placed for the purposes of erecting structures thereon, placed in a submerged area.*” The proposed project involves the placement (or fill) of up to 123 24-inch diameter octagonal piles, 36 18-inch diameter square piles, and the installation of a 700 linear foot underwater wall of cantilevered king piles within waters of San Diego Bay. Dredging will generate approximately 395,000 cubic yards of sediment, with approximately 35 percent or 140,000 cubic yards of that generated within the Commission’s jurisdiction. The Commission must consider whether authorizing the aforementioned dredging and fill is consistent with Coastal Act policies addressing the protection of the marine environment, including, but not limited to, the requirements of Section 30233.

Coastal Act Section 30233 limits the dredging and filling of coastal waters to certain allowable uses including the expansion of coastal-dependent industrial facilities. Coastal Act Section 30101 defines a coastal-dependent facility as “*any development or use which requires a site on, or adjacent to the sea to be able to function at all.*” The BAE Systems facility must be located on or adjacent to the sea in order to maintain and repair ships, as transporting such large vessels inland is impractical and not practiced. As such, the subject facility is considered a coastal-dependent industrial facility. In addition, the proposed dry dock will constitute an expansion of the facility as it will increase the area, and employees of the facility.

The applicable provisions of Section 30233 require that the method of expansion: (1) use the least environmentally damaging feasible alternative; (2) provide feasible mitigation measures to minimize adverse environmental effects; and (3) protect the biological productivity and the quality of coastal wetlands and waters.

Least Environmentally Damaging Feasible Alternative

The Commission must ensure that the method of dredge and fill be the least environmentally damaging feasible alternative consistent with Section 30233 of the Coastal Act. Coastal Act Section 30108 defines “feasible” as “*...capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.*”

Alternative Pile Driving Methods

The primary impact related to the fill associated with this project is the potential hydroacoustic damage to fish and marine mammals from pile driving. The proposed project requires significantly large piles to support existing infrastructure and accommodate the excavation of a deep dry dock sump adjacent to Pier 1. The pile driving is complicated by the fact that the piles would be driven through the existing pier as well as driven as a continuous bulkhead combi-wall.

The applicant has agreed to adopt a soft-start pile driving methodology and to use vibratory hammers or hydro-jet installation as the primary methods to set piles prior to the use of an impact hammer. Pile driving with an impact hammer generates hydroacoustic pressure impulses and particle velocities that can cause effects on fish ranging from altered behavior, hearing loss, and tissue injuries to immediate mortality. Vibratory hammers produce peak sound levels that are substantially lower than those produced by impact hammers and thus can be a less environmentally damaging alternative than impact pile driving.¹ However, while vibratory hammers generally produce much lower sound amplitudes, the total energy imparted can be comparable to impact driving because the vibratory hammer operates continuously and requires more time to install.² In addition, the use of a vibratory hammer for the entire drive is not always feasible because the impact forces are not as great as those generated by an impact hammer and therefore are not always adequate to drive piles deep enough to obtain the necessary structural capacity. The feasibility of the vibratory method depends

¹ California Department of Transportation, *Technical Guidance for Assessment and Mitigation of the Hydroacoustic Effects of Pile Driving on Fish* (2009) p. 2-26.

² *Ibid.*

on a number of factors, including pile length, diameter, and composition; the substrate conditions under the piles; and the bearing capacity necessary for the piles.³ Vibratory hammers are routinely used on the proposed types of piles and site substrates; however, in this case, complete vibratory installation would not be feasible because a vibratory installation method would not drive enough piles deep enough to achieve the bearing capacity necessary to fully support the dock structure. Because of the depth needed to be driven, in this instance using a vibratory hammer to completely install the piles is not feasible. However, the vibratory driving prior to impact hammer driving shall minimize the necessity of impact hammer driving to the extent feasible to assist in increasing the effective pile mass and sediment embedment surface, reducing the transmitted energy to the water and reducing the initial peak sound pressure levels and reducing the cumulative sound exposure levels from impact driving to final grade.

The applicant is also proposing to conduct pile driving activities absent of bubble curtains, a noise attenuation device that is routinely required by the Commission to mitigate for noise impacts. Bubble curtains lower the sound velocity through reflection, refraction and absorption⁴, and work by surrounding the pile being driven. In this case, however, the method of driving the piles through a continuous combi-wall does not allow for the piles to be completely surrounded. There is no known instance of the use of a bubble curtain on a similar project by either the applicant or the Commission's ecologist Dr. John Dixon, and there is no indication that the curtain would be successful. It is likely that without being completely surrounded, sound would propagate down the wall and escape the curtain. Alternatively, the project could have been proposed without the continuous wall removing the barrier to using the bubble curtain; however, the Commission's geologist Dr. Mark Johnsson has conducted a site visit and concurs with the submitted geotechnical report's finding that the wall is necessary to guard against the undermining of the pier. The applicant has agreed to use a bubble curtain to the extent possible in the event that maximum cumulative sound levels are exceeded and to report the results to the Executive Director.

As described further in the section on mitigation measures below, the Commission requires **Special Condition No. 3** to ensure that the installation of the piles is performed in the least environmentally damaging way possible. Special Condition No. 3 requires (1) the implementation of a number of measures to avoid marine mammals and minimize sound levels generated; (2) the monitoring of sound levels while the first few representative piles are driven; and (3) the implementation of additional mitigation measures, monitoring and reporting of pile-driving activities if sound levels exceed a threshold at which fish are likely to receive lethal physical injury. For the reasons described above, the Commission finds that as conditioned, the proposed pile installation method is the least environmentally damaging feasible alternative.

³ *Ibid.*, 4-9.

⁴ Mallock, *The damping of sound by frothy liquids* (Proc. R. Soc. London, Ser. A 84: 1910), p. 391-395

Alternative Disposal of Dredged Sediment

Section 30233 of the Coastal Act requires that dredged sediment that is suitable for beneficial reuse should be transported and used for those purposes. Suitability is determined based on both chemical and physical characteristics of the sediment.

Chemical suitability for authorizing ocean disposal of dredged materials is determined by the U.S. Army Corps of Engineers (Army Corps) under Section 103 of the Marine Protection, Research and Sanctuaries Act, with the determination subject to U.S. Environmental Protection Agency (EPA) review and concurrence. For the proposed project, testing and approval have already taken place. Of the 395,000 cubic yards of material to be dredged, approximately 10,000 cubic yards is not approved for ocean disposal. The material not suitable for ocean disposal will be disposed at a landfill outside of the coastal zone.

The quality of the sediment has been evaluated by the applicant's biologist based on its physical characteristics (e.g., grain size, color) to determine if the sediment is appropriate for various types of beneficial reuse. Reuse options include in-bay and open coastal waters, and typical uses include restoration (habitat development), reclamation of previously dredged areas, beach nourishment, and shore protection.

While the final volume of dredged material will be based on a post-dredge bathymetric survey that will be compared to the pre-dredge condition, an estimated 305,000 cubic yards of the approved sediment will be sent for ocean disposal at the LA-5 Ocean Dredged Material Disposal Site. The physical quality of the remaining 80,000 cubic yards of material is adequate for beneficial reuse. The applicant proposes to use approximately 50,000 cubic yards to backfill a previously dredged area of the eelgrass mitigation site, to raise bottom elevations to a level suitable to support replanting of eelgrass. The remaining 30,000 cubic yards is high quality and the most desirable sediment from the project, and the applicant has proposed that this sediment be placed on top of the previous 50,000 cubic yards of fill. That in turn will reduce future turbidity generated from winnowing of fine material due to wave weathering and to provide an ideally suited growth medium for eelgrass. The reuse of the sediment in the eelgrass mitigation site would assist in the creation of habitat, which would have many ecological benefits including restoring productivity, circulation benefits, sediment stabilization, water quality improvements and refuge and foraging opportunities in the San Diego Bay.

As described further in the section on mitigation measures below, the Commission requires **Special Condition No. 4** to ensure that suitable dredged sediment is reused to create habitat as proposed. For the reasons described above, the Commission finds that as conditioned, the placement of dredged sediment is the least environmentally damaging feasible disposition method.

Feasible Mitigation Measures

The Commission must ensure that the method of dredge and fill minimizes adverse environmental effects consistent with Section 30233, protects marine resources consistent with Section 30230, as well as preserving the biological productivity and the quality of coastal waters consistent with the requirements of Section 30231. The proposed project could have a number of potential adverse effects on the marine environment of San Diego

Bay, including potential impacts to: (a) fish; (b) marine mammals; (c) eelgrass; and (d) water quality. The potential impacts and mitigation measures that address these impacts are discussed in the following sections:

Acoustic Impacts from Pile Driving on Fish

As discussed previously, the proposed project requires significantly large piles to support existing and proposed infrastructure and will be driven continuously through an underwater wall to accommodate the excavation of a deep dry dock sump adjacent to Pier 1. Piles will be driven unattended and a diesel impact hammer will be used for a portion of driving. Pile driving with an impact hammer generates hydroacoustic pressure impulses and particle velocities that can cause a range of effects on fish from altered behavior to physical injury or mortality.

The sound generated by pile driving depends on the pile size and type, pile driver type, the substrate the pile is driven into, any sound attenuation methods used, and the number of strikes per day.⁵ The effects of the sound generated in turn depend on numerous factors including the intensity and characteristics of the sound, the shape of the water body, the composition of the water body substrate, the distance and location of the fish in the water column relative to the sound source, the presence of obstructions between the fish and sound source, the size and mass of the fish, and the fish's anatomical characteristics.⁶ Because of the many variables involved, it has been difficult for the various regulatory agencies to estimate fisheries impacts and set standards with regards to pile driving. In order to improve and coordinate information, the California Department of Transportation (Caltrans), in coordination with the Federal Highway Administration (FHWA) and the departments of transportation in Oregon and Washington, established a Fisheries Hydroacoustic Working Group (FHWG) including representatives from NOAA Fisheries, U.S. Fish and Wildlife Service, CDFW, and the Army Corps. The working group has established interim standards that indicate the sound exposure levels at which fish are likely to receive lethal physical injury.⁷ Based on these standards, NMFS, CDFW, and the Coastal Commission currently use a dual metric criteria of 206 decibel (dB) peak sound pressure level (SPL) for any single strike, and a cumulative sound exposure level (cSEL) of 187 dB as thresholds to correlate physical injury to fish greater than 2 grams in size that are exposed to underwater sound produced during the installation of piles with impact hammers. The peak SPL is the maximum absolute sound pressure generated during a single pile strike, while the cSEL is an estimate of the total underwater sound energy a fish may be exposed to through a pile-driving event (i.e., one day of pile driving). Both these criteria are considered because both exposure to high levels of sound for a short period of time and lower levels of sound for a relatively long period of time can impact fish.

To predict the sound exposure levels of a particular project, the standard is to use empirical data from projects with conditions similar to the project being evaluated. In this case, 24-inch diameter concrete piles will be utilized. Based on information compiled by

⁵ California Department of Transportation, 2009, op cit.

⁶ Ibid.

⁷ Fisheries Hydroacoustic Working Group, 2008.

Caltrans⁸, an impact pile-driving project in Oakland harbor involving installation of 24-inch-diameter concrete octagonal piles had the highest reported sound levels, generating peak sound levels of 188 dB, and were used for assessment purposes. Based on the project's estimated five piles per day and the SEL estimate of 188 dB, the BAE project is predicted to result in a cSEL of 187 dB at 81 meters for fish under 2 grams and 183 at 117 meters for fish over 2grams. This cSEL is considerably higher than the threshold cSEL of 187 dB at 10 meters set by the working group and is likely to result in injury to fish in close proximity to pile driving.

While over 80 species of fish are found in San Diego Bay, studies have demonstrated trends towards less fish diversity in the southern bay than in the north. The waters of the project site support no fish species that are considered rare, threatened, endangered, or protected and the applicant has documented that the density of fish within the area is naturally low near the piers and even lower in the open berthing areas. In addition, the existing underwater environment is highly industrial with dredged and un-dredged areas, walls and piles, and shading caused by ships and piers. Nearshore environments have been significantly impacted within the past year by a sediment remediation project within the Port's jurisdiction which, according to a 2014 study by the applicant's biologist, has likely removed microstructure of burrows and crevices used by fishes in the bottom debris as well as diminishing anticipated fish forage resources locally.

Regardless of the commonality and low density of fish in the area, and of the already impacted underwater environment, the applicant has proposed a number of measures to minimize the impact of pile driving on marine life, including utilizing a "soft start" approach where hammer strikes will begin at low pressure and slowly increase to full hammer strength in order to frighten fish away from the piles before the acoustics generated by pile driving approach levels that could cause injury. Because fish are highly mobile and there is abundant suitable habitat nearby, it is possible that a soft start will cause fish to flee before they are negatively impacted. However, little is known about fish's behavioral responses to pile driving and whether they will flee from habitats impacted by sound.⁹ The applicant also proposes to use a nylon or wooden block between the hammer and piles to dampen the noise generated while driving the piles. Studies conducted by the Washington State Department of Transportation indicate that nylon cushion blocks can reduce sound pressure levels by four to five dB.¹⁰ Finally, piles will be first driven by vibratory hammers or hydrojetting, and impact hammers will only be used once the other methods prove ineffective or to set piles to final grade. **Special Condition No. 3(A)(1-5)** requires implementation of these mitigation measures proposed by the applicant.

In several past projects approved by the Commission, acoustic monitoring has documented higher sound levels than were predicted and therefore the Commission typically requires a hydroacoustic monitoring plan. The applicant proposes to conduct hydroacoustic monitoring for at least the first week of driving for each type of pile to determine the hydroacoustic energies generated from the pile types and report the results

⁸ California Department of Transportation, 2007.

⁹ Hastings, M. C. and A. N. Popper, 2005.

¹⁰ California Department of Transportation, 2009, op cit., 4-11.

to the Commission. Two hydrophones will be used to monitor sound; one will be placed 10 meters from the pile that is undergoing sound testing and the second will be placed at varying distances to determine the relationship between sound levels and distance from impact. After the installation of the initial five piles and submission of a monitoring report to the Commission, the applicant proposes to continue hydroacoustic monitoring for all additional pile-driving activities until the Executive Director makes a determination that based on the project monitoring results, pile driving has consistently fallen below the sound level limitations and hydroacoustic monitoring is no longer required for the types of pile for which data were reported. The applicant proposes to then submit a final report within 180 days of completion of hydroacoustic monitoring summarizing the results of the monitoring. The Commission's ecologist Dr. John Dixon has reviewed and concurs with the proposed monitoring and reporting. The Commission attaches **Special Condition No. 3(A)(6-8)** to ensure implementation of the monitoring and reporting.

If either of the dual criteria thresholds are exceeded during the initial monitoring, the applicant proposes to a) determine the extent of area and duration and magnitude of sound exceedance; b) examine the affected area for indications of injured or dead fish; and c) seek out and test additional attenuation measures, including secondary bubble curtains, changes in dampening materials, or different hammers or cushioning block designs. In the event that primary and secondary measures are not determined to be successful, the exceedances shall be reported to the Executive Director, along with any observations of injured or dead fish associated with the pile driving activities. Working in conjunction with the Executive Director and in consultation with NMFS, alternative attenuation strategies will be considered and tested. The Commission imposes **Special Condition No. 3(A)(9)**, which requires that in the event that either criterion of the dual metric exposure criteria is met or exceeded, the applicant shall report the exceedance information to the Executive Director and, in conjunction with the Executive Director and in consultation with the fisheries biologists of CDFW and NMFS, deploy additional sound attenuation measures or other measures deemed likely by qualified technical experts to return the pile driving to conformance with the dual metric exposure criteria.

The Commission finds that based on: (1) the findings that the proposed project will not likely adversely affect sensitive fish species; (2) the demonstrated low abundance of common fish species in the project area; (3) proposed avoidance, minimization, and monitoring measures; and (4) the attachment of **Special Condition No. 3**, the proposed project will minimize adverse acoustic impacts on the fish community.

Acoustic Impacts from Pile Driving on Marine Mammals

The San Diego Bay supports California sea lions (*Zalophus californianus*) and California coastal bottlenose dolphins (*Tursiops truncatus*), the only marine mammals reasonably expected to appear within the project site that can also be impacted by the sounds generated by impact-pile driving. Based on information from the Fisheries Hydroacoustic Working Group, 180 dB is the underwater injury threshold for marine mammals. As described above in the previous subsection on fish impacts, pile driving activities in Oakland Bay similar to those that are proposed for the subject project produced peak sound levels of 180 dB at a distance of 10 meters and thus could injure marine mammals. To insure injury does not occur to marine mammals, the Pile Driving Hydroacoustic

Assessment prepared by Tierra Data Inc. and included in the project EIR proposes that a biological observer shall be maintained onsite with the authority to stop construction if a marine mammal approaches or enters the shutdown zone. The shutdown zone is defined as the area within 10 meters of construction activities, or inside the 190 dB rms isopleths for GST and marine mammal cetaceans, or 180 dB rms for marine mammal pinnipeds. The pile-driving activities will be stopped and delayed until the biological observer visually confirms either that the animal has voluntarily left the shutdown zone and is beyond the shutdown zone, or 15 minutes have passed without re-detection of the animal. The Commission attaches **Special Condition No. 3(A)(10)**, which requires implementation of the proposed monitoring and mitigation measures for acoustic impacts to marine mammals. The Commission finds that the proposed project, as conditioned, will minimize adverse acoustic impacts on marine mammals.

Disturbance of Eelgrass Habitat and Bay Coverage

The project area is within a working shipyard and consists of hard structures including concrete block riprap revetments, vertical bulkhead wall, piers, and pilings. Subtidal areas are mostly non-vegetated mud bottom, with patches of eelgrass along a portion of the bay perimeter adjacent to the riprap revetments and bulkhead wall. Eelgrass (*Zostera marina*) is an aquatic plant consisting of tough cellulose leaves, which grows in dense beds in shallow, subtidal or intertidal unconsolidated sediments. Eelgrass is considered worthy of protection because it functions as important habitat for a variety of fish and other wildlife, according to the California Eelgrass Mitigation Policy (CEMP) (NMFS 2014) adopted by the National Marine Fisheries Service (NMFS) in coordination with a number of state and federal resource and regulatory agencies, including the Commission. For instance, eelgrass beds provide areas for fish egg laying, juvenile fish rearing, and waterfowl foraging.

For the proposed project, permanent impacts are those that will result in loss of eelgrass habitat, and increased bay coverage has the potential to reduce productivity of the shaded waters. Based on 2013 and 2014 eelgrass surveys and the project environmental impact assessment completed under CEQA, the proposed project is expected to impact 5,663 square feet (0.13 acre) of eelgrass as a result of the dry dock sump dredging. The permanently moored dry dock, overwater wharfs, ramps, and mooring dolphins will increase bay coverage by 4.9 acres. Increased bay shading and associated activities would have several adverse impacts, including decreased light penetration and primary productivity, modified circulation, altered sediment transport and distribution, and reduced water quality.

Bay coverage impacts are calculated as a net change (i.e., reduction in bay coverage associated with one feature is directly credited against increases in bay coverage of other features such that any residual difference results in the final shading impact). For eelgrass impacts, losses of eelgrass are considered separately from bay coverage impacts, so any bay coverage increase that also results in an impact to eelgrass, must offset both the bay coverage loss of productivity, and the eelgrass loss of function. Ideally, any increase in bay coverage would be mitigated by creating open water elsewhere in the bay, such as removing a shading structure that is no longer needed or excavating upland habitat. Onsite, 1.04 acres of the proposed project's bay coverage is being offset by the removal of the BAE Systems Pier 2 and the previous removal of a smaller dry dock from the site.

Beyond these bay coverage offsets, the applicant states that it is not feasible to achieve further bay coverage reductions for a project of the scale of the proposed dry dock. As such, a residual coverage impact of 3.87 acres remains, and enhancement of function has been identified by the applicant as the preferred mitigation method for this residual. This mitigation is implemented on a 1:1 ratio basis under the CEMP, whereas losses of eelgrass require a 1.2:1 impact to mitigation ratio. Thus, the proposed project mitigation includes the development of 0.16 acres of eelgrass for eelgrass mitigation (1.2:1 for impacts to 0.13 acre of impact) and 3.87 acres of eelgrass for bay coverage mitigation for a total mitigation requirement of 4.03 acres in the form of established eelgrass.

Mitigation is proposed to be located in the south bay, within the abandoned intake channel of the former South Bay Power Plant (SBPP). While several sites were considered, the SBPP site was ultimately chosen due to its adequate size, limited jurisdictional issues, lack of navigation conflicts, low risk of failure, and environmental community support.

Sediment dredged from the dry dock sump that is suitable for reuse will be used to create an approximate 7-acre shallow plateau surface within the former SBPP intake channel to support the restoration of eelgrass habitat. The material will be transported via scow and tug a distance of approximately 5.4 miles southward in San Diego Bay to an off-loader. From the off-loader, the material will be hydraulically pumped out and transported via a floating pipeline, an approximate distance of 2,000 to 3,700 feet, to the final placement location within the former intake channel. None of the haul route to the off-loader occurs within eelgrass habitat. A surface to bottom turbidity curtain will fully enclose the restoration site during construction to contain turbidity and keep out marine mammals and green sea turtles (*Chelonia mydas*), an Endangered Species Act (ESA)-listed species. NMFS has finalized a joint ESA biological opinion and Essential Fish Habitat (EFH) consultation on the project, which includes potential impacts to the sea turtles from the proposed mitigation project. The Commission's ecologist has reviewed NMFS's Mitigation Avoidance Measures and finds them adequate. As such, **Special Condition No. 6** requires the applicant to comply with the NMFS's recommended Mitigation Avoidance Measures.

Upon completion of the planting effort, a monitoring program would be initiated and continued for a 5-year period as outlined in the CEMP. Mitigation will be deemed successful when it has met the success criteria outlined in the CEMP. Areas that do not meet the success criteria may be revegetated, and again monitored until the final goal is achieved. Should replanting of the areas at the project site fail to meet the success criteria, reconstruction of portions of the mitigation site may be required to carry out this revegetation.

The Commission's ecologist and NMFS staff have reviewed the applicant's eelgrass mitigation and monitoring plan and concur with the proposed monitoring, mitigation, and reporting plan as providing adequate mitigation for potential impacts to eelgrass. The Commission attaches **Special Condition No. 4** to ensure the aforementioned avoidance and minimization measures are implemented, eelgrass is monitored, and compensatory mitigation is provided consistent with the proposed plan. The Commission finds that as

conditioned, the proposed project will minimize and mitigate its adverse environmental effects on eelgrass.

Water Quality

The primary impact to water quality associated with dredging is increased turbidity or the suspension of sediment in the water columns. Turbidity limits the ability of organisms that are dependent on light, such as aquatic plants, to carry out photosynthesis. In turn, other organisms dependent on these plants are also affected. The applicant proposes to deploy a turbidity curtain around the dredge site prior to dredging to limit turbidity drift for areas with sediment that was approved by USACE and EPA for unconfined aquatic disposal; for areas with sediment removal destined for upland disposal, the contractor shall deploy inner- and outer boundary floating silt curtains fully around the dredging area at all times. Any shoreline work will include protection of eelgrass beds by placing silt curtains around the beds. The applicant has also included measures to protect water quality during eelgrass transplant in the eelgrass mitigation plan, including placing a turbidity curtain that will extend to the bottom at all tides along the entire boundary of the active fill area outside of existing eelgrass beds.

In addition, the applicant has provided a storm water pollution prevention plan (SWPPP) and best management practices (BMP) manual to address water quality measures during construction and operation of the dry dock. Staff from the Commission's Water Quality Division has reviewed these plans and finds them acceptable to protect water quality. To ensure that the applicant complies with the aforementioned SWPPP and BMPs, the Commission attaches the SWPPP and BMPs as part of **Special Condition No. 2**.

Conclusion

In conclusion, the Commission finds that as conditioned, the proposed project (1) uses the least environmentally damaging feasible alternative; (2) provides feasible mitigation measures to minimize adverse environmental effects; and (3) protects the biological productivity and the quality of coastal wetlands and waters, consistent with Sections 30230, 30231, and 30233 of the Coastal Act.

C. PUBLIC ACCESS AND RECREATION

Section 30210 of the Coastal Act states:

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.

The proposed project will be located at an existing shipyard facility that predominantly serves U.S. Navy vessels. The project site is fenced for security reasons and does not provide public access to the San Diego Bay. Recreational boaters are also restricted from accessing the site. Since there is no existing coastal access at the project site, no direct impacts to public access or recreation will occur as a result of the proposed project. It is however, unclear if lack of adequate parking at the facility, could impact the public's

ability to park and access the shoreline nearby, specifically at César Chávez Park – the only point of public access to the shore in the area and one of the most utilized parks in the Port District. César Chávez Park is located on the waterfront approximately ½ a mile north of BAE Systems and offers free, 3-hour parking to the public.

The stretch of shoreline between the Tenth Avenue Marine Terminal to the north and Naval Base San Diego to the south is utilized primarily by industrial facilities that are either coastal-dependent or coastal-related (**Exhibit #5**). There are two other shipyards that neighbor BAE, including General Dynamics NASSCO and RE Staite Engineering Inc. Each shipyard has hundreds of employees, contractors, and Navy personnel that regularly drive cars to the facilities and park throughout the area, overflowing into the surrounding Barrio Logan neighborhood.

As a part of the subject CDP application, the applicant BAE Systems submitted a Transportation and Parking Plan that outlines the current alternative transportation programs offered by the facility. It includes control of 1,200 parking spaces onsite spread throughout 10 parking lots and one 300 parking space offsite lot at the Hilton Hotel Parking garage (the lease agreement for these 300 parking spaces will expire in August 2017 and the applicant has yet to obtain replacement parking), many of which are assigned to individuals and groups depending on their function, duration and contractual requirements. In addition, BAE currently offers a bus shuttle service that runs one round-trip from the U.S./Mexico border (transporting 50-60 persons) per day, bus shuttle service that runs one round-trip from Naval Base San Diego (NBSD) per day, shuttle service between 0530-0615 and 1430-1500 from the César Chávez trolley station, 11 subsidized vanpools with 8 riders per vanpool, and bicycle storage.

Two recent parking studies have been conducted by the Port that include assessment of parking impacts and needs within and adjacent to the project area. The subject project EIR, approved in November 2015, examined only the applicant's facility impacts, while the Barrio Logan Shipyard Parking Study, presented in December 2015, examined parking impacts to the Barrio Logan community associated with the area's shipyard workforce parking. The Study included an analysis of each of the three shipyards, including BAE Systems.

Employee and Contractor Parking

The EIR and associated Traffic Impact Study analyzed the increase in employees and contractors expected during construction and operation of the proposed dry dock. The study indicated that the peak parking demand is generated during the first shift with 1,637 employees, contractors, and naval personnel reporting to the site. The applicant estimated that approximately 20% of those personnel use an alternative form of transportation, leaving 1,310 individuals who need parking. An estimated 93 new employees are anticipated to be hired as a result of the project with 64 of those working the first shift. Applying the assumption that 20% of those new employees would use alternative transportation, that would leave 51 new employees driving to and from the facility. At the time the EIR was prepared, BAE Systems had a parking supply of 1,304 spaces and an estimated 1,361 employees parking at operation, leaving a deficit of 57 spaces when including the new hires. To address the deficit, the Port included in the CDP it issued for the project a special condition that the applicant submit evidence of a minimum of 57

new alternative transportation users and continue to do so each quarter. If the minimum of 57 is not met, the applicant is required by the Port to implement additional mitigation measures including increasing the number of subsidized vanpools, providing subsidized trolley passes, and increasing shuttle service from trolley stations.

Since the EIR was prepared, BAE Systems' number of parking spaces has increased to 1,500, in part due to a new parking agreement it has signed to lease 300 parking spaces offsite at the Hilton Hotel parking garage. However, that agreement will expire in August of 2017, just two months after the dock is estimated in the EIR to become operational. At that time, unless additional parking is obtained, BAE Systems will have only 1,200 parking spaces. This leaves an updated deficit of 161 parking spaces using the projected total need of 1,361. To address this parking deficit, the Commission attaches **Special Condition 8** that requires the applicant to submit updated Final Transportation Demand Management Program that includes the implementation of additional transportation demand management measures to increase alternative transportation ridership by its employees and contractors.

Naval Personnel Parking

While the number of employees will increase as a result of the proposed project, the number of naval personnel at the facility is expected to stay the same, as the dry dock will service an equivalent amount of ships to the wet dock it is replacing. However, it is unclear whether the estimates of naval personnel that reside at BAE Systems while Navy vessels are being serviced there have been properly factored into the parking projections. While the applicant estimated an average of approximately 450 naval personnel onsite for the EIR, the 2015 parking study contained an estimate of 894, an amount provided by a NBSD representative based on the reported average of ships under repair at the BAE facility. Port staff have also indicated that the shipyards in the area have historically not accounted for, nor have even been aware of, the number of naval personnel intermittently stationed at their shipyards while ships are repaired, illustrated by the fact that the parking study contained an estimate of nearly double the naval personnel than that of the EIR.

In addition, the study found that although each of the three shipyards are contracted by the Navy to provide 28 parking spaces for each ship and to provide a shuttle service for Navy personnel to and from NBSD, the current level of dedicated parking and shuttle service leaves approximately 175 Navy personnel per ship without an identified transportation option when reporting to a ship under repair. As the amount of naval personnel with cars increases, personnel not accommodated by the agreements are left to find parking on street and in the park. This large number of naval personnel driving and parking cars has a visible impact on public access to the shoreline in the neighborhood. The 2015 port parking study included surveys of the César Chávez Park parking lot and found that there was consistent activity of naval personnel during the afternoon shift including personnel checking on cars, circling the lot and then re-parking in the same space, and spending an extended amount of time in their cars. While the applicant contends that the impacts to César Chávez Park can largely be attributed to personnel from the shipyard neighboring the park and not BAE Systems, the determination that the applicant is not negatively impacting public access cannot be made without naval personnel being properly quantified and accounted for with parking or alternative

transportation options. To ensure that the number of naval personnel reporting to BAE is documented and the associated parking or alternative transit opportunities is provided, the Commission attaches **Special Condition 8** that will require the applicant to monitor the naval personnel to document the number of personnel at the facility and excess or deficit of parking, and to include steps in the Transportation Demand Management Program to accommodate any deficit.

In conclusion, while the applicant estimates that there is currently only a deficit of 57 parking spaces, that deficit will increase by 161 in August 2017 when BAE Systems' off-site parking lease expires. BAE Systems has yet to acquire an agreement to replace these 300 parking spaces. Furthermore, the EIR likely underestimates the naval personnel that remain onsite, as demonstrated by the new data included in the 2015 Port parking study provided by a representative of the Navy. Finally, the area adjacent to and surrounding the shipyard has limited parking, and employees of this working waterfront area spill over into the adjacent Barrio Logan neighborhood and César Chávez Park. This spillover to Harbor Drive, a major coastal accessway, potentially impacts César Chávez Park, and would likely be exacerbated by the proposed expansion. **Special Condition 8** requires a transportation demand management program, which will reduce reliance on the single occupancy vehicle and increase alternative transportation to and from BAE Systems. Therefore, the Commission finds that as conditioned, the proposed project is consistent with the public access and recreation policies of the Coastal Act.

E. VISUAL RESOURCES

Section 30251 of the Coastal Act states:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas[...]

The proposed project would be located within an existing shipyard in the Barrio Logan community of San Diego on a waterfront property that is leased from the Unified Port District of San Diego. The area is considered part of the Port's working waterfront and the surrounding marine-industrial development includes one shipyard and a marine construction company to the north of the facility, and two shipyards and a naval base to the south.

While the project site is not visible from Harbor Drive, the major coastal accessway in the area, it is visible from ships within San Diego Bay, from vehicles traveling eastbound on the Coronado Bridge and from Coronado Island. The proposed dry dock will be located directly adjacent to an existing dry dock within BAE System's shipyard and will be no taller than the existing 45-ft. high dry dock. It will, however, be approximately 324 feet longer and 60 feet wider (**Exhibit #4**). The Commission does not typically support this level of bulk and scale on the waterfront; however, in this case, the proposed dry

dock is a coastal-dependent development that is required to be located on the waterfront in order to function properly. In addition, the new dry dock will support an existing coastal-dependent industrial facility – the BAE Systems San Diego shipyard – that is considered a priority use. Due to its size, the proposed dry dock will be more visually prominent from the bay and the Coronado Bridge than the existing dry dock. However, as described previously, the proposed dry dock would be located within and adjacent to similar facilities and would be compatible with the visual character of the surrounding industrial area. Views from the Coronado Bridge will be fleeting, as the bridge is open to vehicular traffic only, and views from Coronado will be distant views since the nearest portion of Coronado is located just over a mile from BAE Systems.

Therefore, the proposed project is not expected to result in any additional adverse visual impacts and is consistent with Section 30251 of the Coastal Act.

F. COASTAL HAZARDS

Section 30253 of the Coastal Act states:

New development shall do all of the following:

- (a) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.*
- (b) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.[...]*

The elevation of the proposed wharf attached to the dry dock will be approximately +13 feet MLLW. This elevation is 12 inches higher than existing piers at the BAE Systems site and has been designed to accommodate sea level rise. In addition, the Commission's staff geologist Dr. Mark Johnsson has reviewed the project's geotechnical report and concurs with its findings that the project as proposed will be stable and will not impact the stability of the surrounding area. However, there remains an inherent risk to development along the shoreline. Therefore, the Commission finds that the project as conditioned is consistent with Section 30253 of the Coastal Act.

Further, **Special Condition No. 7** requires the applicant to submit a signed document which assumes the risks of developing in an area that is subject to coastal hazards, including wave action and sea-level rise.

G. LOCAL COASTAL PLANNING

Section 30604(a) also requires that a coastal development permit may be issued only if the Commission finds that the permitted development will not prejudice the ability of the

local government to prepare a Local Coastal Program (LCP) in conformity with the provisions of Chapter 3 of the Coastal Act. In this case, such a finding can be made.

The project area spans two jurisdictions, the San Diego Unified Port District's jurisdiction and the Commission's original jurisdiction where the Commission retains permanent permit authority, and Chapter 3 of the Coastal Act remains the legal standard of review. As conditioned, the proposed development is consistent with Chapter 3 of the Coastal Act. Approval of the project, as conditioned, will not prejudice the ability of the Port of San Diego to continue to implement its certified Port Master Plan for the portion of the project that is located within their jurisdiction.

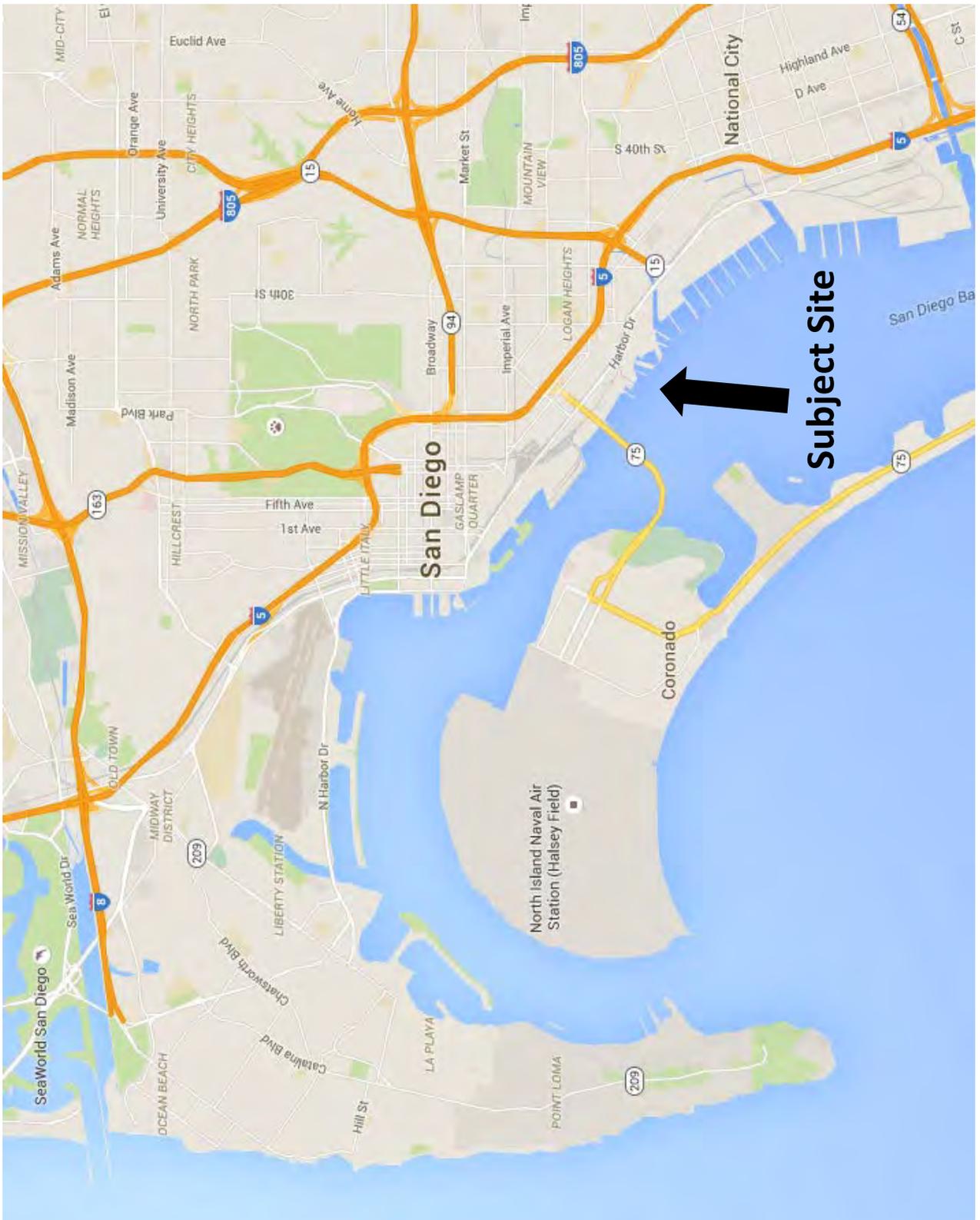
H. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 of the Commission's Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). The Port certified an EIR for the project as a whole in November, 2015. The EIR found potentially significant project impacts related to biological resources, geology and soils, hazards and hazardous materials, hydrology and water quality, and transportation and traffic. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The proposed project has been conditioned in order to be found consistent with the Chapter 3 policies of the Coastal Act. Mitigation measures, including conditions addressing hydroacoustic impacts, eelgrass impacts, bay shading, and water quality, will minimize all adverse environmental impacts. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA.

APPENDIX A – SUBSTANTIVE FILE DOCUMENTS

- Final Environmental Impact Report for Pier 1 North Drydock, Associated Real Estate Agreements and Removal of Cooling Tunnels Project, November 2015
- Anchor QEA, September 11, 2015, Pier 1 North – Dry Dock Dredging Project Final Plans
- Triton Engineers, September 18, 2015, PIER 1 North – Large Dry Dock Project Final Plans
- Construction BMP Plan (for soil disturbance or less than one acre or no soil disturbance), February 1, 2016
- Best Management Practices Program Manual, March 31, 2016
- Merkel & Associates, Inc. January 21, 2016, Eelgrass Transplant and Monitoring Plan in Support of the BAE Systems San Diego Ship Repair Pier 1 North Drydock Project and San Diego Shipyard Sediment Remediation Project North Shipyard Site
- Barrio Logan Shipyard Parking Study, December 10, 2015
- Merkel & Associates, Inc. March 14, 2016 Fish Hydroacoustic Noise Exposure Information Submittal BAE Systems San Diego Shipyard Pier 1 Drydock Letter Report
- NMFS Endangered Species Act Section 7(a)(2) Concurrence Letter for Structural Upgrades of Pier 1 at BAE Systems Drydock in San Diego Bay, January 19, 2016



Subject Site



EXHIBIT NO. 1
APPLICATION NO. 6-16-0555
Vicinity Map
 California Coastal Commission

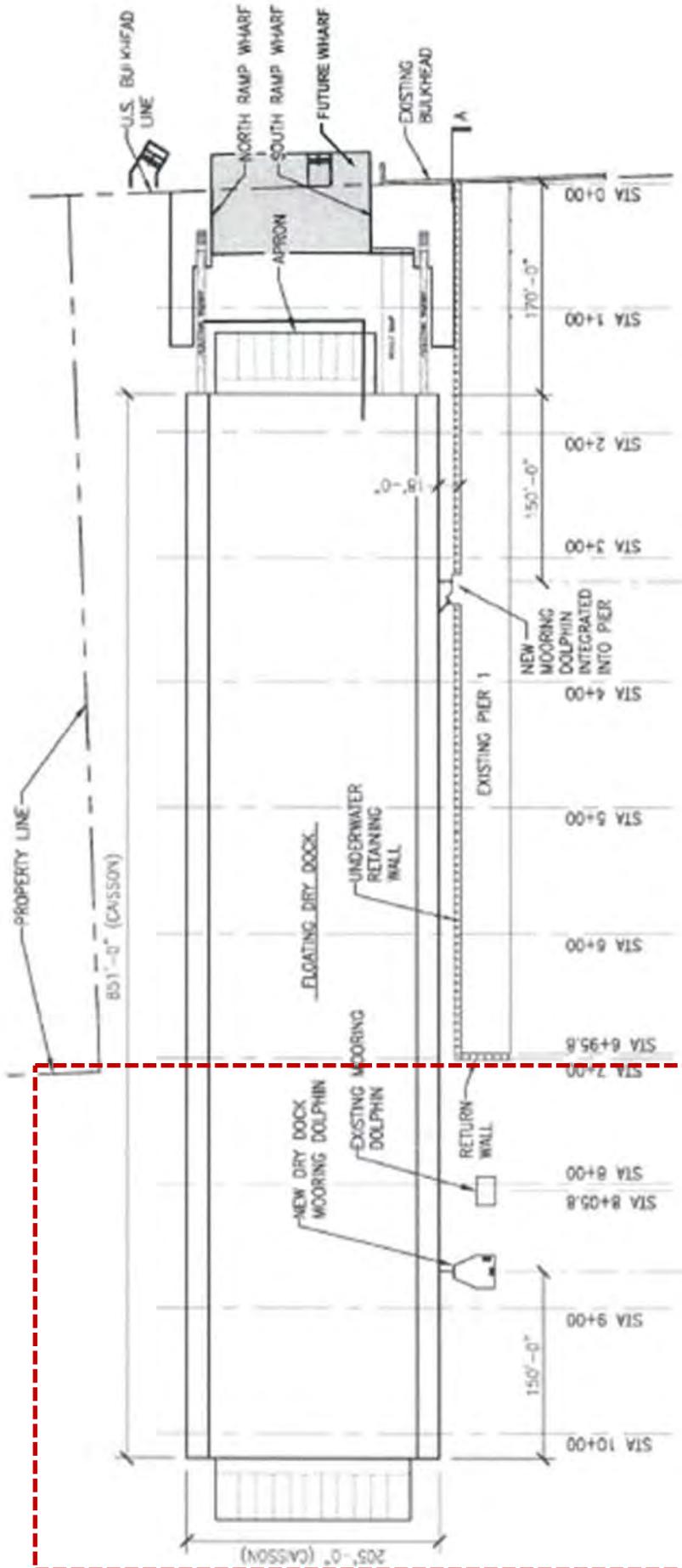


Subject Site

Approximate border of BAE Systems Leasehold



EXHIBIT NO. 2
APPLICATION NO. 6-16-0555
Aerial View
 California Coastal Commission



Port Jurisdiction

CCC Jurisdiction

EXHIBIT NO. 3
APPLICATION NO. 6-16-0555
Site Plan/Jurisdiction
 California Coastal Commission



Existing



Post Project

EXHIBIT NO. 4
APPLICATION NO. 6-16-0555
Visual Simulation
1 of 2
 California Coastal Commission



Existing wet berth and proposed project site (with boat docked)

Existing dry dock

Traveling east on the Coronado Bridge looking south



Existing wet berth and proposed project site (without boat docked)

Existing dry dock

View from a boat in the bay looking southeast

EXHIBIT NO. 4
APPLICATION NO. 6-16-0555
Visual Simulation
2 of 2
 California Coastal Commission



Naval Base San Diego

GD-NASSCO

BAE Systems

RE Staite Engineering

CP KELCO

Continental Maritime

César Chávez Park



EXHIBIT NO. 5

APPLICATION NO.

6-16-0555

Surrounding Maritime
Use



California Coastal Commission