

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

W9a

Addendum

July 11, 2016

To: Commissioners and Interested Persons

From: California Coastal Commission
 San Diego Staff

Subject: Addendum to **Item W9a**, Coastal Commission LCP Amendment Request No. **LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)**, for the Commission Meeting of July 13, 2016

Staff recommends the following changes be made to the above-referenced staff report. Deletions shall be marked by a ~~striketrough~~ and additions shall be double underlined.

1. On Page 2, the second full paragraph shall be modified as follows:

The City of Carlsbad's adopted LCP does not currently include policies requiring the protection, encouragement or provision of lower cost recreational and overnight facilities in the coastal zone. However, in light of the intense pressure to add new, often high cost visitor serving facilities within the coastal zone and the cumulative impacts such new development has on existing lower cost facilities, the City's certified LCP policies do not provide protection of lower cost visitor and recreational facilities. Because this LCP amendment would redesignate land that was not previously designated for visitor serving uses as such, and the City is pursuing this amendment request to facilitate a hotel project on this site, the potential cumulative effects of this and any other future hotel projects in the Mello II LCP segment would not be adequately assessed under existing LCP policies.

This amendment request creates an opportunity to update the LCP to incorporate a standard of review for overnight accommodation proposals that addresses these issues. This new policy will apply to all future proposals to demolish, redevelop or develop new overnight accommodations within the Mello II Segment of the City's adopted LCP. Therefore, staff recommends one suggested modification to incorporate the Coastal Act's mandate to protect, encourage, and, where feasible, provide lower cost visitor facilities into the City's land use plan, as well as a requirement to evaluate the affordability of any proposed new or remodeled overnight accommodations. The suggested modification will also allow the City to assess mitigation for impacts to affordable overnight accommodations. This proposed suggested modification will provide the City flexibility to assess the impacts of any visitor serving projects that may come forward in the Mello II segment in the period between now and when the City completes a comprehensive update

of its LCP to incorporate more specific policies and detail regarding how low cost and high cost overnight accommodations are assessed, when mitigation would be necessary, and a program for how this mitigation would be implemented throughout the Carlsbad coastal zone. ~~be incorporated into the City's LUP and therefore, will be applicable to all future demolition, redevelopment or new development of overnight accommodations within the Mello II Segment of the City's adopted LCP.~~

2. The project applicant sent an email and briefing paper to all Commissioners. A copy of one of the emails and the briefing paper is attached to the addendum. On Page 3, the following shall be added to the list of exhibits:

Exhibit 5 – Project Applicant's Email and Briefing Paper sent to all Commissioners

3. City staff and Commission staff coordinated on the following revisions to the suggested modification. On Page 7, the suggested modification shall be revised as follows:

POLICY 6.10 – LOWER COST VISITOR-SERVING RECREATIONAL USES

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided.

Encourage a range of affordability in all proposals for overnight visitor accommodations. Evaluate the affordability of any new or redeveloped overnight visitor accommodations, including amenities that reduce the cost of stay. Mitigation may be ~~required~~ applied to protect and encourage ~~ensure provision~~ of affordable overnight accommodations.

4. On Page 10, the first paragraph shall be modified as follows:

As a result, the proposed LCP amendment request is inadequate to protect lower cost visitor-serving and recreational facilities as required by the Coastal Act. The City has not addressed the need to protect lower cost overnight accommodations in its LCP. Therefore, in association with this project-driven LCP amendment, Commission staff is recommending one suggested modification to update the Mello II segment of the LCP to address these issues. This modification will ensure a standard of review applicable to all future projects that serve to protect and provides current and future lower cost overnight accommodations within the Mello II segment of Carlsbad's coastal zone until the City develops more specific policies applicable to its entire coastal zone through a comprehensive LCP update.

5. On Page 13, the last full sentence shall be modified as follows:

As such, the LCP must be modified to clarify how the City applies the standard of review to all future projects to prioritize lower cost visitor-serving uses and ensure that the

cumulative impacts of all proposals for demolition, redevelopment and new development of overnight accommodations is assessed.

6. On Page 15, the last full paragraph shall be modified as follows:

In conclusion, the addition of the new policy will clarify the LCP's standard of review applicable to future proposals and protect those visitor serving recreational and overnight uses that can be considered lower cost and promote the future development of overnight accommodations with an adequate range of affordability. By encouraging development that is accessible to the highest proportion of the public, and feasible in areas suitable for visitor serving uses, the suggested modification will ensure the City's LUP protects lower cost visitor and recreational facilities as required by the Coastal Act.

From: [Bill Hofman](#)
To: [Kinsey, Steve@Coastal](#)
Cc: [Prahler, Erin@Coastal](#)
Subject: Westin Carlsbad Hotel and Timeshare (LCP-6-CAR-16-0015-2 PART A)
Date: Friday, July 01, 2016 1:31:56 PM
Attachments: [Coastal Commission Briefing Paper.docx](#)

Dear Commissioner Kinsey,

A proposed Local Coastal Program amendment in the city of Carlsbad will be coming before you at your meeting on Wednesday, July 13, 2016 (Application LCP-6-CAR-16-0015-2 PART A). Attached please find a brief description of the highlights of the hotel and timeshare project associated with this application. This is the document I mentioned to you in my Request for Ex-Parte communication. Thank you for reviewing prior to the Coastal Commission hearing.

Bill Hofman
Hofman Planning and Engineering
3156 Lionshead Avenue, Suite 1
Carlsbad, CA 92010
Work: 760-692-4012
Cell: 858-442-0554

EXHIBIT NO. 5

Applicant's Email and Briefing Paper

LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)



California Coastal Commission

Westin Carlsbad Hotel and Timeshare

(LCP-6-CAR-16-0015-2 PART A)

PROJECT DESCRIPTION

Local Coastal Plan amendment to convert 3.6 acres of land from Planned Industrial (PI) and Public (P) to Visitor Serving Commercial (VC). This will allow the construction of 71 Westin Carlsbad Hotel rooms and 36 unit timeshare units on the site. The hotel and timeshare will be an extension of the existing two resorts that are adjacent and located immediately to the west.

PROJECT HIGHLIGHTS

1. All units are within the Moderate pricing range per Coastal Commission methodology.
2. This project will result in an increase of City's stock of land designated for Visitor Serving uses by the conversion of Planned Industrial and Public designated land to Visitor Serving Commercial land.
3. Project is not displacing any existing lower cost or recreational facilities.

AFFORDABILITY FOR OUR GUESTS

1. Free trolley service to Carlsbad beaches which will result in the increase of at least 50 parking spaces per day that will be available to other visitors at peak times.
2. Free shuttle service to Carlsbad shopping and recreational destinations.
3. Free shuttle connection to Amtrak, Coaster and North County Transit District stations.
4. Legoland ticket discounts – average of \$36 savings on two adult tickets.
5. Walking distance to LEGOLAND California with separate gate entrance for all resort guests.
6. Legoland parking savings of \$15 per car.
7. \$20 to \$25 discounts for green fees at the Crossings at Carlsbad Golf Course, immediately adjacent.
8. Free WiFi in all rooms.

SUMMARY

Approval of this amendment will increase visitor serving opportunities in Carlsbad at a moderate price. Although this project is not located in close proximity to either the coastline or other coastal recreational amenities, free transportation will be provided to our guests so that they can enjoy the local Carlsbad beaches, shopping and recreational amenities the city has to offer.

CALIFORNIA COASTAL COMMISSION

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



June 24, 2016

W9a

TO: COMMISSIONERS AND INTERESTED PERSONS

**FROM: SHERILYN SARB, DEPUTY DIRECTOR, SD COAST DISTRICT
GABRIEL BUHR, COASTAL PROGRAM MANAGER, SD COAST DISTRICT
ERIN PRAHLER, COASTAL PROGRAM ANALYST, SD COAST DISTRICT**

SUBJECT: STAFF RECOMMENDATION ON CITY OF CARLSBAD LOCAL COASTAL PROGRAM AMENDMENT NO. LCP-6-CAR-16-0015-2 PART A (Westin Hotel and Timeshare) for Commission Meeting of July 13-15, 2016

SYNOPSIS

The City of Carlsbad submitted Local Coastal Program LCP-6-CAR-16-0015-2 on March 18, 2016. The LCP amendment includes two separate components (Parts A and B). Part B modified the implementation plan only to allow indoor shooting ranges and was approved by the Commission on May 11, 2016. The subject component, Part A, is a project-driven amendment to the City's land use and implementation plans for a hotel and timeshare project. Part A was filed complete on June 15, 2016. As such, the date by which the Commission must take action, absent an extension of the time limits by the Commission, is September 13, 2016.

SUMMARY OF AMENDMENT REQUEST

The subject amendment request proposes to change the land use designation and zoning on a two parcel site totaling 3.6 acres located at the northern terminus of The Crossings Drive (Exhibit 1). A Sheraton Hotel and MarBrisa timeshare development is located to the west, The Crossing Golf Course is located to the east, and LEGOLAND theme park is located to the south of the subject site. This LCP amendment is a project-driven amendment for the demolition of an existing decommissioned water tank and concrete pad to allow for the construction of a four-story 71-room hotel and a three-story 36-unit timeshare building with underground parking. The City also proposes to amend the Carlsbad Ranch Specific Plan to incorporate this site as Planning Area 5A and update the development standards applicable to Planning Areas 5 and 5A.

The LCP land use designation would be modified from Public (P) to Visitor Commercial (VC) on the western parcel and from Planned Industrial (PI) and Office (O) to Visitor Commercial (VC) on the eastern parcel. The existing zoning on the site would be modified from Exclusive Agriculture (E-A) and Planned Industrial (P-M) and Office (O) to Commercial Tourist with a Qualified Development Overlay (C-T-Q). The site is

located in the Mello II segment of the City's adopted Local Coastal Program (LCP) and is not within the Coastal Commission's appeal jurisdiction area of the Coastal Zone.

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending denial of the Land Use Plan (LUP) as submitted, and instead recommends approval of the LUP amendment with one suggested modification. The proposed project would add to the City's existing stock of land designated for visitor serving uses. As proposed, the new hotel project would add 71 hotel rooms with an average nightly cost of \$239 per night during peak season. No lower cost accommodations are proposed as part of the underlying project.

The City of Carlsbad's adopted LCP does not currently include policies requiring the protection, encouragement or provision of lower cost recreational and overnight facilities in the coastal zone. However, in light of the intense pressure to add new, often high cost visitor serving facilities within the coastal zone and the cumulative impacts such new development has on existing lower cost facilities, the City's certified LCP policies do not provide protection of lower cost visitor and recreational facilities. Because this LCP amendment would redesignate land that was not previously designated for visitor serving uses as such, and the City is pursuing this amendment request to facilitate a hotel project on this site, the potential cumulative effects of this and any other future hotel projects in the Mello II LCP segment would not be adequately assessed under existing LCP policies. Therefore, staff recommends one suggested modification to incorporate the Coastal Act's mandate to protect, encourage, and, where feasible, provide lower cost visitor facilities into the City's land use plan, as well as a requirement to evaluate the affordability of any proposed new or remodeled overnight accommodations. The suggested modification will also allow the City to assess mitigation for impacts to affordable overnight accommodations. This proposed suggested modification will be incorporated into the City's LUP and therefore, will be applicable to all future demolition, redevelopment or new development of overnight accommodations within the Mello II Segment of the City's adopted LCP.

The proposed modifications to the Implementation Plan (IP), however, may be found consistent with the existing LUP, as well as the LUP as modified by the staff recommendation, without requiring any modifications. In summary, staff is therefore recommending that the LUP amendment be approved with one suggested modification and the Implementation Plan amendment be approved as submitted.

The appropriate resolutions and motions begin on page 5.

ADDITIONAL INFORMATION

Further information on the City of Carlsbad's LCP amendment LCP-6-CAR-16-0015-2 Part A may be obtained from Erin Prahler, Coastal Planner, at (619) 767-2370.

EXHIBITS

- Exhibit 1 – Vicinity Map
- Exhibit 2 – Carlsbad Ranch Specific Plan Map
- Exhibit 3 – Resolution
- Exhibit 4 – Ordinance

APPENDICES

- Appendix A – Substantive File Documents
-

PART I. OVERVIEW

A. LCP HISTORY

The City of Carlsbad's certified LCP contains six geographic segments as follows: Agua Hedionda, Mello I, Mello II, West Batiquitos Lagoon/Sammis Properties, East Batiquitos Lagoon/Hunt Properties, and Village Area. Pursuant to Sections 30170(f) and 30171 of the Public Resources Code, the Coastal Commission prepared and approved two portions of the LCP, the Mello I and II segments in 1980 and 1981, respectively. The West Batiquitos Lagoon/Sammis Properties segment was certified in 1985. The East Batiquitos Lagoon/Hunt Properties segment was certified in 1988. The Village Redevelopment Area LCP was certified in 1988; the City has been issuing coastal development permits there since that time. On October 21, 1997, the City assumed permit jurisdiction and has been issuing coastal development permits for all segments except Agua Hedionda. The Agua Hedionda LCP segment is a deferred certification area until an implementation plan for that segment is certified. This LUP amendment request affects the Mello II segment, and the IP amendment request affects the Carlsbad Ranch portion of the Mello II LCP segment.

B. STANDARD OF REVIEW

The standard of review for land use plans, or their amendments, is found in Section 30512 of the Coastal Act. This section requires the Commission to certify an LUP or LUP amendment if it finds that it meets the requirements of and conforms with Chapter 3 of the Coastal Act. Specifically, it states:

Section 30512

(c) The Commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200). Except as provided in paragraph (1) of subdivision (a), a decision to certify shall require a majority vote of the appointed membership of the Commission.

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present.

In those cases when a local government approves implementing ordinances in association with a land use plan amendment and both are submitted to the Commission for certification as part of one LCP amendment, pursuant to Section 13542(c) of the Commission's regulations, the standard of review of the implementing actions shall be the land use plan most recently certified by the Commission. Thus, if the land use plan is

conditionally certified subject to local government acceptance of the suggested modifications, the standard of review shall be the conditionally certified land use plan.

C. PUBLIC PARTICIPATION

The City has held Planning Commission and City Council meetings with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

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

- I. MOTION I:** *I move that the Commission certify Land Use Plan Amendment No. LCP-6-CAR-16-0015-2 Part A for the City of Carlsbad as submitted.*

STAFF RECOMMENDATION OF DENIAL OF CERTIFICATION:

Staff recommends a **NO** vote on the motion. Failure of this motion will result in denial of the land use plan amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO DENY CERTIFICATION OF LAND USE PLAN AMENDMENT AS SUBMITTED:

The Commission hereby denies certification of the Land Use Plan Amendment for the Mello II segment of the City of Carlsbad's LCP as submitted and finds for the reasons discussed below that the submitted Land Use Plan Amendment fails to meet the requirements of and does not conform to the policies of Chapter 3 of the California Coastal Act. Certification of the plan would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures that would substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

II. MOTION: *I move that the Commission certify the Land Use Plan Amendment No. LCP-6-CAR-16-0015-2 Part A for the City of Carlsbad as submitted if modified in accordance with the suggested changes set forth in the staff report.*

STAFF RECOMMENDATION: CERTIFICATION IF MODIFIED AS SUGGESTED:

Staff recommends a **YES** vote on the motion. Passage of the motion will result in certification with suggested modifications of the submitted land use plan amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO CERTIFY SUBMITTED LAND USE PLAN AMENDMENT IF MODIFIED AS SUGGESTED:

Subject to the following modifications, the Commission hereby certifies the Land Use Plan Amendment for the Mello II segment of the City of Carlsbad's certified LCP as submitted and finds for the reasons discussed herein that, if modified as suggested below, the submitted Land Use Plan Amendment will meet the requirements of and conform to the policies of Chapter 3 of the California Coastal Act. Certification of the plan if modified as suggested below 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 plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

III. MOTION: *I move that the Commission reject the Implementation Program Amendment No. LCP-6-CAR-16-0015-2 Part A for the City of Carlsbad as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Program Amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Implementation Program Amendment for the City of Carlsbad as submitted and adopts the findings set forth below on grounds that the Implementation Program Amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Program Amendment 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 Implementation Program Amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

PART III. SUGGESTED MODIFICATIONS

Staff recommends the following suggested revisions to the proposed LCP be adopted. The underlined sections represent language that the Commission suggests be added, and the ~~struck-out~~ sections represent language which the Commission suggests be deleted from the language as originally submitted.

1. Add new Policy 6.10 to the Mello II Land Use Segment as follows:

POLICY 6.10 – LOWER COST VISITOR-SERVING RECREATIONAL USES

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided.

Encourage a range of affordability in all proposals for overnight visitor accommodations. Evaluate the affordability of any new or redeveloped overnight visitor accommodations, including amenities that reduce the cost of stay. Mitigation may be required to ensure provision of affordable overnight accommodations.

PART IV. FINDINGS FOR DENIAL OF CERTIFICATION OF THE CITY OF CARLSBAD LAND USE PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The subject amendment request proposes to change the land use designation on a two parcel site totaling 3.6 acres located immediately east of Carlsbad Ranch between Cannon Road and Palomar Airport Road. This LCP amendment is a project-driven amendment for the demolition of an existing, decommissioned, water tank and concrete pad to allow for the construction of a four-story 71-room hotel and a three-story 36-unit timeshare building with underground parking. The project proponent operates the existing Sheraton Hotel and MarBrisa timeshare development located immediately west of this site and the proposed Westin hotel and timeshare development will share many of the existing facilities on the adjoining site, including shared parking and a spa and fitness center.

The LCP land use designation would be changed from Public (P) to Visitor Commercial (VC) on the western parcel and from Planned Industrial (PI) and Office (O) to Visitor Commercial (VC) on the eastern parcel, adding to the City's existing stock of land designated for visitor serving uses. The site is located in the Mello II segment of the

City's adopted LCP. As such, all appropriate Mello II policies are under review by the proposed land use modification.

The City has already approved a coastal development permit for the underlying hotel and timeshare development that is pending until the subject LCP amendment process has been completed. The project site is not within the Coastal Commission's appeal jurisdiction area of the Coastal Zone.

B. CONFORMANCE WITH SECTION 30001.5 OF THE COASTAL ACT

The Commission finds, pursuant to Section 30512.2b of the Coastal Act, that the proposed amendment to the Land Use Plan is not in conformance with the policies and requirements of Chapter 3 of the Coastal Act to the extent necessary to achieve the basic state goals specified in Section 30001.5 of the Coastal Act which states in part:

The legislature further finds and declares that the basic goals of the state for the Coastal Zone are to:

- a) Protect, maintain and, where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and manmade resources.
- b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.
- c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resource conservation principles and constitutionally protected rights or private property owners.

The Commission therefore finds, for the specific reasons detailed below, that the proposed amendment to the land use plan does not protect lower cost visitor and recreational facilities as required by the Coastal Act with regards to LCP Amendment Request No. LCP-6-CAR-16-0015-2 Part A.

C. NONCONFORMITY OF THE CITY OF CARLSBAD LAND USE PLAN WITH CHAPTER 3

These findings focus on Chapter 3 policies that the proposed LUP amendment is inconsistent with. Subsequent findings will address the LUP amendment's consistency with other applicable Chapter 3 policies.

Section 30210 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.

Section 30213 states:

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

Section 30222 states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

The Coastal Act broadly protects public access for all by protecting and providing for lower cost public recreational and visitor serving facilities, including, but not limited to, overnight accommodations. Section 30213 requires permitted development to protect, encourage, and, where feasible, provide lower cost visitor and recreational facilities. The protection and provision of a range of affordable facilities is necessary because, as the Commission has seen throughout the history of its program, there is significant pressure to develop new higher cost accommodations, sometimes by replacing existing lower or moderate cost facilities. This is because the market demand tends to push prices increasingly higher in the California coastal zone, where tourism and overnight accommodations are extremely valuable commodities.

In an effort to protect existing lower cost visitor-serving facilities and provide for new facilities, the Commission has sought to ensure that lower cost visitor-serving facilities are considered in every proposal for new hotel development. Where the provision of lower-cost rooms or facilities is not feasible, the Commission has imposed in-lieu mitigation fees for development proposing higher cost accommodations. By doing so, a method is provided to assure that some degree of lower cost overnight accommodations will be provided. Given the current trend of proposed developments only including high cost facilities (recreational, overnight, residential, etc.), the need to protect lower cost accommodations is even more important.

The City's LCP was certified by the Commission in the 1980s. At that time pressure to develop new higher cost accommodations and the resulting impact on lower cost facilities was not as prevalent as it is today. As a result, LUP policies calling for additional hotel development without reference to their affordability were certified as consistent with the Coastal Act. The certified LUP policies do not require the City to evaluate the affordability of new hotel projects in the coastal zone or the cumulative impacts new higher cost facilities may have on lower cost visitor-serving facilities. This proposed amendment request will add new visitor serving designated area within the City's coastal zone and is coupled with a proposal to construct a hotel on the site. Several other hotel

projects are being considered within City limits, both in and outside of the coastal zone. The cumulative impacts on lower cost visitor-serving facilities from this proposal and future projects would not be fully assessed under the City's existing LCP policies. As a result, the proposed LCP amendment request is inadequate to protect lower cost visitor-serving and recreational facilities as required by the Coastal Act. Therefore, in association with this project-driven LCP amendment, Commission staff is recommending one suggested modification to address these issues. This modification will serve to protect and provide current and future lower cost overnight accommodations within the Mello II segment of Carlsbad's coastal zone until the City develops more specific policies applicable to its entire coastal zone through a comprehensive LCP update. The City is initiating a comprehensive LCP update at this time through funding received by a Commission LCP grant awarded in 2015. The suggested modification associated with the subject LCP amendment is necessary to address the need to protect low cost overnight visitor accommodations during the interim period between now and when an updated LCP is approved by the Commission, a process that could take several years. This more comprehensive update will require the City to include more specificity and detail regarding how low cost and high cost overnight accommodations are assessed, when mitigation would be necessary, and a program for how this mitigation would be implemented.

The proposed project underlying this LCP amendment request will not result in any loss of existing lower cost visitor or recreational facilities because the site is not currently designated for or developed with any visitor serving use. The project applicant states that the proposed hotel will support a room rate of approximately \$112-\$223 per night plus a \$16 per night resort fee, for a total nightly cost of approximately \$128-\$239. In a constantly changing market, it can be difficult to define what price point constitutes "lower-cost," "moderate," and "higher-cost" accommodations for a given area. To address this, the Commission uses a survey methodology to define lower, moderate, and high-cost hotels.

The Commission's methodology is based on hotel accommodations (single room, up to double occupancy) in California. The method compares the average daily rate of lower cost hotels in the San Diego coastal zone with the average daily rate of all types of hotels across the state. Under this formula, lower-cost is defined as the average room rate of all economy hotels that have a room rate less than the statewide average daily room rate.

Commission staff first applied this methodology to projects in the San Diego area in 2008 (e.g., City of Carlsbad LCP Amendment No. 1-07A/DKN Hotel, A-6-IMB-07-131/Pacifica Companies and Pacifica Hosts, Inc. Revised Findings). Using data from Smith Travel Research, Commission staff projected the average daily room rate for hotels in California during the peak visitor months of July and August 2008. To survey lower cost accommodations within the San Diego coastal zone, Commission staff looked at AAA properties rated as one- and two-diamond to identify economy hotels and motels that meet an acceptable level of quality. Staff found that the average daily room rate for lower cost hotels in the San Diego coastal zone for July and August 2008 was 18% lower than the statewide daily average room rate. Staff then defined "higher-cost"

accommodations as those hotels with daily room rates more than 20% higher than the statewide average.

Similarly, the project proponent for the subject amendment obtained average daily room rates for all hotels in California in 2015 from Smith Travel Research and projected the average daily rate for peak visitor season (the months of July and August) 2016 based on average change per year comparing the 2008 average daily rate to the 2015 average daily rate. For 2016, the average daily rate statewide for the months of July and August is projected to be \$168.31.

Rather than survey AAA one and two diamond hotels, the applicant relied on the Smith Travel Research database list of “economy” class hotels and supplemented that list with similar hotels and motels identified through online searches. The applicant identified 31 economy class hotels within the San Diego coastal zone and conducted online research to obtain rack rates (the rates available to the public with no discounts) for the months of July and August 2016.

Of the 31 economy class hotels in the San Diego coastal zone surveyed, 29 charged less than the \$168.31 statewide average (see Table 1). The average room rate of these 29 hotels is \$90.50. Thus, based on the above formula, for San Diego in 2016, lower-cost accommodations can be defined as those charging less than \$90.50 per night, or 46% below the 2016 statewide average daily room rate of \$168.31. The applicant proposes to charge an average of \$239 per night during peak visitor seasons, approximately \$149 per night more than lower-cost rates. Therefore, the proposed project will not provide any lower-cost visitor accommodations.

	Hotel Name	Address	City	July Average	August Average
1	Coast Inn	921 N Coast Hwy	Oceanside	\$69.00	\$69.00
2	Beachwood Motel	210 Surfdrider Way	Oceanside	\$79.00	\$79.00
3	Oceanside Inn & Suites	1820 S Coast Hwy	Oceanside	\$100.00	\$90.00
4	Sandy Beach Cottage	213 S Pacific St	Oceanside	\$99.00	\$99.00
5	Days Inn Oceanside	1501 Carmelo Dr	Oceanside	\$155.00	\$125.00
6	Rodeway Inn Oceanside	1103 N Coast Hwy	Oceanside	\$92.00	\$75.00
7	Motel 6 Oceanside Marina	901 N Coast Hwy	Oceanside	\$120.99	\$63.99
8	Motel 6	750 Raintree Dr	Carlsbad	\$96.00	\$70.00
9	Days Inn Carlsbad near Legoland	3700 Pio Pico Dr	Carlsbad	\$129.00	\$99.00
10	Motel 6 Carlsbad East	6117 Paseo Del Norte	Carlsbad	\$89.99	\$69.99
11	Rodeway Inn	1444 N Coast Hwy	Encinitas	\$103.00	\$71.00

¹ Of 31 hotels surveyed, the Travelodge San Diego La Jolla Beach and the Travelodge San Diego Downtown Convention Center hotels have peak season rates higher than the statewide average room rates for July and August.

12	Quality Inn Encinitas	607 Leucadia Blvd	Encinitas	\$110.00	\$76.00
13	Portofino Beach Inn	186 N Coast Hwy	Encinitas	\$112.00	\$95.00
14	Days Inn Encinitas	133 Encinitas Blvd	Encinitas	\$110.00	\$93.00
15	Econo Lodge Encinitas	410 N Coast Hwy	Encinitas	\$129.00	\$109.00
16	Sands of La Jolla	5417 La Jolla Blvd	La Jolla	\$114.00	\$97.00
17	La Jolla Biltmore Motel	5383 La Jolla Blvd	La Jolla	\$70.00	\$70.00
18	Beachcomber Shores	907 Turquoise St	San Diego	\$90.00	\$90.00
19	Vagabond Inn San Diego Airport	1325 Scott St	San Diego	\$119.00	\$107.00
20	Motel 6 San Diego Airport	2353 Pacific Hwy	San Diego	\$150.00	\$80.00
21	Main Street Motel	3494 Main St	San Diego	\$90.00	\$90.00
22	Rodeway Inn San Diego Beach Seaworld Area	4345 Mission Bay Dr	San Diego	\$149.00	\$62.00
23	Red Roof Inn San Diego Pacific Beach Sea World Area	4545 Mission Bay Dr	San Diego	\$119.00	\$99.00
24	Prime Inn	1722 Palm Ave	San Diego	\$87.00	\$87.00
25	Super 8 San Diego/Imperial Beach	1788 Palm Ave	San Diego	\$62.00	\$62.00
26	Motel 6	160 Calle Primera	San Ysidro	\$70.00	\$60.00
27	Travelodge San Ysidro	180 Calle Primera	San Ysidro	\$50.00	\$40.00
28	Knights Inn San Ysidro	230 Via De San Ysidro	San Ysidro	\$67.00	\$58.00
29	Good Nite Inn	225 Bay Blvd	Chula Vista	\$77.00	\$55.00
AVERAGE FOR JULY AND AUGUST 2016				\$90.50	

There has never been a similar survey of hotels charging more than the statewide average to define the high cost threshold, however, in its 2008 actions, the Commission estimated high cost accommodations as room rates more than 20% higher than the statewide average room rate. If we apply that 20% threshold to the current proposal, rates over \$201.97 would qualify as high cost, including the proposed hotel development. The applicant suggests, instead, that the Commission define “high-cost” accommodations in this case as room rates more than 46% higher than the statewide daily average of \$168.31, or \$245.73, since the low cost accommodations identified were similarly 46% lower than the statewide daily average. Using this definition of high-cost, the applicant’s proposed rate of \$239 per night during peak season would make this hotel moderate cost instead. The applicant’s definition of high cost replicates the Commission’s 2008 methodology by basing the high-cost threshold on the percent difference between the lower-cost threshold and the statewide average room rate.

Although room rates alone provide a valuable measure of affordability, the Commission has typically looked at a variety of factors to determine how affordable hotels are to the general public. The applicant has described several free amenities and discounts to make a stay at the hotel more affordable. For example, free WiFi will be available to guests throughout the property. The hotel will also provide free shuttle service to popular visitor destinations, including roundtrip service to Tamarack State Beach, the Company Stores outlet mall, and dining in the Village area. Additionally, the hotel shuttle will provide

free service to three rapid transit stations in North County including the Carlsbad Village Transit Station, Poinsettia Station, and Oceanside Transit Center, enabling guests to arrive at the hotel via mass transit and to connect with other recreational destinations, including other coastal towns and beaches. These transit services make popular visitor destinations accessible without a car, lowering the cost for guests and potentially reducing the traffic and parking impacts associated with this new hotel development.

The hotel will be located within Carlsbad Ranch – a mix of non-residential uses including several resorts and a timeshare development, the Flower Fields, the Gemological Institute of America campus, specialty retail and restaurants, the LEGOLAND theme park, and light manufacturing/office uses. Much of Carlsbad Ranch is already improved with pedestrian access, allowing guests at the proposed hotel to access other visitor serving development in the area by foot. Hotel guests will be able to purchase two LEGOLAND tickets for an average discount of \$18 per ticket (up to \$36.00 savings on two adult tickets). Guests will also be able to access the theme park through a private access gate from the hotel property, saving guests the \$15 per day parking fee at the theme park. Finally, hotel guests will also be able to obtain tee times for the public golf course located immediately to the east of this hotel site for a \$20-\$35 discount.

As a result of the free amenities, transportation services and discounts available to guests, the proposed hotel rates can be considered moderate cost in this case. Further, because the proposed project is increasing the City's stock of land designated for visitor serving uses, is not displacing any existing lower cost visitor or recreational facilities, and will be developed as an expansion of the adjacent existing hotel and timeshare development, no mitigation is required in this case.

However, the action before the Commission at this time is the City's LCP amendment, not the project underlying the LCP amendment. The proposed amendment would modify the land use designation of the subject site to visitor serving commercial. As discussed above, however, this modification does not ensure that any subsequent visitor serving accommodations approved on this site protect lower cost visitor and recreational facilities as required by Sections 30210, 30213 or 30222 of the Coastal Act. In fact, in this case, the City did not require such protections when it approved a coastal development permit for the project that precipitated this LCP amendment. As such, the LCP must be modified to prioritize lower cost visitor-serving uses.

PART V. FINDINGS FOR APPROVAL OF THE CITY OF CARLSBAD LAND USE PLAN, IF MODIFIED

A. SPECIFIC FINDINGS FOR APPROVAL

1. Lower Cost Visitor and Recreational Facilities

Because the City lacks policies reflective of Sections 30210, 30213 or 30222 of the Coastal Act, staff is suggesting one modification to the City's certified Mello II LUP, in

order to ensure that it protects lower cost visitor and recreational facilities as required by the Coastal Act. The suggested modification mirrors the language of Coastal Act Section 30213 and furthers the goals of 30210 to maximize public access and 30222 to make visitor-serving commercial recreational uses a priority. Section 30213 specifically protects lower cost visitor serving and recreational facilities. As land becomes less available and more expensive, protection of facilities located in the coastal zone that provide affordable recreation and accommodations to the general public become invaluable. It is important to protect those uses that best serve the public in general, as opposed to members of the public that can afford certain luxuries. The suggested modification also requires the City to encourage a range of affordability and to evaluate the affordability of all proposals for overnight visitor accommodations. Finally, the suggested modification provides the City the opportunity to assess mitigation where necessary. At this time staff is not suggesting specific triggers for requiring mitigation or any particular mitigation methodology as an LCP update is anticipated.

It should be noted that the Commission prefers to see proactive efforts by local governments to address this need. To its credit, the City has indicated that this issue will be addressed in a comprehensive LCP update the City is undertaking with support from a 2015 Commission LCP update grant. The City objects to inclusion of the suggested modification at this time because the City prefers to adopt policies that will apply to the entire coastal zone through the comprehensive LCP update, rather than a policy that only applies to the Mello II LCP segment. The City also suggests that the language of the suggested modification is too broadly crafted and that developing a more comprehensive approach through the LCP update process will allow City and Commission staff to work together on alternative approaches to implement a new policy. Finally the City is concerned that full public engagement on the implementation of such a policy would be beneficial and that simply adding the policy as a suggested modification as a part of the subject amendment will prevent public input.

In 2008 the Commission approved a similar project-driven LCP amendment (LCP Amendment No. 1-07A/DKN Hotel) for demolition of an existing lower cost motel and construction of a new, larger hotel. Commission staff recommended approval with suggested modifications to address the lack of LCP policies regarding protection and provision of lower cost visitor and recreational facilities. The City objected to the suggested modifications at that time because the suggested policies would apply to the Mello II segment only, and the City preferred to pursue a more comprehensive approach that would apply to the City's entire coastal zone. The City had just begun a comprehensive LCP update effort in 2008 and assured the Commission that the update effort would include policies to address lower cost visitor and recreational facilities within the City's coastal zone. The Commission approved the amendment request without the suggested modifications, allowing the City to develop its own policies in its LCP update. In the eight years since the Commission accepted the City's assurance that it would develop its own policies to address this gap in the LCP, no policies have been brought forward.

Commission staff recognizes that the City is now actively pursuing a comprehensive update effort with a 2015 grant from the Coastal Commission; however, it could be several years before the Commission would review any comprehensive update from this effort. Several other hotel projects have been reported in the media within City limits, both in and outside of the coastal zone and could pursue permitting before the City completes its LCP update. Staff is recommending the suggested modification in the interim in order to ensure that the Mello II segment LUP provides the City the ability to address issues related to protection of lower cost visitor-serving facilities while further Citywide policies are developed. The language staff is recommending be adopted at this time will provide the City flexibility to assess the impacts of any visitor serving projects that may come forward in the Mello II segment before the City's comprehensive update is complete and certified, and should in no way impede the City's ability to develop its own policies for inclusion in the comprehensive update. This more comprehensive update will require the City to include more specificity and detail regarding how low cost and high cost overnight accommodations are assessed, when mitigation would be necessary, and a program for how this mitigation would be implemented. Addition of this policy through a suggested modification does not preclude public input – the Commission's own hearing provides an opportunity for public input and the City would hold a local hearing on the Commission-approved modification. Finally, the City made similar arguments against suggested modifications to address this gap in LCP policies eight years ago and committed to update their LCP; however, the City's LCP has yet to be updated on this issue and therefore given this lapse in time the need to address this issue during this ongoing interim period is warranted.

The proposed hotel development can be found consistent with Chapter 3 of the Coastal Act because the room rates will be moderate cost and accessible to much of the general public. Although timeshare developments are not a priority use under the Coastal Act and often have adverse impacts to lower cost visitor and recreational facilities, the proposed timeshare component underlying this LCP amendment can also be found consistent with Chapter 3 in this case. The site is not currently designated for or developed with visitor serving uses, so no existing lower cost visitor serving or recreational use will be displaced by the proposed timeshare development, and in fact the proposed project would result in additional visitor serving uses in an area that historically was not available for this type of development.

In conclusion, the addition of the new policy will protect those visitor serving recreational and overnight uses that can be considered lower cost and promote the future development of overnight accommodations with an adequate range of affordability. By encouraging development that is accessible to the highest proportion of the public, and feasible in areas suitable for visitor serving uses, the suggested modification will ensure the City's LUP protects lower cost visitor and recreational facilities as required by the Coastal Act.

2. Consistency of the LUP Amendment with Other Applicable Chapter 3 Policies

Section 30240 states:

- (a) *Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*
- (b) *Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Section 30250 states, in part:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.

Section 30251 states, in part:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along scenic coastal areas, to minimize the alteration of natural landforms, 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 LCP amendment and underlying development will not have any adverse impact on public access. The project will provide pedestrian access to the rest of Carlsbad Ranch to the west of the site. The subject site is located inland of the beach and hotel guests will have access to a free shuttle service, potentially reducing traffic and parking impacts around the City.

The subject site is currently disturbed with an existing decommissioned water tank and concrete pad. There is no native vegetation on the site, but the adjacent golf course property to the east is a hardline preserve area under the City's Habitat Management Plan and contains coastal sage scrub habitat. To avoid or minimize potential adverse impacts to raptors that may occupy eucalyptus trees on the subject site or California gnatcatchers in coastal sage scrub habitat located on the neighboring golf course, the City has imposed mitigation measures to prohibit construction during bird nesting and breeding seasons or compliance with nest avoidance measures if construction cannot avoid nesting and breeding seasons. As a result, the proposed land use plan amendment and underlying project can be found consistent with Section 30240.

The subject site is located immediately adjacent to existing commercial development and the proposed development that this LUP amendment will facilitate is essentially an

expansion of the existing hotel and timeshare uses to the west. Therefore, the proposed amendment and companion development can be found consistent with Section 30250.

Finally, the subject site is located in an inland area of the coastal zone. The proposed development will not have any adverse impact to scenic coastal resources and will be visually compatible with adjacent development, consistent with the requirements of Section 30251.

PART VI. FINDINGS FOR APPROVAL OF THE CITY OF CARLSBAD IMPLEMENTATION PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The proposed Implementation Plan amendment would modify the existing zoning from Exclusive Agriculture (E-A) to Commercial Tourist with a Qualified Development Overlay (C-T-Q) on the western parcel and from Planned Industrial (P-M) and Office (O) to Commercial Tourist with a Qualified Development Overlay (C-T-Q) on the eastern parcel. The City also proposes to amend the Carlsbad Ranch Specific Plan to incorporate this site as Planning Area 5A and to make minor “clean-up” changes in the development standards applicable to Planning Areas 5 and 5A. These minor text revisions include deleting obsolete development concepts and unnecessary Zoning Ordinance cross references.

B. FINDINGS FOR APPROVAL

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP.

a) Purpose and Intent of the Ordinance. The parcels that are the subject of this LCP amendment request will be rezoned and incorporated into the Carlsbad Ranch Specific Plan area. The Carlsbad Ranch Specific Plan (Specific Plan) was found consistent with the City’s certified LUP in 1993 and became the Implementation Plan for this 423.5 acre region of the City. Carlsbad Ranch is located in the northwest quadrant of the City; it lies east of Interstate 5 between Cannon and Palomar Airport Roads (Exhibit 2). The purpose of the Specific Plan is to provide a comprehensive set of guidelines, regulations, and implementation programs for guiding and ensuring orderly development of the Carlsbad Ranch area. The City proposes to incorporate these parcels as a new Planning Area 5A and make some minor revisions to the development standards for Planning Area 5 and 5A - Resorts. Development within the Specific Plan area is subject to the development standards of the Specific Plan rather than the City’s Zoning Ordinance.

b) Major Provisions of the Ordinance. Ordinance No. CS-292 provides for rezoning of the parcels from E-A and P-M/O to C-T-Q on the certified LCP Zoning Map. Ordinance No. CS-293 provides for amendment of the Carlsbad Ranch Specific Plan for

Planning Area 5 – Resort to incorporate the parcels as a new Planning Area 5A and revise the development standards that detail permitted uses, establish building setbacks, building heights, and parking standards for development within Planning Area 5 and 5A.

c) Adequacy of the Ordinance to Implement the Certified LUP Segments.

The City of Carlsbad has applicable policies within the Mello II Segment of its certified LCP that state:

Policy 2-2 LCPA 90-08 Carlsbad Ranch Specific Plan “Mixed-Use” Development

This policy provides conditional development standards for the area of approximately 423 acres north of Palomar Airport Road, east of Paseo del Norte, and east of Car Country Drive (See Exhibit 4.3). All such lands owned by either Carltras or Ecke or their successors in interest shall be permitted, pursuant to approval of a Specific Plan to convert certain agricultural lands to residential and/or non-residential (including tourist commercial) development as a means of providing supplementary uses which will assist in the retention of agricultural and public recreation uses on the remaining portions of these parcels. It should be noted that residential uses are possible only where they do not conflict with the Airport Influence Area and where they are compatible with adjacent uses.

[...]

(b) Uses Conditionally Permissible Pursuant to the Development of the Entire Area Subject to a Specific Plan.

(8) The Specific Plan shall provide a mix, location and intensity of land uses that are compatible with and will not adversely impact the long term viability of agricultural and/or public recreation uses.

Policy 3-7 City Owned Lands Adjacent to Macario Canyon and Veterans Memorial Park

The City of Carlsbad owns approximately 521 acres in and adjacent to Macario Canyon. A municipal golf course has been proposed for a portion of the property, and a public park is planned for another portion. Development of the property shall be subject to the following policies regarding protection of habitat:

(a) The impact and conservation areas for the Municipal Golf Course are shown as a Hardline design in the HMP (Figure 8 Revised), and which shall serve as the standard of review for determining areas in which development may occur in the future. Areas shown for conservation shall not be impacted or disturbed except for revegetation, restoration and other similar activities related to mitigation. Areas shown for impact may be fully developed with appropriate mitigation.

Policy 6-5 Need for 200 Additional Hotel-Motel Rooms, and Visitor-Serving Uses

Approximately 40 acres of additional visitor-serving (hotel-motel and restaurant) uses should be established. Assuming a density of approximately ten hotel-motel rooms per acre, the estimated need of 200 additional rooms can be achieved. Restaurants and other visitor-serving facilities also need to be provided. Suggested locations are the intersections of I-5 with Palomar Airport Road and/or Poinsettia Lane. Not all of this demand needs to be met with land immediately within the coastal zone.

The City of Carlsbad also has applicable policies within the Carlsbad Ranch Specific Plan, a certified component of their Implementation Plan, that state:

Policy 9-A Provide incentives for the use of transit, carpools, vanpools and bicycles

In order to meet the regional goals to improve air quality, there is a need to reduce single-occupancy automobile use. New employment uses should be encouraged to provide incentives to their employees to use alternative modes of transportation. Priority parking spaces for car or vanpools shall be considered for new office development. Flexible work schedules and telecommuting should be offered to employees, in order to reduce peak hour trips. Larger employers may also consider hiring a transportation systems management coordinator to promote and coordinate the use of alternative modes of transportation, and monitor the project compliance with the regional Average Vehicle Ridership (AVR) goals. Transportation coordinators can distribute transit information, coordinate carpools and vanpools, sell transit passes and assist employers with flexible work hours and telecommuting programs.

Policy 10-B Provide facilities for bicycle parking at each development site

The Carlsbad Ranch will be an attractive destination for both commuter and recreational bicyclists. To accommodate and encourage the use of bicycles for these trips, conveniently located bicycle parking facilities should be provided within each development site.

Policy 12-A Encourage the shared use of parking lots and structures.

The LCP amendment as proposed by the City would modify the existing zoning of the two parcels from Exclusive Agriculture (E-A) and Planned Industrial (P-M) and Office (O) to Commercial Tourist with a Qualified Development Overlay (C-T-Q). Currently, the site is developed with a decommissioned water tank and a concrete pad. The existing zoning on the site does not allow for the development of a hotel or timeshare. The Commercial Tourist zone implements the City's Visitor Commercial land use designation, and as such, the proposed zoning designation is consistent with the proposed land use designation change to Visitor Commercial. Policy 2-2 of the Mello II LUP calls for a mix of land uses supportive of existing agriculture and public recreation within the

Carlsbad Ranch area. Policy 6-5 of the LUP also indicates a need for additional overnight accommodations within the City. The proposed rezoning of this site to facilitate development of a new hotel and timeshare project is consistent with these LUP policies. Although zoned for Exclusive Agriculture, the western parcel is not designated for coastal agriculture and has not been in agricultural production in decades. Existing Carlsbad Ranch agricultural uses are located west of the subject site, and include The Flower Fields, which is open to the public for a few weeks each spring. In addition, a proposal for a floral trade center, demonstration gardens, and a farm to table restaurant north of the Flower Fields is also under development. The addition of a hotel and more timeshare units on the subject site will not have any adverse impact to existing agricultural uses and is likely to provide additional visitors to the visitor-serving components of these neighboring agricultural uses.

The City proposes a number of changes to the Specific Plan. Specific Plan Planning Area 5 – Resort will be amended to incorporate these parcels as a new Planning Area 5A, subject to the same development standards that apply to Planning Area 5. Both hotels and timeshare developments (when approved by the City Council in conjunction with a hotel project) are permitted uses within Planning Area 5. As a result, the hotel and timeshare project underlying this LCP amendment request would be consistent with the Specific Plan.

The proposed Specific Plan modifications also include minor “clean-up” revisions to the development standards applicable to Planning Area 5 and 5A – Resort. The updated language would increase the number of permitted hotel and timeshare units from a total of 700 hotel and timeshare units in Planning Area 5 to a maximum of 380 timeshare units and 409 hotel rooms shared between both Planning Areas 5 and 5A. The proposed text revisions will also remove development concepts and standards that are no longer desired in this planning area – for example, references to a sports club, tennis facilities, and horse stables will be removed. References to the City’s Zoning Ordinance sections regarding building heights are being removed as the applicable building heights are specified in this Specific Plan section, and the Specific Plan will allow a taller height limit for an elevator tower connecting resort facilities and buildings on Planning Areas 5 and 5A. The height limit exception for the elevator tower is necessary because of the grade change between the two planning areas and will not have any adverse visual impact. The existing parking standards applicable to hotel and timeshare development in this Planning Area are also being added to the Specific Plan. Finally, Figures 10, 12, and 46 of the Specific Plan will be replaced to show the new parcels added into the Specific Plan area.

The Carlsbad Ranch Specific Plan includes policies encouraging, and in some cases, requiring the development of alternative modes of transportation. Policy 9-A requires that any new employment uses should be encouraged to provide incentives to employees to use alternative modes of transportation. The agent for the hotel developer has indicated to Commission staff that the Westin hotel will provide priority parking for carpoolers and encourage employees to ride share by posting information about iCommute, the SANDAG-sponsored rideshare program. There is a bus stop located at Cannon Road, and

Westin employees will receive reimbursement of 25% of their bus fare. These programs are already in place for employees of the adjacent Sheraton hotel property.

Policy 10-B requires that conveniently located bicycle parking facilities should be required with any development. The existing Sheraton Hotel has one bike rack that can accommodate 6 bicycles. As part of this project, an additional bicycle rack will be provided near the proposed Westin Hotel, and the owner is willing to install additional racks in the future if more bicycle parking is required. These incentive programs and facilities are intended to decrease impacts to traffic and parking, and improve overall public access to the Carlsbad Ranch area. The employee incentive programs and bicycle parking facilities proposed by the applicant fulfill the requirements of the Specific Plan and are consistent with the public access policies in the City's LUP.

The companion hotel and timeshare development supported by the land use redesignation and rezoning are consistent with all required design standards, setbacks, and parking requirements. Therefore, the implementation plan amendment can be found consistent with the adopted LUP as proposed. Further, the proposed rezoning and amendments to the Specific Plan can be found consistent with the suggested modification proposed by staff, and therefore, can be found consistent with the land use plan if modified as suggested by staff.

PART VII. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The City prepared and certified Environmental Impact Report (EIR) No. 15-02 for the hotel and timeshare project underlying this LCP amendment request. The EIR concluded that all environmental impacts associated with the proposed project could be reduced to less than significant levels with mitigation, including traffic impacts. Section 21080.9 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an (EIR) in connection with its local coastal program. Instead, the Coastal Commission acts as lead agency for the purposes of fulfilling CEQA. The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP submission.

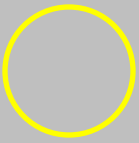
Nevertheless, the Commission is required in an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform with CEQA provisions. The City's amendment request consists of a Land Use Plan amendment and an Implementation Plan amendment. The Land Use Plan amendment as originally submitted raises one concern regarding the Chapter 3 policies of the Coastal Act and thus cannot be found to be consistent with and adequate to carry out the Chapter 3 policies of the Coastal Act. The Commission, therefore, has suggested one modification to bring the Land Use Plan amendment into full conformance with the requirements of the Coastal Act. As modified, the Commission finds that approval of the Land Use Plan

amendment will not result in significant adverse environmental impacts under the meaning of the California Environmental Quality Act.

Further, the Commission finds that approval of the Implementation Plan amendment as submitted would not result in significant adverse environmental impacts under the meaning of CEQA. Therefore, the Commission finds that approval of the LCP amendment conforms to the applicable provisions of CEQA as there are no feasible alternatives or feasible mitigation measures available that would substantially lessen any significant adverse impact which the activity may have on the environment.

APPENDIX A – SUBSTANTIVE FILE DOCUMENTS

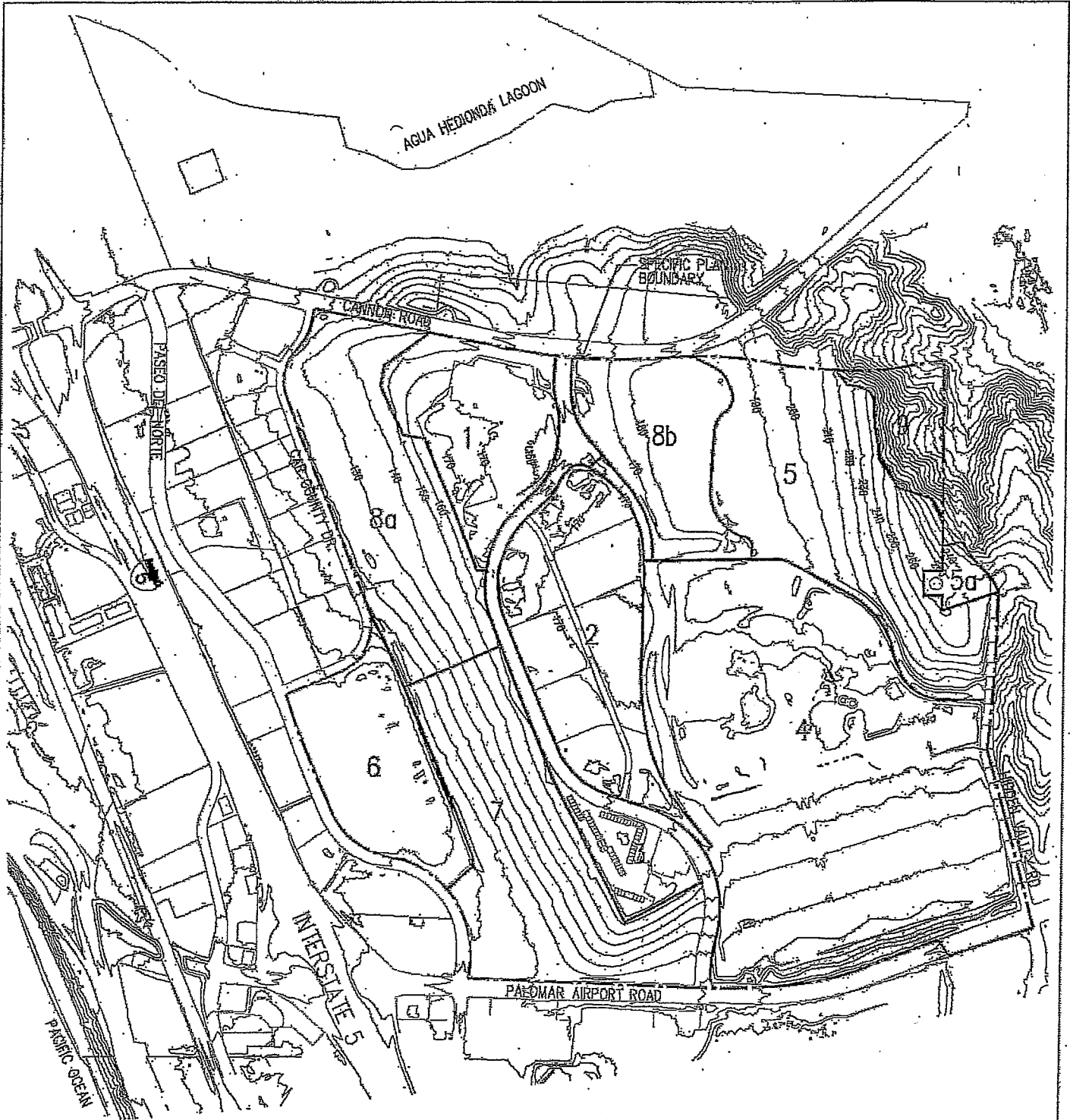
- City of Carlsbad City Council Resolution No. 2016-022
- City of Carlsbad City Council Ordinance No. CS-292
- City of Carlsbad Planning Commission Resolution No. 7139
- City of Carlsbad Planning Commission Resolution No. 7140
- City of Carlsbad Planning Commission Resolution No. 7141
- City of Carlsbad Planning Commission Resolution No. 7142
- City of Carlsbad Planning Commission Resolution No. 7143
- City of Carlsbad LCPA LCP-6-CAR-16-0015-2 Part A submittal
- City of Carlsbad Mello II LCP
- Carlsbad Ranch Specific Plan



Project Site – Proposed Planning Area 5A with 71-room Westin Hotel and 36-unit Marbrisa timeshare



EXHIBIT NO. 1
Vicinity Map
LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)
California Coastal Commission



**FIGURE 10
PLANNING AREAS.**

- | | |
|------------------------------------|----------------------|
| 1 GEMOLOGICAL INSTITUTE OF AMERICA | 6 SPECIALTY RETAIL |
| 2 RESEARCH & DEVELOPMENT/OFFICE | 7 FLOWER FIELDS |
| 3 COMMUNITY HOTEL & RETAIL | 8a GOLF COURSE |
| 4 LEGO FAMILY PARK | 8b GOLF COURSE |
| 5 RESORT | 9 NATURAL OPEN SPACE |
| 5a RESORT | |

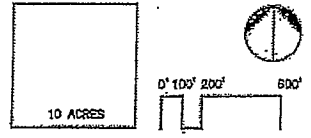


EXHIBIT NO. 2

Carlsbad Ranch Specific Plan Map

LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)

California Coastal Commission

RECEIVED

Exhibit 3

MAR 18 2016

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

RESOLUTION NO. 2016-021

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, CERTIFYING AN ENVIRONMENTAL IMPACT REPORT EIR 15-02, ADOPTING THE CANDIDATE FINDINGS OF FACT AND THE MITIGATION MONITORING AND REPORTING PROGRAM, APPROVING A GENERAL PLAN AMENDMENT GPA 14-03 TO AMEND THE LAND USE MAP OF THE GENERAL PLAN FROM PUBLIC/PLANNED INDUSTRIAL/OFFICE (P/PI/O) TO VISITOR COMMERCIAL (VC), AND APPROVING A LOCAL COASTAL PROGRAM AMENDMENT LCPA 14-03 CHANGING THE COASTAL LAND USE AND ZONING DESIGNATIONS TO BE CONSISTENT WITH CITY LAND USE AND ZONING ON 3.6 ACRES OF LAND GENERALLY LOCATED WEST OF THE CROSSINGS DRIVE AND NORTH OF GRAND PACIFIC DRIVE IN THE NORTH WEST QUADRANT OF THE CITY WITHIN THE MELLO II SEGMENT OF THE LOCAL COASTAL PROGRAM AND IN LOCAL FACILITIES MANAGEMENT ZONE 8.

CASE NAME: WESTIN HOTEL AND TIMESHARE

CASE NO.: EIR 15-02/GPA 14-03/LCPA 14-03

WHEREAS, Grand Pacific Resorts LLC ("Applicant") has applied for approval of the Westin Hotel and Timeshare ("Project") on approximately 3.6 acres generally located west of the Crossings Drive and east of Grand Pacific Drive in the northwest quadrant of the City of Carlsbad in Local Facilities Management Zone 8; and

WHEREAS, the Project includes, among other things, a request for approval of General Plan Amendment GPA 14-03 and Local Coastal Program Amendment LCPA 14-03; and

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000, et seq., and its implementing regulations, 14 California Code of Regulations Section 15000, et seq. ("CEQA Guidelines"), the City of Carlsbad ("City") as lead agency prepared a Draft Environmental Impact Report ("Draft EIR") for the Project and circulated the Draft EIR for public review and comment as required by law; and

WHEREAS, the City received and responded to public comments on the Draft EIR and determined that the comments did not raise any significant environmental issues not already addressed in the Draft EIR; and

EXHIBIT NO. 3
Resolution
LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)
California Coastal Commission

1 WHEREAS, the City has prepared a Final Environmental Impact Report ("Final
2 EIR"), which includes the Draft EIR, technical appendices, public comments and the responses to
3 public comments on the Draft EIR and all other information required by CEQA Guidelines section
4 15132, which has been filed with the City Clerk; and
5

6 WHEREAS, pursuant to CEQA, the City has prepared a Mitigation Monitoring and
7 Reporting Program, which has been filed with the City Clerk; and

8 WHEREAS, on December 16, 2015, pursuant to the provisions of the Municipal
9 Code, the Planning Commission held a duly noticed public hearing as prescribed by law to
10 consider the Westin Hotel and Timeshare Final Environmental Impact Report EIR 15-02, General
11 Plan Amendment GPA 14-03, and Local Coastal Program Amendment LCPA 14-03, and adopted
12 Planning Commission Resolutions No. 7138, 7139, and 7141 respectively, recommending that the
13 City Council certify Final Environmental Impact Report 15-02 and approve General Plan
14 Amendment 14-03 and Local Coastal Program Amendment 14-03; and
15

16 WHEREAS, on January 26, 2016, the City Council of the City of Carlsbad ("City
17 Council") continued the duly noticed public hearing to consider Environmental Impact Report EIR
18 15-02, General Plan Amendment 14-03, and Local Coastal Program Amendment 14-03 to
19 February 23, 2016; and
20

21 WHEREAS, on February 23, 2016 the City Council of the City of Carlsbad held a duly
22 noticed public hearing to consider Environmental Impact Report EIR 15-02, General Plan
23 Amendment 14-03, and Local Coastal Program Amendment 14-03; and,
24

25 WHEREAS, at said public hearing, all materials with regard to the Project were
26 made available to the City Council for its review and consideration and the City Council heard and
27 considered the testimony and materials presented by all persons desiring to be heard, and
28

1 considered all factors relating to Environmental Impact Report 15-02, General Plan Amendment
2 14-03, and Local Coastal Program Amendment 14-03; and

3 WHEREAS, having reviewed and considered all testimony and materials made available to
4 it, including but not limited to Final Environmental Impact Report 15-02, the staff reports and all
5 the testimony and evidence in the record of the proceedings with respect to the Project, the City
6 Council took the actions hereinafter set forth.

7
8 NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad as
9 follows:

- 10 1. The City Council finds the facts recited above are true and correct.
- 11 2. The City Council finds and determines that the applicable provisions of
12 CEQA and the CEQA Guidelines have been duly observed in conjunction with the Project and said
13 hearings and the consideration of this matter and all of the previous proceedings related thereto.
- 14 3. The City Council finds and determines that (a) the Final Environmental
15 Impact Report 15-02 is complete and adequate in scope and has been completed in compliance
16 with CEQA and the CEQA Guidelines for implementation thereof, (b) the Final Environmental
17 Impact Report 15-02 was presented to the City Council and the City Council has fully reviewed
18 and considered the information in Final Environmental Impact Report 15-02 prior to approving
19 the Project, (c) the Final Environmental Impact Report 15-02 reflects the City Council's
20 independent judgment and analysis, and, therefore, Final Environmental Impact Report 15-02 is
21 hereby declared to be certified in relation to the subject of this Resolution.
- 22 4. The City Council finds and determines that the Project is approved,
23 pursuant to Public Resources Code Section 21081 and CEQA Guidelines Section 15091, the City
24 Council hereby makes and adopts the findings with respect to each significant environmental
25 effect as set forth in the Findings of Fact, appended hereto as Exhibit "A" and made a part hereof
26 by this reference, and declares that it considered the evidence described in connection with each
27 such finding.
- 28 5. With respect to the significant environmental effects identified in Final
Environmental Impact Report 15-02 and pursuant to Public Resources Code Section 21081.6 and
CEQA Guidelines Section 15091(d), the City Council hereby adopts and approves the Mitigation
Monitoring and Reporting Program, which is appended hereto as Exhibit "B" and is made a part
hereof by this reference, and hereby makes and adopts the provisions of the Mitigation
Monitoring and Reporting Program as conditions of approval for the Project.

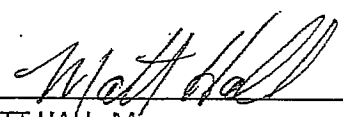
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 23rd day of February 2016, by the following vote to wit:

AYES: Council Members Hall, Wood, Schumacher, Blackburn, Packard.


NOES: None.

ABSENT: None.

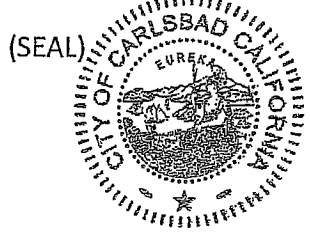


MATT HALL, Mayor

ATTEST:



BARBARA ENGLESON, City Clerk



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDINANCE NO. CS-293

AN ORDINANCE OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A SPECIFIC PLAN AMENDMENT TO ANNEX 3.6 ACRES INTO PLANNING AREA 5 AS PLANNING AREA 5A AND TO ESTABLISH DEVELOPMENT STANDARDS FOR PLANNING AREA 5A WITHIN THE CARLSBAD RANCH SPECIFIC PLAN LOCATED NORTH OF LEGOLAND CALIFORNIA, SOUTH OF CANNON ROAD, EAST OF LEGOLAND DRIVE, AND WEST OF THE CROSSINGS GOLF COURSE IN LOCAL FACILITIES MANAGEMENT ZONE 8.

CASE NAME: WESTIN HOTEL AND TIMESHARE
CASE NO.: SP 207(K)

The City Council of the City of Carlsbad, California, does ordain as follows:

WHEREAS, the Carlsbad Ranch Specific Plan (SP 207) was originally adopted by City Council Ordinance No. NS-227 on March 16, 1993 and has been amended several times and contains the uses, development standards and design for the development of the subject property; and

WHEREAS, The Carlsbad Ranch Specific Plan is the implementing ordinance for this property which is in the Coastal Zone; and

WHEREAS, the amendment is desirable to take advantage of the unique position of Planning Area 5 within the Carlsbad Ranch which is designated for commercial visitor serving uses; and

WHEREAS, the City Council of the City of Carlsbad has reviewed and considered Specific Plan Amendment SP 207(K) for the Carlsbad Ranch Specific Plan; and

WHEREAS, after procedures in accordance with requirements of law, the City Council has determined that the public interest indicates that said Specific Plan Amendment (SP 207(K)) be approved.

NOW, THEREFORE, the City Council of the City of Carlsbad does ordain as follows:

EXHIBIT NO. 4
Ordinance
LCP-6-CAR-16-0015-2 Part A (Westin Hotel and Timeshare)
California Coastal Commission

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SECTION I: That SP 207(K), on file in the Planning Division, and incorporated herein by reference, is adopted. The Carlsbad Ranch Specific Plan shall constitute the development plan for the property and all development within the plan area shall conform to the plan.

SECTION II: That the Carlsbad Ranch Specific Plan (SP 207), as amended to date, and further amended by Specific Plan Amendment 207(K), dated December 16, 2015, is approved.

SECTION III: That Specific Plan Amendment 207(K) replaces text in the Carlsbad Ranch Specific Plan, as shown on attachment "PLANNING AREA 5 AND 5A - RESORT."

SECTION IV: That the findings and conditions of the Planning Commission in Planning Commission Resolution No. 7142 shall constitute the findings and conditions of the City Council.

EFFECTIVE DATE: This ordinance shall be effective thirty days after its adoption; and the city clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption. *(Notwithstanding the preceding, this ordinance shall not be effective until approved by the California Coastal Commission.)*

INTRODUCED AND FIRST READ at a regular meeting of the Carlsbad City Council on the 23rd day of February, 2016, and thereafter.

///
///
///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 8th day of March, 2016, by the following vote to wit:

AYES: Council Members Hall, Wood, Schumacher, Blackburn, Packard.


NOES: None.

ABSENT: None.

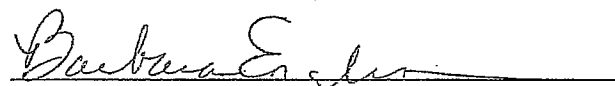
ABSTAIN: None.

APPROVED AS TO FORM AND LEGALITY

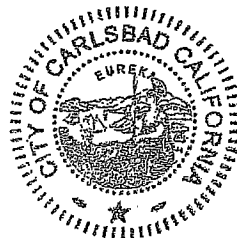

CELIA A. BREWER, City Attorney


MATT HALL, Mayor

ATTEST:


BARBARA ENGLESON, City Clerk

(SEAL)



F. PLANNING AREA 5 and 5A - RESORT

Planning Areas 5 and 5A are designated as full-service destination resort is proposed on approximately ~~52.8~~ 56.4 acres parcel in the northeast corner of the Carlsbad Ranch. This resort(s) will include up to a maximum of 380 timeshare suites and 409 hotel rooms and will target the large group professional and business meeting market as well as the leisure market. The meeting market typically combines business with recreation and increasingly includes family members of the business representative. The surrounding uses including LEGOLAND Carlsbad, The Crossings municipal golf course, retail facilities and nearby beaches make this a particularly desirable meeting and leisure destination.

Accommodations at the resort(s) will vary from single hotel rooms to two-bedroom suites with kitchens integrated into the topography using terraced buildings and featuring ocean views, overlooking extensively landscaped open areas and courtyards. Elevated walkways may be used to connect resort buildings linking meeting facilities, suites, and a selection of dining experiences. ~~A sports club may combine a fitness center and dining with an emphasis on healthy, light cuisine. This facility could provide sports medicine, tennis pro shop, weight training, racquetball, steam rooms, saunas and aerobics.~~

The meeting and conference center(s) will offer function space with the ability to mix and match agendas to accommodate groups from 10 to 2,700 guests. Adjacent gardens and landscaped terraces will provide additional meeting and function areas. ~~Most Resort facilities including the tennis facilities, sports club spa and dining will be designed to encourage use by the general public as well as the resort guests. Figure 46 on page 150 shows some of the planning features for the resort.~~

A pedestrian/bike/golf cart trail shall be provided from the eastern portion of **The Crossings municipal golf course** along the southerly edge of Planning Area 5 to provide a link ~~from the specific plan golf course to the future City golf course to the east of the specific plan. The trail shall be designed as shown on Figure 52 on page 169.~~

1. GENERAL DEVELOPMENT STANDARDS: PLANNING AREAS 5 AND 5A

The following are specific development and design guidelines applicable to this Planning Area. However, Section III.A. GENERAL DEVELOPMENT STANDARDS AND DESIGN GUIDELINES beginning on page 63 contains additional development standards and design guidelines that are applicable to all Planning Areas within this Specific Plan Amendment.

a. Permitted Uses

- Hotels;
- Commercial Living Units (Timeshare) may be permitted by the City Council in conjunction with a hotel(s) project;

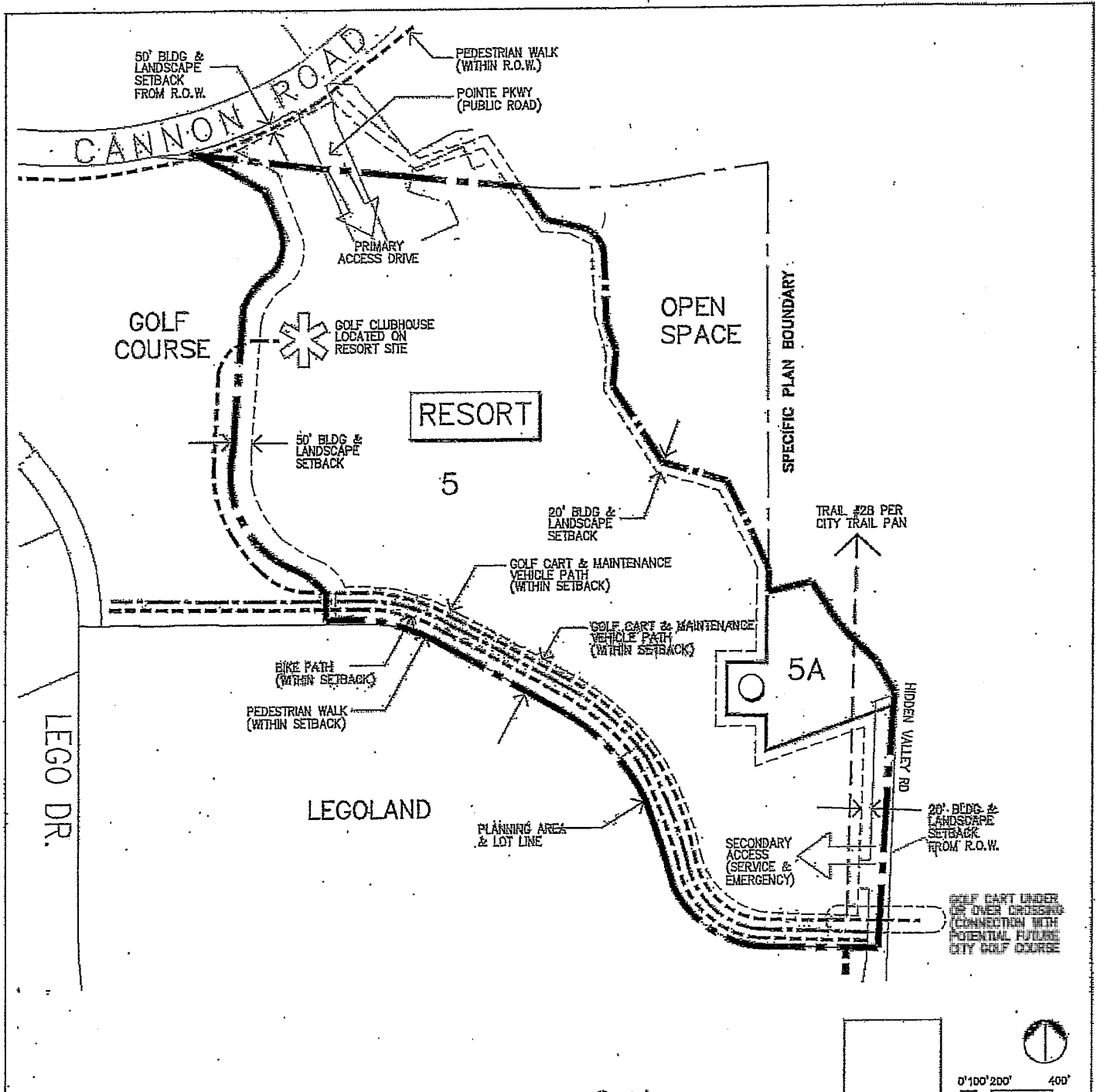


FIGURE 46
 PLANNING AREA 5/5A - RESORT

55.94
~~56.14~~

LAND USE : RESORT
 NET PARCEL AREA: ~~52.30~~ ACRES
 DEVELOPMENT PROGRAM: DESTINATION RESORT HOTEL,
 MEETING SPACE, RESTAURANT,
 RECREATION AND ASSOCIATED
 FACILITIES: TOTAL 647,000 SF.

790,250

AL

Accessory Uses - The following uses are permitted only as accessory uses **when incorporated into the main resort building(s).**

- Retail related to the resort;
- Restaurants, not including drive-up or drive-in services;
- Health and Fitness Clubs;
- Daycare facilities for child care;
- Personal Services; Barbers, Beauty Shops, etc.;
- Art Galleries/Museums;
- Administrative and Business Offices for the resort;
- Bars and Nightclubs as a part of the resort or restaurant;
- ~~Horse Stables—provided that all stables are located at least 40' from any building used for human habitation and 25' from any property line. In addition, Carlsbad's Citywide Trail System must be revised to allow equestrian use of the portions of the trail adjacent to the resort.~~

b. Building and Landscape Parking Setbacks

The following building and parking setbacks shall be landscaped and conform to the requirements of the Commercial Tourist (C-T) Zone requirements (Chapter 21.29 of the Carlsbad Municipal Code) which apply to the project and as follows:

Building and Landscape Setbacks -

From Cannon Road right-of-way:	50 feet
From The Crossings Drive right-of-way:	20 feet
From outer western perimeter boundary and LEGOLAND Carlsbad	50 feet
From outer eastern perimeter boundary	20 feet
From internal lot lines	Zero

Parking Setbacks -

From all outer perimeter boundaries	15 feet
-------------------------------------	----------------

c. Building Height

Building heights shall conform to the building height standards of the ~~City's Zoning Ordinance (Chapters 21.04 and 21.29.060 of the Carlsbad Municipal Code) except as modified in this section.~~

The habitable portion of buildings shall not exceed a height of 35 feet and/or three levels, and allowed height protrusions as described in C.M.C. Section 21.46.020 shall not exceed 45 feet. Additional habitable building height may be permitted up to a maximum of 45 feet in height and/or four levels, through a Site Development Plan approved by the City Council. Allowed height protrusions as

described in C.M.C. Section 21.46.020 shall not exceed 55 feet, **with the exception of an elevator tower connecting resort facilities and buildings on PA-5 and PA-5A that may be allowed up to 80 feet in height, subject to the following:**

i. All required **street and perimeter building** setbacks shall be increased at a ratio of one horizontal foot for every one foot of vertical construction beyond 35 feet. ~~The additional setback area will be maintained as landscaped open space;~~

ii. The building conforms to the requirements of Section 18.04.170 of the Carlsbad Municipal Code; and

iii. The allowed height protrusions as described in Section 21.46.020 of the Carlsbad Municipal Code (1) do not function to provide usable floor area; (2) do not accommodate and/or screen building equipment; (3) do not adversely impact adjacent properties; (4) are necessary to ensure a building's design excellence.

d. Parking Standards

i. **Joint and common use parking facilities, up to 15% of the total required onsite,** are allowed within the resort(s) based on the potential for shared/off-peak uses. Specific ~~reductions~~ percentages allowed ~~of in parking requirements~~ shall be determined based on provisions set forth in Section 21.44.050(a)(4) of the Carlsbad Municipal Code.

ii. **Hotel and Timeshare Units:**

Conventional

1.2 parking stall

Lock-off

1.5 parking stall

2. DESIGN GUIDELINES

a. Building Orientation

The main building will be located near the resort entrance off Cannon Road. It will be oriented to provide views of Carlsbad Ranch and the ocean beyond from a maximum number of suites. Likewise, the other lodging buildings will be sited on the steeper terrain to the south of the main building to maximize views.

b. Architectural Character

All buildings shall reflect a Mediterranean vocabulary. Distinctive architectural features characteristic of this style such as courtyards, arcades, balconies, terraces, arches and arbors shall be encouraged to create richness and visual interest to the buildings.

c. Building Materials

Building materials should incorporate or be generally compatible with a Mediterranean architectural vocabulary and shall be durable and high quality. Exterior wall and roof colors should be of low intensity earth tones. The buildings should be predominantly stucco walls with sloping tile roofs. Other materials which are permitted as accents for exterior walls are ceramic tile, ornamental wrought iron, natural stone, decorative block, wood or other compatible natural building materials.

d. Building Form and Massing

The resort buildings shall be well articulated by changes in horizontal and vertical planes to reduce the appearance of bulk and create interesting building silhouettes. Features such as arches, loggias, balconies, elevated walkways and window and entry recesses will be used to provide additional visual interest and detail.

e. Building Roof Tops

Sloping roofs, varying roof heights and forms shall be used to provide interesting building silhouettes. Rooftop mechanical equipment, **with the exception of photo voltaic systems**, shall be screened, enclosed and architecturally incorporated into visually interesting building tops.

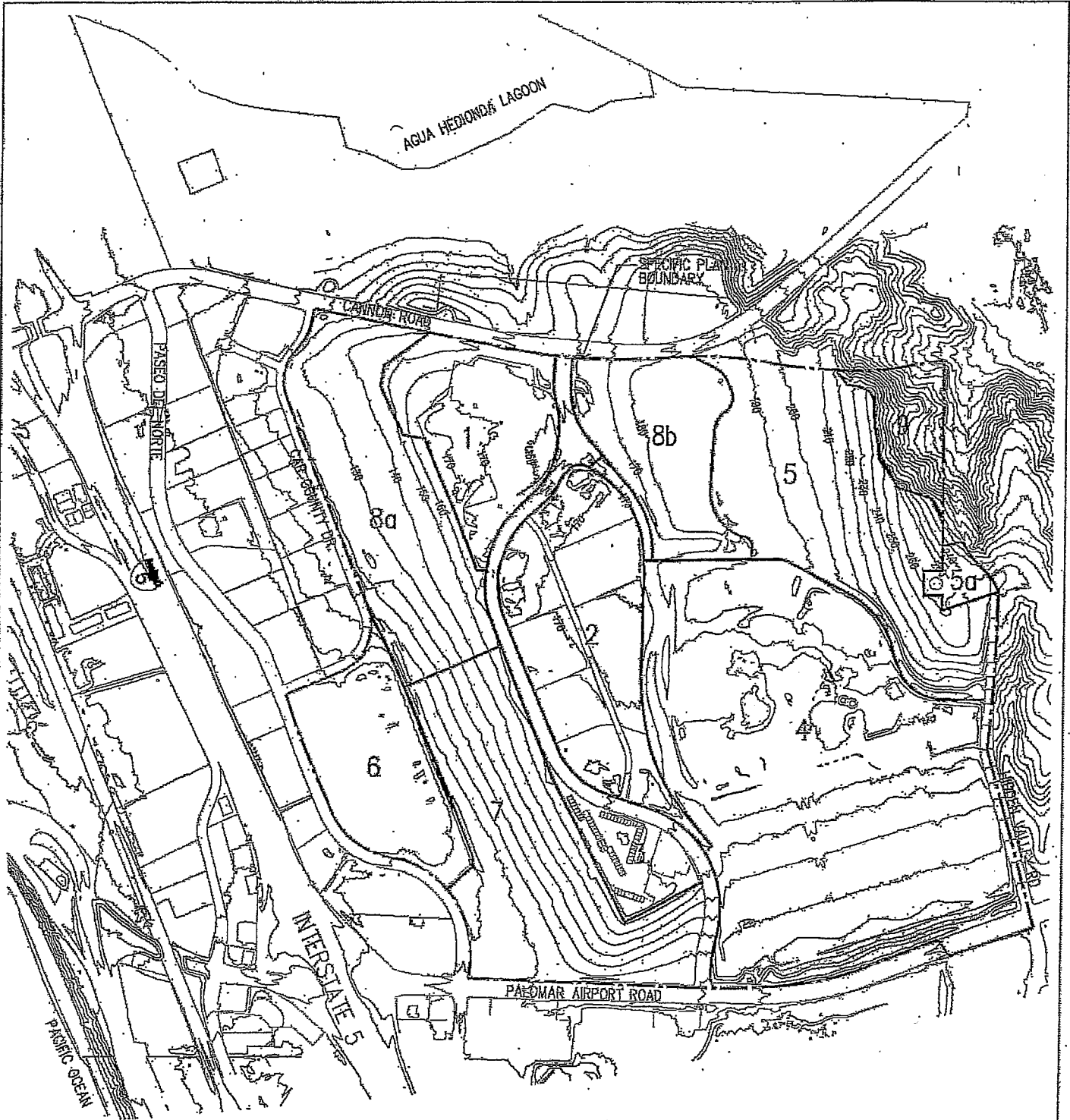
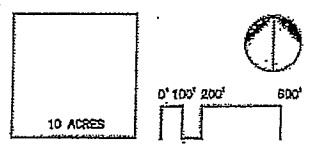


FIGURE 10
PLANNING AREAS.



- | | |
|------------------------------------|----------------------|
| 1 GEMOLOGICAL INSTITUTE OF AMERICA | 6 SPECIALTY RETAIL |
| 2 RESEARCH & DEVELOPMENT/OFFICE | 7 FLOWER FIELDS |
| 3 COMMUNITY HOTEL & RETAIL | 8a GOLF COURSE |
| 4 LEGO FAMILY PARK | 8b GOLF COURSE |
| 5 RESORT | 9 NATURAL OPEN SPACE |
| 5a RESORT | |

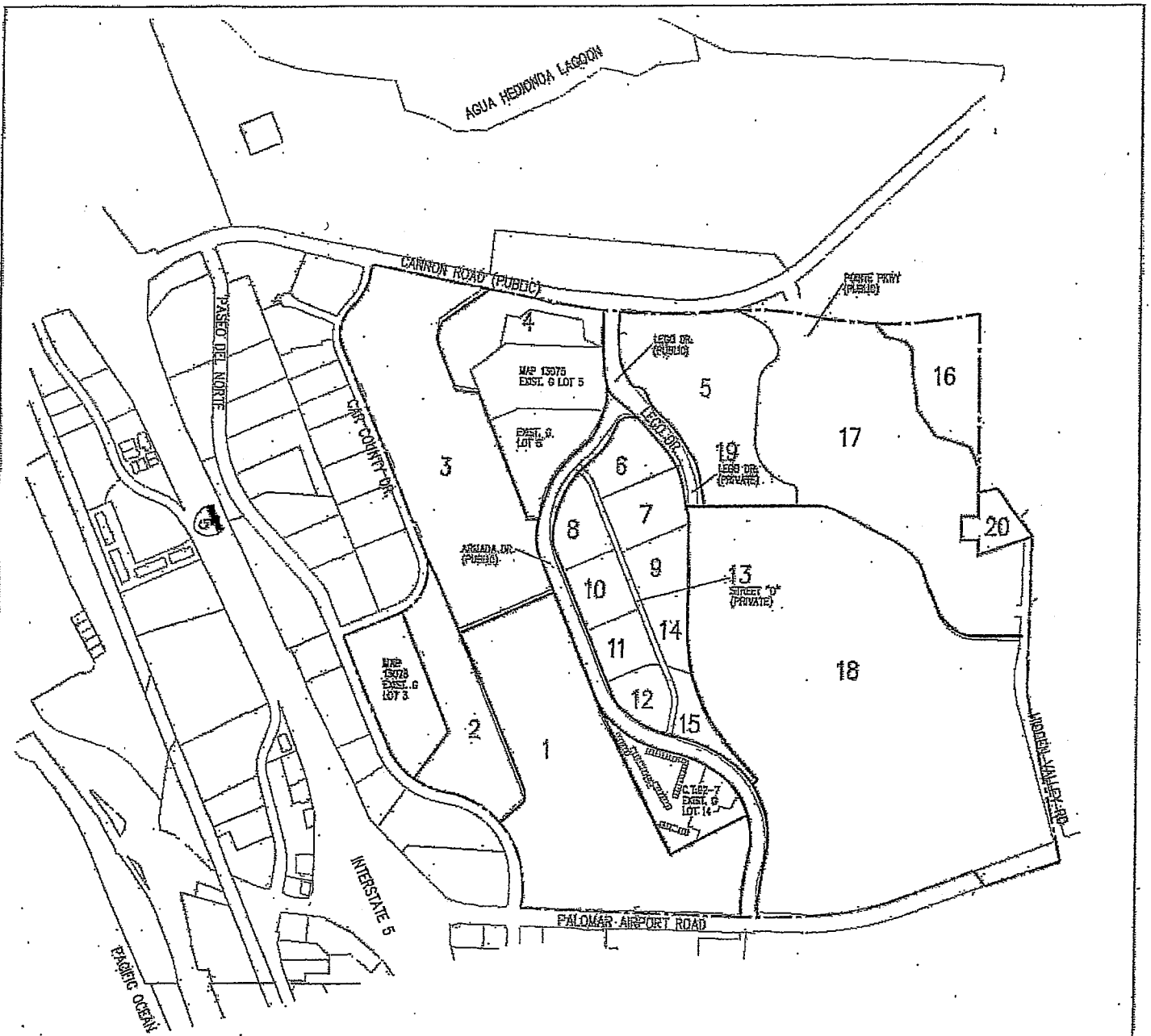
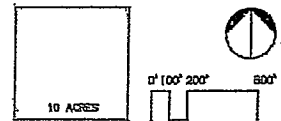


FIGURE 12
PARCELIZATION

Parcel	Acres (net)	Parcel	Acres (net)
1 - AGRICULTURE	53.42	16 - OPEN SPACE	10.00
2 - RETAIL	15.95	17 - RESORT	52.80
3 - GOLF	45.61	18 - LEGO	128.32
4 - G.I.A./ALT.	10.87	19 - LEGO DR. (PRIVATE)	0.94
5 - GOLF	26.46	20 - RESORT	3.14
6 - R & D	5.78	MAP 13078, LOT 3 - RETAIL	10.70
7 - R & D	5.78	MAP 13078, LOT 5 - G.I.A.	10.30
8 - R & D	4.84	MAP 13078, LOT 6 - G.I.A.	7.76
9 - R & D	4.00	CT92-7, LOT 14 - HOTEL/RETAIL	10.48
10 - R & D	4.95	PASEO DEL NORTE	0.08
11 - R & D	4.03	POINTE PKWY.	0.10
12 - R & D	3.79	CANNON RD.	3.02
13 - STREET "D"	1.97	LEGO DR.	2.49
14 - R & D	3.38	ARMADA DR.	10.89
15 - R & D	3.48	HIDDEN VALLEY RD.	2.84
		PALOMAR AIRPORT RD.	2.39
		TOTAL SPECIFIC PLAN	450.54 ac



NOTE: REFER TO TENTATIVE
MAP FOR PRECISE PARCEL
LINES AND ACREAGES.

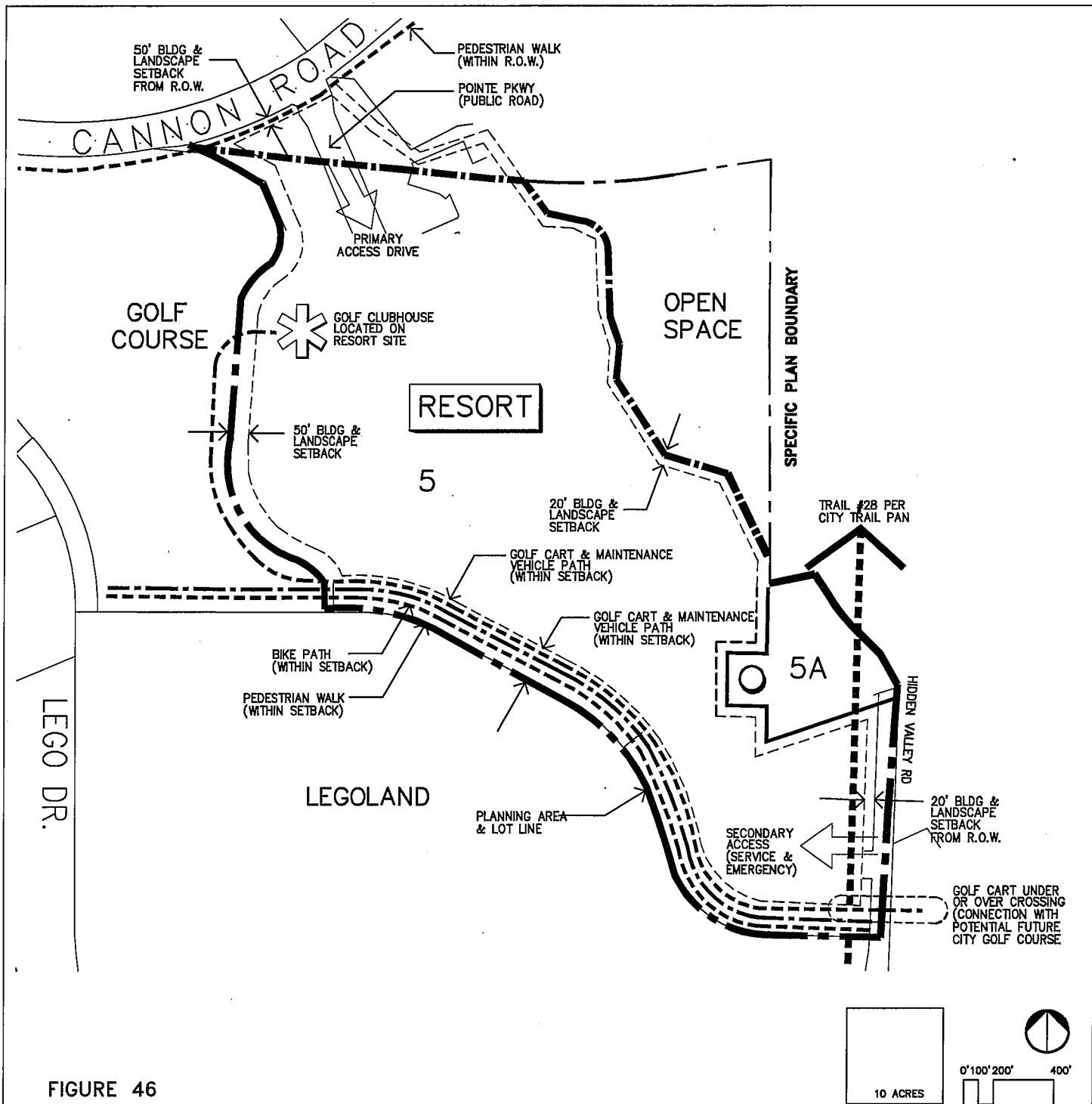


FIGURE 46
PLANNING AREA 5/5A- RESORT

LAND USE : RESORT
 NET PARCEL AREA: 55.94 ACRES
 DEVELOPMENT PROGRAM: DESTINATION RESORT HOTEL, 700 ROOMS.
 MEETING SPACE, RESTAURANT, RECREATION
 AND ASSOCIATED
 FACILITIES: TOTAL 790,880 SF.