

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
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original staff report

Th 18b

Addendum

February 3, 2017

To: Commissioners and Interested Persons

From: California Coastal Commission
San Diego Staff

Subject: Addendum to **Item 18b**, Coastal Commission Permit Application
#6-13-022-A1 (Bikeway Village, LLC), for the Commission Meeting of
February 9, 2017

The purpose of this addendum is to include public comment letters received since the publication of the staff recommendation. Staff recommends the following changes be made to the above-referenced staff report. Deletions shall be marked by a ~~strike through~~ and additions shall be underlined:

1. Add new Exhibit 5 – Letter of Support



City of Imperial Beach, California

OFFICE OF THE MAYOR

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

January 27, 2017

California Coastal Commission
San Diego Coast District Office
7575 Metropolitan Drive #103
San Diego, CA 92108

Honorable Coastal Commissioners,

Thank you for your consideration of an amendment to the Coastal Permit for Bikeway Village. Both the City Manager and I wish we could attend the meeting in person, but other official responsibilities conflict with the February meeting of the Coastal Commission. It is important for the Commission to know that both the applicant and the City of Imperial Beach have made a concerted effort to identify an operator for a hostel as anticipated in the original approval. After years of recruiting and several meetings with potential operators, it is clear that this specific location is not conducive to the operation of a successful hostel.

Fortunately, a local business owner that owns a successful restaurant and brewery in Imperial Beach has expressed interest in opening a restaurant, brewery and distillery for the entire western building of the Bikeway Village project that would provide an experience for the public unlike any other in the South Bay of San Diego. We are very excited and supportive of the concept and stand in full support of the amendment to the Coastal Permit proposed by the owner of Bikeway Village.

Although this location may not be ideal for a hostel, the City of Imperial Beach remains committed to protecting and encouraging preservation of the coastal environment and appropriate coastal access for persons of all income levels. Together with the staff of the San Diego District Office, we look forward to our collaborative effort to implement the important elements of the Coastal Act.

Again, thank you for your consideration and I am confident that after deliberation, you will be able to approve the request of the applicant and move the recommendation of the staff.

Most Respectfully,

Serge Dedina
Mayor of Imperial Beach

CC: Coastal Commission Staff, San Diego District Office
Andy Hall, Imperial Beach City Manager
Rex Butler, Owner of Bikeway Village and Applicant

EXHIBIT NO. 5

APPLICATION NO.

6-13-022-A1

Letter of Support



California Coastal Commission

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
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Th 18b

Filed: 1/6/17
180th Day: 7/4/17
Staff: K. Carney-SD
Staff Report: 1/25/17
Hearing Date: 2/9/17

STAFF REPORT: AMENDMENT

Application No.: 6-13-022-A1

Applicant: Bikeway Village, LLC

Agent: Cynthia Morgan-Reed

Location: 535 Florence Street; 500 & 536 13th Street, Imperial Beach, San Diego County. APN No: 626-192-03 &-04; 621-021-10

Original Project Description: Conversion of two existing warehouse buildings into a 50-bed hostel, community room, public restrooms, commercial retail/café, and other ecotourist related uses on a 2.12-acre site located immediately south of the Bayshore Bikeway.

Proposed Amendment: Replace the hostel and retail uses in the western warehouse with an approximately 15,200 sq. ft. restaurant, microbrewery, and event space.

Staff Recommendation: Approval with Conditions

SUMMARY OF STAFF RECOMMENDATION

In June 2013, the Coastal Commission approved Coastal Development Permit (CDP) No. 6-13-022 for the conversion of two existing warehouse buildings into a variety of tourist-commercial related uses including a 2-story, 50-bed hostel, a 928 sq. ft. community room, and approximately 18,983 sq. ft. of retail commercial space, as well as exterior

improvements including publicly accessible decks, tables, seatwalls and a fire pit, an ADA accessible observation deck, and bicycle parking. A portion of the site is within the City's coastal development permit jurisdiction, and a portion is within the Commission's jurisdiction; at the applicant's and City's request, the Commission issued a consolidated permit for the development.

The proposed amendment would modify the uses in the western building, which included the hostel, community room, and approximately 6,383 sq. ft. of retail commercial space in the original permit. Despite several years of efforts, the applicant has been unable to secure a hostel operator for the space and, therefore, is proposing the new use. The previously approved uses in the western building would be replaced with an approximately 15,200 sq. ft. microbrewery, restaurant, and event space. No changes to the eastern building or the exterior of the property as described in the original permit are proposed.

The hostel would have provided low-cost overnight accommodations, a high-priority use under the Coastal Act. However, construction of a hostel on the subject site was not a requirement for redevelopment of the site, or mitigation for any other project. The subject site was previously developed with legal non-conforming warehouse uses, and zoned "Two-Family Detached Residential." In 2013, the site was rezoned and designated in the certified LCP as "Commercial/Recreation-Ecotourism" (LCPA 6-IMB-MAJ-1-12), which allows for a variety of visitor and non-visitor-serving commercial retail and recreational uses. A restaurant/microbrewery is a permitted use in this land use designation, and is a visitor-serving use. The proposed change in use will not have any impacts on the sensitive habitat or recreational resources at the nearby South Bay Salt Ponds and Bayshore Bikeway, including water quality. The proposed change in use will have different parking requirements, however, a surplus of parking created in the original permit can accommodate the new microbrewery/restaurant use, as well as the previously approved uses, without impacting public parking and access to the Bayshore Bikeway. However, because the proposed microbrewery requires fewer parking spaces than a traditional restaurant, conversion of the space to a traditional restaurant could impact public parking and access. Therefore, staff is recommending **Special Condition No. 7**, which requires that any future development shall require an amendment to this permit (CDP #6-13-022-A1) from the California Coastal Commission or shall require an additional coastal development permit.

Commission staff recommends **approval** of coastal development permit amendment 6-13-022-A1 as conditioned.

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I. MOTION AND RESOLUTION

Motion:

*I move that the Commission **approve** the proposed amendment to Coastal Development Permit Application No. 6-13-022-A1 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 amendment 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 amendment 6-13-022-A1 and adopts the findings set forth below on grounds that the development as amended and conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

NOTE: Appendix A, attached, includes all standard and special conditions that apply to this permit, as approved by the Commission in its original action and modified and/or supplemented by all subsequent amendments, including this amendment no. 6-13-022-A1. All of the Commission's adopted special conditions and any changes in the project description proposed by the applicant and approved by the Commission in this or previous actions continue to apply in their most recently approved form unless explicitly changed in this action. New conditions and modifications to existing conditions imposed in this action on amendment no. 6-13-022-A1 are shown in the following section. Within Appendix A, changes to the previously approved special conditions are also shown in strikeout/underline format. This will result in one set of adopted special conditions.

1. [Special Condition No. 1 of CDP No. 6-13-022 remains unchanged and in effect]

2. [Special Condition No. 2 of CDP No. 6-13-022 remains unchanged and in effect]
3. [Special Condition No. 3 of CDP No. 6-13-022 remains unchanged and in effect]
4. [Special Condition No. 4 of CDP No. 6-13-022 remains unchanged and in effect]
5. [Special Condition No. 5 of CDP No. 6-13-022 remains unchanged and in effect]
6. [Special Condition No. 6 of CDP No. 6-13-022 remains unchanged and in effect]

7. Future Development. This permit is only for the development described in coastal development permit (CDP) #6-13-022-A1. Except as provided in Public Resources Code section 30610 and applicable regulations, for any future development as defined in PRC section 30106, including, but not limited to, the conversion of the proposed microbrewery into a traditional restaurant or any other change in the density or intensity of use, the applicant shall apply for an amendment to CDP #6-13-022 from the California Coastal Commission, unless the Executive Director determines that an amendment is not legally required.

III. FINDINGS AND DECLARATIONS

A. PROJECT HISTORY/ AMENDMENT DESCRIPTION

Project History:

The proposed project is the “adaptive reuse,” or conversion, of two existing warehouse buildings into a microbrewery, restaurant, public restrooms, commercial retail, and other ecotourist related uses on a 2.12-acre site located in the City of Imperial Beach, immediately south of the Bayshore Bikeway and the salt ponds located in the San Diego National Wildlife Refuge.

The subject site consists of three lots: two of the lots are fully developed with one warehouse each, and the third lot, located to the north of the warehouses and south of the Bayshore Bikeway, was previously owned by the San Diego Airport Authority. This lot is vacant and undeveloped except for an existing bike path spur located across the northeast corner of the site that provides access to the Bayshore Bikeway from the terminus of 13th Street. The applicant has indicated that the existing warehouses were constructed sometime between 1964 and 1980.

The project site was the subject of a Local Coastal Program (LCP) Amendment approved by the Commission in March 2013 to rezone and redesignate this site from Two-Family Detached Residential to a new land use category and zone entitled Commercial/Recreation-Ecotourism (C/R-ET). This new designation/zone, which applies only to the three lots comprising the subject site, is intended to provide land that meets the demand for goods and services required primarily by the recreational and ecotourist visitor, including pedestrian-oriented, small-scale visitor-serving retail and services such

as specialty stores, shops, eating and drinking establishments (such as restaurants and cafés), recreational uses, fitness, athletic and health club uses, and visitor accommodations (such as hostels, hotels, and motels). Other non-visitor-serving uses such as professional offices and live/work units are also permitted.

In June 2013, the Commission approved a permit for: conversion of the western warehouse building into a 2-story, 50-bed hostel, a 928 sq. ft. community room, and approximately 6,383 sq. of retail commercial space, conversion of the eastern building into 12,600 sq. of retail commercial and a public restroom, construction of a new deck on the north side of the buildings, with tables, seat walls and a fire pit, an ADA accessible observation deck, and landscaped area, as well as native, non-invasive, drought-tolerant vegetation throughout the site.

Since the original permit was approved in 2013, Commission staff, City staff, and the applicant have had discussions regarding the hostel use. After several years of efforts to secure a hostel operator for the site, the applicant asserts that the site is unsuitable for hostel development (described in detail below in Section B. Public Access/Visitor-serving Commercial/Lower-cost facilities) and is proposing the subject amendment to modify the project's uses.

Amendment Description: The proposed amendment would modify the uses in the western building, which previously included a 2-story, 50-bed hostel, a 928 sq. ft. community room, and approximately 6,383 sq. of retail commercial space in the original permit. These uses would be replaced with an approximately 5,800 sq. ft. restaurant, a 1,000 sq. ft. event space, and a 5,100 sq. ft. brewery with accessory spaces related to the manufacturing. No changes are proposed to the uses in the eastern warehouse building, to the exterior of the site, or to the parking included in the original permit.

The majority of the proposed project area is within the Commission's original jurisdiction. However, a portion of the previously-proposed new parking spaces on 13th Street are located within the City's coastal permit jurisdiction. The City and the applicant agreed to a consolidated permit, and thus the Commission issued the permit for the entire project. Therefore, the standard of review for the project and this amendment is the Chapter 3 policies of the Coastal Act, with the certified LCP used as guidance.

B. VISITOR-SERVING COMMERCIAL/LOWER-COST FACILITIES

Section 30213

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

Section 30221

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

Section 30222

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.

In addition, there are numerous relevant policies in the certified LCP, which is used for guidance:

Policy L-6 and L-9 states:

L-6 Tourist Commercial Uses

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

L-9 Lower Cost Visitor and Recreational Facilities

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

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

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

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

P-2 Ocean and Beach Are The Principal Resources

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

P-7 Increase Tourist Related Commercial Land Uses

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

Pursuant to the public access policies of the Coastal Act, and particularly Section 30213, the Commission has the responsibility to ensure that a range of affordable facilities be provided in new development along coastal waters. The requirement of the Commission, based upon multiple precedents, is that developers of sites suitable for overnight accommodations, particularly sites that have been designated for hotel uses, will provide facilities that serve people with a range of incomes [HNB-MAJ-2-06 (Huntington Beach Timeshares); A-6-PSD-8-04/101 (San Diego Lane Field); A-5-RPV-2-324 (Rancho Palos Verdes-Long Point); RDB-MAJ-2-08 (Redondo Beach); SBV-MAJ-2-08 (Ventura); 5-98-156-A17 (Long Beach Pike Hotel); LOB-MAJ-1-10 (Long Beach Golden Shore)]. The Commission has also held several workshops (December 2014, March 2015, November 2016) to discuss strategies for protecting and promoting lower cost overnight accommodations.

Commission and City staff have worked with the applicant for the last several years to encourage the successful placement of a hostel in Bikeway Village. In November 2015, Commission and City staff jointly wrote to the applicant stating that a hostel is the primary goal for the western building and an important feature for both the City and the Commission, and that every effort to secure a hostel must be taken before any discussion of a new proposal should begin.

To verify their multi-year effort to secure a hostel, the applicant provided a letter from a representative of Hostelling International and a summary of outreach conversations with 10 other regional hostel operators (Exhibit 4). In summary, the hostel operators interviewed did not believe that the subject site would provide a suitable location for a hostel because it is too far removed from public transit, airports, shopping, and other attractions. Thus, the proposed amendment would allow the existing warehouse building to be redeveloped with a restaurant/micro-brewery use.

The hostel would have provided low-cost overnight accommodations, a high-priority use under the Coastal Act. However, the existing permit does not require the applicant to build a hostel; it was part of the initial project description. In terms of the proposed replacement use, under the Coastal Act, restaurants or microbreweries are also visitor-serving uses, which serve as amenities to support coastal visitors and activate a coastal destination. The proposed use is consistent with the City's certified LCP policies that encourage and support visitor-serving uses, especially in the Commercial/Recreational-Ecotourism zone.

The proposed restaurant/brewery will provide an attractive amenity for both public users of the Bayshore Bikeway and the patrons of the proposed project. The proposed bike path improvements and public overlook associated with the project as originally approved will continue to provide further low/no-cost public access and recreation benefits.

Therefore, the proposed amendment can be found in conformance with the Coastal Act and certified LCP.

C. PUBLIC ACCESS & PARKING

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.

Section 30211 of the Coastal Act states:

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

Section 30252 of the Coastal Act states:

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for high intensity uses such as high-rise office buildings...

Section 30253 of the Coastal Act states, in part:

New development shall: [...]

(4) Minimize energy consumption and vehicle miles traveled. {...}

The subject site is located immediately south of the Bayshore Bikeway. As originally approved and amended, the north side of the development will be oriented towards the bike path, and will offer a publically accessible passive recreational area for bicyclists and pedestrians. Access to the development from the bike path will be provided on paths on both the east and west side of the site. However, because the site is so close to a main accessway to the Bayshore Bikeway, it is particularly important that the uses on the site provide adequate parking to serve their demand, and ensure that patrons of the businesses do not occupy parking intended to serve the public accessing the shoreline.

The proposed use, a microbrewery with a restaurant, is not a clearly defined use in the City of Imperial Beach's LCP. A microbrewery differs from a traditional restaurant in that the entire building is not devoted to the service of food, but typically requires a fairly large area devoted to the manufacturing of alcohol products. Thus the City's parking

requirements for restaurants (1 space per 75 sq. ft. of floor area) would result in a much higher parking requirement (approximately 146 spaces) than likely appropriate for the proposed use. Section 19.48.06 of the LCP states that for uses not specifically defined, the most comparable use or professionally accepted standards should be used to determine parking requirements. As microbreweries have become more common, other cities throughout the region have updated their regulations to include and accommodate microbreweries. Staff reviewed regulations for the cities of Long Beach, Del Mar, and Oceanside and found that these jurisdictions calculate parking requirements for the restaurant portion and the brewery production space separately since their intensity of use is substantially different. Using this method, the proposed uses in the western building would require approximately 87 parking spaces. When combined with the 16 parking spaces required for the previously approved retail uses in the eastern building, the proposed project would require approximately 103 parking spaces in total.

Prior to the previously approved project, the warehouses had approximately 47 on-site parking spaces, including spaces on the western side of the western building, next to Florence Street, between the buildings, and on the eastern side of the eastern building, next to 13th Street. The City of Imperial Beach indicated that most of the parking spaces that served the warehouses, including the parking between the buildings and on the east side of the building next to 13th Street, were actually within public street right-of-way. Typically, the Commission requires that development maintain adequate off-street parking to ensure there are no unintended spillover effects that could adversely affect public access opportunities. However, in the case of the proposed project, most if not all of the existing parking historically used by the warehouses was actually within public right-of-way. In addition to these nominally “private” parking spaces, there were also approximately 15 existing public parking spaces on the east side of 13th Street, north of Cypress Avenue, which were used by people accessing the Bayshore Bikeway.

The original project was approved with a parking arrangement that allowed for some shared use of parking between the public and the private development. As approved by the Commission, the City was to continue to allow the street right-of-ways to be used for parking for the project. The existing on-site parking spaces on the west side of the building and in the redeveloped “motor court” between the buildings were approved to remain. The 14 existing private parking spaces on the east side of the eastern building were redesigned to be safer for bicyclists by shifting the spaces further east. The original project also proposed to create approximately 31 additional parking spaces in the public right-of-way along the east side of 13th Street, south of Cypress Avenue. Because these were new spaces being created as a result of the redevelopment of the warehouse, these new spaces were “credited” as available to the hostel/retail project, but as conditioned, could not be reserved for exclusive private use. Thus, in total, the approved project had 78 spaces (47 + 31).

In the plans submitted for the proposed amendment, the applicant indicates there a total of 52 spaces available “on-site,” 14 spaces on the east side, 14 on the west, and 24 between the two buildings. In addition, the revised plans indicated that 34 (not 31) new shared public spaces can be created alongside 13th Street. Thus, there are a total of 86 spaces available to serve the development, 17 spaces short of the required 103.

Although the project will not have the amount of parking typically required for the proposed uses, the amendment is not expected to result in significant adverse impacts to public access or recreation. The project has specifically been located and designed to attract customers arriving on bicycles, which should reduce the demand for vehicle parking. The site is adjacent to an important accessway to the Bayshore Bikeway, but it is one of many accessways to this recreational resource, and a minor increase in vehicle parking demand at this one location is not expected to seriously impact the ability of the public to use this resource. The surrounding neighborhood consists largely of low-density single-family residences, and there is typically a significant amount of street parking available in the area for public parking. The project should help activate the area and draw new visitors to the adjacent bike and pedestrian trails. The subject site is the only location designated for Commercial/Recreation-Ecotourism; any expansion of this designation into an area closer to the oceanfront or other areas with greater demand for public parking would likely require the application of stricter parking standards.

It is foreseeable that a new operator may not be aware of the differences in intensity of use between a microbrewery and restaurant and the proposed microbrewery/restaurant could convert into a traditional restaurant. Should this change in intensity of use occur, PRC section 30106 would require the applicant to apply for a permit amendment. **Special Condition No. 7** of this permit amendment provides notice to the applicant of this requirement. In addition, because of the differences in parking requirements between a microbrewery and a traditional restaurant, such conversion may require additional parking spaces.

In summary, the proposed project will not provide the amount of off-street, private parking typically required to meet the demand for the various restaurant, micro-brewery, and retail uses proposed through this amendment. However, given the project's orientation towards non-automobile traffic, and the low-density setting of the project, no significant adverse impacts on public access and recreation are expected. The project will provide visitor-serving uses compatible with the public access and recreational resources nearby, consistent with the Chapter 3 policies of the Coastal Act.

D. LOCAL COASTAL PLANNING

Section 30604(a) also requires that a coastal development permit shall 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.

As noted, the subject site is zoned and designated for commercial/recreation-ecotourism uses. The proposed pedestrian-oriented, small-scale visitor-serving commercial retail and recreational uses are consistent with this designation. As described above, the proposed project has been conditioned to avoid impacts on public access, and will be consistent with the all applicable Chapter 3 policies as well as with the certified LCP. Therefore, the Commission finds that approval project, as conditioned, will not prejudice the ability of the City of Imperial Beach to continue to implement its certified LCP.

E. 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). 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 City of Imperial Beach is the lead agency for the purposes of CEQA and found the proposed development to be compliant with CEQA requirements under the original project's Mitigated Negative Declaration and associated mitigation. 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 parking 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 – Conditions of Approval

Permit No. 6-13-022

II. 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

1. **Open Space Restriction.** No development, as defined in Section 30106 of the Coastal Act shall occur in the area generally described as the northeast corner of the parcel APN #616-021-10 from the parcel line west to the area shown as the limit of work, as depicted in an exhibit attached to the Notice of Intent to Issue Permit (NOI) that the Executive Director issues for this permit, except for optional planting and/or maintenance of native coastal sage scrub vegetation.

PRIOR TO ISSUANCE BY THE EXECUTIVE DIRECTOR OF THE NOI FOR THIS PERMIT, the applicant shall submit for the review and approval of the Executive Director and, upon such approval, for attachment as an Exhibit to the NOI, a formal legal description and graphic depiction of the portion of the subject property affected by this condition, as generally described above and shown on Exhibit #2 attached to this staff report.

2. **Deed Restriction. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit to the Executive Director for review and approval documentation demonstrating that the applicant has

executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

3. **Final Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit for review and written approval by the Executive Director, final site, building, and parking plans for the proposed development that have first been approved by the City of Imperial Beach. Said plans shall be in substantial conformance with the plans submitted with this application by RECON and Studio E Architects dated October 2011, and shall include the following:

- a. The parking located on the east side of 13th Street shall be available for public parking.

The permittee shall undertake development in accordance with the approved plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the 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.

4. **Import of Graded Materials. PRIOR TO THE ISSUANCE OF THE OF COASTAL DEVELOPMENT PERMIT**, the applicant shall identify the location from which the graded material will be imported. If the site is located within the coastal zone, a separate coastal development permit or permit amendment shall first be obtained from the California Coastal Commission or its successors in interest.

5. **Final Drainage Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the applicant shall submit to the Executive Director for review and written approval, a final drainage and runoff control plan documenting, graphically and through notes on the plan, that runoff from the roof, parking areas, and other impervious surfaces will be collected and directed into pervious areas on the site (landscaped areas) for infiltration and/or percolation in a non-erosive manner, prior to being conveyed off-site.

The permittee shall undertake the development in accordance with the approved plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the 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.

6. **Landscape Plans:** By acceptance of this permit, the applicant agrees to the following:
- a. Landscaping on the site shall emphasize the use of drought-tolerant native species. Use of drought-tolerant, non-invasive ornamental species and lawn area is allowed as a small component. No plant species listed as invasive by the California Native Plant Society, the **California Invasive Plant Council**, or as may be identified from time to time by the State of California shall be employed or allowed to naturalize or persist on the site. No plant species listed as 'noxious weed' by the State of California or the U.S. Federal Government shall be utilized.
 - b. The planting plan shall be implemented within 60 days of completion of construction.
 - c. All required plantings shall be maintained in good growing condition, and whenever necessary, shall be replaced with new plant materials to ensure continued compliance with applicable landscape screening requirements.
 - d. Rodenticides containing any anticoagulant compounds (including, but not limited to, Warfarin, Brodifacoum, Bromadiolone or Diphacinone) shall not be used.
 - e. Five years from the date of issuance of the coastal development permit, the applicant shall submit for review and written approval of the Executive Director, a landscape monitoring report, prepared by a licensed Landscape Architect or qualified Resource Specialist, that certifies the on-site landscaping is in conformance with the landscape plan approved pursuant to this Special Condition. The monitoring report shall include photographic documentation of plant species and plant coverage.

The permittee shall undertake the development in accordance with the submitted landscape plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the 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.

Permit No. 6-13-022-A1

- 1. [Special Condition No. 1 of CDP No. 6-13-022 remains unchanged and in effect]
- 2. [Special Condition No. 2 of CDP No. 6-13-022 remains unchanged and in effect]
- 3. [Special Condition No. 3 of CDP No. 6-13-022 remains unchanged and in effect]

4. [Special Condition No. 4 of CDP No. 6-13-022 remains unchanged and in effect]

5. [Special Condition No. 5 of CDP No. 6-13-022 remains unchanged and in effect]

6. [Special Condition No. 6 of CDP No. 6-13-022 remains unchanged and in effect]

7. Future Development. This permit is only for the development described in coastal development permit (CDP) #6-13-022-A1. Except as provided in Public Resources Code section 30610 and applicable regulations, for any future development as defined in PRC section 30106, including, but not limited to, the conversion of the proposed microbrewery into a traditional restaurant or any other change in the density or intensity of use, the applicant shall apply for an amendment to CDP #6-13-022 from the California Coastal Commission, unless the Executive Director determines that an amendment is not legally required.

Appendix B – Substantive File Documents

- City of Imperial Beach Local Coastal Program



1.19.2017

BIKEWAY VILLAGE
535 FLORENCE STREET
(WEST BUILDING)

BUILDING AREA:
15,184 SQ.FT.

LOT AREA:
0.50 ACRES / 21,889 SQ.FT.

PARKING:
60 SPACES OUT 119 TOTAL
AS APPROVED BY MF 1034

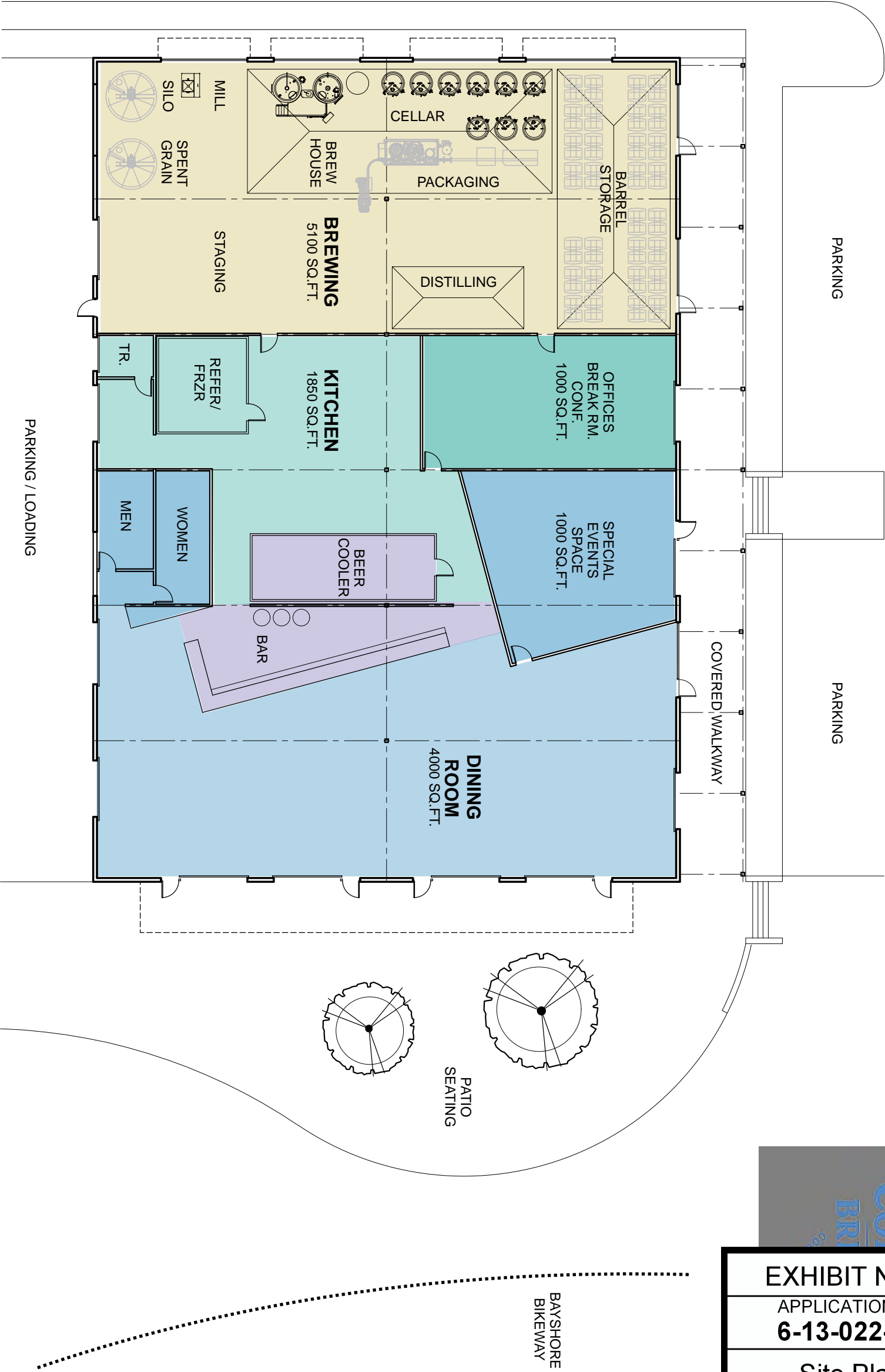
OCCUPANCIES:
A-2 - DINING & KITCHEN
B - OFFICE
F-2 / S-2 - BREWING
F-1 DISTILLING

**NON-SEPARATED
OCCUPANCIES PER 508.3**

**TYPE V-B CONSTRUCTION
W/ FIRE SPRINKLERS**

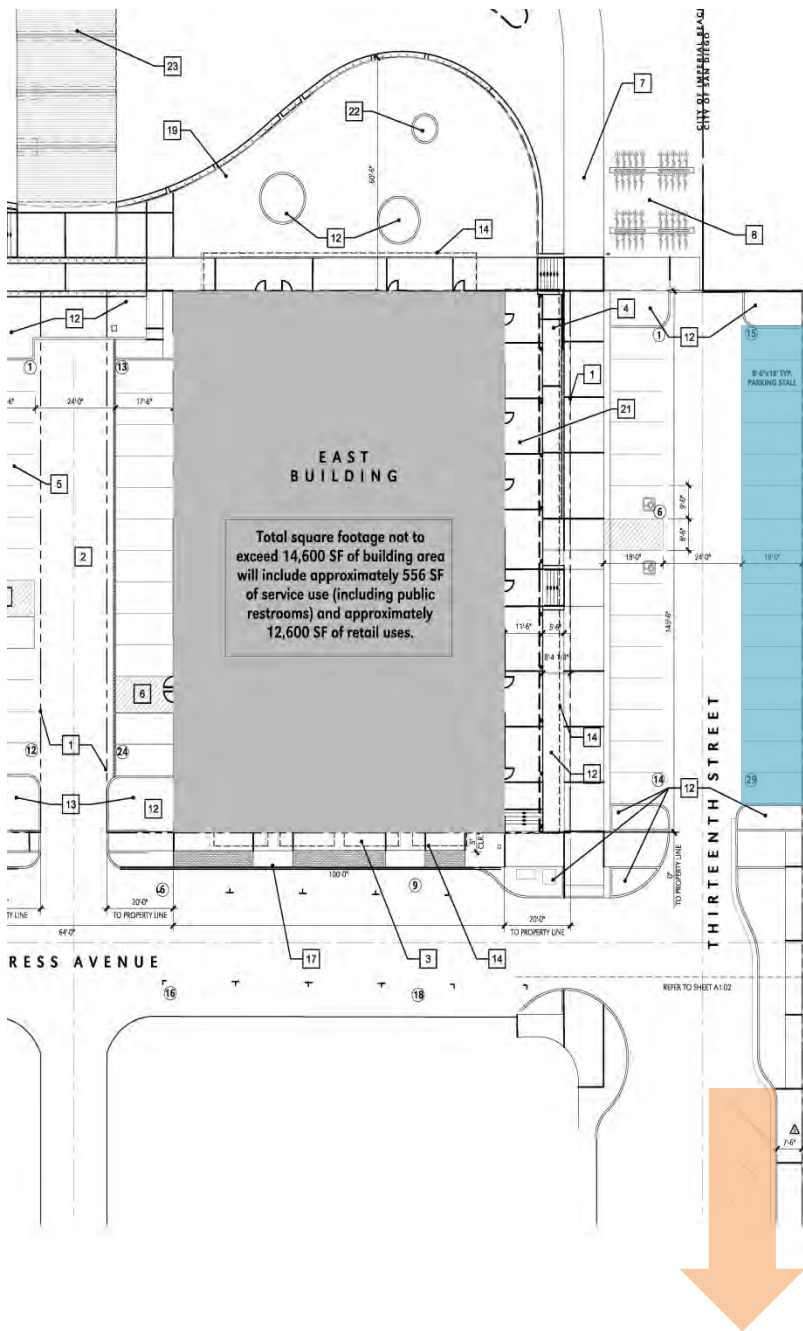
ALLOWABLE AREA: 24,000 SQ.FT.

C Y P R E S S A V E N U E



CORONADO BREWING CO.
IMPERIAL BEACH CONCEPT FLOOR PLAN

EXHIBIT NO. 2
APPLICATION NO. 6-13-022-A1
Site Plan
California Coastal Commission



- 111 D.G. PEDESTRIAN PATH
- 112 PLANTING CUT-OUT, TYP.
- 113 ELECTRICAL TRANSFORMER
- 114 LINE OF AWNING OR TRELLIS ABOVE
- 115 NEW SKYLIGHT
- 116 PARKING FOR MAIL CARRIER
- 117 TREE GRATE - SEE LANDSCAPE
- 118 RAMP - SEE LANDSCAPE
- 119 NORTH TERRACE - SEE LANDSCAPE
- 120 WEST PORCH
- 121 EAST PORCH
- 122 FUTURE FIRE PIT - SEE LANDSCAPE
- 123 OBSERVATION PIER

Parking Data

PROPOSED PARKING:		# OF SPACES
LOCATION		
• FLORENCE STREET (WEST)		14
• ALLEY R.O.W. PARKING (EXISTING)		24
• THIRTEENTH STREET (NORTH)		29
• CYPRESS AVENUE (NORTH + SOUTH)		18
• THIRTEENTH STREET (SOUTH)		34
*TOTAL PROPOSED PARKING:		119 SPACES
*NOTE: PARKING AS APPROVED BY MF 1034		

General Notes

1. REFER TO CIVIL AND LANDSCAPE DRAWINGS FOR ADDITIONAL INFORMATION.
2. REFER TO BUILDING PLANS FOR ALL OTHER DIMENSIONS AND INFORMATION NOT SHOWN.
3. TYPICAL SLOPES OF SIDEWALKS ALONG ACCESSIBLE PATH OF TRAVEL SHALL NOT EXCEED 5%. CROSS SLOPES SHALL NOT EXCEED 1.5%. SEE CIVIL SHEETS FOR REFERENCE.

Legend

- PROPERTY LINE
- CENTER LINE OF STREET
- ACCESSIBLE PARKING
- FIRE HYDRANT
- PARKING SPACE COUNT

SITE PLAN
SCALE: 1" = 20'-0"

EXHIBIT NO. 3
APPLICATION NO.
6-13-022-A1
Parking Plan

**Surf 2 Summit Properties
300 Carlsbad Village Dr.
Suite 108A
Carlsbad, CA 92008**

October 31, 2016

RE: Bikeway Village Hostel

Imperial Beach, CA

Our search to find an owner operator for a 50- bed hostel

Dear Cynthia,

We met with John Pani, July 2013, and discussed an upscale hostel. John owns and operates boutique hotels in San Diego. His thoughts were, the hostel was too small and far from public transportation.

We made phone contacts with nine other operators in the San Diego area and asked them these questions:

1. Do you plan on moving? Answer, No
2. Do you plan on opening another location? Answer, two said, Maybe
3. Do you think Imperial Beach is a viable area for a hostel?
Answer, No, too far from attractions, shopping and transportation.

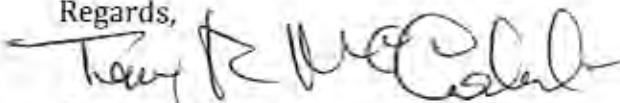
The small hostels operate on a very tight budget, with little to no capital backing.

In July 2015, we had meetings with Sue Schaffner, Vice President of Hostelling International, USA. Sue operates 2 large hostels in Point Loma and downtown San Diego. Her company has an outstanding reputation in the community. Sue's comments regarding Bikeway Village location are, it's too far removed from public transportation, airport, shops and attractions.

Located on the Bay Shore Trail, we believe Bikeway Village will be a successful stopping point for bikers, walkers and the general public.

It does not appear that Bikeway Village would be a successful location for a hostel.

Regards,



Terry R. McCaleb,
Property Manager / Bikeway Village

- Hostel contact list attached

EXHIBIT NO. 4

APPLICATION NO.

6-13-022-A1

Hostel Outreach



California Coastal Commission

Hostel Contacts

USA Hostels 726 5th, San Diego, CA 619 232-3100

Zoo Hostel 3785 6th Street, San Diego, CA 855 546-3693

Luck D's Hostel 615 8th Ave, San Diego, CA 595-0000

Beach Bungalow Hostel 707 Reed Street, San Diego, CA 858 412-5878

Hostel on 3rd 542 3rd Ave, San Diego, CA 619 595-1440

Hostel Habibi 416 University Ave, San Diego, CA 619 220-4880

R K Hostel 642 Hawthorn, San Diego, CA 619 564-6914

Pacifica Hostel 551 4th, San Diego, CA 619 235-9240

Adventure Hostel 1658 Front Street, San Diego, CA 619 228-9234



HOSTELLING INTERNATIONAL USA

SOUTHWEST REGION 739 4TH AVENUE, SUITE 203, SAN DIEGO, CA 92101 (619) 338-9981 HIUSA.ORG

November 17, 2016

Rex Butler
Owner
Bikeway Village
PO Box 181069
Coronado Ca 92178

RECEIVED

NOV 18 2016

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

RE: Bikeway Village Location for Hostel

Dear Rex,

This letter supplements the previous correspondence I sent you on January 19, 2016. That correspondence relayed that Hostelling International declined your request to submit a Letter of Interest in operating a hostel at Bikeway Village.

Hostelling International appreciates and welcomes opportunities to expand hostelling in new locations. However, as I stated when I toured the site in July, 2015, Bikeway Village's location in Imperial Beach is not an ideal location for a hostel. I have over twenty years of experience operating hostels and there is a formula for success. That formula is the same formula used by all successful real estate ventures: location, location, location. While I do not want to be disrespectful to Bikeway Village, it simply is not the right location for a successful hostel to flourish. The most successful hostels exist near mass transit, shopping, nightlife, and other attractions and unique locations that attracts a youthful clientele. Bikeway Village is located in a quiet and serene location that will not be ideal for the young and young-at-heart traveler. Furthermore, the location is hard to get to and from due to Imperial Beach's remote location. The best hostel locations are close to airports or heavily used transit that make it convenient for the hostel traveler to spend a day or two in many different locations. If you move forward with a hostel at Bikeway Village, I think it will struggle and not be successful.

I am happy to answer any further questions you may have. I wish you the best of luck with your endeavor.

Sue Schaffner
Vice President Southwest Region
Hostelling International USA
(619) 338-9981 ext. 3201