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May 6, 2015

Rob Fitzroy
Environmental Resource Specialist
Planning & Building Department
County of San Luis Obispo
976 Osos Street, Room 200
San Luis Obispo, CA 93408

RE: Harbor Terrace Project CDP Condition of Approval-65

Dear Mr. Fitzroy,

I am writing on behalf of the Port San Luis Harbor District (Harbor District), project sponsor for the Harbor Terrace project, to request revisions to Condition of Approval #65 (COA-65) that was approved by the Planning Commission in concert with the project Coastal Development Permit (CDP). The Harbor District requests the Board of Supervisors approve revisions to COA-65 such that it reads as shown below (text deleted from the version approved by the Planning Commission is shown ~~in strikethrough~~, and text added is shown in <u>underline</u>):

> "Overnight rates for the 58 low cost campsites (car or walk-in/bike-in tent campsites) <u>shall be no more than the</u> median rate ~~are to fall within the rate schedule~~ for ~~comparable~~ camp sites set forth by California State Parks for the current year."

Please find below a synopsis of California Coastal Commission (CCC) coordination that led the Harbor District to propose COA-65 as put forth during the March 26, 2015 Planning Commission project CDP hearing, and now to revise this same COA-65.

BACKGROUND

Collaboration among the Harbor District, County, and CCC dates back to 2003 when the Harbor District prepared a Port Master Plan and accompanying Environmental Impact Report (EIR). The Port Master Plan includes a sub-planning area for the Harbor Terrace site. Shortly thereafter, CCC certified, and San Luis Obispo County adopted, updates to the County Local Coastal Program (LCP) and San Luis Bay Area Plan that prescribe requirements for the Harbor Terrace site. CCC has been closely involved with development of the Harbor Terrace site for more than a decade.

CCC COLLABORATION: EIR CERTIFICATION

The CCC submitted a Draft EIR comment letter dated November 14, 2014 (see Exhibit A attached) that addressed the project scope (alternatives), low cost overnight accommodations, visual resources, biological resources, geologic hazards, and public access. The Harbor District responded to CCC comments in a letter dated January 21, 2015 (see Exhibit B attached) in which it proposed two alternate site layout plans that responded to CCC habitat concerns. The Harbor District also responded to the CCC DEIR comment letter in the Response to Comments section of the Final EIR that included a discussion of low cost overnight accommodation rates (see Exhibit C attached). On January 27, 2015, the Port San Luis Harbor District Harbor Commission certified the Harbor Terrace project EIR.

CCC COLLABORATION: PLANNING COMMISSION CDP APPROVAL

Following the project EIR certification, CCC responded to the Harbor District January 21, 2015 letter and Final EIR response to comments chapter via phone and email in the week prior to the March 26, 2015 Planning Commission Harbor Terrace CDP hearing. These conversations established the issue of Harbor Terrace campsite rates as a key concern for CCC.

In a series of email exchanges dating from March 19 - 24, 2015, the Harbor District and CCC discussed Section 30213 of the Coastal Act that states CCC cannot set rates for low cost accommodations for privately owned or operated facilities located on public or private lands. The exchanges culminated with a call among the Harbor District, SCC, County, and CCC on March 25, 2015 to discuss would-be rates of the Harbor Terrace campsites. To more comprehensively address CCC campsite rate concerns in context of Section 30213 of the Coastal Act, the Harbor District proposed an added Condition of Approval #65 that read and was approved by the Planning Commission as follows:

Overnight rates for the 58 low cost campsites (car or walk-in/bike-in tent campsites) are to fall within the rate schedule for comparable camp sites set forth by California State Parks for the current year.

On March 26, 2015, the County Planning Commission approved the Harbor Terrace CDP.

CCC Low Cost Overnight Accommodations Context: This section is intended to provide context on perhaps why the Harbor Terrace campsite rates became a focus of CCC staff. CCC held two workshops, in December 2014 and February 2015, that addressed low cost overnight visitor accommodations. The CCC staff report for the December 2014 workshop included at least two references to San Luis Obispo County LCP language that sets forth a requirement for the Harbor Terrace site to provide low cost accommodations in specified ratios (1 campsite for every 3 RV spaces, and 1 campsite for every 1.5 hotel/motel units). The LCP ratios that require on-site provision of low cost campsites was referenced as a unique method by which CCC can ensure development of low-cost campsites without setting rates.

CCC COLLABORATION: POST-PLANNING COMMISSION DISCUSSIONS

Shortly after the Planning Commission hearing, the Harbor District, SCC, CCC, and County jointly discussed COA-65 language on April 2, 2015. The conversation focused on the phrase "comparable camp sites." At the request of CCC, the Harbor District prepared a memo dated April 8, 2015 (see attached Exhibit D) that outlined its intent in establishing comparable rates for the Harbor Terrace campsites.

Dialogue about COA-65 between the Harbor District and CCC staff continued, and as a result, CCC and the Harbor District have agreed on a further refinement and clarification of COA-65 as follows:

> "Overnight rates for the 58 low cost campsites (car or walk-in/bike-in tent campsites) shall be no more than the median rate ~~are to fall within the rate schedule~~ for ~~comparable~~ camp sites set forth by California State Parks for the current year."

Subsequent to this agreement, CCC staff responded with a message that stated the Harbor District has addressed thoroughly CCC concerns about the Harbor Terrace project, and that CCC would send a letter of support to the County in advance of the June 16, 2015 CDP appeal hearing.

The Harbor District and SCC commend County staff for its proactive approach to resolving Harbor Terrace issues with the CCC staff. We respectfully request you recommend the Board of Supervisors approve COA-65 revisions to maintain CCC support of the project. If you have further questions or comments, please feel free to contact me at (805) 595-5414 or stevem@portsanluis.com.

Sincerely,

Steve McGrath,

Harbor Manager, Port San Luis Harbor District

Cc: Supervisor Adam Hill, County of San Luis Obispo
Daniel Robinson, California Coastal Commission

Attachment(s): Exh. A 11/14/14 CCC Comment Letter
Exh. B 1/21/15 Harbor District Response Letter
Exh. C Additional Harbor District Comments re Overnight Accommodations rates
Exh. D 4/8/15 Harbor District Memo

Exhibit A: CCC Draft EIR comment letter dated November 14, 2014

STATE OF CALIFORNIA—NATURAL RESOURCES AGENCY EDMUND G. BROWN JR., *GOVERNOR*

CALIFORNIA COASTAL COMMISSION
CENTRAL COAST DISTRICT OFFICE
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SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
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WEB: WWW.COASTAL.CA.GOV

November 14, 2014

Port San Luis Harbor District
c/o Shawna Scott, Senior Planner
SWCA Environmental Consultants
1422 Monterey Street, Suite C200
San Luis Obispo, CA 93401

Subject: ***Draft Environmental Impact Report (DEIR) for the Port San Luis Harbor Terrace Development Plan***

Dear Ms. Scott:

Thank you for the opportunity to offer comments on the DEIR for the Harbor Terrace project. The DEIR primarily analyzes a multi-use campground containing a range of overnight accommodations, including 80 RV sites, 15 RV/RV-cabin sites, 31 hotel/motel units, 35 car/tent campsites, and 21 walk-in campsites. In addition, the preferred project includes 16,000 square feet of commercial uses, various harbor uses such as 70 trailer boat storage spaces, and 48,000 square feet of public parking. Additionally, the DEIR discusses a No Project Alternative and a Reduced Project Alternative. The site is located on the north side of Avila Beach Drive, east of Diablo Canyon Road, at Port San Luis in San Luis Obispo County.

As you are well aware, in November 2006 the Coastal Commission approved Local Coastal Program Amendment (LCPA) SLO-MAJ-1-05 (Part 1), which amended the County's Land Use Plan (San Luis Bay Area Plan) to include, among other things, development standards facilitating future development of the area within the Harbor Terrace Planning Sub-Area (Harbor Terrace). Stated goals within the LCP for this area include ensuring that new development provide a range and mix of uses, with emphasis on coastal related and visitor serving uses meant to enhance the public's enjoyment of the Port and serve the needs of harbor uses. Commission staff has reviewed this LCP amendment and the relevant sections of the LCP and provides the following comments and recommendations based on the proposed project:

Project Scope. We are encouraged by the depth of review and attempts at adherence to the LCP's strict requirements for a project on this site. We are also pleased that the DEIR presented a reduced project, which is stated as the environmentally superior alternative. We recognize the benefits of the reduced project, which appears to reduce impacts to visual resources, improve air quality and reduce greenhouse gas emissions, minimize transportation and traffic issues, lessen strain on public services and utilities, and better protect on-site habitats to the maximum extent feasible, while at the same time providing a range of coastal visitor-serving uses and accommodations, consistent with the LCP.

Under the reduced project alternative, the number of hotel/motel units would be reduced to 20, RV spaces would be reduced to 64, and harbor use areas (including five marine gear storage

spaces and four harbor use storage spaces) would be relocated to the east of the proposed storage areas. In summary, these reductions and their stated intent include the following:

A. **Reduction in Hotel/Motel Sites from 31 to 20.** All units would be located in areas designated as ruderal/disturbed habitat. As stated in the DEIR, this modification is proposed to address potential impacts to biological resources, including avoidance of coastal scrub and valley needlegrass grassland habitats in the northern portion of the project site. Reducing the development of hotel/motel units and relocation of storage areas would avoid permanent impacts to 0.30 acre of coastal scrub and 0.08 acre of valley needlegrass grassland. Removal of eleven hotel/motel units would also reduce the extent of fuel modification and vegetation management within scrub and grassland habitats.

B. **Relocation of Harbor Use Areas.** Some harbor use area and marine gear storage spaces would be relocated east to avoid impacts to coastal scrub. Reducing the development of hotel/motel units and relocation of storage areas would avoid permanent impacts to 0.30 acre of coastal scrub and 0.08 acre of valley needlegrass grassland.

C. **Reduction in RV Spaces from 80 to 64.** Reducing the RV spaces by 20 percent would reduce visual clutter, provide greater flexibility to site RV pads in less visually sensitive areas (e.g., further back from the terrace edge), and allow for more integration of landscaping features.

The reduced project appears to better avoid the on-site coastal scrub and other native vegetation, as well reduce visual impacts by providing greater flexibility in site design. The reduced project would also result in additional open space that would allow for interspersed landscaping and trees between various project elements, which may provide a higher quality user experience. The reduced project would also result in a lower demand for water supply and wastewater capacity.[1] Energy demand would also decrease by 35% for the hotel units and 20% for the RV sites, compared to the proposed project. The reduction in hotel/motel units and RV spaces would result in a reduction in traffic trips generated by the project. Importantly, the amount of required lower-cost campsites (in this case, both car/tent campsites and walk-in/bike-in sites) and the required ratio of these sites to both hotel/motel rooms and RV campsites (spaces) would be unchanged with the reduced project.[2]

---

[1] Water demand would be reduced by approximately 2.97 acre feet per year (AFY) and demand for wastewater capacity would be reduced by approximately 810 gallons per day (GPD).

[2] Chapter 8 (pages 8-22) of the San Luis Bay Area Plan (Harbor Terrace Planning Criteria) requires a minimum of one lower-cost campsite for every 1.5 units of hotel/motel and for every three RV campsites. The "RV Cabins" would also trigger the 1.5 hotel/motel to campsite ratio.

However, implementation of the reduced project would result in fewer RV spaces and hotel/motel units on the site, thereby reducing the overall amount of accommodations available. Page 5-8 of the DEIR state:

> *"Implementation of this alternative would result in fewer low-cost options for overnight visitor accommodations in the Avila Beach/Port San Luis area. In addition, the provision of 64 RV spaces would result in an overall net loss of approximately 6 RV spaces in the Port San Luis Area, which may potentially conflict with Coastal Policies intended to increase public accessibility to the coastline and provide low-cost accommodations for visitors."*

However, it is not clear that RV spaces constitute a low-cost option for overnight stays, given the cost of renting or buying an RV combined with the generally higher cost of RV campsites compared to tent campsites. Thus Commission staff is unclear that the reduction of RV spaces and hotel/motel units would result in fewer "low-cost options." To understand this issue better, the EIR should include an evaluation of the room and campsite rates that will be charged to visitors. Further, given that, pursuant to the LCP, the tent campsites are intended as lower-cost visitor serving accommodations, the EIR should evaluate and explain what rates would be appropriate to ensure the campsites remain as such, including through ensuring that rates remain on par with those of State Parks, or other similar measures.

Additionally, it is unclear how the Port determined the loss of "6 RV" spaces in the area from the reduce project alternative. It would appear that the number of RVs eliminated would be 16 (20%). Please explain. Is the Port basing this on the regional number of RV spaces? Will ten RV spaces be constructed somewhere else or does this include the existing RV spaces that are available on and near the site currently? Please ensure that the FEIR explains this calculation, and that it also explains what is meant when the EIR refers to the "*Avila Beach/Port San Luis area.*"

In terms of the required numbers of lower-cost campsites, Commission staff notes that it appears that the ratios would require 57 or 58 lower-cost accommodations (walk-in/bike-in campsites and the car/tent campsites) as opposed to 56.[3] Again, the preference would be to increase the number of lower-cost campsites instead of reducing an RV space to ensure that the required ratios are adhered to.

In general, striking an appropriate balance between the often competing demands of providing visitor-serving accommodations along the coast while protecting coastal resources is challenging. Commission staff would like to see the reduced project alternative further explored and detailed, because it appears to provide increased habitat and visual protections, as well as other benefits as stated in the DEIR. However, and because it is our understanding that a reduced

[3] The required ratio of RVs to lower-cost campsites is 3:1 while the ratio of hotel/motel units to lower-cost campsites is 1.5 to 1. In this case, 80 RVs (26.67) and 46 hotel/motel/RV cabins (30.67) would require 57 lower-cost campsites (if added without rounding) and would require 58 (if rounded up).

project site plan has not yet been developed, perhaps there is an opportunity and flexibility in redesigning the project to avoid having to eliminate RV spaces and hotel/motel units. We would be happy to meet with you on-site and discuss project designs that strive to retain this number of accommodations. Perhaps a site design indicating where the proposed reduced project components would specifically be sited (and in the case of the harbor use areas, re-sited) based on the above changes would provide an appropriate baseline and help to assist Commission staff in this respect.

Additionally, Commission staff has the following comments:

Visual Resources. Pages 8-13 of the San Luis Bay Area Plan identify the visual and scenic resource goals and policies for lands owned or controlled by the Port San Luis Harbor District. The primary visual and scenic resource goal of the Plan is a landscape that reflects the context of its use and the natural setting with minimal impacts to scenic viewsheds. Importantly, Policy #2 states:

> *New development on bluffs and scenic hillsides shall be sited and designed to protect scenic resources and enhance the visual quality of the bluffs and hillsides. Visually degraded areas shall be restored where feasible.*

As the DEIR confirms, the future Harbor Terrace project would be located in a visually prominent, highly scenic coastal area within Port San Luis, Avila Beach, and the central coast of California. Port San Luis and the surrounding Avila Beach area contain sandy beaches, piers, and rolling hillsides which reflect an important oceanfront character. The future project, be it the preferred or reduced alternative or a variation of the two, would be visible from Avila Beach Drive, Fisherman's Beach, Harford Pier, and San Luis Bay. Therefore, it is important that the project protect scenic resources and assure compatibility with the surrounding uses and views to the maximum extent feasible. Additionally, a project objective should include the reduction of visual clutter on the project site by requiring that certain types of especially noticeable developments, such as RV pads and RV Cabins, e.g., and thus RVs, be located in less visually sensitive areas on the site, and that landscape screening and berming be used to hide development (including parked RVs) to the maximum extent feasible. Lastly, all development should be set back from the terrace edge as much as feasible so that the development will blend with, rather than protrude from, the hillside location and avoid the appearance of a silhouette extending above the ridgeline as seen from local public viewsheds. With that said, it would appear that the reduced project alternative would better accomplish these goals. However, as mentioned above, it would be our preference to retain the number of overnight accommodations, while still ensuring visual protection. Again, staff would be happy to discuss this further.

To help ensure that the final project, however it is designed based on the above, is consistent with the visual policies of the LCP, the project should include mitigation measure AES/mm-2, which requires that 80 percent of the parked RVs and other vehicles, and 70 percent of all buildings and structures (including the water tank) be screened from view from public vantage points within ten years. In addition, we are encouraged by the project's landform restoration

component, as the existing site conditions contain hard edges, scarps, and appear heavily unnatural as seen from the beach and the pier. The proposed grading and landform alteration should create softened, natural-looking terraces and be vegetated with native plant species appropriate to this area of the coast. We note that the proposed geologic mitigation measures mention the possibility of constructing a protective wall. Any necessary geologic mitigation measures should be designed and located so as to not result in adverse visual impacts.

Biological Resources. The DEIR states that the reduced project would reduce biological impacts. Specifically, the number of hotel/motel units would be reduced to 20 (from 31), and all of these units would be located in areas designated as ruderal/disturbed habitat. This reduction would address potential impacts to biological resources, including through avoidance of coastal scrub and valley needlegrass grassland habitats located in the northern portion of the project site. In addition, five marine gear storage spaces and four harbor use storage spaces would be relocated to the east of the proposed storage areas, to avoid impacts to coastal scrub.

Protection of these habitats, if feasible, should be undertaken by avoidance. While in it not known if the grassland would actually map out as coastal prairie/native grassland, the FEIR should describe the needlegrass/bunch grass species on site as well as the associated forbs (definition: herbaceous flowing plant that is not a graminoid – e.g. grass, sedge, rush). In other words, the FEIR should include a description of the grassland habitat including the species composition and percent cover, and include a map. Depending on this information, native grassland ESHA could be located on the project site, and therefore would influence development patterns which would be required to setback from ESHA. Generally, the intent is to avoid impacts to coastal habitats such as coastal scrub, and thus it appears that the reduced project alternative would succeed in that intent, by removing project components away from these habitats and keeping them more on the disturbed area. However, as mentioned above, it would be our preference to retain the number of overnight accommodations, while still avoiding these habitat areas. Again, staff would be happy to discuss this further.

Lastly, the DEIR describes a preliminary landscape plan (Figure ES-4), which outlines three planting zones and associated plantings within each zone. The blue line stream that runs between Diablo Canyon Road and the project site appears to be located in *Area 1: Existing Naturalized*. The DEIR states that "no new landscaping or irrigation is proposed in *Area 1*." However, it is unclear if the project includes a "restoration" component of the blue line stream as part of the project. If not, Commission staff would recommend a restoration and enhancement component of this riparian area. Additionally, the Commission is not supportive of the landscaping proposed for Area 3, i.e. *Area 3: Climate Appropriate with Lawn.* Given the ongoing drought and severe water shortage issues in San Luis Obispo County, the Port should strive to reduce water consumption, including by eliminating lawn and vegetation that would require supplemental irrigation. For this reason, the landscaping in Area 3 should include appropriate native plantings such as those proposed in Area 2.

Geologic Hazards. The proposed project would be located within an LCP-mapped Geologic Study Area (combining designation) and in an area known for overall geologic instability

(including due to unconsolidated soils, liquefaction, seismically-induced landslide, erosion, tsunamis, etc.). The LCP requires that new development ensure structural stability while not creating or contributing to erosion or geological instability (including LCP Hazards Policies 1 and 2, and CZLUO Section 23.07.086).

In this case, the project includes extensive grading of the site, required to remediate landslide and slope stability hazards. As stated in the DEIR, and based on preliminary grading plans, approximately 16.5 acres would be graded, including approximately 115,000 cubic yards of cut and 43,000 cubic yards of fill. Based on the amount of grading and area and volume proposed for disturbance there is a high potential for erosion and down-gradient sedimentation to occur at the project site during construction. Therefore, it will be important, at a minimum, to follow the recommended geologic mitigation measures in the DEIR.

Minimizing potential long-term post-construction impacts will also be important. For example, it may be prudent to include different hazard abatement measures for different components of the project when and if they become threatened, including for expected Sea Level Rise. Additionally, Commission staff supports the long-term monitoring component of the project to ensure the project does not contribute to erosion or geological instability in the future.

Public Access. We are encouraged by the Port's attempts to connect the Harbor Terrace project to the surrounding beach areas. As described in the DEIR, the project includes a crosswalk to access the beach. However, Commission staff would recommend additionally connect a beach trail to an additional crosswalk which would allow access *from* the beach to the Fisherman's Memorial and the eventual relocation trailhead of the Pecho Coast Trail, which is an important highly scenic coastal trail.

In addition, we would recommend that the Port ensure through a coastal access program (interpretive signage, hours of operation, day/nighttime use, etc.) that new access trails/overlooks, etc. on the Harbor Terrace site be open not only to the guests of the campground but to the general public as well. The project should include clearly defined trails from the public parking lots that provide for opportunities to explore the surrounding terrain, and that include scenic destination points or loop trails.

Conclusion. Thank you again for the opportunity to comment on the DEIR. As the project moves forward, Commission staff would be pleased to meet and discuss the issues raised in this letter, review revised site designs, or revisit the site.

If you have any questions regarding these comments or wish to discuss the project further, please contact me at (831) 427-4863.

Sincerely,

Daniel Robinson
Coastal Planner
Central Coast District Office

CC: State Clearinghouse
Port District

Exhibit B: Harbor District letter dated January 21, 2015 responding to CCC comments on the DEIR

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THOMAS D. GREEN *Legal Counsel*
PHILLIP J. SEXTON, CPA *Treasurer*

January 21, 2015

Daniel Robinson
Coastal Planner
California Coastal Commission, Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA, 95060 **via e-mail only**

RE: Revisions to Port San Luis Harbor Terrace Campground Site Layout Plan

Dear Mr. Robinson,

Thank you for your comments on behalf of the California Coastal Commission (CCC) dated November 14, 2014 on the Port San Luis Harbor Terrace Project Draft EIR and added feedback during our phone conversation of December 19, 2014. You should have received by now a copy of the Final EIR Chapter 9, Responses to Comments, and can find the complete Final EIR located on the Harbor District website at http://www.portsanluis.com/harbor-terrace/#environmental-studies.

The project team has addressed CCC comments and is pleased to arrive at a site layout plan that relocates hotel / motel units out of valley needlegrass (referenced from here as the Preferred Project) as shown in Attachment A. We have also explored an alternative that relocates harbor uses out of coastal scrub habitat (referenced from here as the Revised Project), and herein present this Revised Project plan in Attachment B.

The Harbor District will be considering **certification of the Final EIR and project selection on January 27, 2015**. It would be **helpful to receive CCC feedback on the Revised Project site layout plan prior to this date.** Specifically, it would be helpful to understand whether CCC prefers the Revised Project to the Preferred Project. I understand our requested response timeframe is tight, and I very much appreciate any accommodation you may afford the Harbor District.

Pros and cons of the Revised Project as compared to the Preferred Project are discussed below and grouped according to the following categories of CCC comments/concerns identified in the November 14, 2014 Draft EIR comment letter:

- Reduced Project Scope
- Visual Resources
- Biological Resources

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Reduced Project Scope

As the CCC letter indicates, our mutual goal is to strike a balance between the provision of low- and moderate- cost visitor serving accommodations and other coastal dependent uses in tandem with the protection of coastal resources. In conjunction with requirements of the San Luis Bay Area Plan, the site plan as presented in the Draft EIR sought to:

- Most effectively utilize ruderal/disturbed area while implementing a development program that ensures a financially feasible project,
- Retain natural site features and pre-existing grading where possible, and particularly on the east side of the site, consistent with San Luis Bay Area Plan policies,
- Shield harbor uses from public view, consistent with San Luis Bay Area Plan policies
- Minimize biological and grading disturbance

The Draft EIR Reduced Project Alternative decreases the number of hotel/motel units from 31 to 20, RV sites from 80 to 64, and required low-cost campsites from 58 to 45; relocated Harbor Use Areas eastward; and formed the basis for comments CCC proposed for consideration. However, CCC also put forth a preference to maintain the full project overnight accommodation unit count so as to not reduce provision of moderate (RV) and low cost (campsite) accommodations (as would be necessitated in the Reduced Project Alternative). To that end, the **Revised Project in Attachment B responds to CCC comments regarding visual and biological resources, and maintains the full project unit-count of 58 campsites, 80 RV spaces, 15 RV-cabins, and 31 hotel/motel units**.

Biological Resources

Relocation of Harbor Use Area: **Harbor Use areas in the Revised Project avoid coastal scrub to the maximum extent possible**. However, to achieve the depicted layout, 1,200 feet of additional retaining walls (in varying heights ranging from 2 to 6 feet) are necessary to maintain Harbor Use areas that meet (existing) space needs of Port San Luis Harbor District, and to meet San Luis Bay Area Plan requirements that address location of Harbor Uses on the site.

Condition of Coastal Scrub in Harbor Use Area: CCC requested in its Draft EIR comments that condition of habitat in areas proposed for encroachment by the development plan be further explored. Please see Attachment C herein (also included in Chapter 9, Response to Comments, of the Final EIR) for a photo narrative that depicts coastal scrub adjacent the proposed harbor uses. Attachment C indicates **condition of this coastal scrub habitat is less natural than elsewhere on site and intermixed with compacted earth (from previous uses) and invasive species.**

Mitigation: The Preferred Project would result in a loss of approximately 0.79 acres of existing coastal scrub, and would trigger 2:1 replacement mitigation measures (BIO/mm-7) that would result in an added 1.58 acres of restored coastal scrub habitat on site. The Revised Project would largely avoid these mitigation measures and result in provision of less restored coastal scrub net acreage on site (compared to the Preferred Project).

Visual Resources

As mentioned above, **approximately 1,200 linear feet of added retaining walls would be required in the Revised Project** to maintain a Harbor Use area that meets Port San Luis Harbor District space needs, while maintaining consistency with San Luis Bay Area Plan language that addresses location of the Harbor Uses on site and avoiding existing coastal scrub. The retaining walls would create added visual impacts that are possibly inconsistent with policies of the San Luis Bay Area plan, though they would be mitigated according to AES/mm-4 set forth in the Final EIR.

Also, it should be noted that shifting Harbor Uses east according to the Draft EIR Reduced Project Alternative would create an inconsistency with San Luis Bay Area Plan language that addresses location of the Harbor Uses on site as related to reducing visual impacts. Harbor Uses must be located along the West side of the site or in an

alternate, less visually prominent area. Shifting the Harbor Uses East would place them in one of the most visually prominent locations on site.

Summary

Both the Preferred and Revised Project Plans maintain the financial feasibility of the project and allow 13 additional low-cost accommodation campsites and 16 additional moderate-cost accommodation RV spaces (compared to EIR Reduced Project Alternative).

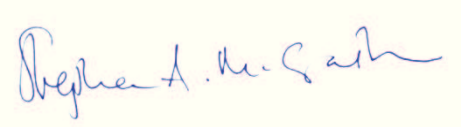
The Preferred Project relocates uses out of valley needlegrass and mitigates the loss of 0.79 acres of coastal scrub with a 2:1 replacement.

The Revised Project relocates uses out of valley needlegrass, maintains existing coastal scrub and adds approximately 1,200 lineal feet of retaining wall.

I understand CCC strives to balance many policies that pertain to development in the Coastal Zone. **It would be helpful to ascertain whether CCC believes, as we do, that the Preferred Project plan, Attachment A, meets the goals outlined in the CCC comments on the draft EIR.**

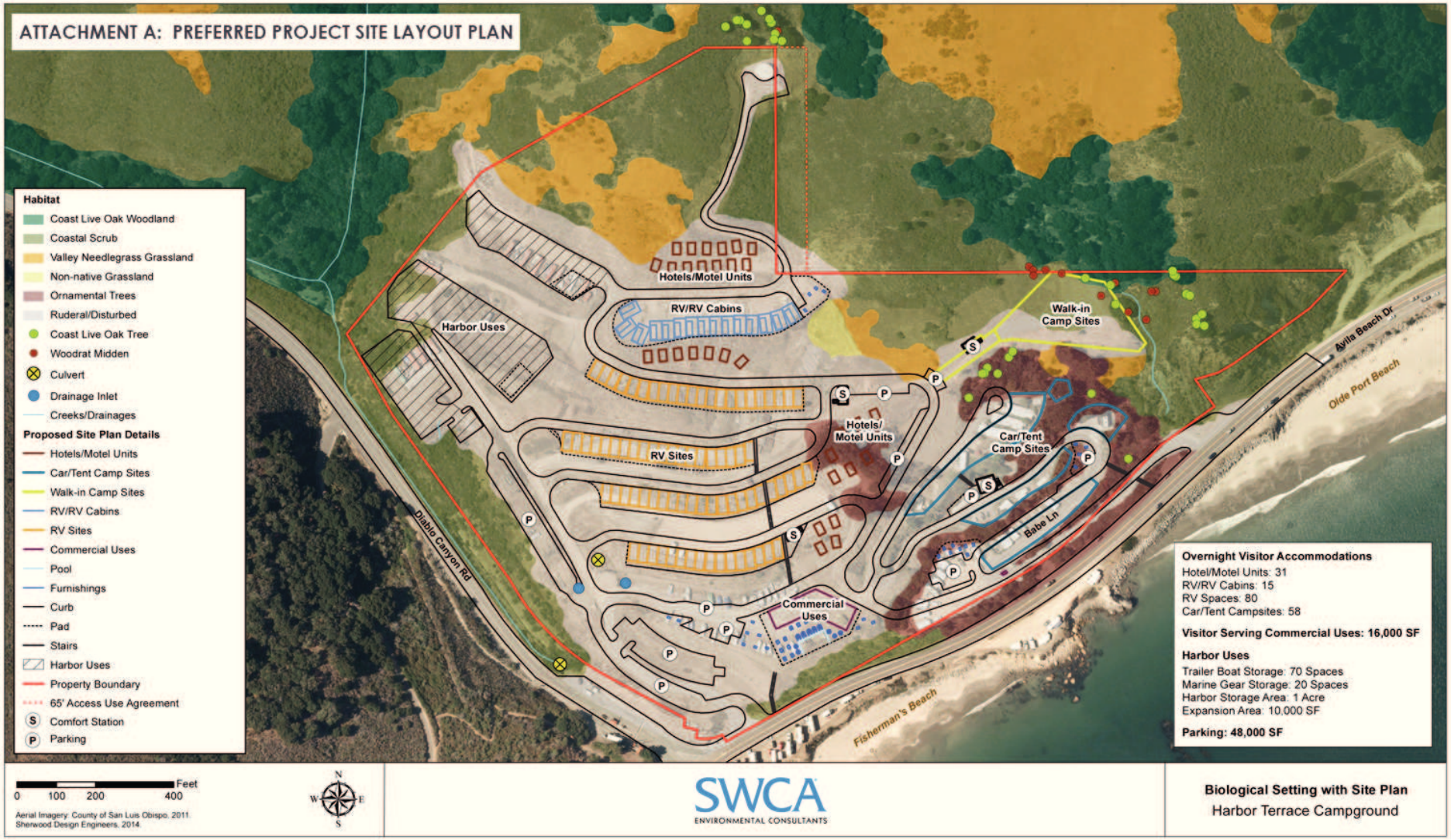
We appreciate your willingness to work with the Port San Luis Harbor District to create the best project possible.

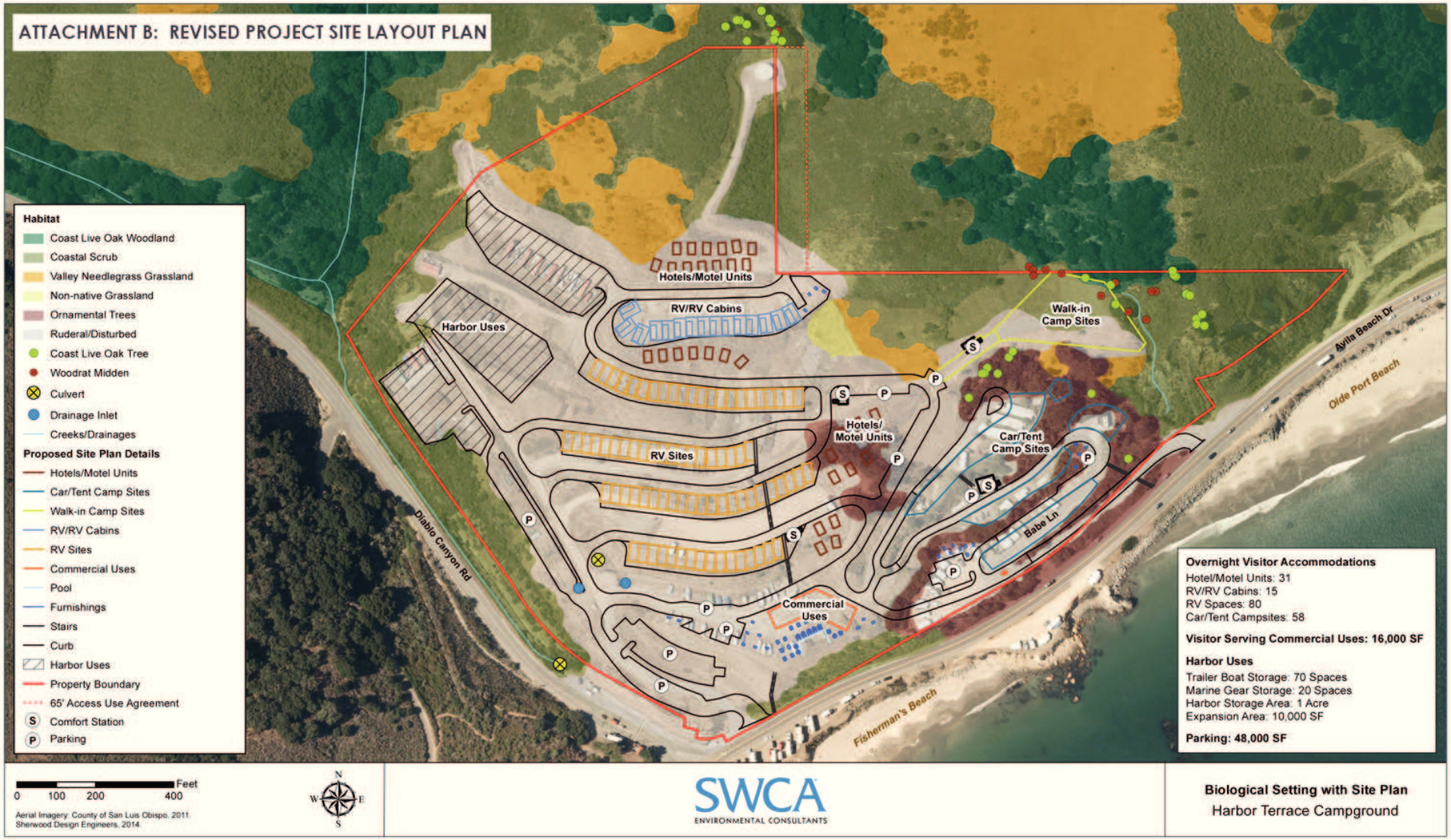
Sincerely,



Steve McGrath,
Harbor Manager
Port San Luis Harbor District

CC: Dan Carl, California Coastal Commission
Rob Fitzroy, San Luis Obispo County Planning Department
Tim Duff, State Coastal Conservancy


ATTACHMENT A: PREFERRED PROJECT SITE LAYOUT PLAN
Habitat
Coast Live Oak Woodland
Coastal Scrub
Valley Needlegrass Grassland
Non-native Grassland
Ornamental Trees
Ruderal/Disturbed
Coast Live Oak Tree
Woodrat Midden
Culvert
Drainage Inlet
Creeks/Drainages
Proposed Site Plan Details
Hotels/Motel Units
Car/Tent Camp Sites
Walk-in Camp Sites
RV/RV Cabins
RV Sites
Commercial Uses
Pool
Furnishings
Curb
Pad
Stairs
Harbor Uses
Property Boundary
65' Access Use Agreement
Comfort Station
Parking
Hotels/Motel Units
RV/RV Cabins
Harbor Uses
Walk-in Camp Sites
Hotels/ Motel Units
RV Sites
Car/Tent Camp Sites
Babe Ln
Commercial Uses
Diablo Canyon Rd
Avila Beach Dr
Olde Port Beach
Fisherman's Beach
Overnight Visitor Accommodations
Hotel/Motel Units: 31
RV/RV Cabins: 15
RV Spaces: 80
Car/Tent Campsites: 58
Visitor Serving Commercial Uses: 16,000 SF
Harbor Uses
Trailer Boat Storage: 70 Spaces
Marine Gear Storage: 20 Spaces
Harbor Storage Area: 1 Acre
Expansion Area: 10,000 SF
Parking: 48,000 SF
Feet
0 100 200 400
Aerial Imagery: County of San Luis Obispo, 2011.
Sherwood Design Engineers, 2014.
N
W
E
S
SWCA
ENVIRONMENTAL CONSULTANTS
Biological Setting with Site Plan
Harbor Terrace Campground


ATTACHMENT B: REVISED PROJECT SITE LAYOUT PLAN
Habitat
Coast Live Oak Woodland
Coastal Scrub
Valley Needlegrass Grassland
Non-native Grassland
Ornamental Trees
Ruderal/Disturbed
Coast Live Oak Tree
Woodrat Midden
Culvert
Drainage Inlet
Creeks/Drainages
Proposed Site Plan Details
Hotels/Motel Units
Car/Tent Camp Sites
Walk-in Camp Sites
RV/RV Cabins
RV Sites
Commercial Uses
Pool
Furnishings
Stairs
Curb
Harbor Uses
Property Boundary
65' Access Use Agreement
Comfort Station
Parking
Hotels/Motel Units
RV/RV Cabins
Harbor Uses
Walk-in Camp Sites
Hotels/ Motel Units
RV Sites
Car/Tent Camp Sites
Babe Ln
Commercial Uses
Diablo Canyon Rd
Avila Beach Dr
Olde Port Beach
Fisherman's Beach
Overnight Visitor Accommodations
Hotel/Motel Units: 31
RV/RV Cabins: 15
RV Spaces: 80
Car/Tent Campsites: 58
Visitor Serving Commercial Uses: 16,000 SF
Harbor Uses
Trailer Boat Storage: 70 Spaces
Marine Gear Storage: 20 Spaces
Harbor Storage Area: 1 Acre
Expansion Area: 10,000 SF
Parking: 48,000 SF
Feet
0 100 200 400
Aerial Imagery: County of San Luis Obispo, 2011.
Sherwood Design Engineers, 2014.
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ATTACHMENT C: COASTAL SCRUB PHOTO NARRATIVE

As shown in EIR Figure 4.3-2 (Habitat Map with Project Overlay), coastal scrub vegetation is present within and adjacent to existing Harbor District storage use areas. Vegetation within the existing storage areas has been historically disturbed. Vegetation density and quality increases in areas downslope from the existing storage area, towards the unnamed drainage along Diablo Canyon Road and oak woodland to the northwest. Figure 1 below is an excerpt from Figure 4.3.2 showing locations of photos taken on December 23, 2014.

Figure 1. Map excerpt and photo locations

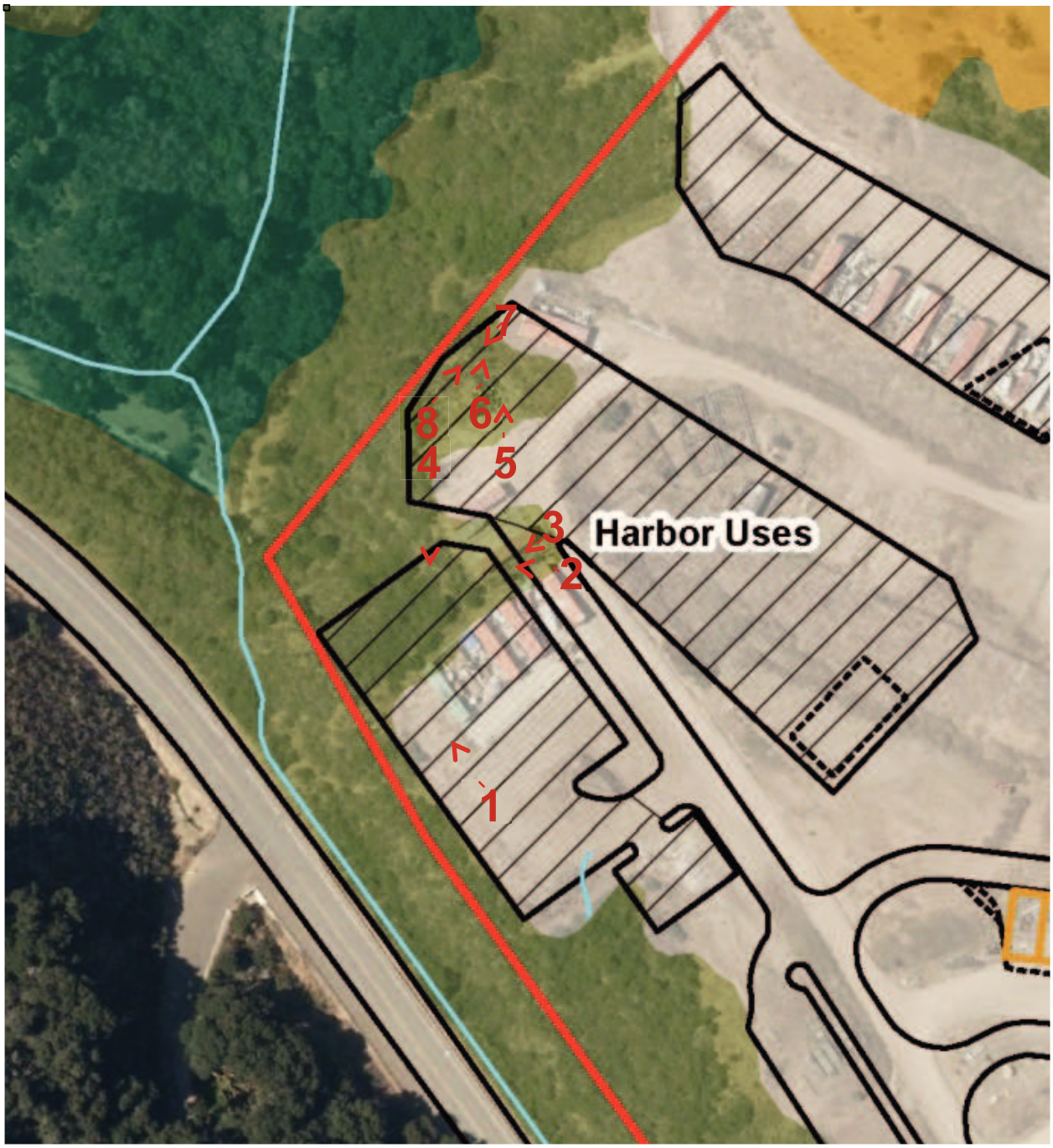

Photo 1: View looking northwest towards disturbed vegetation adjacent to existing lower storage area.

Photo 2: View looking northwest of coastal scrub vegetation present between existing storage units, within existing lower storage area.

Photo 3: Southwest view of coastal scrub vegetation present between existing storage units, within existing lower storage area.

Photo 4: Southern view fringe of coastal scrub adjacent to lower and middle existing storage areas.

Photo 5: Northern view of fringe of coastal scrub adjacent to existing roadway, within existing middle storage area.

Photo 6: View looking northeast (closer view of Photo 5), showing disturbed vegetation and fringe of coastal scrub adjacent to existing roadway, within existing middle storage area.

Photo 7: View looking southwest, showing coastal scrub vegetation within existing middle storage area.

Photo 8: View looking northeast, showing disturbed vegetation and fringe of coastal scrub within existing middle storage area.

Exhibit C: Excerpts from Chapter 9, Response to Comments, of the DEIR that include a discussion of low cost overnight accommodation rates

lisa wise consulting, inc.
planning economics natural resources

Memorandum

Response to the California Coastal Commission's comments regarding overnight visitor accommodation rate evaluations for Port San Luis Harbor Terrace

Prepared by Lisa Wise Consulting, Inc.

December 4, 2014

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INTRODUCTION

In a letter dated November 14, 2014, the California Coastal Commission (CCC) offered the Port San Luis Harbor District (Port) comments on the Draft Environmental Impact Report (DEIR) for the Port San Luis Harbor Terrace Development Plan. The DEIR studied a mix of tent sites, RV sites, and hotel/motel units designed to be consistent with the San Luis Bay Area Plan's lower-cost visitor serving accommodation standards, which require one tent site for every three RV sites and one tent site for every 1.5 hotel/motel units (referred to in this letter as the 1:3:1.5 requirement).[1]

Regarding the issue of lower-cost overnight visitor accommodations for Harbor Terrace, the CCC's letter requests the following:

> To understand this issue better, the EIR should include an evaluation of the room and campsite rates that will be charged to visitors. Further, given that, pursuant to the LCP, the tent campsites are intended as lower-cost visitor serving accommodations, the EIR should evaluate and explain what rates would be appropriate to ensure the campsites remain as such, including through ensuring that rates remain on par with those of State Parks, or other similar measures.[2]

The purpose of this memorandum is to respond to the CCC's above request. First, to provide context for the rate evaluations, this memo briefly discusses the background of the CCC's approach concerning lower-cost overnight visitor accommodations and the 1:3:1.5 requirement. Second, this memo offers rate evaluations for the tent sites, RV sites, and hotel/motel units planned for Harbor Terrace.

BACKGROUND: THE 1:3:1.5 REQUIREMENT

Section 30213 of the California Coastal Act states:

> Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.
>
> The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.[3]

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[1] County of San Luis Obispo, "Chapter 8: Planning Area Standards," in *San Luis Bay Area Plan*, (2009), 22.
[2] Daniel Robinson, California Coastal Commission, letter to Shawna Scott, Port San Luis Harbor District, November 14, 2014, 3.
[3] Cal. Coastal Code § 30213

In 2006, the CCC conducted a workshop that studied hotel affordability along the California coast. The study showed that only 7.9 percent of hotels in the State's nine most popular costal counties were of low-cost.[4] As a mitigation measure per Section 30213, the CCC requires some coastal developments or local plans to provide for lower-cost accommodations for approval.

For the Port San Luis Master Plan to be consistent with Section 30213, the CCC required that overnight visitor accommodations on the site be composed of the following ratios:

> A minimum of one (1) lower-cost campsite (car or walk-in/bike-in tent campsite) must be provided for every one and a half (1.5) unit of hotel/motel (cabin, bungalow, inn, yurt, casita) development.
> A minimum of one (1) lower-cost campsite (car or walk-in/bike-in tent campsite) must be provided for every three (3) RV campsites.[5]

For the CCC in this case, tent sites represented the provision of lower-cost accommodations.[6] The CCC derived these ratios (the 1:3:1.5 requirement) from the density ranges of uses shown in the Harbor Terrace Example Land Use Concept legend, shown in Figure 1, which reflected the Port's economic feasibility studies on demand for lower-cost visitor serving uses.[7]

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[4] California Coastal Commission, South Coast Area Office, *Major Amendment Request No. LOB-MAJ-1-10 (1-10) to the City of Long Beach Certified Local Coastal Program. For Public Hearing and Commission action at the Commission's June 16, 2011 Meeting in Marina del Ray*, by John Ainsworth, Gary Timm, and Charles Posner, Th18a-6-2011, (Long Beach, CA, 2011), 33.

[5] California Coastal Commission, Central Coast District Office, *San Luis Obispo County Local Coastal Program Major Amendment No. 1-05 (Part 1) Port San Luis Harbor Master Plan. For public hearing and action at the California Coastal Commission's November 16, 2006 meeting to take place at the Hyatt Regency in Huntington Beach*, by Charles Lester, Steve Monowitz, and Jonathan Bishop, Th9a-11-2006, (Santa Cruz, CA, 2006), 19.

[6] Ibid., 45.

[7] Ibid., 46.

FIGURE 1. HARBOR TERRACE EXAMPLE LAND USE CONCEPT LEGEND

EXAMPLE LAND USE CONCEPT

Compiled from Chapter 3, Harbor Terrace Limitation on Use Policy

KEY	USE	DENSITY RANGE Low	DENSITY RANGE High
A	Trailer Boat Storage	45 spaces	95 spaces
	Marine Gear Storage	24 spaces	48 spaces
	Port Material Storage	15,000 sf	20,000 sf
	Harbor Office/Shop	9,000 sf	16,000 sf
	Public Parking	48,000 sf	66,000 sf
B	Eating and Drinking Establishments (May include meeting rooms for rent)	16,000 sf	22,000 sf
	Food and Beverage Retail Sales (e.g., commissary or market)		
C	Tent Camp Sites	22 sites	44 sites
	RV Camp Sites (may be combination RV/full service tent camp sites)	69 sites	125 sites
	Hotels and motels (e.g., cabins, bungalows, inns, yurts, casitas)	33 units	67 units
D	Park and Open Space (e.g., park, scenic overlooks, common landscaped areas, picnic area)	23,300 sf	46,600 sf

NOTES:
- Square footages for uses under "B" indicate building footprints.
- Commercial visitor uses (for example, meeting rooms, food & beverage sales, eating & drinking establishments) may be divided into smaller components in different locations on the site.
- Overnight accommodations must at least meet the minimum density as listed above.
- In the event that a portion of the designated area for Harbor Uses is not needed, that area may be converted to a compatible Harbor Terrace use for a temporary or long-term duration.
- Please refer to Chapter 3 "Limitations on Use" policy for a complete list of possible uses for the Harbor Terrace site.
- Park and Open Space are incorporated in and around other land uses.

Source: California Coastal Commission, Central Coast District Office 2006, C5.

Using the overnight visiter accomodation uses listed in Key C of the legend, the CCC found the 1:3:1.5 ratios present in both the low and high desnity ranges, as shown in Table 1 below:

TABLE 1. RATIOS DERRIVED FROM EXAMPLE LAND USE CONCEPT LEGEND KEY C

Use	Density Range Low	Density Range High	Ratio to Tent Camp Sites
Tent camp sites	22	44	1
RV camp sites (may be combination RV/full service tent camp sites)	69	125	3
Hotel and motel units (e.g., cabins, bungalows, inns, yurts, casitas)	33	67	1.5

Source: California Coastal Commission, Central Coast District Office 2006, 46.

The CCC argued that the 1:3:1.5 requirements served three primary objectives:

> First, it ensures a portion of the new overnight accommodations will be dedicated to low-cost camping. Second, it ensures a greater mix of uses available to a wider spectrum of the public. Third, it ensures that the scale of development on the site will not be overburdened by one particular use to the detriment of coastal resources and the character of the area, including scenic views.[8]

[8] Ibid.

EVALUATION OF RATES

Per the CCC's request, below are rate evaluations for prospective tent sites, RV sites, and hotel/motel units.

TENT SITES

The 1:3:1.5 requirement ensures that the Harbor Terrace will include lower-cost overnight visitor accommodations, as represented by tent sites. The CCC has acknowledged tent sites along the California coast "are affordable to many residents, and are in extremely high demand."[9] Further, the CCC has recognized that tent camping fees at state parks along the California coast range from $5 to $60.[10] Relying on the same data referenced by the CCC,[11] Table 3 shows the rate ranges for drive-in and walk-in tent sites at state parks:

TABLE 2. RATES RANGES FOR DRIVE-IN AND WALK-IN TENT SITES AT CALIFORNIA STATE PARKS

Type of Tent Site	Park Count	Peak Season Rates		Non-Peak Season Rates	
		Low	High	Low	High
Drive-in	142	$10.00	$60.00	$10.00	$60.00
Walk-in	12	$5.00	$35.00	$5.00	$35.00
Total	**154**	**$5.00**	**$60.00**	**$5.00**	**$60.00**

Source: California Department of Parks and Recreation 2014.

Although these rates subject to change,[12] the rates for tent site planned for Harbor Terrace are expected fall within the above ranges. Further, because the CCC drew the 1:3:1.5 requirement from density designs derived from the Port's economic feasibility studies, market rate pricing for RV sites and hotel/motel units is expected to ensure the lower-cost pricing of the tent sites.

[9] California Coastal Commission, *Public Workshop on Lower Cost Visitor Serving Accommodations*, by Charles Lester, Susan Hansch, Madeline Cavalieri, and Rich Hyman, W3-12-2014, (San Francisco, CA, 2014), 9.
[10] Ibid.
[11] The CCC cited the state park tent site rate ranges as from California Department of Parks and Recreation, *California State Parks Camping Fees by Geographical Region*, (Sacramento, CA, 2014), accessed December 2, 2014, http://www.parks.ca.gov/pages/737/files/current_geoloc%20web_camping.pdf
[12] Each page of the listing states "Prices subject to change without notice." *California State Parks Camping Fees by Geographical Region.*

RV SITES

The DEIR's contention that RV sites can constitute lower-cost overnight accommodations was consistent with statements in prior CCC staff reports concerning Section 30213.[13] For example, according to the CCC's 2011 staff report for the City of Long Beach's Local Coastal Program amendment:

> Hostels, RV parks, and campgrounds are *inherently lower cost*, [emphasis added] and are the type of facilities that a mitigation charge for the loss of affordable over-night accommodations would support.[14]

The "inherently lower cost" language, along with the CCC's categorization of RV sites as "middle cost accommodation[s]" in the 2006 staff report for the Port San Luis Master Plan,[15] suggests that RV sites may represent an affordable option for visitors to the coast. However, a November 2014 CCC report makes clear that RV sites are most likely precluded from counting as lower-cost accommodations:

> [W]hen the cost of purchasing and maintaining, or renting an RV, is combined with the campground fee (which ranges from $50 to $80 per night at State Parks campgrounds along the coast), and the cost of gas (with typical RVs requiring a gallon of gas every ten miles), RV campgrounds would no longer be considered lower cost.[16]

The RV sites at Harbor Terrace will be priced at market rate. The 1:3:1.5 requirement imposed by the CCC via the San Luis Bay Area Plan accounts for market rate pricing of RV sites by requiring one tent site per three RV sites.

HOTEL/MOTEL UNITS

Like the RV sites, the hotel/motel units will priced at the market rate. The 1:3:1.5 requirement also accounts for the market rate pricing of hotel/motel units by requiring one tent site per three RV sites.

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[13] *LOB-MAJ-1-10 (1-10)*, 33; California Coastal Commission, South Coast Area Office, *Major Amendment Request No. 2-08 to the City of Redondo Beach Certified Local Coastal Program (For Public Hearing and Commission Action at the July 8-10, 2009 meeting in San Luis Obispo)*, by Jack Ainsworth, Teresa Henry, Gary Timm, and Gabriel Buhr, Th11a-6-2009, (Long Beach, CA, 2011), 44.

[14] *LOB-MAJ-1-10 (1-10)*, 33.

[15] *Major Amendment No. 1-05 (Part 1) Port San Luis Harbor Master Plan*, 45.

[16] *Public Workshop on Lower Cost Visitor Serving Accommodations*, 9-10.

Exhibit D: Memo from the Harbor District, dated April 8, 2015, that outlines its intent in establishing comparable rates for the Harbor Terrace campsites

MEMO

To: Daniel Robinson, California Coastal Commission
Madeline Cavalieri, California Coastal Commission

CC: Tim Duff, State Coastal Conservancy
Rob Fitzroy, County of San Luis Obispo

From: Steve McGrath, Port San Luis Harbor District

Date: April 8, 2015

Re: Port San Luis Harbor Terrace Campsite Rate Comparable Rates

Thank you, Daniel and Madeline, for speaking with the Harbor Terrace project team last Thursday morning regarding the low cost overnight accommodations the project will provide. Port San Luis Harbor District (Harbor District) is very pleased to be working with California Coastal Commission to open a beautiful piece of the California coast to visitors of all income levels. Our agency missions are aligned in that we seek to ensure such coastal access.

On Thursday, March 26, 2015, the County of San Luis Obispo Planning Commission unanimously approved a Coastal Development Permit for the project, and we are now one step closer to implementing the project as envisioned in the County LCP and San Luis Bay Area Plan. Following our conversation with you of Wednesday, March 25, 2015, the Harbor District put forth a condition of approval that addressed Harbor Terrace campsite rates and that condition was approved by the Planning Commission. Condition of Approval No. 65 reads as follows:

> "Overnight rates for the 58 low cost campsites (car or walk-in/bike-in tent campsites) are to fall within the rate schedule for comparable camp sites set forth by California State Parks for the current year."

In our conversation of last Thursday, April 2, you requested additional information on how the Harbor District interprets the word "comparable" in the above condition of approval. True comparisons are difficult to identify given the unique nature of the site (a south facing terrace above a natural hooked bay protected from the prevailing northwest winds) and the spectacular views the campsites will afford of San Luis Obispo Bay and beyond to the Guadalupe Dunes and Pt. Sal. The Morro Bay State Park and Morro Strand State Beach campsites may constitute the closest comparable sites in terms of geography and standard amenities offered, though Harbor Terrace will provide additional facilities including a swimming

pool and restaurant, and other nearby amenities. Current fees for these campsites are $35/night. Other nearby sites would be Montana de Oro which offer campsites at $25/night. These rates reflect the current median State Parks campsite (peak and non-peak) fee of $35/night.

Finally, you requested last Thursday that the Harbor District further define its intent in managing rates for the Harbor Terrace campsite consistent with Condition of Approval No. 65. The intent is three-fold: to ensure the continued availability of low cost camp sites, to ensure that there is an easily identifiable datum point for comparisons, and to ensure that the project continues to meet its goals of providing recreational opportunities to the public and financial support to the District. To those ends, comparisons would be based on location, amenities (dining, activities) and qualities (weather, ambient noise from freeways or railroad etc.) considered as put forth above.

Thank you again for working with us on this project; it will truly be an asset to the District, the County and the State when completed.