

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 6/16/2015	(3) CONTACT/PHONE Rob Fitzroy, Environmental Resource Specialist / (805) 781-5179	
(4) SUBJECT Hearing to consider an appeal by Michael Kidd of the Planning Commission's approval of Development Plan/Coastal Development Permit DRC2013-00044 to allow for the development of the 32-acre Harbor Terrace site that would include a range of low-cost overnight and visitor serving accommodations located on the north side of Avila Beach Drive, east of Diablo Canyon Road within Avila Beach, and consider the Final Environmental Impact Report certified by Port San Luis Harbor District. District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Hold the public hearing on the appeal of the Planning Commission's approval as set forth in the staff report and attachments. 2. Adopt and instruct the chairman to sign the resolution to affirm the Planning Commission's decision and approve the Development Plan/Coastal Development Permit based on the findings and conditions in Attachment 1, Exhibits A and B.			
(6) FUNDING SOURCE(S) Planning Dept Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>120 min.</u>) { } Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) District 3.			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Rob Fitzroy, Environmental Resource Specialist

VIA: Ellen Carroll, Planning Manager / Environmental Coordinator

DATE: 6/16/2015

SUBJECT: Hearing to consider an appeal by Michael Kidd of the Planning Commission's approval of Development Plan/Coastal Development Permit DRC2013-00044 to allow for the development of the 32-acre Harbor Terrace site that would include a range of low-cost overnight and visitor serving accommodations located on the north side of Avila Beach Drive, east of Diablo Canyon Road within Avila Beach, and consider the Final Environmental Impact Report certified by Port San Luis Harbor District. District 3.

RECOMMENDATION

It is recommended that the Board:

1. Hold the public hearing on the appeal of the Planning Commission's approval as set forth in the staff report and attachments.
2. Adopt and instruct the chairman to sign the resolution to affirm the Planning Commission's decision and approve the Development Plan/Coastal Development Permit based on the findings and conditions in Attachment 1, Exhibits A and B.

DISCUSSION

Project Site History

Originally, the Harbor Terrace site consisted of rolling hills that sloped in a southerly direction. Union Oil Company graded the site in the 1930s for the storage of crude oil in aboveground soil storage tanks. In 1973, the site was graded for the proposed Port San Luis Marina Village, a project that was never completed. The Port San Luis Harbor District purchased 23 acres of the site with funding from the State Department of Boating and Waterways in 1976 to develop uses that could generate additional revenues for the Harbor District and provide needed land for harbor facilities. In 1980, 6 acres were added through a long-term lease agreement. After acquiring additional leases and property, the site became approximately 32 acres and is now owned by the Harbor District.

Historic use of the site included the Port San Luis Trailer Park, which occupied approximately three acres off Babe Lane, and consisted of 41 spaces, but which has now been closed and all trailers removed. The Harbor District has used the remainder of the site for commercial and recreational boat and fishing gear storage, recreational vehicle (RV) camping and Harbor District storage of materials and equipment.

Efforts to develop the project site in the 1990s led to an update of the Port San Luis Master Plan and a Local Coastal Program amendment incorporating the features now reflected in the proposed project. The Port San Luis Harbor District, through the land use authorities, the County, and Coastal Commission, created extensive planning area standards that guide the development of the Harbor Terrace site. The County incorporated the changes into the Local Coastal Program and the San Luis Bay Coastal Area Plan in 2007. The goals and criteria for the Harbor Terrace site are set forth in the Harbor Terrace Planning Sub-Area of the San Luis Bay Coastal Area Plan.

Proposed Project

The proposed project would develop the 32-acre Harbor Terrace site pursuant to the goals and site specific criteria set forth in the Harbor Terrace Planning Sub-Area of the San Luis Bay Area Plan. The project would include a range of low-cost overnight accommodations including 80 recreational vehicle (RV) sites, 15 RV cabins, 36 car/tent campsites, 22 walk-in/bike-in campsites, and 31 cabin/bungalow/yurt-type units. The project would also include 16,000 square feet of visitor serving commercial uses (e.g. retail general store, restaurant, meeting/conference facilities, office/lobby/reception area and/or managers residence). The project includes harbor uses (e.g. trailer boat storage, marine gear storage, harbor storage area, and a 6,000 square feet harbor building expansion area that could be used in the future only for Harbor District operations/offices. The project includes restrooms, a pool area and 48,000 square feet of parking. Additional features include on-site paths between parking areas and campsites; an accessible ramp between the commercial use and pool area and a proposed crosswalk across Avila Beach Drive; a check-in station near the primary entrance, and a trash and recycling enclosure. Please refer to project graphics in Attachment 5.

Jurisdictional Authority

The Port San Luis Harbor District is the Lead Agency for the Harbor Terrace project and as such, they prepared an Environmental Impact Report (EIR) for the project. The Harbor District certified the EIR and approved the project on January 27, 2015. Because the project is located in San Luis Obispo County and the County is the coastal permitting authority, the Harbor District is required to obtain a Development Plan/Coastal Development Permit from the County. For this project, San Luis Obispo County is a Responsible Agency.

Environmental Review

The EIR as certified on January 27, 2015 by the Port San Luis Harbor District evaluated the environmental impacts associated with the project. The EIR concluded that potentially significant impacts may occur as related to aesthetics, air quality, biology, cultural resources, geology and soils, greenhouse gases, hazards and hazardous materials, and transportation and circulation. However, the mitigation measure prescribed by the EIR would reduce potential impacts to a less than significant level. No significant and unavoidable (Class I) impacts were identified. All impacts were determined to be mitigable to a less than significant level.

County of San Luis Obispo Planning Commission Action

The Planning & Building Department recommended approval of the project, in part, because the project was found to be consistent with all applicable goals and policies of the General Plan and the Harbor Terrace Planning Sub-Area of the San Luis Bay Area Plan (see Planning Commission Staff Report, Attachment 4).

On March 26, 2015 the Planning Commission considered the proposed project and the EIR certified by the Harbor District. The Planning Commission determined that the certified EIR prepared by the Harbor District was adequate for issuance of the Coastal Development Permit and the project was consistent with all applicable goals and policies of the General Plan, Local Coastal Program, Area Plan, and development criteria for the Harbor Terrace site. The Planning Commission approved the project with minor changes to the conditions of approval and no changes to the findings.

An appeal of the Planning Commission's decision was filed by Michael Kidd, a resident of Avila Beach on April 3, 2015 (see Attachment 2).

Appeal Issues

The appellant raised concerns that the proposed Harbor Terrace project does not have adequate water supply available, the existing Area Plan is out of date and should be updated to accommodate the proposed project, and that the traffic study is inadequate and should be updated to reflect peak seasonal traffic volumes.

Appeal Issue 1. The appellant requests that the Board of Supervisors overturn the approval of this project based on the severity of the ongoing drought and mandatory water reductions in place.

Staff Response: The EIR evaluated the water supply for the proposed project (Section 4.10 Public Services, Utilities and Service Systems) and determined that adequate water supply exists to serve the proposed development. Water service is provided to the Harbor District through County Service Area Number 12 (CSA 12), which acquires and distributes water supplies allocated from the Lopez Lake Reservoir. CSA 12 is allocated 241 acre-feet per year (afy) from the reservoir; and of this, the Harbor District possesses an allotment of 100 afy. The Harbor District currently uses approximately 35% of its water allocation (approximately 35 afy).

The proposed project would require 31.94 afy. The sum of existing water demand plus proposed project water demand would total 66.94 afy. As noted, the Harbor District has an allocation of 100 afy, thus adequate water supplies would be available to accommodate the project and there would be a surplus of 33.06 afy remaining within the District's allocation. The EIR concluded impacts to water supply would be less than significant. The project was modified to remove lawn areas and non-native landscaping. The project includes several water conservation measures and installation of drought tolerant landscaping.

It should be noted that due to the drought, the County is implementing the Low Reservoir Response Plan (LRRP) for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District, although no reductions in water delivery have yet occurred. The goal of the LRRP is to reduce downstream releases and municipal diversions from Lopez Reservoir, when the lake falls below 20,000 acre feet of storage. Lopez Reservoir would need to fall below 2% capacity before the Harbor District would fall short of supply needed to meet existing conditions plus Harbor Terrace water demand.

Appeal Issue 2. The appellant requests the County postpone approval of the Harbor Terrace project until the Avila Community Plan is updated to include new large projects that have recently been proposed.

Staff Response: The Harbor Terrace project has been planned for and reflected in the County's adopted General Plan/ Local Coastal Program since 2007. The Goals, Policies, and planning area standards for the Harbor Terrace project site were derived from the Port Master Plan update that concluded in 2004. The project as proposed is consistent with all applicable goals, policies and standards of the Port Master Plan, San Luis Bay Area Plan and applicable sections of the General Plan/ Local Coastal Program. The project-level environmental impacts of the proposed Harbor Terrace project were analyzed and disclosed in the Final EIR prepared and certified by the Harbor District on January 27, 2015. The EIR also evaluated cumulative impacts. This analysis evaluated cumulative impacts of all recently approved and reasonably foreseeable projects within Avila, in connection to the proposed project. Reasonably foreseeable projects typically include those projects for which an application has been formally submitted to the County. The list of project is included in Table 3-2 in Section 3.0 Environmental Setting of the EIR.

Several large projects in the Avila area are under evaluation, or have been announced and are in conceptual stages. The noted projects in the appeal are not included in currently adopted County Plans or the Port Master Plan. These projects will require independent evaluation based on the specific proposals and in certain cases may require amendments to the General Plan, Avila Specific Plan, and/or Area Plan. While some details of these projects are known, in most cases, not all project features have been finalized. Upon completion of full project descriptions, the County will begin to initiate processing and environmental review.

The Avila Beach Community Plan (as adopted in 1980) has been subject to numerous changes and updates over the last 35 years. The Avila Community Plan has been modified and superseded for portions within the Coastal Zone (including the project site) with the adoption of the Local Coastal Program (LCP) and subsequent updates to the LCP, as well as adoption of the Avila Specific Plan (2001). The most recent update to the Avila Beach Community Plan was February 2014. The LCP was specifically updated in 2007 to include the Harbor Terrace project site and site-specific development criteria.

Appeal Issue 3. The appellant requests that the project is precluded from proceeding until additional traffic counts take place of which would likely show that traffic impacts would occur during holiday visitor seasons and weekends.

Staff Response: The EIR analyzed and disclosed the traffic impacts of the project in Section 4.11 of the EIR. The EIR concluded that the project would not generate traffic resulting in a deterioration of Level of Service (LOS) as identified in the governing planning documents. The project will be required to pay their fair share of roadway fees to Public Works to contribute to cumulative area-wide traffic improvements to offset cumulative impacts. The EIR also analyzed and disclosed how project traffic impacts would vary in context of seasonal peak (summer weekend) traffic timeframes (Section 4.11.1.5). Special events, such as bike races, were not included in the traffic study because they represent temporary influxes of traffic and are not associated with regular operation of the proposed project.

In the past, it has been recognized that due to significant seasonal traffic fluctuations, determining a normal Level of Service for Avila Beach Drive and San Luis Bay Drive presented a unique challenge. In the 1990's, the Board of Supervisors determined that May traffic counts would be most appropriate to balance the high-peak summer traffic volumes with the low-peak winter volumes along Avila Beach Drive in determining LOS. The May date was carefully selected by the Board and was based on traffic data, the cost of road improvements and future planned development within Avila. It was the decision of the Board to avoid planning and implementing road improvements that would accommodate traffic volumes that only occur during a short period of time throughout the year. The roads would be

overbuilt for the remaining moderate to low season traffic volumes that would occur the majority of the year. This would diminish the cost-effectiveness of such improvements.

The LOS determination criteria is included in the Level of Service standards of the San Luis Bay Area Plan that states "The LOS for Avila Beach Drive and San Luis Bay Drive shall be based on the average hourly weekday two-way 3:00 p.m. to 6:00 p.m. traffic counts to be conducted during the second week in May of each year." In other words, all discretionary projects that require a traffic study are required to perform traffic counts at this time. The Harbor Terrace project considered the LOS on these roads consistent with this standard and analyzed the project's impacts appropriately.

Conclusion

The Planning Department recommends upholding the Planning Commission's approval of the project and denying the appeal by Michael Kidd because the project is consistent with applicable goals and policies of the General Plan and San Luis Bay Area Plan, and the appeal issues raised have been addressed by the EIR and have been mitigated or determined to be less than significant.

OTHER AGENCY INVOLVEMENT

The project was referred to: Public Works, Environmental Health, Air Pollution Control District, Building Division, Cal Fire, Avila Community Services District, Avila Fire, Cal Trans, Port San Luis Harbor District (Avila), California Coastal Commission, Avila Valley Advisory Council, Native American Heritage Commission, and County Office of Emergency Services.

The California Coastal Commission has provided comments throughout the planning process. Of particular concern to the Coastal Commission is to ensure that the site retains low-cost visitor serving accommodations into the future (refer to Attachment 5). The County, the Harbor District and the Coastal Commission have coordinated extensively to prepare a Condition of Approval to this end (refer to Condition of Approval #66 in Attachment 1). On May 8, 2015, the Coastal Commission provided a letter of support for the project (refer to Attachment 6).

FINANCIAL CONSIDERATIONS

This appeal was processed using Planning & Building Department general funds.

RESULTS

Affirming the Planning Commission's decision and denying the appeal would result in the approval of Development Plan / Coastal Development Permit DRC2013-00044. This is consistent with the County's goal of promoting livable and prosperous communities.

ATTACHMENTS

1. Attachment 1 - Board of Supervisors Resolution
2. Attachment 2 - Appeal Letter
3. Attachment 3 - Applicant Response to Appeal Letter
4. Attachment 4 - Planning Commission Staff Report
5. Attachment 5 – Request for Modified Condition
6. Attachment 6 - Coastal Commission Support Letter
7. Attachment 7 - Graphics