

COASTAL CONSERVANCY

Staff Recommendation
October 18, 2012

PIEDRAS BLANCAS CAMPGROUND DESIGN

Project No. 08-125-02

Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorize disbursement of up to \$40,000 to the California Department of Parks and Recreation to prepare final design, permit, and environmental review documents for the future development of a campground at the Piedras Blancas Motel site within Hearst San Simeon State Park, San Luis Obispo County.

LOCATION: Hearst San Simeon State Park, Northern San Luis Obispo County Coast.

PROGRAM CATEGORY: Public Access

EXHIBITS

- Exhibit 1: [Project Location and Site Map](#)
- Exhibit 2: [Piedras Blancas Motel Reuse Feasibility Study \(August 2010\)](#)
- Exhibit 3: [Piedras Blancas Motel Reuse Feasibility Study Supplement: Tent Cabins/Yurts \(December 2010\)](#)
- Exhibit 4: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31400 *et seq* of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed forty thousand dollars (\$40,000) to the California Department of Parks and Recreation (DPR) to prepare final design, permit, and environmental review documents for the future development of a campground at the Piedras Blancas Motel site within Hearst San Simeon State Park in San Luis Obispo County, subject to the following conditions:

1. Prior to the disbursement of funds, DPR shall submit for the review and approval of the Executive Officer of the Conservancy a final work program, budget, schedule, and names of any contractors to be employed for these tasks.
2. To the extent appropriate, the DPR shall ensure that the project is consistent with the Conservancy's 'Standards and Recommendations for Accessway Location and Development'

and with all applicable federal and state statutes, regulations and guidelines governing barrier-free access for persons with disabilities.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the Conservancy’s current Project Selection Criteria and Guidelines.
2. The proposed project is consistent with Chapter 9, sections 31400 *et. seq.* of Division 21 of the Public Resources Code, regarding coastal access.
3. The proposed project serves greater than local needs.”

PROJECT SUMMARY:

Staff recommends that the State Coastal Conservancy authorize a grant of up to \$40,000 to the California Department of Parks and Recreation (DPR) to prepare final design, permit, and environmental review documents for the future development of a campground at the Piedras Blancas Motel site within Hearst San Simeon State Park in San Luis Obispo County.

Low-cost accommodations are scarce along much of the California coast. Out of more than 1,600 hotels, RV parks and campgrounds in California’s coastal counties, fewer than 10% offer accommodations under \$100 per night (National Ocean Economics Program; California Coastal Access Guide). The 134 facilities offering low cost accommodations include RV parks, campgrounds, lower cost hotels, and hostels. Within the project region, the Piedras Blancas Motel Reuse Study market analysis indicates there is a lack of low-cost accommodation along the Big Sur coastline between Carmel and Cambria (Exhibits 2 and 3). Many visitors to the Big Sur coast cannot afford the luxury resorts and hotels that dominate the region, and given the high numbers of annual visitors to the Big Sur coast and an increasing coastal population, the need for low to moderate cost accommodation will continue to increase. Located on a coastal bluff at the southern gateway to the Big Sur coast and within Hearst San Simeon State Park, the Piedras Blancas Motel site is ideally positioned to serve the growing demand.

DPR is requesting Conservancy funds to assist them in completing final plans and specifications for the proposed campground that would provide a mix of low and moderate cost camping facilities, including up to 30 tent sites, tent cabins and/or other portable cabins. All of these facilities would be designed and located to address the site’s proximity to the shoreline, and due to their portable nature, would have the capability to be readily relocated inland on State Park property as needed in response to bluff retreat. DPR will prepare the final plans and specifications for the campground using the conceptual designs prepared in the reuse alternatives studies as a basis for developing these plans. DPR is also requesting funds to assist them with the preparation of documents required for completion of environmental review under CEQA and an application to the County of San Luis Obispo for a coastal development permit (CDP). The previous studies and surveys done by the Department of Transportation (Caltrans) for their forthcoming Highway One realignment project in the area will provide a substantial amount of the information needed for both the environmental review and the CDP application for the campground. DPR expects to complete the final plans and associated CDP and CEQA review

documents in approximately six months and submit them to the County for approval by the summer of 2013. It is anticipated that a CDP and all other required permits would be secured by the end of 2014 at which time DPR would solicit bids from private contractors and award a concession for the construction and operation of the campground to the highest ranking bidder.

Despite challenging budget constraints, the San Luis Obispo district superintendent has demonstrated an exceptional ability to oversee the management and operation of a vast expanse of park lands and has consistently displayed a capacity to take on special projects and move them forward. Conservancy staff has worked closely with the current district superintendent and his staff on several such projects over the past ten years, including the recent completion of the San Luis Obispo North Coast Coastal Trail Master Plan that required significant staff time to complete. DPR also provided critical staff support necessary for the completion of the two Piedras Blancas Motel Reuse Feasibility studies. This past spring and summer DPR staff applied for and secured state funds to renovate portions of the motel and intends to complete the remaining improvements and operate the motel through a concession by next summer. Following completion of the design and permitting phase for the campground DPR intends to construct and operate the facility through the concession process. District staff has had significant and long term experience managing such concessions as demonstrated by their management of the Hearst Castle Visitor Center food, gift shop, and theater concessions.

Site Description: The area in the vicinity of the Piedras Blancas Motel is considered the southern gateway to the world famous Big Sur coastline, a spectacular, cliff-hugging 90 miles of coast that was designated the State's first National Scenic Byway in 1965 (Exhibit 1). The 25-acre property is located in the middle of Hearst San Simeon State Park, which extends for 18 miles from San Carpoforo Creek to the north, to Moonstone Beach to the south in Cambria. Established in 2004 when State Parks acquired roughly 1,000 acres west of Highway One from the Hearst Corporation, this Park creates exciting opportunities to develop new segments of the California Coastal Trail, including links to the project site. In addition to coastal parks and beaches, nearby attractions include the Hearst Castle, an elephant seal haul out and rookery, and the commercial districts in San Simeon and Cambria.

Two sandy beaches flank the northern and southern ends of the site. The bluffs in between the beaches rise from five to 40 feet above sea level and support non-native grasses, iceplant and a few cypress trees. The open character affords views of Big Sur to the north, Piedras Blancas lighthouse to the south, and Hearst Ranch's rolling hills to the east. A state-funded conservation easement protects the vast majority of the 82,000 acres of privately-owned land east of Highway One. Due to bluff erosion Highway One will be realigned inland approximately 500 feet in 2017, and at that time all land west of the new highway will be transferred to State Parks, including the land opposite the motel site (Exhibit 4).

The property is entirely within the coastal zone and is zoned recreational by San Luis Obispo County. Improvements on the property include a shuttered and dilapidated 11-unit motel with a coffee shop built during the 1960s, and a caretaker's home with a garage and storage building that provides housing for DPR staff. There are three water wells on the property. Two wells have 5,000-gallon and 2,500-gallon tanks that provide water to DPR staff that reside there. The third well is not in use. The water and wastewater systems were repaired with Conservancy funding in 2004 and DPR is confident that both systems can readily be upgraded if needed to serve the planned uses at the motel, café and campground. Underground gasoline storage tanks that once served a gas station on the site were removed in 1999, and according to a Phase I Environmental

Site Assessment completed in 2004 these tanks did not leak. That report concluded that there were no recognized hazardous environmental conditions on the property.

A geotechnical report commissioned in 2001 concluded that the coastal bluff fronting the motel site had been retreating at a rate of approximately five feet per year, with the most severe erosion occurring at the northern boundary of the site. Between 1990 and 1994 a manager's residence north of the main motel complex was destroyed by bluff erosion. In 2008 the bluff at the northern end of the property eroded to within five feet of a small three-unit motel structure requiring demolition of this separate section of the motel. More recent calculations by DPR indicate the bluff has retreated six or more feet per year over the past 17 years at the site's northern edge. The remaining motel structures in this area are located between 85 feet and 146 feet away from the bluff edge, with the narrowest bluff areas to the north and then widening to the south. DPR estimates that the motel structures appear to have a useful life of between 14 years and 24 years. When any of the motel structures are threatened by bluff erosion DPR intends to demolish them.

Compared to the northern half of the motel property, erosion rates along the southern end of the motel and further south on the property have been substantially less, perhaps due in part to its more western orientation compared to the northern end which appears to be taking the brunt of winter storms and associated wave patterns. The area of the motel property proposed for development of the campground is located south of the motel along the southern half of the site where 200 to 300 or more feet of bluff separates the western edge of the campground site from the bluff edge. Based on DPR's recent calculations it appears the bluff area proposed for the campground is 75 to 100 years away from the threat of future bluff retreat.

Project History: In 2005 the motel site was purchased by the Trust for Public Land with \$4.5 million in funding from the Conservancy, plus other federal and private funds. The Conservancy also provided funds to evaluate and make minor repairs to the site's water and wastewater systems, and to install fencing and signage to direct public access away from eroding bluffs and sensitive site resources. Overgrown vegetation was reduced to minimize public risks and increase ocean views, and temporary restroom facilities were installed. In 2006 the property was transferred to State Parks as an addition to Hearst San Simeon State Park and, although the motel has remained closed since then, the site continues to offer public day-use parking and convenient beach access.

In 2008 the Conservancy funded the preparation of a structural analysis of the motel and café buildings which determined that the structures were largely sound, but that repairs would be needed prior to re-opening the buildings to the public. In 2009 the Conservancy funded the preparation of a reuse feasibility and alternatives studies (Exhibits 2 and 3) that included an analysis of regulatory constraints, the market demand for low cost accommodation in the region, and the costs to construct and operate a low cost lodging facility, including a campground. Completed in 2010, the studies confirmed such uses were indeed feasible, but that significant constraints associated with severe bluff erosion could limit the size and location of such facilities.

In 2011, Conservancy staff initiated discussions with Hostelling International (HI) regarding their interest in developing and operating a hostel, and together with State Parks pursued the details of the project. In early 2012 several meetings were held on-site, including with Coastal Commission staff, and all parties agreed the project appeared to be feasible and should move

forward. In April 2012 the Coastal Commission approved directing in-lieu fees to the project and in June these funds were deposited into a state account to be managed by the Conservancy.

However, in May 2012 DPR discovered that the rate of erosion and the resulting loss of blufftop land fronting the motel were greater than previous studies had indicated. The new calculations revealed that the northern half of the motel would likely be threatened within 15 years or less, and it was thus decided it would be unwise to invest significant state funds in the renovation of the motel.

Nonetheless, in June of 2012 DPR began an initial phase of renovations to the café building of the motel using \$150,000 of State Park funds available for projects that will lead to the generation of revenue. The café is located further south on the bluff where erosion rates are less severe, and based on their recent calculations DPR determined that the lifespan of the café and adjacent motel buildings would be approximately 20 to 25 years, making such an investment worthwhile. While the scope of the current project includes only the café portion of the motel, DPR plans to issue a request for proposals for completion of repairs to, and the operation of, both the café and the other motel structures, including the motel's 11 rooms and manager's quarters. DPR intends to select a private concessionaire to fund the completion of the necessary renovations and operate the facility, though state funds may also be sought if DPR determines it would be economically feasible to include below market rate rooms for low cost, hostel-type uses. When completed, the motel and adjacent campground would serve to provide a range of overnight accommodation types, including low and moderate cost camping options sorely needed on this stretch of the central coast.

In July 2012, SCC and DPR staff agreed the concept of establishing a campground south of the motel where substantially more blufftop land was available was also worthwhile, and determined the timing was right to pursue final plans and secure permits.

PROJECT FINANCING

Coastal Conservancy	<u>\$40,000</u>
Total Project Costs	\$40,000

The proposed source of Conservancy funds for this authorization is an appropriation to the Conservancy from Proposition 84, "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006." Section 75060(b) of the Public Resources Code specifically allocates funding to the Conservancy for expenditure pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code. The proposed project will promote access to and enjoyment of the coast by facilitating development of low-cost accommodations on the central coast and within a State Park. It is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section of this report, below. The proposed authorization is thus consistent with Proposition 84.

DPR staff will be managing the proposed project and estimates the value of their in-kind services to be approximately \$10,000.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 9 of the Conservancy's enabling legislation, Division 21 of the California Public Resources Code (Sections 31400-31410), regarding public access and enjoyment of coastal resources. Section 31400 states that the Conservancy shall have a principal role in the implementation of a system of public accessways to and along the state's coastline, and developing a campground is consistent with this section.

Section 31400.1 allows the Conservancy to award grants to a public agency to develop, operate, or manage lands for public access to and along the coast that serve more than local public needs. Consistent with this section, the project proposes to award a grant to State Parks to develop a campground that will serve visitors from around the state and beyond.

Section 31400.2 authorizes the Conservancy to provide up to the total cost of the initial development of a public accessway by any public agency, and the amount of funding provided by the Conservancy shall be determined by the total amount of funding available for coastal public accessway projects, the fiscal resources of the applicant, the urgency of the project relative to other eligible projects, and the application of factors prescribed by the Conservancy. Consistent with this section, the proposed amount of the Conservancy contribution was determined based on the total amount of funding available to the Conservancy for public access projects, the in-kind assistance provided by DPR (see Project Financing), and the Conservancy's Project Selection Criteria, including project urgency (See Consistency with Conservancy's Project Selection Criteria & Guidelines).

Section 31400.3 enables the Conservancy to assist public agencies and nonprofit organizations in developing and implementing a system of public accessways to and along the state's coastline. The proposed project will further these goals by improving and enhancing public access by providing low-cost overnight accommodation in a region that lacks such facilities.

CONSISTENCY WITH CONSERVANCY'S ACCESS PROGRAM STANDARDS:

The project is consistent with the Conservancy's Standards and Recommendations for Accessway Location and Development as follows:

Standard No. 1, Protect Public and Coastal Resources: The project will be designed and located to minimize alteration of natural landforms.

Standard No. 5, Environmentally Sensitive Areas: The proposed campground will minimize, if not entirely avoid, any sensitive areas, and be set back from the bluff edge by a minimum of 200 feet.

Standard No. 12, Support Facilities: By providing low-cost overnight accommodation within a remote State Park, the proposed campground will make it easier for people to access and enjoy surrounding coastal resources including adjacent parkland, trails, Piedras Blancas Light Station, elephant seal rookeries, bluffs and beaches.

Standard No. 13, Barrier-Free Access: Consistent with this standard, the campground will allow for barrier free access, as required by and consistent with all applicable federal and state statutes, regulations and guidelines governing barrier-free access for persons with disabilities.

**CONSISTENCY WITH CONSERVANCY'S 2007
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 2 Objective E**, the proposed development of plan and permit documents for a new campground will serve to increase and enhance coastal recreational opportunities for residents and visitors.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The project is broadly supported. See Exhibit 4.
4. **Location:** The proposed project would be located within the coastal zone of San Luis Obispo County.
5. **Need:** While DPR is providing substantial staff support, DPR does not have sufficient cash resources to complete the project without the Conservancy's funding.
6. **Greater-than-local interest:** With over 3 million visitors annually, Big Sur region attracts tourists from all over the state, country and the world. The project would lead to the establishment of low-cost overnight accommodation that would serve many of these visitors.
7. **Sea level rise vulnerability:** The final plans for the proposed project will consider sea level rise in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase project resiliency to sea level rise. In response to bluff erosion the portable tent cabin structures will be relocated inland (e.g. "planned retreat").

Additional Criteria

8. **Urgency:** With a historic and severe shortage of low-cost accommodation on the Big Sur coast, the establishment of a campground at the southern gateway is urgently needed.
10. **Realization of prior Conservancy goals:** Since 1985 the Coastal Conservancy has targeted the provision of low-cost overnight accommodations under its Public Access Program, and has assisted nonprofit organizations and agencies in developing such facilities along the California Coast.
12. **Minimization of greenhouse gas emissions:** The proposed campground will serve to reduce greenhouse gas emissions by supporting DPR's "camp, park, stay" campaign that encourages visitors to get out of their cars and enjoy the natural resources of the state's park system, including trails. The site is located within walking and biking distance of nearby attractions including the Piedras Blancas lighthouse and elephant seal overlooks. For the past four years DPR has been coordinating with Caltrans and others on plans for the construction

of the Coastal Trail from the site to other popular beach and bluff access points within the state park as part of the Caltrans Highway One realignment project. In addition, the county bus system has recently added free summer service from Cambria to the Hearst Castle, and DPR is pursuing the future extension of this service to the project site.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed campground is consistent with the Planning Area Standards of the North Coast Area Plan of the County of San Luis Obispo Local Coastal Program (LCP) which identifies the subject site as a priority area for visitor-serving and recreational uses, including low cost overnight facilities. The Coastal Zone Land Use Ordinance calls for a minimum 50-foot setback from the coastal bluff edge for all new or expansion of existing uses, and requires that a site stability evaluation report be prepared. Consistent with these policies, the campground will be set back a minimum of 200 feet and DPR will conduct a site stability geological evaluation during the design and permit phase.

COMPLIANCE WITH CEQA:

The proposed project is statutorily exempt from review under the California Environmental Quality Act pursuant to 14 California Code of Regulations, Section 15262, in that it would involve only planning studies and feasibility analyses for possible future actions. The project is also categorically exempt under Section 15306, which exempts basic data collection and resource evaluation activities. Environmental factors will be considered in the studies undertaken pursuant to this authorization.

Upon Conservancy approval of the project staff will file a Notice of Exemption for this project.