

COASTAL CONSERVANCY

Staff Recommendation
December 6, 2012

PORT SAN LUIS HARBOR TERRACE CAMPGROUND

Project No. 12-048-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorize: 1) disbursement of up to \$400,000 to undertake entitlement activities needed for the future development of a low-to-moderate-cost campground in the Port San Luis Harbor, San Luis Obispo County; and 2) the Executive Director to enter into an agreement with the Port District for the Conservancy to undertake these entitlement activities and, in return, to share in the future potential revenue from the campground facilities.

LOCATION: Harbor Terrace, Port San Luis Harbor, San Luis Obispo County.

PROGRAM CATEGORY: Urban Waterfront Restoration and Public Access

EXHIBITS

Exhibit 1: [Project Location](#)

Exhibit 2: [Campground Conceptual Plan](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31104, 31111, 31300-31315 and 31400 *et seq* of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed four hundred thousand dollars (\$400,000) to undertake entitlement activities, including the preparation and submission of documentation needed for environmental review and regulatory permits for the future development of a campground in the area known as Harbor Terrace located in the Port San Luis Harbor, San Luis Obispo County. The Conservancy further authorizes its Executive Officer to enter into an agreement on behalf of the Conservancy with the Port San Luis Harbor District to undertake these entitlement activities and, in return, to share in the future potential revenue from the campground facilities."

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 Public Resources Code section 31104, regarding the receipt of rents, royalties, and other financial support from public and private sources; with section 31111 regarding planning; with sections 31300-31315 regarding urban waterfront restoration; and with sections 31400 *et.seq.*, regarding coastal access.”

PROJECT SUMMARY:

If authorized, the Conservancy will undertake, through contracts with environmental service providers and other professional consultants, the preparation and submission of all documentation needed for environmental review and regulatory permits for the future construction of a low and moderate-cost campground in the Port San Luis Harbor District (District) area known as Harbor Terrace. Harbor Terrace is an approximately 32-acre site above San Luis Bay (Exhibits and 2). In return for the Conservancy carrying out the entitlement activities, the District will agree to provide the Conservancy with a portion of any revenue it may receive from the leasing of the site to a private entity for the construction and eventual operation of the campground.

Lower-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. Once constructed, the proposed campground will help meet the need for lower cost accommodations in the region by providing a mix of tent camping, tent cabins, and RV sites serving up to 300 visitors at a time. The project will be designed and operated to serve a broad range of income levels, including low income. The project will also provide operational facilities for the harbor, as well as amenities for other coastal dependent users, including boat and gear storage yard for commercial and sport fishing activities. Day use facilities, including parking, will also be provided to address the shortage of beach access parking in the vicinity of the campground. All of these improvements will be designed and sited to minimize impacts to the area's natural and scenic resources and to meet today's energy efficiency standards. See Exhibit 2 for a conceptual plan of the project.

Rather than grant the funds to the District for the entitlement activities, staff recommends that the Conservancy contract directly for these services. Doing so will enable the staff to directly manage the entitlement phase of the project and provide the opportunity for the Conservancy to enter into a revenue sharing agreement with the harbor district that is expected to lead to a return of funds back to the agency once the facility is opened to the public.

This unique approach provides valuable Conservancy staff assistance to the Harbor District, and will result in the completion of an aspect of the project (environmental review and regulatory permitting) that is both costly and uncertain and, therefore, of concern to private developers. By providing lower-cost overnight accommodations in a region that lacks such facilities, the project will serve to carry out the Conservancy's mandate to assist in the provision of public coastal access facilities, and the Coastal Act mandate to provide lower cost visitor and recreational facilities. At the same time, it may provide a potential source of revenue for future Conservancy activities.

As the landowner, the District will work closely with the Conservancy throughout the pre-entitlement phase of the project and participate in the selection of a consultant team and preparation of the scope of work. The District will also assist Conservancy staff in the review of deliverables. After the entitlement tasks and services are completed and permits are secured, the District will solicit through a competitive process a private developer to undertake development and operation of the campground under a development and long-term lease agreement (e.g. 30-50 years). Under the anticipated terms of the lease, the District will receive a percentage of the net income that is expected to be derived from the campground. The District will in turn provide the Conservancy a portion of the revenue it receives over the life of the initial lease.

In order to formalize the terms of the agreement between the District and the Conservancy, the parties will execute a Cooperative Project Agreement (“CPA”) based on a conceptual framework that the District and the Conservancy have developed over the past six months. This framework anticipates the entitlement phase to be completed in approximately two years, with another two to three years for the private developer to undertake pre-construction activities and to complete construction. In turn, lease revenues are projected to begin returning to the District and Conservancy by 2018. Initial returns to the District are expected to be modest (under \$50,000 per year) for the first two years and then hopefully increase to over \$100,000 per year in years three, four and five. In the first five years of the lease, the return to the Conservancy will be at around 20 percent of the net lease income. After that the Conservancy will receive from the District a smaller percentage of the lease income (i.e. 2.5%) throughout the balance of the lease term.

The District has a long history working with the Conservancy and a proven track record of taking on and successfully completing projects, including many with Conservancy funding. Most recently, in 2009 the District completed the construction of coastal access facilities within the port area with Conservancy and other state and local funding including new restrooms and showers, a community meeting facility, seating plaza, interpretive kiosk and other displays. In 2006, the District completed an update to their harbor master plan that was incorporated into the Local Coastal Plan for the harbor area and certified by the Coastal Commission. In addition, over the past four years the District has administered several state and local grants awarded for the renovation of the nearby Point San Luis Lighthouse which will be completed by the end of this year, in part with Conservancy funding.

Site Description: Port San Luis is centrally located along the San Luis Obispo County coast within the Coastal Zone between Point San Luis and Pismo Beach, approximately one mile west of the community of Avila Beach (Exhibit 1). The Port supports commercial fishing, recreational boating and fishing, coastal access, visitor-serving and recreational uses, and public education facilities such as the marine research facility located at the end of the Cal Poly university pier. Named Harbor Terrace, the site is an approximately 32-acre coastal hillside property overlooking the ocean at the intersection of Avila Beach Drive and Diablo Canyon Road. The site is surrounded on three sides by private undeveloped agricultural grazing land and provides a primary visual backdrop for views from the piers, beaches and ocean. The site originally consisted of southerly flanks of rolling hills but has been extensively altered by grading to form a series of terraces that ascend the hillside to an elevation of approximately 200 feet above sea level.

As called for in the San Luis Bay Plan (Coastal) of the San Luis Obispo Local Coastal Program, the site is to accommodate a mix of uses, with emphasis on coastal-related and visitor-serving uses. Allowable uses include a range of overnight accommodations such as camping, RV

camping, small-scale hotel and motel units, complementary retail service areas, trails, parks and open space. In addition, coastal dependent uses are also allowed including the maintenance and improvement of fishing and boating storage space, harbor offices, plus landscaping and drainage improvements.

The site is currently being used for boat and fisherman's gear storage and a former 41-unit trailer park is in the process of being shut down with the remaining seven tenants scheduled for relocation with the District's support by September 2013. An annex office of the Port San Luis Harbor district will also be vacated by September 2013. With the exception of the annex office, there are no permanent buildings on the property. One of the lower terraces is currently being used for overflow RV camping. A water storage tank serving the harbor area is situated on a small pad in the northeast part of the property and several water lines traverse the site and serve the trailer park.

The site supports limited vegetation due to historic grading, though scattered native shrubs and grasses are present on slopes between the terraces, including coyote brush, coast goldenbush, and needlegrass. Non-native grassland habitat is found on the upper slopes of the site along the northern site boundary and is interspersed with coastal sage scrub and oak woodland habitats surrounding the site. A stand of introduced blue gum (*Eucalyptus*) trees is located near the center of the site. Areas dominated by Coast live oak as well as scattered oak trees occur at several locations around the periphery of the site, with one large Coast live on the site. There are no riparian or wetland habitats, and no rare, threatened or endangered plant or wildlife species are known to occur within the site boundaries, with the exception of endangered or threatened birds such as California brown pelican or American peregrine falcon that may occasionally fly over the site.

The project area lies within the historic territory of the Native American Indian group known as the Chumash. The Chumash occupied the region from San Luis Obispo County to Malibu Canyon on the coast, inland as far as the western edge of the San Joaquin Valley, and the four northern Channel Islands. A large Chumash village site was located on the northwest side of San Luis Creek in the vicinity of the project site, though no evidence of any related cultural resources (e.g. shell fragments, stone flakes) have been found on the site itself.

The San Luis Bay fault extends through the site, and although the fault is not considered to be active there is a potential for the fault to move should a seismic event occur along other faults in the region. Past studies indicate that geologic conditions will likely constrain development in some areas of the site. Combined with a large land slide that encompasses the southeastern portion of the site, it is anticipated that comprehensive geotechnical and/or geologic studies will be needed as design concepts for the project are developed.

Two petroleum terminals occupied the site in early 1900s providing storage for crude oil prior to being loaded onto ships at the nearby Port Harford Pier. Hydrocarbons have been detected in recent borings throughout the site primarily in the vicinity of the former tanks. The distribution of hydrocarbons suggests that they are not present in a single large volume, but rather in isolated lenses, some of which have been partially removed by past grading. It is expected that some contaminated soil/bedrock can be left in place at the site and not require removal. The amount that will be left in place will depend on several factors including the depth of any new grading proposed for the site. Residential sites are considered more sensitive, and thus are held to higher cleanup standards than commercial uses or transient occupancy facilities such as hotels or

campgrounds. Any contaminated material disturbed by grading will be removed and / or encapsulated with clean soil. The nature and extent of contamination at the site will be assessed and appropriate remediation options and mitigation measures developed during the environmental review phase. The selected private developer will implement these measures during the pre-construction and construction phase.

Project History: In 2008, the District initiated the process of selecting a private developer to complete the required environmental review, secure the necessary permits, and then construct and operate a campground-type facility on the site that was consistent with local coastal program policies, as well as with the District’s need for revenue generation. Between 2009 and 2010, after a lengthy public process the District selected a firm but due to the deepening economic recession the final terms for a development agreement were not reached. In 2011, the District board directed staff to pursue other financing approaches to enable the District to proceed with securing the necessary permits for the project. In the spring of 2012, District and Conservancy staff initiated discussions on the project that led to the development of a conceptual framework for current proposal (Exhibit 2).

PROJECT FINANCING

Coastal Conservancy	\$400,000
Total Project Costs	\$400,000

The expected source of Conservancy funds for the proposed project is twofold. In part, the anticipated funding is expected to come from the fiscal year 2010-11 appropriation to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40). This funding source may be used for the development of land and water resources in accordance with the provisions of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code. (Public Resources Code Section 5096.650(b)). The proposed project serves to assist in the development of land-based public access to and along the coast. Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds (Public Resources Code Section 5096.651). The District will be providing staff support for the completion of the project, and the value of these services is estimated to be \$20,000. In addition, private investment will be tapped to develop and construct the project and to manage and operate it.

A portion of the funding is expected to come from the fiscal year 1991-92 appropriation to the Conservancy from the California Park and Recreational Facilities Act of 1984 (Proposition 18), for “urban waterfront restoration” under Public Resources Code section 5096.232(a). Proposition 18 established the State Coastal Conservancy Fund of 1984, and provided, pursuant to section 5096.232(a), for the appropriation of Proposition 18 funds for projects that meet the requirements of Division 21 of the Public Resources Code. As discussed in detail below, the proposed project is consistent with and meets the requirements of Chapter 7 of Division 21, as an urban waterfront restoration project, and also satisfies the requirements of Chapter 9, relating to the provision of public access facilities to an along the coast.

In return for the Conservancy contracting for and carrying out the entitlement activities, the District will agree to provide the Conservancy a portion of the revenue it receives over the life of the initial lease. Revenues are projected to begin returning to the Conservancy by 2018, with initial returns under \$50,000 per year for the first two years and then hopefully increasing to \$100,000 or more per year in years three, four and five. If and when the Conservancy receives an amount equal to its initial investment, it will then receive a smaller percentage of the lease income (i.e. 2.5%) over the remaining years of the lease.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The Conservancy is authorized by its enabling legislation to participate in revenue sharing arising under its otherwise sanctioned activities. In particular, the Conservancy is authorized to receive financial support from private and public sources. Under Section 31104 of Division 21, in connection with its activities, the SCC “may receive . . . rents, royalties, and other financial support from public and private sources.” Implicit in this authorization is the authority for the Conservancy to engage in activities that would generate revenue, including lease-based rental revenue, arising out a project in which the Conservancy has participated.

Section 31111 broadly authorizes the Conservancy to fund the preparation of plans and feasibility studies, as appropriate to implement the objectives of Division 21, the Conservancy’s enabling legislation. The proposed project would plan for implementation of a campground, which enhances public access to the coast.

This project is also consistent with the policies in Chapter 7 of the Conservancy’s enabling legislation, Sections 31300-31315 of the Public Resources Code, regarding urban waterfront restoration. Conservancy participation in this project will help fulfill the Legislative goals set forth in Section 31301, which is to develop the state’s urban waterfronts into environmentally sound areas to promote tourism, public access, and private sector development in these areas.

Under section 31308, the Conservancy may provide up to the total cost of any urban waterfront project and may also require local funding participation. The proposed project involves a combination of funding sources – the Conservancy, the Port and the future private developer. Further, the Conservancy has determined the extent of its funding by application of the factors specified in this section, as detailed in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section, below. Section 31311 allows the expenditure of Conservancy funds for the costs of providing public coastal access if the access facilities are included within an approved urban waterfront restoration plan. As discussed at length below in the “Consistency with Local Coastal Program Policies” section, the San Luis Bay Area Plan of the San Luis Obispo Local Coastal Program (LCP) includes a comprehensive waterfront restoration plan for the Harbor Terrace Planning Sub-Area, which highlights the provision of coastal access facilities as a critical objective for the project area. Finally, under section 31316 the Conservancy is authorized to undertake projects within urban coastal watershed areas that are compatible with the enhancement of coastal resources, These projects may include projects such as the proposed project, which involve the development of amenities and infrastructure consistent with Chapter 7.

In addition, under Chapter 7, section 31313, the Conservancy is encouraged to require the “return of funds” generated by a project “over and above eligible project costs” so that the

returned funding may be used for future projects under Division 21. The proposed project would accomplish this specific goal by requiring the return to the Conservancy of a portion of net income received by the Port for this urban waterfront restoration project.

The proposed project also 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. Thus, developing a campground is consistent with Section 31400. In addition, Section 30213 of Article 2 of the California Coastal Act (Division 20 of the California Public Resources Code) regarding Public Access states that "Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided."

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 the grantee (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 provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal accessways and related functions. The proposed project will further these goals by providing low- and moderate-cost overnight accommodation in a region that lacks such facilities, thereby improving and enhancing public access.

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

Consistent with **Goal 2, Objective E** of the Conservancy's 2007 Strategic Plan, the proposed preparation of, permit and environmental review documents for the future development of a campground will serve to increase and enhance coastal recreational opportunities for residents and visitors.

Consistent with **Goal 3 Objectives A and B**, the project would increase and promote tourism and public access to the Port San Luis waterfront and harbor areas.

**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 November 10, 2011, 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 has broad support of the public as shown by the letters attached as Exhibit 3.
4. **Location:** The proposed project would be located within the coastal zone of San Luis Obispo County.
5. **Need:** The Port District tried unsuccessfully to contract with a private developer to secure the necessary permits and complete environmental review, and does not have the financial resources to fund these tasks. Conservancy funding for planning assistance is thus needed. When the project begins to generate adequate revenue, the District will begin to share revenue with the Conservancy.
6. **Greater-than-local interest:** Low-cost accommodations are scarce along much of the California coast, including in the popular Central Coast community of Avila Beach where tens of thousands of visitors from throughout the state and beyond visit each summer. The proposed campground will meet the growing demand from those visitors seeking lower-cost overnight accommodation.
7. **Sea level rise vulnerability:** Consistent with Executive Order S-13-08, for new projects located in areas vulnerable to future sea level rise, planning shall consider a range of sea level rise scenarios for the years 2050 and 2100 in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase resiliency to sea level rise.

Additional Criteria

9. **Resolution of more than one issue:** The proposed campground will help meet the demand for lower cost accommodations on the coast serving a broad range of income levels, while also providing amenities for coastal dependent users in the harbor.
12. **Innovation:** By having the Conservancy contract directly for the pre-construction phase of the project, staff will be able to directly manage these critical tasks.
14. **Realization of prior Conservancy goals:** For years the Conservancy has sought to provide lower cost overnight accommodations on the Central Coast, including within the Port San Luis Harbor/Avila Beach area where such accommodations are lacking yet have been in high demand given the popularity of the beaches in the region. The updated harbor master prepared with Conservancy funds in 2004 provided the policy framework for the future development of low cost accommodations at the subject site.
15. **Return to Conservancy:** See the “Project Financing” section above.

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.

Standard No. 12, Support Facilities: By providing low-cost overnight accommodation, the proposed campground will make it easier for people to access and enjoy surrounding coastal resources including adjacent parkland, trails, Point San Luis Light Station, 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 LOCAL COASTAL PROGRAM POLICIES:

The San Luis Bay Area Plan of the San Luis Obispo Local Coastal Program (LCP) provides numerous policies that call for the subject Harbor Terrace site to accommodate a mix of uses, with emphasis on coastal-related and visitor-serving uses. The San Luis Bay Area Plan segment of the Land Use Plan (LUP) and LCP was amended and certified by the Coastal Commission in 2006 and revised by San Luis Obispo County in August 2009, and allows for a range of overnight accommodations including: family or group camping, RV camping, small-scale hotel and motel units (i.e., cabins, bungalows, yurts, and casitas), complementary retail service areas, trails and park open space. Other uses on the site include the maintenance and improvement of fishing and boating storage space, maintenance facilities, harbor office and storage, as well as landscaping and drainage improvements.

The proposed project has already been through an extensive conceptual design process undertaken by a private developer who initially intended to develop the project. That conceptual design will provide the framework for the development. The project was initially designed and will eventually be developed consistent with numerous policies contained in the San Luis Obispo LCP that address the Harbor Terrace area. The relevant goals and associated policies applicable to the Harbor Terrace Planning Sub-Area are contained in pages 8-20 to 8-25 of Chapter 6, Land Use Section Planning Area Standards of the San Luis Bay Area Plan (Coastal), of the San Luis Obispo LCP, and include the following:

Goal: Harbor Terrace encompasses a mix of uses that enhances the public's enjoyment of the Port, serves the needs of harbor users, and may augment Port income.

Development Intent. Development of the Harbor Terrace Planning Sub-Area shall provide a range and mix of uses, with emphasis on coastal related and visitor serving uses, so that the land is financially and physically supportive of Harbor District operations.

Harbor Users. Reserve area on Harbor Terrace to accommodate current and future Harbor District and other user needs including gear storage, trailer boat storage, and other harbor uses.

Visitor Uses. Provide visitor-serving retail uses that are complementary to the harbor so that this area may enhance the public's enjoyment in ways that financially and physically support the Harbor District's public functions. Include overnight accommodations and commercial uses

according to market demand and feasibility. Overnight accommodations shall include affordable visitor serving facilities.

Environmental Performance. Encourage new development to integrate site and building design techniques that are environmentally sensitive and energy conserving.

Pedestrian Access. New visitor serving developments on Harbor Terrace shall incorporate measures to provide safe pedestrian access onsite and coordinate access to the beach and other Port facilities.

Limitation on Use. Allow trailer boat and gear storage, eating and drinking establishments, food and beverage retail sales (e.g., market or commissary), yachting and rowing clubs, paths, trails, scenic overlooks and sightseeing facilities, public parking, picnicking, accessory storage, hotels and motels (camping, bungalows, tent cabins, inns, casitas, bed and breakfast), recreational vehicle parks, meeting facilities, group camping, passive recreation, communication facilities, specialized programs, outdoor retail sales, Harbor Operations (including offices, storage and maintenance yard), public safety facilities, temporary events, interpretive displays and exhibits, shuttle station, aquaculture and mariculture.

Trailer Park. The existing trailer park shall be closed, consolidated, or relocated consistent with the California Harbors and Navigation Code §6086 and Government Code §65863 prior to, or concurrent with, any approved development of the site. The mobile home park shall be consolidated, closed, or relocated, in a manner that maximizes the area available for coastal dependent and coastal related land uses prior to or concurrent with any approved development of the site.

Parcel Acquisition. The Harbor District shall pursue acquisition of necessary property adjacent to Harbor Terrace to implement the Port Master Plan Improvements.

Service Restriction. Prohibit extension of roads, infrastructure, services, or other development connections through the Harbor Terrace property to other non-Harbor District properties. This restriction does not preclude trailhead connections.

Harbor Terrace Planning Criteria: Development plans for Harbor Terrace shall be evaluated according to the following criteria:

- a. Proposed uses of the Harbor Terrace site shall include sufficient area for the highest priority coastal-dependent and coastal-related uses. Other uses shall be designed and constructed to avoid interferences with coastal-dependent and coastal-related uses. To ensure that future development of the Harbor Terrace provides adequate facilities necessary to serve the highest priority uses and does not reduce opportunities for lower cost visitor serving uses and coastal access and recreation, future development proposals shall provide the following:
 1. A minimum of 70 trailer boat storage spaces, 20 marine gear storage spaces, 48,000 square feet of general public parking (which includes public parking for a possible Harbor Office meeting room), and 10,000 square feet of expansion area that will be reserved to accommodate coastal-dependent and coastal-related uses. These uses shall be located in the western and southwestern portions of the site in order to maximize proximity to the coast and other associated harbor facilities, unless another location is equally sufficient.

2. 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.
 3. Permits necessary to construct the minimum number of lower-cost campsites (car or walk-in/bike-in tent campsites) must be approved prior to or concurrently with any permit approval for hotel/motel and/or commercial retail development on the Harbor Terrace, and the lower-cost campsites must be available for use within one year of the opening of the hotel/motel and/or commercial retail development.
 4. All commercial uses must serve coastal dependent uses, coastal-related uses and/or provide visitor-serving uses.
 5. With the exception of an on-site campground host or campground facilities manager, all overnight accommodations to be developed on the Harbor Terrace shall be exclusively available to the general public for transient occupancy. The establishment or conversion of overnight accommodations to a private or members only use (e.g. timeshares or condominiums), or the implementation of any program to allow extended and exclusive use or occupancy of the facilities by an individual or limited group or segment of the public is prohibited.
 6. Specialized programs and temporary events are subject to land use approval consistent with the LCP. Outdoor events conducted on the site shall be planned and staged so that noise generated by the event, attendees, and traffic is minimized. Temporary events shall not interfere with harbor operations and boating and fishing activities.
- b. New development shall be sited and designed to minimize the visual impacts of the development, including those related to light and glare, in order to preserve the scenic quality of the area as viewed from public viewing areas, adjacent roads, piers, beaches, and the ocean. Special attention shall be given to maintaining character of the Harbor area. This shall be accomplished by:
1. Restricting the development of commercial retail facilities and structures (eating and drinking establishments, food and beverage retail sales, commissary, market, meeting rooms, parking, etc.) to the lower previously graded portions of the site, as depicted in Conceptual Harbor Terrace Plan.
 2. Limiting commercial retail facilities/structures and the harbor office/shop to two-stories with a maximum height of 25 feet.
 3. Limiting hotel motel units (yurts, cabins, inns, casitas, bungalows) to single-story with a maximum height of 15 feet.
 4. Limiting the use of APN 076-171-021 to walk-in/bike-in camping. The small, previously disturbed area on the northwest portion of the parcel adjacent to the existing access road may be used for structures necessary to serve the walk-in/bike-in campsites. No new road development or road improvements shall occur on APN076-171-021, and vegetation removal shall be minimized. Each walk-in/bike-in site shall be limited to a level area or platform for a tent, a picnic table, a fire ring, and a water spigot.

5. Requiring that all development to be designed, colored, and sited to minimize visibility within the public viewshed. New development shall avoid large, boxy structures by providing variations in height, articulated roof forms and pitch, and open space view corridors. Structures shall blend in with the natural surroundings by using earth toned colors and materials. Reflective materials and finishes are prohibited. Lighting (particularly overhead street lights should they be necessary) shall be minimized in number and shall be shielded to orient lighting downward. All development shall be landscaped with native vegetation appropriate to the site in order to soften the visual prominence of the new development and to restore the visual qualities of the site. Invasive plant species are prohibited.
 6. Requiring that landscape plans and appropriate irrigation plans be submitted with new developments. Plans shall identify revegetation areas necessary to stabilize slopes and planting areas necessary to minimize visual impacts of grading/terracing and the proposed use of the site. Landscape plans shall utilize native plant species appropriate to the site, and shall be designed to minimize the visual impact of all development on the site as viewed from public viewing areas, piers, beaches, and the ocean. Alteration of natural landforms is to be minimized and any areas of cut/grading shall immediately be re-seeded using a native seed mix.
 7. Requiring a restroom building or other structures necessary to serve the campsites to be sited in the least visible portions of previously disturbed areas, and designed and landscaped to prevent its visibility from public view.
 8. Requiring that any improvements or additions to the existing water tank to be limited to the minimum necessary to provide approved site development with water storage for domestic supply and fire protection purposes; shall be placed underground to the greatest degree feasible; and shall be sited, colored, and landscaped to minimize visibility from public viewing areas (including roads, piers, beaches, and offshore areas).
 9. Requiring at the time of coastal development permit application, or as part of an environmental review document, a detailed visual analysis which demonstrates that the visual and scenic character of the site will be preserved and improved where possible.
- c. To protect and enhance sensitive biological resources and habitat areas, including water quality, on and adjacent to the Harbor Terrace site, the following measures shall include, but are not limited to:
1. The revegetation of all cut slopes with native species of local stock appropriate to the site. Invasive plant species are prohibited.
 2. The replacement of all oak trees in areas adjacent to existing oak woodland habitat, if the removal of such oak trees cannot be avoided. The number and replacement of trees shall be adequate to ensure that an equal or greater number of oak trees, in comparison to the number of trees removed, will be successfully established. A tree replacement program, including long-term maintenance measures, shall accompany any development plan that involves the removal of existing oak trees. This program will include strategies for improving natural oak recruitment.
 3. Designing grading and construction activities to avoid disturbance of habitat (e.g. coastal scrub habitat) and minimize the removal of oak trees.

4. The establishment, management, and maintenance of setback or buffer zones as habitat areas. The width of such setback/buffer areas shall be determined through a project specific biological analysis that identifies the minimum setback/buffer area necessary to protect the biological productivity of sensitive habitat areas. Setback areas necessary for fire safety shall be identified in the development plan and shall be designed to avoid the removal or disturbance of habitat areas. The width of the vegetative buffer area provided for the coastal stream adjacent to Diablo Canyon Road shall be no less than 50 feet.
 5. Providing information to future guests regarding nature viewing opportunities.
 6. The provision of designated areas for pets so that native habitat areas are avoided.
 7. Grading for approved development shall be designed and implemented to minimize sedimentation impacts on adjacent surface water bodies including coastal streams and San Luis Bay. Construction activities such as grading and clearing shall be scheduled to avoid the rainy season.
 8. Minimize impervious surfaces and install post development BMP's to capture, infiltrate, and/or treat storm water runoff. The objective of drainage improvements shall be to avoid any increase in the quantity and intensity of storm water runoff exiting the site. Post construction BMP's shall be designed with adequate capacity to accommodate, at a minimum, the 85th percentile 24-hour runoff event.
 9. If drainage facilities are proposed to flow into the stream/drainage channel adjacent to Diablo Canyon Road, the stream channel shall be restored to provide both flow capacity and natural habitat.
 10. Filtering all drainage from parking facilities by using vegetated swales or oil/water separators to limit oil/grease pollution and the intensity of flow commonly associated with parking lots.
 11. Use all BMP's possible to limit water quality impacts and eliminate to the greatest degree feasible the need for additional culverts and ocean/beach disposal points.
- d. Potential impacts to cultural resources shall be evaluated by all development proposals on the Harbor Terrace site, and the protection and/or mitigation for any significant resources identified shall be incorporated into the proposed site design in coordination with SHPO and the local Chumash tribe. Archeological field surveys shall be conducted prior to construction activities on the Harbor Terrace. In accordance with Section 23.05.140 of the CZLUO, all construction activities shall cease should resources be identified during construction. In such an event, construction activities shall not re-commence until measures protecting and/or mitigating impacts to archaeological resources have been developed and approved by Planning Director, Environmental Coordinator, SHPO, and the Chumash tribe. No development shall occur west of Diablo Canyon Road other than restoration of the existing drainage course, and any cultural/archaeological preservation activities that have been coordinated and approved by the State Historic Preservation Officer and representatives of the appropriate Chumash tribe.
- e. To reduce hazards on the Harbor Terrace, new structures designated for human occupation and use (e.g. hotels, motels, campsites, parking lots, offices, commercial areas) must demonstrate a static factor of safety with respect to slope stability of 1.5 and a pseudostatic

factor of safety to 1.1, using a horizontal seismic coefficient of 0.15g. In addition, uses on the Harbor Terrace or slopes above it that would have a significant potential to saturate the soils and add further slope instability, such as drainage detention basins or septic systems, shall be prohibited.

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.