

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING ISSUANCE OF AN APPEALABLE COASTAL DEVELOPMENT PERMIT TO SUNROAD HIE HOTEL PARTNERS, L.P. FOR THE SUNROAD HARBOR ISLAND EAST HOTEL PROJECT**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, Sunroad HIE Hotel Partners, L.P. (Sunroad) is proposing the development of the Sunroad Harbor Island East Hotel, which would involve demolition of the existing improvements within the project site, site preparation, and construction, including: grading, development, operation and maintenance of a 450-room, dual-brand hotel structure and associated amenities including a walk-up restaurant and bar area, swimming pool, jacuzzi spa, retail space, conference space, parking lot(s), waterfront promenade and landscaping (Project); and

WHEREAS, the Project is located at the northeast corner of Harbor Island Drive and East Harbor Island Drive, consisting of two parcels totaling approximately 7.5 acres, generally identified as 851 Harbor Island Drive (Project Site); and

WHEREAS, on April 14, 2017, Sunroad entered into an Exclusive Negotiating Agreement (ENA) with the District for the redevelopment of approximately 7.55 acres in East Harbor Island commonly referred to as the “Elbow Parcel”; and

WHEREAS, on April 13, 2021, the Board of Port Commissioners (BPC) granted an Option to Lease Agreement with Sunroad for a 66-Year Lease and adopted a First Addendum to the Revised Final Environmental Impact Report for the “Sunroad Harbor Island Hotel Project & East Harbor Island Subarea Port Master Plan Amendment” and authorized staff to file a Notice of Determination; and

WHEREAS, the Project Site consists of two parcels: one parcel is approximately 6.43 acres and is currently paved with asphalt and used for parking, and is designated as Commercial Recreation in the existing Port Master Plan (PMP); the other parcel is approximately 1.12 acres and has limited landscaping and is designated as Open Space; and

WHEREAS, the Project, as proposed, is consistent with the Chapter 8 of the Coastal Act and the certified PMP, which anticipates the site will be developed

20xx-xxx

with “a high quality hotel of approximately 500 rooms that is sited to be responsive to views of San Diego Bay, the airport, and the downtown San Diego skyline. Maximum building heights establish consistency with aircraft approach paths. The hotel complex includes restaurant, cocktail lounge, meeting and conference space, recreational facilities, including piers, and ancillary uses....”; and

WHEREAS, the Project is an appealable development pursuant to Section 30715 of the Coastal Act and is listed on the PMP appealable project list as a: "HOTEL COMPLEX: up to 500 rooms, restaurant, cocktail lounge, meeting and conference space; parking; landscape."; and

WHEREAS, the Project includes a single-phase and single-structure, dual branded, 450-room hotel with meeting rooms and ballrooms totaling approximately 10,000 square feet, a fitness center and restrooms totaling approximately 3,000 square feet, and retail shops totaling approximately 350 square feet; and

WHEREAS, the Project will (1) further activate the Harbor Island waterfront by providing additional overnight accommodations for visitors to Harbor Island, downtown San Diego and the numerous waterfront amenities in the area, (2) provide additional accommodations for a wide range of visitors (the proposed project would include an extended stay and limited service hotel) to ensure visitors would have a variety of options on the waterfront, and (3) create an activating new 15-foot wide promenade that would connect to other destinations on Harbor Island while providing pedestrian-level, visitor serving amenities; and

WHEREAS, the Project is fully consistent with Chapter 3 of the Coastal Act (Sections 30210-30224) and the public access policies referenced therein because the Project will enhance public access in Harbor Island by constructing a public promenade, providing limited public parking, providing visitor serving uses such as food service and mini-destinations, and open space; and

WHEREAS, the Project’s Public Access Plan is incorporated as part of the CDP and conditions are included to ensure that the public access components will be completed and open to the public prior to or concurrent with hotel occupancy; and

WHEREAS, the BPC finds that the Project application and attachments contain correct and accurate statements of fact; and

WHEREAS, the BPC concluded that the Project conforms to the certified PMP and the Coastal Act; and

WHEREAS, in accordance with the California Environmental Quality Act statutes and guidelines, the Project was adequately analyzed in the 2014 Revised FEIR for the Sunroad Harbor Island Hotel Project and East Harbor Island Subarea Port Master Plan Amendment (2014 Revised FEIR) (Certified March 4, 2014; UPD

20xx-xxx

#83356-EIR-783; SCH#2006021027; Clerk's Document No. 61175) and the First Addendum to the 2014 Revised FEIR (Resolution No. 2021-059); and

WHEREAS, the BPC held a public hearing and considered the appealable Coastal Development Permit at the November 9, 2021, BPC meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners (BPC) of the San Diego Unified Port District, as follows:

1. The BPC finds the facts recited above are true and further finds that this BPC has jurisdiction to consider, approve and adopt the subject of this Resolution.

2. The Project consists of a dual-branded hotel complex with up to 450 rooms, including extended stay and limited service components within a single structure, and associated amenities including: (1) common areas serving both hotels, such as lobby and registration desks, lounge and bar, breakfast area, fitness center and restrooms, and limited retail uses, (2) meeting rooms and ballrooms, (3) outdoor pool and spa with private function space for hotel guests, (4) approximately 350 parking spaces that would be screened, and (5) public access amenities including a 15-foot promenade, passive use open space areas, and a robust Public Access Plan. The Project is more particularly described in the corresponding agenda sheet, draft CDP and First Addendum to the 2014 Revised FEIR.

3. The Project is located in Planning District 2, which is delineated on Precise Plan Map Figure 9 of the certified Port Master Plan (PMP). The Project is listed as Project No. 1 on the Planning District 2 appealable projects list – “Hotel Complex: up to 500 rooms, restaurant, cocktail lounge, meeting and conference space; parking; landscaping.”

4. The PMP notes that the Project Site is proposed for development with “a high quality hotel of approximately 500 rooms” and that the hotel complex would include “restaurant, cocktail lounge, meeting and conference space, recreational facilities, including piers, and ancillary uses....”

5. The BPC finds that the Project constitutes “development” under Section 30106 of the Coastal Act as it, among other things, proposes removal of an existing parking lot and construction of a hotel. Therefore, a Coastal Act (see California Public Resource Code Section 30000 et seq.) authorization from the District is required.

6. The BPC finds that under Chapter 8 of the Coastal Act, the District's certified PMP and the District's CDP Regulations, the Project has been determined to require an “appealable” CDP (see California Public Resources Code Section 30715 and Section 7(4) of the District's CDP Regulations that includes the sole

20xx-xxx

categories of appealable development within the District’s jurisdiction; and Project No. 1 of Table 9 (Project List) of the PMP p. 57, herein incorporated by reference).

7. The BPC finds the Project is fully consistent with the Coastal Act, including, without limitation Chapter 8 of the Coastal Act, Coastal Act Sections 30604(c), 30210-30224, and the Coastal Act public access referenced therein as it provides extensive public access, bike paths, and enhanced landscaping.

8. The BPC finds that the Project is consistent with the PMP because the Project conforms to the Precise Plan text, and Project list.

9. The BPC finds that the Project is within the scope of the 2014 Revised FEIR and the First Addendum to the 2014 Revised FEIR. The BPC also finds the Project is consistent with the Public Trust Doctrine, as the Project complies with Section 87 of the Port Act which allows for commercial uses and purposes, and the construction and maintenance of commercial buildings. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed actions are consistent with the Public Trust Doctrine.

10. Based on the entire record available to the BPC and the findings set forth in this Resolution, the Executive Director or his designated representative is hereby authorized and directed to issue an Appealable Coastal Development Permit to Sunroad HIE Hotel Partners, L.P. for the Sunroad Harbor Island East Hotel Project, subject to a ten (10) working day appeal period as described in the CDP Regulations of the District. Said Appealable Coastal Development Permit shall require compliance with all conditions set forth therein; provided, however, as a condition of approval, Sunroad HIE Hotel Partners, L.P. shall indemnify and hold the San Diego Unified Port District (District) harmless against all third-party legal challenges, claims, lawsuits, proceedings and the like, including reimbursement of all attorneys’ fees, costs and expenses incurred by the District related to the approval of this Appealable Coastal Development Permit. Said condition is independent of any agreement between the District and Sunroad HIE Hotel Partners, L.P.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9th day of November 2021, by the following vote: