

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4421
(619) 767-2370



January 7, 2020

Ms. Randa Coniglio, Chief Executive Officer
San Diego Unified Port District
3165 Pacific Highway
San Diego, CA 92101

Re: Written concurrence that Section 4 of MOA between SDUPD and CCC regarding the SDUPD's acceptance of permit condition funds from CDP No. A-6-PSD-08-004-A1 has been satisfied

Dear Ms. Coniglio,

Thank you for your letter, dated October 3, 2019, requesting written concurrence from the California Coastal Commission (Commission) that Section 4 of the Memorandum of Agreement (MOA) between the San Diego Unified Port District (District) and Commission regarding the District's acceptance of lower cost overnight accommodations mitigation fees from the Lane Field Hotel Development has been satisfied with the proposed STAY OPEN project. Section 4 of the MOA requires Commission and District staffs to "work together to identify project sponsors with proposals that are consistent with the terms of Special Condition #2 and eligible to receive Funds or portions of Funds from the Lane Field Mitigation Fee Account." Special Condition #2 of CDP No. A-6-PSD-08-004-A1 requires that the account be used to establish lower cost overnight visitor accommodations, such as hostel beds, tent campsites, cabins, or campground units, at appropriate locations on Port Tidelands within the City of San Diego.

Commission staff appreciates the coordination between our staffs during the District's solicitation of a developer of a lower cost overnight accommodations facility adjacent to the District's administration building on Pacific Highway in San Diego. We agree that the STAY OPEN proposal presented to Commission staff and approved by the District is consistent with Special Condition #2 since the concept would include 220 pods/beds with shared bathroom facilities, similar to a hostel, at an estimated Average Daily Rate (ADR) of \$34 per pod/bed upon rate stabilization in year four. Six ensuite rooms would also be included at an ADR of \$116 per room upon rate stabilization. As such, the Executive Director concurs that Section 4 of the MOA has been satisfied with the proposed STAY OPEN project.


However, please note that determination from the Executive Director that the STAY OPEN project is, in fact, eligible for the funds associated with the MOA will require a complete project description and coastal development permit per Section 5 of the MOA. As such, we look forward to continuing to coordinate with District staff during the next phases of project development, including developing a detailed project description,

January 7, 2020

Page 2

analyzing the project per the California Environmental Quality Act, approval of a Port Master Plan Amendment, and issuance of an appealable coastal development permit, in order to ensure the use of in-lieu fees is appropriate and consistent with the requirements of the MOA and CDP No. A-6-PSD-08-004-A1. If you have any questions or require further clarification, please do not hesitate to contact Kanani Leslie or Melody Lasiter at the above office.

Sincerely,



Melody Lasiter
Coastal Program Analyst
California Coastal Commission

CC (by email):

Karl Schwing, California Coastal Commission
Madeline Cavalieri, California Coastal Commission
Deborah Lee, California Coastal Commission
Kanani Leslie, California Coastal Commission
Melody Lasiter, California Coastal Commission
Lesley Nishihira, San Diego Unified Port District
Penny Maus, San Diego Unified Port District
Anna Buzaitis, San Diego Unified Port District