

SAN DIEGO UNIFIED PORT DISTRICT

MEMORANDUM

**Date:** December 6, 2018

**To:** Board of Port Commissioners

**Via:** Shaun D. Sumner  
Assistant Vice President, Real Estate and Development Services  
ssumner@portofsandiego.org

Wileen C. Manaois  
Director, Development Services  
wmanaois@portofsandiego.org

**From:** Dana Sclar  
Senior Planner, Development Services  
dsclar@portofsandiego.org

**Subject:** California Coastal Commission Staff Correspondence Received on Sunroad's  
Proposed Hotel Development on the Elbow Parcel

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The purpose of this memo is to provide the Board of Port Commissioners with correspondence received from the California Coastal Commission (CCC) staff regarding the Sunroad HIE Hotel Partners, L.P. (Sunroad) proposed hotel development on the Elbow Parcel (Attachment A). District staff will provide a presentation and update on Sunroad's proposed hotel development at the December 11, 2018 Board meeting (Item #15). This written correspondence is follow up to the meetings District staff and Sunroad had with CCC staff on July 9, 2018 and October 30, 2018.

If you have any questions, please contact Dana Sclar at (619) 400-4765 or via email at dsclar@portofsandiego.org.

Attachment:

- A. Correspondence dated December 6, 2018 from the California Coastal Commission staff.

# Attachment A

## CALIFORNIA COASTAL COMMISSION

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



December 6, 2018

Ms. Dana Sclar  
San Diego Unified Port District  
3165 Pacific Highway  
San Diego, CA 92101

Subject: Comments on the East Harbor Island Hotels Proposal

Dear Ms. Sclar:

On July 9, 2018 and October 30, 2018, Commission staff met with Sunroad Enterprises ("Sunroad") and San Diego Unified Port District ("Port") staff to discuss Sunroad's proposal to construct three separate hotel buildings, including a 175 room select service hotel, a 150 room extended stay hotel, and a 175 room select and extended stay hotel, on East Harbor Island in the City of San Diego. As discussed at the referenced meetings and indicated in a July 10, 2018 email to Sunroad, we disagree with Sunroad's assertion that the development proposed would not require an amendment to the certified Port Master Plan (PMP) and continue to believe that the development, as currently proposed, is inconsistent with the PMP and would require an amendment.

Specifically, the certified PMP allows for the development of "a high quality hotel of approximately 500 rooms" on the east end of Harbor Island, including a restaurant, cocktail lounge, meeting and conference space, recreational facilities, including piers, ancillary uses, parking and landscaping. The project plans dated October 26, 2018, however, are inconsistent with the PMP because they identify three separate hotels instead of the single hotel identified in the PMP. It is also unclear how the latest proposal differs from the PMP amendment (PMPA No. PMP-6-PSD-14-0003-2) denied by the Commission on August 13, 2015 and May 11, 2017, which proposed the development of three separate hotels, instead of a single hotel, with a combined total of 500 rooms on the same site.

PMPA No. PMP-6-PSD-14-0003-2 also contained significant provisions regarding public access and amenities, including parking management to protect public access and recreational opportunities, participation in the Port's shuttle system, the provision of activating uses, and the provision of 15 public parking spaces beyond the otherwise required off-street parking conditions. In addition, the PMPA contained requirements to ensure the hotels would be constructed to protect public visual resources, including limits to bulk and scale such that building envelopes will not exceed 70% of each project site. Finally, the PMPA included a requirement for public access corridors in between hotel buildings to protect coastal access and visual resources to the scenic Harbor Island East Basin and the City of San Diego skyline and the installation of a bayside public promenade to be completed concurrent with the development of the first hotel in order to provide a continuous waterfront accessway. These provisions would have provided

certainty for future planning of the development and should be included in any future PMP amendment request.

In addition, Commission staff has the following comments:

#### Lower-Cost Accommodations

PMPA No. PMP-6-PSD-14-0003-2 was denied by the Commission, in part, because the in-lieu fee proposed to mitigate for lower-cost accommodations was not sufficient to address the lack of lower-cost accommodations in the Port District. Specifically, the Commission found that there is an increasing need for lower cost overnight accommodations within the Port in the form of a specific program that will result in the construction of units as opposed to deferred collection of in-lieu fees. The subject subarea is public tidelands, is currently undeveloped and designated for overnight accommodations and is, thus, a potential location to be considered for use of the in-lieu fees and provision of such lower cost overnight accommodations. In the subject proposal, Sunroad continues to propose an in-lieu fee, instead of providing for lower-cost accommodations onsite. In addition, if an in-lieu fee was found to be acceptable, it would need to be consistent with the most up-to-date estimates of costs to construct lower cost overnight accommodations, which are significantly higher than the \$42,120 in-lieu fee proposed by Sunroad. For example, the estimated cost to develop lower cost overnight accommodations is \$100,000 for a lower cost hotel room, \$149,000-\$230,000 for a cabin, \$74,000 for an RV campsite, and \$69,000 for a tent campsite. For more information, please refer to the staff report from the Commission's most recent public workshop on lower cost visitor serving accommodations - <https://documents.coastal.ca.gov/reports/2016/11/th6-11-2016.pdf>.

#### Views

The PMP requires the hotel to be "sited to be responsive to views of San Diego Bay, the airport, and the downtown San Diego skyline." The three lower-scale hotel buildings shown in the project plans, however, sprawl across the site and would likely wall off potential views of San Diego Bay and the downtown San Diego skyline. As such, alternatives to the building design and location should be considered to avoid view impacts.

The project plans identify a view corridor from the arrival drop-off between the two eastern hotel buildings. However, based on the visual analysis, it appears that the views would be obstructed by artwork, landscaping and a deck. As such, the plans should be modified to remove the encroachments into the identified public view corridor.

#### Lighting

The project plans identify LED lighting with a correlated color temperature (CCT) of 4,000 Kelvins. LED lighting contains high blue light frequencies that have been shown to disrupt natural circadian rhythms in humans and wildlife, leading to disruption in sleep and wildlife behaviors (e.g., breeding, foraging). Lighting with lower color temperatures has less blue in its spectrum and is referred to as being "warm." As such, environmental studies, dark sky advocates, and the American Medical Association recommend a CCT of 3,000 Kelvins or below, a range that contains less blue light. In this case, due to its

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adjacency to the water, Commission staff recommends the use of a lower CCT lighting of 2,700 Kelvin LED for safety and security lighting; lighting on the hotel building solely meant for aesthetic or site identification purposes should be avoided or minimized.

Public Access

The project plans identify a large portion of the proposed pier as private. However, the findings for approval of PMP No. 13 for the East Harbor Island Hotel, incorporated in the certified PMP, identify that the pier would be open to the public. As such, the plans should be modified to indicate that the public would be able to access the entire pier. In addition, the feasibility of providing more than one public slip should be examined.

Thank you again for the opportunity to review and provide comments on the proposed project. If you have any questions or require further clarification, please do not hesitate to contact me at the above office.

Sincerely,



Melody Lasiter  
Coastal Program Analyst

Cc (copies sent via e-mail):

Karl Schwing (CCC)  
Deborah Lee (CCC)  
Kanani Leslie (CCC)  
Uri Fieldman (Sunroad)