

MINUTE ITEM

This Calendar Item No. C17
was approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 2
to 0 at its 6/30/88
meeting.

CALENDAR ITEM

C17

A 75

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06/30/88
WP 7054 PRC 7054
Martinez

DREDGING PERMIT

APPLICANT: Joelen Enterprises
1001 "B" Ave., Suite 303
Coronado, California 92118.

AREA, TYPE LAND AND LOCATION:
Granted mineral reservation lands in San Diego
Bay at Crown Isle, San Diego County.

PROPOSED LAND USE:
Dredge a maximum 3,900 cubic yards of minerals
other than oil, gas and geothermal to construct
a marina as part of a proposed hotel complex
construction project and to provide an area for
recolonization of eelgrass. The dredged
material will be disposed of at the adjacent
upland site, owned by the San Diego Unified
Port District, where it will be utilized for
landscaping and other public benefit purposes.

TERMS OF THE PROPOSED PERMIT:
Initial Period: One Year commencing July 1,
1988.
Royalty: No royalty for material used
to enhance San Diego Unified
Port District property for
public benefit.

APPLICANT STATUS:
Lessee of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Filing fee and processing fee have been
received.

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CALENDAR ITEM NO. C 17 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C. Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

11/12/88.

OTHER PERTINENT INFORMATION:

- 1. The proposed project was approved by the Commission on April 23, 1987 and a dredging permit was issued effective May 1, 1987. Due to a delay in receiving the appropriated funding for the project, the Permittee was unable to perform the authorized dredging and has requested a new permit be issued. The existing permit expired on April 30, 1988.

This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370 et. seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process it is staff's opinion that the project, as proposed, is consistent with its use classification.

- 3. An EIR covering the project has been prepared and certified by the San Diego Unified Port District and such document was reviewed and appropriate CEQA findings were adopted by the State Lands Commission on April 23, 1987 (Exhibit "C").

APPROVALS OBTAINED:

San Diego Unified Port District.
United States Army Corps of Engineers.
California Water Quality Control Board.

EXHIBITS:

- A. Vicinity and Site Maps.
- B. EIR Summary.
- C. Commission CEQA Findings.
- D. Permit.

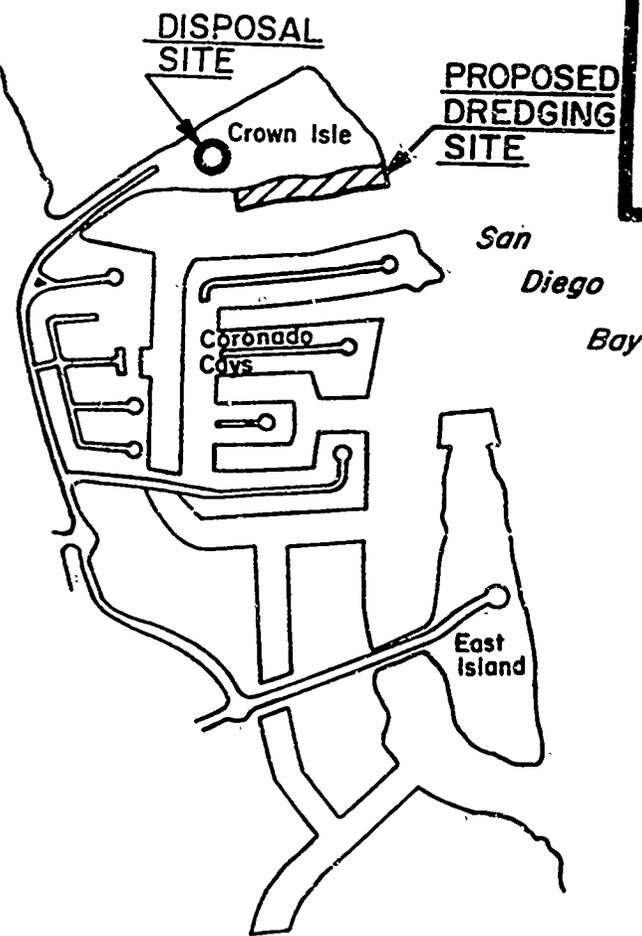
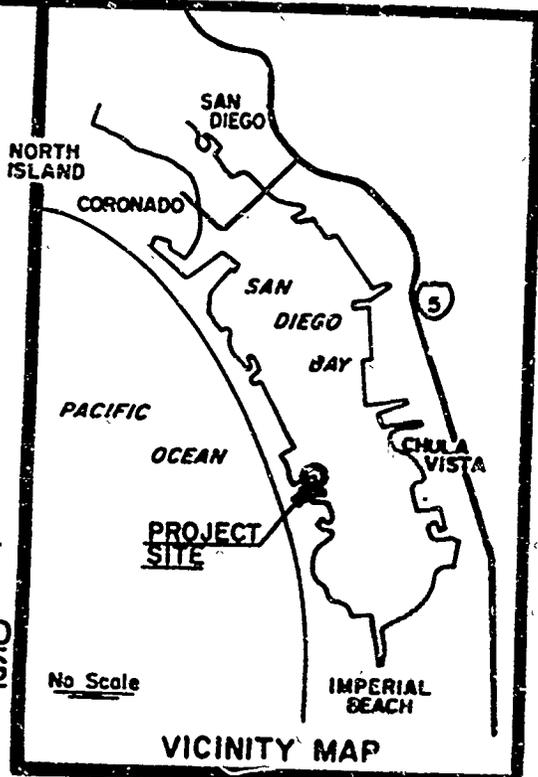
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CALENDAR ITEM NO. C 17 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT AN EIR FOR THIS PROJECT HAS BEEN PREPARED AND CERTIFIED BY THE SAN DIEGO UNIFIED PORT DISTRICT AND SUCH DOCUMENT WAS REVIEWED AND APPROPRIATE CEQA FINDINGS WERE ADOPTED BY THE THE STATE LANDS COMMISSION ON APRIL 23, 1987 (EXHIBIT "C").
2. AUTHORIZE STAFF TO ISSUE TO JOELEN ENTERPRISES THE DREDGING PERMIT ATTACHED AS EXHIBIT "D". SAID PERMIT SHALL ALLOW DREDGING A MAXIMUM VOLUME OF 3,900 CUBIC YARDS OF MATERIAL IN SAN DIEGO BAY FOR ONE YEAR COMMENCING JULY 1, 1988 AND DISPOSAL AT THE APPROVED UPLAND SITE. NO ROYALTY WILL BE CHARGED FOR MATERIAL PLACED AT THE APPROVED DISPOSAL SITE AND USED FOR PUBLIC BENEFIT PURPOSES. SUCH PERMITTED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENT AGENCIES.

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EXHIBIT "A"
APPLICATION FOR
DREDGING PERMIT
JOELEN ENTERPRISES
WP 7054
SAN DIEGO BAY
SAN DIEGO COUNTY



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EXHIBIT "B"

I. SUMMARY

A. SUMMARY OF FINDINGS

Project Description

The proposed project involves the construction of a resort hotel/marina on Crown Isle located adjacent to and northerly of the Coronado Cays residential complex in the City of Coronado, and includes both land (12.9 acres) and water (4.1 acres) development. Land use allocation consists of 32 percent buildings (Table 2-2), 9 percent tennis courts, 18 percent paving, 3 percent swimming pools, 28 percent landscaping and water features and 10 percent hardscape such as patios, paths and decks. The hotel complex contains 450 units in 2-3 story buildings and single executive suites extending over the water. Other amenities include subterranean and surface parking for 875 vehicles, a 97-slip marina, 2 swimming pools, a gym and several restaurants.

Land/Water Use

The proposed development is consistent with the San Diego Unified Port District Master Plan and all of the uses proposed for the project are specifically permitted by its Commercial Recreation land use designation. Development of the project site is expected to increase tourism in the area and become a significant part of the local recreation industry. Tourism, as stated in the SDUPD Master Plan (SDUPD, 1980:26), is "a significant economic base activity" generating additional employment opportunities both directly and indirectly as well as expanding the market potential for surrounding areas.

Water uses would be affected by the proposed project by providing the public with another access to San Diego Bay. A pedestrian walkway would be developed around the perimeter of the site which would be used by employees, visitors and the general public. Persons on the walkway would be next to the waters' edge and would have panoramic views of the bay. Views would also be available from hotel rooms and restaurants. Views from offsite will not be significantly affected as Crown Isle development was included in the Coronado

Cays Master Plan and the bulk and scale is consistent with the existing, adjacent developments. The proposed marina would facilitate the use of the bay by hotel guests and those leasing slips. This increased access is viewed as desirable by the San Diego Unified Port District and the proposed uses are consistent with the SDUPD Master Plan. Conceptual approval has been received from both the City of Coronado and the Port District.

Terrestrial Biology

The island was created in 1969 by fill from the adjoining Coronado Cays residential development. The existing vegetation is a mixture of invasive native and ruderal species, the latter introduced as a result of a hydroseeding program initiated in 1979 to control erosion on the site. The existing vegetative cover will be removed by development.

Least terns have nested on this fill site, created for future development. However, this site has not been used since 1979, and is not suitable as nesting habitat in its current condition. No evidence has been found to show that the unavailability of this site has jeopardized the species viability.

Placement of a surcharge on the site has been approved by the Port District and coordinated with the resources agencies.

Marine Resources

The most significant marine resource in the area of Crown Isle consists of extensive eelgrass beds. Three beds have been identified on or near the site. The largest of these beds, north of the property, will not be disturbed by the project. One bed will be disturbed to a small extent. This will, in turn, affect marine fish and invertebrates which use the eelgrass as habitat. As mitigation, a minor dredging operation will be executed to create suitable conditions to replace eelgrass habitat. A planting and monitoring program will be initiated. Excepting this temporary disturbance of their habitat, marine fish and invertebrates will not be significantly impacted by the proposed project.

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Water/Sediment Quality

Water quality in the project area should not be significantly affected by the proposed project. The proposed marina will not have fueling facilities so there will be no potential for spills of fuels. Exhaust from boats does not appear to constitute a significant impact on water quality. Some dredging is proposed; however, no significant impacts are expected from that activity. There will be some short-term turbidity associated with driving piles but this will be a temporary phenomenon and will dissipate quickly. No sewage or toxic materials generated or used onsite will be discharged to the Bay. Surface water parking lot runoff will be discharged into the bay at several locations in accordance with San Diego Regional Water Quality Control Board (RWQCB) standards to reduce erosion and sedimentation.

Traffic

Traffic generated by the proposed project will not raise State Route 75 (SR 75), Coronado Cays Boulevard, or the Coronado Cays traffic circle volumes beyond levels of environmentally acceptable service, i.e., Level of Service "C". Proposed development could, however, raise traffic levels on Coronado Cays Boulevard north of the traffic circle to Level of Service "C", if all project-generated traffic is directed out the existing entrance. A separate entrance to the hotel is being considered, but is not a part of this project. When formally proposed, an environmental assessment would be prepared by the City of Coronado.

The potential for bicycle/automobile accidents at the Coronado Cays Boulevard/bicycle path intersection will increase with additional traffic volumes. Concerns for bicyclists safety may be mitigated by warning signs and recommended improvements to the visibility of the traffic signal lights.

Surcharge will be trucked to the site from the south end of Coronado Cays via Coronado Cays Boulevard. A negative declaration has been prepared by the City of Coronado for traffic generation resulting from the placement of the surcharge.

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Parking

The project incorporates 875 parking spaces, located in subterranean and surface stalls, into the proposal. The District approved the proposed parking allocation on December 18, 1984, as part of the project concept approval. Several factors were found to influence the recommended number of onsite parking spaces. These include a significant level of hotel-provided transportation for guests and employees, consideration that meeting rooms would be used by hotel guests, priority parking for car pooling employees, and the fact that several proposed project uses (shops and some dining facilities) will be limited to guest-only use, limiting the attraction of offsite users.

Visual Quality

The proposed project is similar in height, bulk, and scale to the adjacent residential development. The only potential visual conflict associated with the project involves the night lighting of the tennis courts at the southern portion of the development. This potential irritant will be minimized by shielding and limitations upon hours of night use. Development of the site will not interfere with any designated scenic viewpoints. The present vacant appearance of the project site will be enhanced through implementation of sensitive design features associated with the proposed project.

Other Required CEQA Sections

- **Growth Inducement:** The proposed project is not expected to directly foster growth in the City of Coronado or the San Diego Unified Port District. The proposed project will increase tourism and recreational usage of San Diego Bay and facilitate public access to the Bay. These uses are consistent with the Port's and City of Coronado's Master Plans and the Coastal Act; and require no additional support facilities to accommodate. Due to the relative size of the project induced growth attributed to the proposed project will be minimal.

- Cumulative Effects: Cumulative effects of the project development proposal are expected to be insignificant since the existing circulation system has the capacity to serve future growth, terrestrial and marine resources should not be significantly threatened and the expected growth is consistent with both SDUPD and City of Coronado Master Plans. Increased energy consumption associated with project implementation represents a minor incremental cumulative impact on energy resources.

Alternatives

- No Project: If the No Project alternative is selected, several of the beneficial effects of the proposed project will not be realized. Tourism generated from the proposed project and economic growth associated with tourism will not be received by the City of Coronado and the region. In addition, the public will lose an opportunity to gain access to the Bay and its associated commercial and recreational uses.
- Development of land portion of the site only: This alternative would eliminate the adverse but mitigable impact of the proposed project on eelgrass. However, development of the land portion of the site without developing the water areas would reduce the amount of public access to the Bay from the site. The marina development would permit extensive water-related recreational uses in the Bay, consistent with the goals of the San Diego Unified Port District Master Plan. Land-only development would also greatly reduce the desirability of the resort hotel to potential customers. This would impose a significant financial risk and may make the project financially infeasible. The loss of eelgrass habitat will be replaced by the creation of new habitat onsite. In light of this fact, the benefits of developing the site to include water-oriented facilities would seem to outweigh the benefits of leaving the existing eelgrass undisturbed.

B. SUMMARY OF MITIGATION

1. Measures Incorporated into the Project or Required by the District

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- **Parking:** The project will provide 875 parking spaces as agreed in negotiations with District staff, and conceptually approved by the Board of Port Commissioners.
- **Marine Resources:** Minor dredging (13,360 square feet) will occur onsite to create additional suitable eelgrass habitat. This will adequately compensate for potential eelgrass losses due to marina development.
- **Water/Sediment Quality:** Surface runoff from the project site will be discharged into the bay at several locations in accordance with RWQCB standards to reduce erosion and sedimentation.

2. **Measures Which Should be Made a Condition of Approval**

- **Traffic:**
 - (1) "Bike X-ing" warning signs should be installed at the intersection of the bicycle path and Coronado Cays Boulevard.
 - (2) A temporary separate entrance should be utilized during the construction phase of the hotel.
- **Visual Quality:**
 - (1) Tennis court luminaries should be placed so that no fixtures are facing a southerly direction. All security lights should be shielded so as to direct lighting away from the Coronado Cays area.
 - (2) Nighttime tennis court lighting should be restricted between 11 p.m. and 6 a.m.

(3) Surrounding landscape should incorporate trees to help screen the tennis court and security lighting.

3. Measures that Could be Required at Discretion of Caltrans, the City of Coronado or the Applicant

• Traffic:

- (1) "No Parking Any Time" signs should be posted on the west side of Coronado Cays Boulevard to reduce on street parked cars accident potential and enhance traffic flow.
- (2) Legends on the SR 75 northbound intersection approach should be repainted to indicate that turning lanes are not through lanes.
- (3) The 8-inch lenses on signal heads facing Coronado Cays Boulevard should be replaced with 12-inch lenses to improve signal visibility.

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EXHIBIT "C"

DOA FINDINGS

Herewith are presented the findings made by the State Lands Commission, pursuant to Section 15091, Title 14, California Administrative Code, on the proposed Crown Isle Hotel/Marina Project. Only significant impacts for that portion of the project to be considered by the State Lands Commission are discussed.

Impact: Marina Construction will require dredging a shallow water area containing eelgrass. The total area of eelgrass disturbed will be 5,500 square feet.

- Findings:**
- (1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect identified in the final EIR.
 - (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency (Corps of Engineers).

Facts Supporting Findings:

Crown Isle is located on the west side of San Diego Bay in a relatively shallow marine setting. The general marine habitat surrounding this island is shallow subtidal with sand and oily muds predominating as substrate. The San Diego Unified Port District Master Plan designates the south side of the island for commercial recreation which includes docks, marinas and wharfage facilities.

The most significant marine resources in the area of Crown Isle are the extensive eelgrass bed. The Port District Master Plan EIR shows an extensive eelgrass bed on the north side of the isle forming a rough triangle in the shallow cove, a small patch near the northeast corner of the isle and another large triangular patch off the eastern side of the boat channel.

The northern bed (Bed A) runs roughly parallel to the concrete wall at a distance of 40-90 feet offshore. It is a densely populated bed with 30-50 plants per square meter. Although the entire cove was not surveyed, it appeared that the bed extended northward and encompassed a majority of the cove area. Bed B is an area along the northeastern and eastern shoreline running roughly parallel to the existing boat (north-south) channel. It is comprised of dense patches of eelgrass. The patches are discontinuous but are close enough together to be considered a contiguous eelgrass zone. Density of plants range from 10-20 plants/m².

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The third eelgrass area (Bed C) is along the southern shoreline of the island, running parallel to the top of the bank approximately 45 feet offshore. It is a narrow area, limited on the south edge by the deep channel cut into the Cays. The bed consists of widely separated patches of plants. Individual clumps may consist of 7-10 individuals, but the clumps are widely separated and average density in the area is less than 1-2 plants/m². There is no contiguous bed formation along this sharp slope area, and does not constitute a significant eelgrass resource. Along the western end of this bed is a moderately dense area of eelgrass between the raised roadway bulkhead and the deep channel.

Of all the marine habitat types in San Diego Bay the most significant in terms of biological value are the eelgrass beds. As has already been shown, the project area has significant eelgrass resources in the adjacent area. Eelgrass constitutes a unique habitat association in that many species of marine invertebrates and fishes utilize this area for food, shelter, and as a nursery ground. It is supportive of juvenile fishes and crustaceans, particularly crabs and lobster, which find shelter between the grass blades and roots. Eelgrass also serves as a place of attachment for the eggs of many different marine invertebrates and migratory geese; particularly the black brant rely heavily on eelgrass as a food source. Although no rare and/or endangered species of marine invertebrates, fishes or marine plants are known to occur within or adjacent to the project area, eelgrass beds constitute a productive habitat for many important species of fish and marine invertebrates.

The marina will be constructed in an area of existing eelgrass. It was designed to minimize impacts on the eelgrass bed, given the design and number of berths necessary for the development. The majority of berths have been designed outside the limits of the existing bed and have an access walkway between the bed and boats to eliminate any prop wash impacts as boats maneuver in and out of berths. An attempt was made to design the marina totally outside the bed area; however, too few slips could then be accommodated. The only method to obtain the additional slips was to dredge an area of shallow water including eelgrass. The area selected was a shallow shoaling area near the east end of the island with narrow bands of eelgrass. The total area of eelgrass disturbed would be 5,500 square feet.

The large eelgrass bed north of the project area will not be disturbed either during construction or operation of the project and should continue to function as a significant local marine habitat.

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To mitigate the loss of eelgrass, dredging will be carried out to provide an expanded area at a depth of 0 to -5 (MLLW) to provide an area for recolonization of eelgrass. Approximately 13,360 square feet of new surface would be created and protected by the walkway. The total dredge footprint would be 28,450 square feet with the removal of 3,900 cubic yards of material. All dredge material will be used on the island as surcharge. A planting and monitoring program will be instituted per agreement with the Corps of Engineers.

Mitigation:

To mitigate the loss of eelgrass, additional dredging has been incorporated into the project to create an expanded area to provide space for recolonization of eelgrass. A planting and monitoring program will be instituted pursuant to permit requirements of the U. S. Army Corps of Engineers.

The proposed mitigation will create suitable eelgrass habitat to compensate for potential eelgrass losses due to marina development.

This mitigation will substantially lessen the impact of the project on the eelgrass beds.

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EXHIBIT "D"

STATE OF CALIFORNIA, STATE LANDS COMMISSION

GEORGE DEUKMEJIAN, Governor

STATE LANDS COMMISSION
1807 13TH STREET
SACRAMENTO, CALIFORNIA 95814



July 1, 1988

File Ref.: WP 7054

Joelen Enterprises
1001 "B" Ave., Suite 303
Coronado CA 92118

Gentlemen:

Pursuant to your application received April 12, 1988 and by the authorization of the State Lands Commission in June, 1988 you are hereby granted permission to dredge, during the term of the permit a maximum 3,900 cubic yards of sand, silt, clay and gravel, excluding all other minerals, including but not limited to oil, gas and geothermal from an area of granted, mineral reserve, lands in San Diego Bay at Crown Isle, San Diego County as designated in Exhibit "A" attached hereto, which is by this reference expressly made a part hereof. Said permission includes the right to deposit dredge spoils at the adjacent upland site owned by the San Diego Unified Port District where it will be used for landscaping and other public benefit purposes. A portion of the dredged area shall be used to provide an area for recolonization of eelgrass in compliance with a planting and monitoring program implemented by the U. S. Army Corps of Engineers.

No royalty shall be paid for material placed at the approved disposal site and used for enhancement for public benefit. A royalty of \$0.25 per cubic yard shall be paid for any material used for any private or commercial benefit. Said permission is given on the condition that all dredging and spoils deposition shall be done in accordance with all applicable Federal, State, and local government laws, rules, and regulations. Said permission shall be effective from July 1, 1988 through June 30, 1989.

It is hereby agreed that the operations authorized under this permit shall be performed with diligence, in a good and workmanlike manner, and with the use of due care and safety precautions.

It is further agreed that you shall submit copies of reports or contracts with the dredging operator substantiating the volume of materials dredged and any royalties due to the Commission on a quarterly basis, on forms supplied by the Commission (Form 30.9NC). It is agreed that you shall submit said forms on or before the fifteenth (15th) day of the month following the end of each permit quarter, together with payment for the royalty due on the volume removed during that quarter. The first permit quarter shall be the first three months following the effective date of this permit, and every three-month period thereafter shall be a permit quarter.

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It is hereby agreed that, pursuant to Public Resources Code Section 6224, any installments of royalty accruing under the provisions of this permit that are not paid when due shall be subject to a five percent (5%) penalty and shall bear interest at the rate of one and one-half percent (1½%) per month from the date when the same was payable by the terms hereof.

It is agreed that you shall furnish the Commission with copies of final surveys or copies of any other computations used as a basis to verify dredge volumes within twenty-five (25) days of completion of the activity authorized hereunder.

It is agreed that you shall indemnify, save harmless and at the option of the State of California, defend said State, its officers, agents and employees, against any and all claims, demands, causes of action, or liability of any kind which may be asserted against or imposed upon the State of California or any of its officers, agents or employees by any third person or entity, arising out of or connected with the issuance of this permit, operations hereunder, or the use by you or your agents, employees or contractors, of the above-described lands.

Without limiting the generality of the foregoing, such indemnification shall include any claim, demand, cause of action or liability of any kind asserted against or impounded upon the State of California or any of its officers, agents or employees, arising out of or connected with any alleged or actual violation by you, your agents, employees or contractors of the property or contractual rights of any third persons or entity. It is agreed that you shall, at the option of the Commission, procure and maintain liability insurance for the benefit of the State in an amount satisfactory to the Commission.

You agree to comply with the terms and conditions hereof, and you further agree that any violation thereof shall constitute grounds for termination of this permit and shall allow the Commission to pursue any other remedy available to it under the law. It is further agreed that this permit may be suspended, modified or terminated, whenever the State Lands Commission deems such action to be in the best interests of the State, and that no such action by the Commission shall be deemed to be a basis for any claim or cause of action for damages against the State or any officer, employee or agency thereof.

STATE OF CALIFORNIA
STATE LANDS COMMISSION

W. M. THOMPSON, Chief
Extractive Development Program

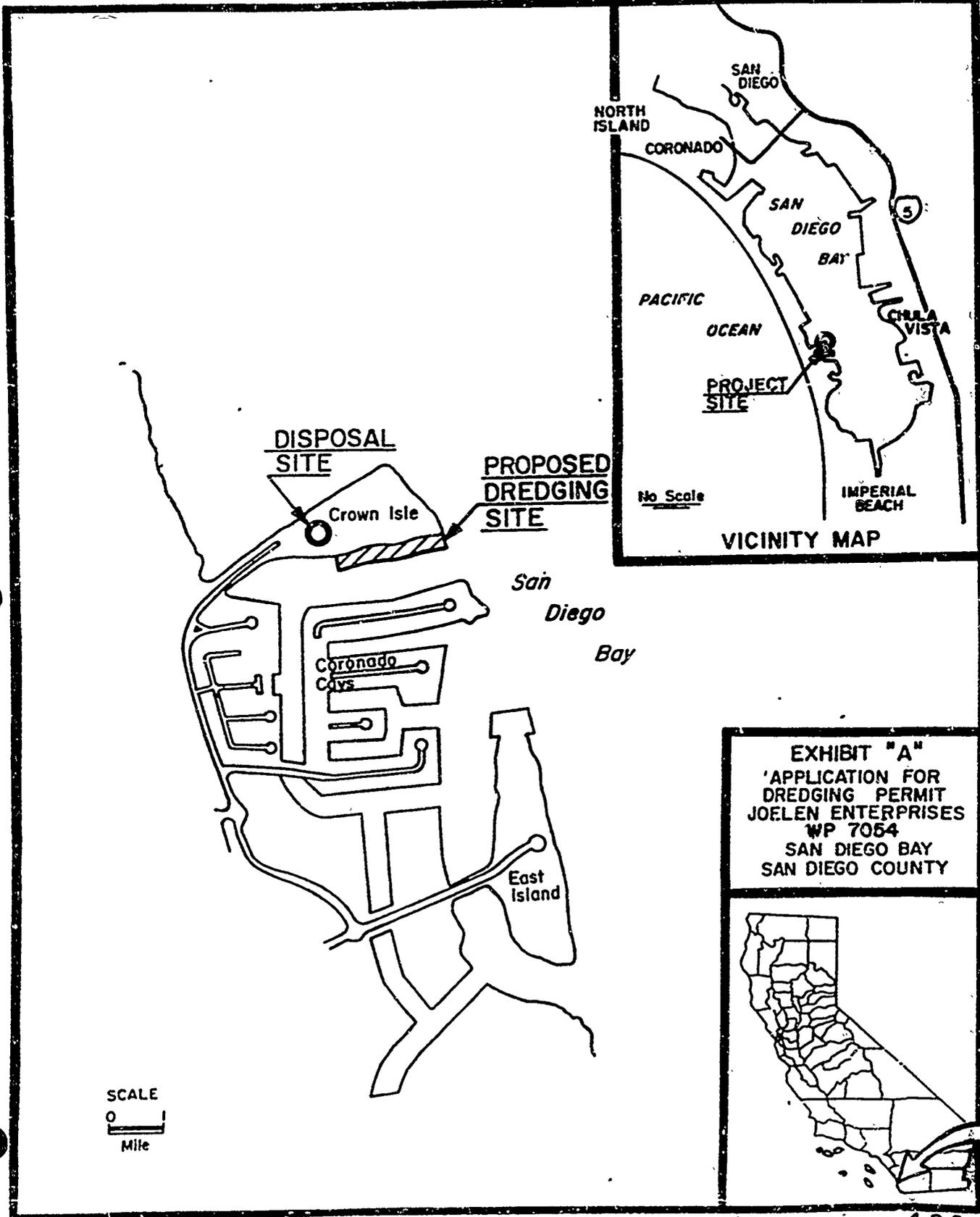
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BY: _____, TITLE: _____

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EXHIBIT "A"
 'APPLICATION FOR
 DREDGING PERMIT
 JOELEN ENTERPRISES
 WP 7054
 SAN DIEGO BAY
 SAN DIEGO COUNTY



CALIFORNIA R.O. 1588
 AIRMAIL PERMITS 1775