

MINUTE ITEM
This Calendar Item No. C50 was approved as
Minute Item No. 50 by the California State Lands
Commission by a vote of 3 to 0 at its
9/19/00 meeting.

**CALENDAR ITEM
C50**

A 73

S 38

PRC 8215

09/19/00
W 25656
J. Smith

GENERAL LEASE - PROTECTIVE STRUCTURE USE

LESSEE:

Five Star Resort LLC and Athens Resort Development LLC
30801 Coast Highway #40
Laguna Beach, California 92651

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Pacific Ocean, Laguna Beach, Orange County.

AUTHORIZED USE:

Removal of existing concrete slab and pier, and construction of a rock
groin/seawall.

LEASE TERM:

Ten years, beginning September 1, 2000.

CONSIDERATION:

The public use and benefit; with the State reserving the right at any time to set a
monetary rent if the Commission finds such action to be in the State's best
interest.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance: Combined single limit coverage of \$1,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.
2. Applicants are proposing a blufftop resort development on the site of the
closed Treasure Island Mobile Home Park in Laguna Beach. The
development will include resort guest rooms, resort facilities, and single
family residences. The Applicants are also proposing to remove virtually
all of an existing concrete slab and the land based portion of a pier that

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extends from the base of the bluff at Treasure Island to a rock outcrop called Goff Island. It is believed that the concrete slab was constructed in the 1950's to accommodate movie production. The removal of the concrete slab/pier remnants will restore the area to its natural condition. The shoreline in this area is characterized by sandy beach at the southern end and a series of three small pocket beaches within coves along the northern end. The coves are defined by rocky points with associated tide pools. This rocky cove area presently has a Marine Life Refuge designation by the city of Laguna Beach. The Applicants will be dedicating the entire bluff and shoreline area to the city of Laguna Beach for purposes of public access, recreation and habitat preservation.

The Applicants are proposing to maintain the existing northern retaining wall and augment it with rock to function as a groin/seawall in order to prevent erosion of adjacent beaches. Applicants represent that the groin/seawall will also act to stabilize the base of the existing northern access ramp.

In addition, the Applicants have submitted an application to the State Department of Fish and Game (DFG) to designate the shoreline and nearshore waters of Treasure Island as a State Ecological Reserve. Should the site be deemed suitable for such a designation, the Commission would be asked by the DFG to consider the issuance of a lease authorizing the inclusion of State sovereign lands in the ecological reserve.

3. An EIR was prepared and certified for this project by the city of Laguna Beach. The California State Lands Commission staff has reviewed such document and Mitigation Monitoring Program adopted by the lead agency.

Findings made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, sections 15091 and 15096) are contained in Exhibit C, attached hereto.

A Statement of Overriding Considerations made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, section 15093) is contained in Exhibit E, attached hereto.

In addition, on June 28, 2000, the California Coastal Commission (CCC) granted Permit #5-00-080 for this project under its certified regulatory program (Title 14, California Code of Regulations, section 15251(c).

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

APPROVALS OBTAINED:

City of Laguna Beach; State Regional Water Quality Control Board; California Coastal Commission.

FURTHER APPROVALS REQUIRED:

U. S. Army Corps of Engineers; California State Lands Commission.

EXHIBITS:

- A. Location And Site Map.
- B. CEQA Findings
- C. Mitigation Monitoring Program
- D. Statement Of Overriding Considerations
- E. Notice Of Determination

PERMIT STREAMLINING ACT DEADLINE:

March 10, 2001

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT AN EIR WAS PREPARED AND CERTIFIED FOR THIS PROJECT BY THE CITY OF LAGUNA BEACH AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE FINDINGS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15091 AND 15096(h), AS CONTAINED IN EXHIBIT C, ATTACHED HERETO. ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT D, ATTACHED HERETO.

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ADOPT THE STATEMENT OF OVERRIDING CONSIDERATIONS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15093, AS CONTAINED IN EXHIBIT E, ATTACHED HERETO.

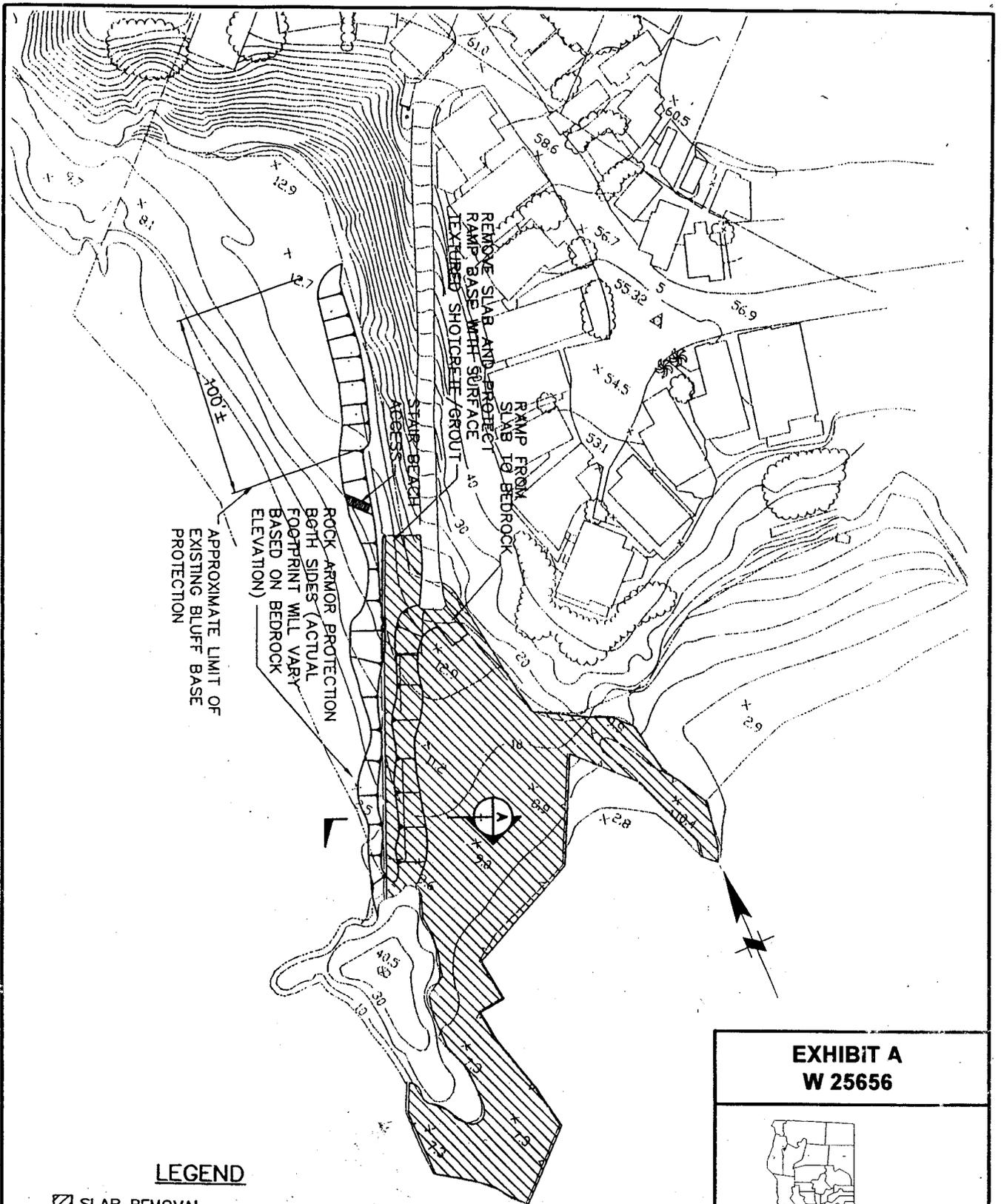
FURTHER FIND THAT AN ENVIRONMENTAL ANALYSIS DOCUMENT, CALIFORNIA COASTAL COMMISSION (CCC) PERMIT #5-00-080, WAS ADOPTED FOR THIS PROJECT BY THE CCC UNDER ITS CERTIFIED PROGRAM (TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15251(c), AND THAT THE CALIFORNIA STATE LANDS COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION THEREIN AND CONCURS IN THE CCC'S DETERMINATION.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO FIVE STAR RESORTS, LLC AND ATHENS RESORT DEVELOPMENT, LLC OF A GENERAL LEASE - PROTECTIVE STRUCTURE USE, BEGINNING SEPTEMBER 1, 2000, FOR A TERM OF TEN YEARS, FOR REMOVAL OF AN EXISTING CONCRETE SLAB AND PIER, AND CONSTRUCTION OF A ROCK GROIN/SEAWALL ON THE LAND DESCRIBED ON EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION BEING THE PUBLIC USE AND BENEFIT, WITH THE STATE RESERVING THE RIGHT AT ANY TIME TO SET A MONETARY RENT IF THE COMMISSION FINDS SUCH ACTION TO BE IN THE STATE'S BEST INTEREST; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000.



**EXHIBIT A
W 25656**



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EXHIBIT B

STATEMENT OF FINDINGS
TREASURE ISLAND DESTINATION RESORT COMMUNITY
ENVIRONMENTAL IMPACT REPORT

POTENTIAL SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE
PROPOSED PROJECT, FINDINGS WITH RESPECT TO SAID EFFECTS,
AND STATEMENT OF FACTS IN SUPPORT THEREOF,
ALL WITH RESPECT TO THE ADOPTION OF
A LOCAL COASTAL PROGRAM AMENDMENT,
A GENERAL PLAN AMENDMENT AND
TREASURE ISLAND RESORT COMMUNITY ZONE CHANGE AND
CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT

BACKGROUND

The California Environmental Quality Act ("CEQA"), Public Resources Code Section 21081 provides that:

"(No) public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

- (a) The public agency makes one or more of the following findings with respect to each significant effect:
 - (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
 - (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.
- (b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment."

The City of Laguna Beach proposes to adopt a Local Coastal Program Amendment and Zone Change/Specific Plan for the Treasure Island Destination Resort Community. Due to the potential impacts to the environment and because the proposed action constitutes a project under CEQA and the State CEQA Guidelines, the City of Laguna

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Beach has prepared a Draft Environmental Impact Report (EIR). The Draft EIR identified certain potentially significant effects that may occur as a result of the implementation of the project, unless mitigation measures are adopted for the project.

The Draft EIR was circulated for public review and comment for the period specified in CEQA. Comments were received by the City and have been responded to by the City in accordance with CEQA requirements.

The City Council hereby determines that the Final EIR, comprised of the Draft EIR as revised in the proposed Final EIR, the comments received from the public and interested agencies, the Response to Comments prepared by the City, the Mitigation Monitoring Program, this Statement of Findings, and the Statement of Overriding Considerations, is complete and adequate, and has been prepared in accordance with CEQA and the State CEQA Guidelines. Therefore, the following findings are set forth herein, pursuant to Section 15091 of the State CEQA Guidelines.

Note that the significant effects are numbered in accordance with the identification of potentially significant effects in the Draft EIR.

EARTH RESOURCES/TOPOGRAPHY

Significant Effect No. 1-1 - Proposed Cut (Excavation) Areas

Planned excavations (cuts) are deepest and most extensive in the eastern portion of the site to accommodate subterranean parking in the planned Resort Center/hotel complex. Relatively shallow cuts are also proposed in the central and western portions of the site. Significant thicknesses of fill, on the order of about five to ten feet, are proposed for the west-central portion of the project to create three terraces or tiers stepping up to Pacific Coast Highway from the area behind the bluff (refer to Figures 4.1-8a and b). A small area of 26 feet of cut, which is greater than the 25 feet vertical cut significance evaluation factor, is located within Lot 13 of the TTM for hotel construction (26 feet).

Proposed cut slopes for the project are limited to the rear of Lots 3 and 4. The slopes are shown with surface gradients of 2:1, and will be composed primarily of terrace deposits and/or compacted fill derived from terraced deposits. Temporary cut slopes will also be required in several areas for construction of planned retaining/basement walls. Proposed temporary cuts will be excavated primarily in the terrace deposits. Bedrock excavations will essentially be limited to minor areas of daylight bedrock cut near the center of the site, and a small portion of the basement excavation for the Resort Center/hotel.

At the northwest corner of the hotel site, proposed temporary cuts should not exceed a surface gradient of 1:1 without evaluation and decision of an appropriate shoring system. If groundwater is encountered at this or other proposed temporary cut slope locations, the slope gradient would need to be flattened and/or the area could be dewatered (see also discussion regarding this groundwater issue under the Water Resources/Hydrology Section of this EIR).

Temporary cuts along Pacific Coast Highway are constrained by the proximity of the nearby road alignment and several of the eucalyptus trees that are proposed to be

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preserved in place. Temporary shoring will therefore be likely required to safely excavate proposed basement levels in this area.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

- M.M. 1-1a Proposed permanent cut slopes will not exceed a surface gradient of 2:1 and will be constructed in accordance with the "General Grading Recommendations" attached as Appendix D of the Geotechnical Evaluation (available at the City of Laguna Beach Community Development Department). The final design phase of the project shall include further geotechnical evaluation to determine whether groundwater control measures are necessary for the proposed cut slopes. If dewatering measures are determined to be necessary, construction will include over-excavation and replacement of the cut portion of composite slopes with compacted (engineered) fill. Replacement of compacted fill will allow installation of subdrains behind the fill slope to control groundwater that may be present or may develop in the future. Verification of this measure will be conducted as a condition of approval of the concept grading plans, which will be reviewed by the Design Review Board of the City of Laguna Beach. Verification will be in accordance with City standard grading requirements (Uniform Building Code).
- M.M. 1-1b Foundation setbacks from the top of proposed slopes will conform to the requirements of Section 1806.4.3 and Figure 18-1 of the Uniform Building Code (i.e., a horizontal footing setback of H/3 from the slope face, H being the slope height). (Refer to the project Geotechnical Investigation, AGRA Earth and Environmental, available for review at the City Community Development Department, and EIR Figure 4.1.11.) As part of the foundation design process, the City's Geotechnical Consultant will conduct an independent site specific evaluation of the proposed plans. Appropriate landscape provisions shall be implemented as part of the erosion and sedimentation control plans to minimize the erosion potential of the cut slopes. (Refer to Mitigation Measure 1-10 regarding Erosion Control Plans).
- M.M. 1-1c Temporary cut slopes greater than five (5) feet in height in the terrace deposits shall not exceed a gradient of 1:1 without design and installation of an adequate shoring system. Subsurface exploration, testing, and evaluation will be performed during the design phase of the project to develop appropriate shoring design criteria and to evaluate local conditions that may impact the temporary cut slope stability. This measure will be verified by the Consultant or other designee prior to issuance of grading permits.

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Implementation of PDF 2-6 in Section 4.2 specifies design components to minimize the impacts of groundwater intrusion during construction and during the life of the project.

Significant Effect No. 1-2 - Bluff Area Artificial Fill

Existing fill slopes along the top of the bluff are considered potentially unstable. Existing fills are not considered suitable for support of planned future improvements. Proposed development is located back, away from existing fills comprising the bluff slope, and this area has been designated for use as open space/park. Existing fills within the proposed development area will be removed and replaced as compacted fill to provide adequate support for planned improvements. Planned improvements in the designated open space/park are generally limited to the area of proposed beach access reconstruction at that existing south ramp to meet current ADA requirements. Existing fills in the south ramp area will be removed and recompacted to appropriate engineering standards at a gradient varying between 1:1 to 2:1, similar to the existing slope configuration. Shoreline protection structure(s) will be required for the lower portion of the ramp and the adjoining portion of the reconstructed bluff face. Construction of a small seawall extension from the eastern end of the existing wall is tentatively planned.

For portions of the ramp that exceed 2:1 gradient, a mechanically stabilized earth design (MSE) would be required. A primary candidate geosynthetic product that would be considered for implementation in the reconstruction of the ramp is a high strength geogrid that is placed in layers within the compacted fill to provide additional strength and reinforcement of the soil.

Typical geogrid reinforcement lengths for those portions of the ramp slope steeper than 2:1 would extend horizontally about 18 to 25 feet behind the proposed slope face. Vertical spacing of the primary geogrid layers would be four feet with secondary geogrid layers at an intervening spacing of one foot. Secondary geogrids are intended to enhance the surficial stability of the slope, and would extend about four to seven feet behind the slope face. Covering the slope face with erosion blanket would minimize erosion and would provide interim support until proposed landscape planting was established. Figure 4.1.10 illustrates a cross section of the potential slope and seawall reconstruction for the southern coastal access ramp. PDF 1-3 provides for this geogrid material as part of the project design for these areas.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-2 The applicant shall develop site-specific remedial foundation design recommendations and include them on the final design plans for review and approval by the City of San Diego.

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Board. Project plans shall demonstrate that proposed improvements will not be founded in existing fills.

Significant Effect No. 1-3 - Stability of Fills

Existing artificial fill areas on-site would not provide structurally sound, stable building areas. Mitigation Measures 1-3a through 1-3d will rework site soils to meet Uniform Building Code specifications for foundations.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-3a The following actions will be implemented during construction as part of site preparation:

Removal of Debris

Prior to any grading, all vegetation, trash, surface obstructions, and debris resulting from demolition shall be removed and disposed off site. Any existing irrigation, drainage or utility lines, or other abandoned subsurface structures shall be removed, destroyed, or abandoned in compliance with current governmental regulations and with the requirements and approval of the Geotechnical Consultant.

Removal of Unsuitable Earth Materials

The resulting ground surface beneath all proposed fill shall be stripped of all unsuitable material (existing fill, alluvium, slopewash, etc). These soils may be used as compacted fill provided they are free of deleterious material and meet geotechnical criteria. Competent material exposed beneath proposed fill areas is subject to approval by the Geotechnical Consultant prior to processing.

M.M. 1-3b The following actions will be required during construction and included in final plan specifications:

Scarify Proposed Fill Surfaces

The approved clean natural ground surface in areas to receive fill shall be scarified (broken up, loosened) to a depth of about four to six inches brought to at least the optimum moisture content and compacted to at least 90 percent of the maximum dry density, as determined by ASTM D1557.

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Fill Placement Requirements

Fill should consist of approved earth material free of trash, debris, roots, vegetation or other deleterious material. All fill shall be in six to eight inch lifts and brought to at least the optimum moisture content and compacted to at least 90 percent of maximum density, as determined by ASTM D1557.

Non-Cohesive Soils

Granular soils with little or no cohesive fines shall be excluded from the outer four to five feet of proposed fill slopes.

Rock Disposal

Rock up to one foot in diameter can be incorporated into the fills by normal procedures, provided that the volume of rock 4 to 12 inches in diameter is evenly distributed throughout the material, and does not exceed five percent of the total volume. Rock greater than one foot in diameter shall be removed from the fill and either stockpiled for use as rip-rap or disposed of off site.

M.M. 1-3c

The following will be required during construction and included in final plan specifications:

Fill Benching/Unreinforced Fill Slopes

Where fill is to be placed on slopes steeper than 5:1, an essentially level, equipment width (12 foot) bench shall be established at the base of the fill. Benching into competent material shall continue as the fill progresses upslope. A minimum fill width of 12 feet, as measured horizontally from the slope face, should typically be maintained for all fill slopes. Unreinforced fill slopes should be no steeper than 2:1. (The initial toe bench and all subsequent benching shall be approved by the Geotechnical Consultant.)

Steep Fill Slopes

Site specific analyses and reinforcement design shall be incorporated into locations where fill slopes are steeper than 2:1. Reinforcement design plans, specifications, and materials shall be reviewed and approved by the Geotechnical Consultant prior to the start of grading operations.

This measure will be included in the Final Plans and verified by the City's independent Geotechnical Consultant conceptual grading permits.

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M.M. 1-3d As a condition of grading permits, on-site sewage facilities that are still in use or have not been backfilled shall be abandoned in accordance with the Uniform Plumbing Code, applicable local regulations, and the recommendations of the Geotechnical Consultant. Within the area of proposed future grading/development, previously abandoned/backfilled septic tanks and leach fields shall be removed and replaced with compacted fill. The upper five feet of previously abandoned/backfilled cesspools will also be removed and replaced with compacted fill. If appropriate, the liquefaction/settlement potential of the remaining backfill soils (i.e., approximately 4 to 6 feet in diameter and 20 to 30 feet deep) shall be mitigated by placement of a structural concrete cap over the remaining portion of the cesspool or by in-place densification of the backfill by compaction grouting. The necessity, depth, and extent of these possible additional measures required for mitigation of the remaining cesspool backfill will be evaluated by the Geotechnical Consultant during the final design/grading process, in accordance with the standards specified in the Uniform Plumbing Code.

Significant Effect No. 1-4 - Disposal of Excavated Material

The project grading plans will produce an excess of excavated earth materials (i.e., the total yardage of proposed excavation is greater than the total yardage of proposed compacted fill). The major source of the excess excavation volume would be derived from below grade structure areas associated with the hotel site. As a result of the greater cut quantity than fill quantity, there will be an excess of 40,000 cubic yards of material (possibly 50,000 cubic yards with construction of a second underground parking structure) that will require removal from the site. A disposal location for the excess material has not been determined. Excavated material will be exported off site either to a landfill or to a nearby grading project requiring additional fill. For purposes of this EIR analysis, a worst-case impact scenario has been assumed whereby the excess excavated material would be trucked to Frank R. Bowerman Landfill, a County facility east of the City of Irvine. (Refer to the Public Services and Utilities Section of this EIR for discussion of solid waste issues). Potential construction period impacts from exportation of the excess materials would include truck trips to and from the landfill, and generation of associated noise and exhaust emissions. The latter affects are discussed under Construction Impacts for Traffic/Circulation (Section 4.8), Noise (Section 4.9), and Air Quality (Section 4.10).

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

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Facts in Support of Findings

M.M. 1-4 As a condition of the grading permits, the applicant shall be required to prepare a plan that identifies a location for deposition of export material¹ and truck routing for approval by the Municipal Services Department. This measure will reduce indirect effects related to disposal of excavated material.

This measure will be included in the Final Plans and verified by the Community Development Department prior to issuance of grading permits.

SC 1-1, compliance with building codes and regulations; Mitigation Measure 1-3a, removal of debris; and Mitigation Measure 1-3b, fill placement requirements and rock disposal, will assist in eliminating some of the excess debris and unusable materials encountered during grading.

Significant Effect No. 1-6 - Liquefaction

Only minor amounts of groundwater were observed in terrace deposits near the top of the bedrock. The data from the exploratory borings indicate that the relative density of these materials is moderate to high, and the liquefaction potential of the terrace deposits is considered negligible. However, existing fills may be susceptible to liquefaction at any location where they are, or may become, submerged. Possible areas of local liquefaction could occur in existing abandoned cesspools or septic tanks, depending upon any backfill and groundwater conditions at each location. In addition, Mitigation Measure 1-6 will further reduce potential impacts from liquefaction to below significance.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

Adherence to SC 1-1, compliance with applicable building codes and regulations, and Mitigation Measures 1-3a, 1-3b, 1-3c, and 1-3d, will ensure that liquefaction hazards associated with seismic activity are reduced to the degree feasible.

¹ The contractor may opt to recycle the asphalt and aggregate, if there is an available use for it.

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M.M. 1-6 Prior to approval of grading plans and issuance of grading permits, the applicant shall demonstrate the following: existing fills that are or may become submerged, possibly including abandoned on-site sewage disposal systems, will be removed and recompacted as discussed under the Artificial Fill Section and Compressible Earth Materials Section. To offset or prevent liquefaction, such fills can be mitigated by removal, recompaction, addition of subdrains, or treatment in place. The precise methodology by which to meet the overall measure of preventing liquefaction will be determined during final site design

Significant Effect No. 1-7 - Bluff Area Issues

With the exception of those portions of the original bluff slope covered by artificial fill, the San Onofre Breccia (bedrock) comprises the exposed bluff face between about elevations 4 to 14 feet along the toe and elevations 30 to 40 feet along the top of the bluff. The overall gradient (horizontal:vertical) of the bedrock portions of the bluff face typically ranges between about 1:1 (45 degrees) to 0.25:1 (76 degrees). Some sections of the bluff are near vertical with local areas of overhang, particularly near the toe, where at least one small sea cave was observed. Comparison of the 1937 topography to the current topographic base shows little or no change has occurred in the location or inclination of the bedrock face during the intervening 60 years.

In summary, the strength and competence of the rock essentially preclude gross failure of the bluff face. Local rockfalls and/or other minor deterioration of the sea cliff may occur through time, particularly in the areas of overhang. However, on the basis of the available information, no significant degradation in the overall gradient or location of the sea cliff is anticipated during the anticipated design life of the proposed development.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-7a Final design will incorporate a minimum horizontal setback of ten (10) feet from the face of the bluff at the top of the bedrock to allow for possible future deterioration of the bluff face. The recommended setback distance is *not* a foundation setback, and will be used in combination with other earth resources mitigation measures to delineate specific foundation setback requirements from the blufftop.

Bluff Area Terrace Deposits

Terrace deposits on the order of about 20 to 30 feet thick cover bedrock in the vicinity of the bluff slope. However, terrace deposits are covered by a mantle of fill that varies in thickness

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from a few feet up to almost 20 feet (see Geologic Map and Geologic Sections, Figures 4.1.3, 4.1.9, and 4.1.10). Prior to being buried by fill (1937 Topography, Figure 4.1.1), terrace deposits comprising the upper portion of the bluff typically had surface gradients ranging from about 1:1 (45 degrees) to 2:1 (27 degrees). Much of the blufftop was dissected by shallow drainages with relatively steep sides and flat bottoms near the top of the bedrock.

The primary constituent of the terrace deposits is fine to medium sand with varying amounts of clay and silt that tend to bind the soil together. As reflected in the pre-development (1937) topography (Figure 4.1.1), the terrace sands are easily eroded, and the original blufftop tended to be somewhat sinuous because of local concentrated drainage down the bluff face. The Geotechnical Evaluation report (Appendix B) concluded that the surficial stability of these materials under surficial seepage conditions would tend to be problematic because of the low cohesion value.

As evidenced by the pre-developed (1937) topography, uncontrolled surface drainage over the blufftop has the potential to cause severe erosion damage in the terrace deposits. Drainage control provisions should be implemented with project design and construction to direct surface water away from the blufftop and into appropriate drainage facilities for collection and discharge. This is addressed in PDFs 2-1, 2-2, and 2-4 in Section 4.2 of this EIR (Hydrology/Water Quality).

M.M. 1-7b

A minimum horizontal foundation setback of 25 feet from the top of the bluff has been established in the project design to account for possible unanticipated erosion in the future. For the purpose of this project, the "top of the bluff" has been defined as the point on the slope profile where the gradient of the ground surface exceeds 45 percent (24 degrees). All proposed foundations shall be founded below or beyond the 2:1 setback projection. Structures encroaching on the setback area will require deepened foundations extending below the 2:1 setback projection and beyond the minimum horizontal setback of 25 feet. Site specific design analysis will be required for proposed foundations encroaching on the recommended setback area (see Figure 4.1.11).

Significant Effect No. 1-8 - Compressible Earth Materials

Undisturbed native deposits (i.e., terrace deposits and bedrock) are not considered significantly compressible under typical residential foundation loads or beneath proposed fills. The terrace deposits, and to a much lesser extent the bedrock, may exhibit some adverse compression characteristics under large, concentrated loads that may be applicable for some of the proposed multi-story structures, depending upon a variety of possible conditions. In general, foundation loads for each structure should be supported on similar materials (e.g. all footings founded in terrace deposits) and may require local over-excavation and replacement with compacted fill.

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Existing fills are considered potentially compressible in their present condition. Proposed fills are relatively thin (typically less than 10 feet, maximum thickness 20 feet), and are not expected to have any adverse compression characteristics, provided they are constructed in accordance with appropriate standards.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-8 Prior to approval of grading plans and issuance of grading permits, the applicant shall demonstrate that site specific exploration, testing geotechnical evaluation, and design have been conducted for proposed foundations, particularly for potentially large loads associated with the proposed multi-story structures. Removal and recompaction of existing fills will be required to support any proposed shallow foundations in these areas.

Significant Effect No. 1-9 - Expansive Earth Materials

Site earth materials would generally be classified as having a "very low" expansion potential in accordance with UBC 29-C. (Laboratory test results are provided in Appendix B of the Geotechnical Evaluation report.) However, some thin intervals of the bedrock and terrace deposits, including the remnants of any residual topsoil that may be present, are likely to have a "low" to "medium" expansion potential. Fills generated from these deposits would have similar expansion characteristics.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-9 Geotechnical testing and evaluation of building areas will be performed at the completion of grading to assess the expansion potential of near surface foundation soils. Any additional design specifications will be detailed, as needed, on the basis of this post-grading evaluation, and will conform to standards set forth in the Uniform Building Code.

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Significant Effect No. 1-10 - Erosion of Graded Areas

The area within and near the site has been urbanized for several decades, and the provisions for collection and disposal of surface water are relatively well developed. Although much of the existing topography will be altered to some degree, the major components of the existing storm drain facilities will be incorporated in the project plans with only minor upgrades, alterations and/or relocations.

In general, the primary constituents of earth materials in the graded areas (i.e. cuts in terrace deposits and compacted fill) will be fine to medium sand with varying amounts of silt and clay. These materials will tend to be easily eroded under uncontrolled drainage conditions. Local bedrock cuts will typically be highly resistant to erosion.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 1-10 As a condition of grading permits, all slopes shall be protected from surficial degradation by the establishment of appropriate vegetation immediately after grading. Proposed slopes steeper than 2:1 will require site specific analysis and erosion control design. Erosion control design plans, specifications, and materials shall be reviewed and approved by the Geotechnical Consultant and Project Civil Engineer prior to the start of grading operations.

HYDROLOGY/WATER QUALITY

Significant Effect No. 2-1 - Local Scour

The three planned storm drains (one existing and two new drains) for the proposed site drainage onto the beach may experience high velocities (approximately 40 cfs) during peak flow conditions due in part to the improved catchment efficiency along the west side of Coast Highway, as well as the intensified development (causing increased surface area) proposed for the project site.

Storm drain systems are required to be designed to control runoff up to a 100 year discharge. Standard Condition 2-4 specifies that an evaluation of runoff for the 100-year event will be submitted by the project engineer to verify that a 100-year flood event would not inundate proposed habitable structures (condition to be verified by the Director, Community Development Department). The analysis under "Effects Determined to Be Less Than Significant, Surface Runoff/Erosion Potential" concludes that the proposed storm drain system will control surface runoff at less than significant levels, with implementation of PDFs 2-1, 2-2, 2-3, 2-4, 2-5, and Standard Conditions 2-1, 2-2, 2-3, 2-4 and 2-5, as prescribed in

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Energy dissipators are planned to receive runoff from the site on the beach below the extension of the three storm drainpipes shown on Figure 4.2.2. In order to completely dissipate the energy flow during peak storm events, energy dissipators would have to be of an impracticably large size. The final hydrology report required in SC 2-5 will recommend sizes for the dissipators that are reasonable to control average storm flow runoff from the project storm drains. It is anticipated that, for the larger storm events, local scour of beach sands would result where the high energy flows discharge. This will be addressed through Mitigation Measure 2-1. The following discussion provides more detail about the proposed storm drains and the specific areas along Treasure Island beach where scour may occur.

The proposed northern storm drain outlet is located within a coastal segment (north of Goff Island) where the beach berm width is moderate to narrow, with a steep front face slope. Wave run-ups can frequently reach the toe of the bluff in this area, thereby replenishing any sand lost to outflow scour. However, the central and southern storm drains outfall in the back berm area of the sand beach near the bluff toe, approximately 160 feet shoreward from the mean high tide line. Wave run-ups during a storm event may not reach the flat back berm area in this segment, and the onshore-offshore littoral transport processes may not be able to naturally replenish the locally scoured sands. The coastal engineer estimates that local scour is an existing condition during winter storms at the outlet of the existing southern storm drain outlet. The proposed project drainage plan redirects surface flow from the southern portion of the project site, where the proposed hotel would be located, to the central portion, to outlet in the proposed 36 inch central storm drain. The concentration of site drainage into the three storm drains, as opposed to the existing multiple smaller drains, will increase flow volume and velocity at the central and northern beach outlet points. The project drainage has been designed to maintain the outflow at the southern drain at or below existing levels, in that the drain is proposed to be retained. Therefore, the proposed project will not increase the amount of runoff at the southern drain, and consequently will not worsen any existing scour conditions at that location. The central drainage outlet will, however, potentially carry sufficient runoff velocity to induce scour. Again, Mitigation Measure 2-1 will address the potential scour of beach sands.

Finding 1

Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 2-1 Prior to the City's issuance of construction permits for the central and southern storm drain outlets, a coastal engineering study shall be prepared by a State registered engineer and approved by the City's Community Development Department. This study shall specifically evaluate the potential for significant beach erosion at the storm drain outlets, and the ability of littoral drift and/or other natural coastal processes to replace any otherwise lost material. A practicable method of reducing the projected beach erosion to an

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insignificant level, as determined by the Coastal Engineer, the project applicant shall enter into a Beach Maintenance Agreement with the City or County of Orange to replace beach sand after significant storm seasons or events.

SC 2-1 *Erosion Control Plans.* Prior to issuance of grading permits, erosion control plans will be prepared by a registered civil engineer in accordance with *Title 22-Excavation, Grading and Filling*, of the City of Laguna Beach Regulations and approved by the Director, City of Laguna Beach Community Development Department. The Erosion Control Plan shall specify preparation and approval of the plan prior to construction, instruction for storm events, normal and emergency procedures, and procedures after storm events. Erosion control measures may include, but will not be limited to, the following: sandbags placed across all streets where necessary, depending upon size of catchment and sediment yield; erosion control at the sediment sources; a standby crew available for emergency work during the rainy season; and necessary materials available on site to facilitate rapid construction of temporary erosion control devices as necessary.

SC 2-5 *Final Hydrology Study.* Prior to issuance of a grading permit, a final hydrology study shall be prepared by a registered engineer that will address final sizing of storm drains, energy dissipators, and related infrastructure. This condition will be verified by the Director, City of Laguna Beach Community Development Department.

COASTAL RESOURCES

Significant Effect No. 4-1 - Effects of Increased Visitor Use on Rocky Intertidal Habitat

Impacts due to unmanaged visitor use would be a significant, adverse and long-term reduction in the quality of the intertidal habitat of Treasure Island. This would also contribute to a cumulative impact of regional intertidal resource degradation in Southern California, resulting from incremental development and urbanization pressures on the resources.

Most of the use of the rocky areas is spillover from visitors from the sandy beach, whose primary purpose is to go to the beach and then continue over to the rocky tidepools. The proposed project will draw a considerable number of visitors to the sandy beach and intertidal areas below the development area atop the bluff. In that the beach and rocky intertidal areas are currently on private property and yet are used by fishermen and other resident and non-resident beach visitors, dedication of the beach and intertidal areas to the public (under the jurisdiction of either the City or County) would considerably increase the number of visitors to the area.

The Treasure Island property beach and intertidal zones were designated in 1995 by the City of Laguna Beach as a Marine Life Refuge. This designation prohibits collection of any non-recreationally important species; however, commercial fishing (e.g., lobster pots) is allowed in the cove and subtidal areas. According to Dr. Gray's research, as well as anecdotal evidence over the years, the Marine Life Refuge

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designation affords a mediocre level of protection, given passive restraints (signage) and no monitoring or enforcement of the regulations. The project proposes upgrading the Treasure Island coastal section to an Ecological Reserve (this change in designation will be up to the State to approve), which carries more restrictive measures (i.e., no take zone) for protection of the resources. Heisler Park in Laguna Beach north of Main Beach is an Ecological Reserve; however, City lifeguard staff have observed numerous infractions of the Reserve regulations (approximately 600 violations within a three month period) at Heisler.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

PDF 4-1 ***Ecological Reserve Designation.*** The project shall propose to designate the portion of the site that includes the rocky intertidal (tidepools and Goff Island) and subtidal areas to a distance of 1,200 feet offshore as an Ecological Reserve, a State level protection of the resources contained therein. The project LCP shall specify the physical public notification and protection designations (e.g., signage), the parties responsible for ongoing enforcement of regulations, monitoring and oversight of the Reserve and implementation of the Shoreline Resources Management Plan (see PDF 4-2). Verification of this PDF shall be conducted by the Director, Community Development Department, City of Laguna Beach, prior to approval of the conceptual grading permits. Verification shall consist of documentation that an application to the Department of Fish and Game has been submitted.

PDF 4-2 ***Shoreline Resources Management Plan.*** The shoreline and near shore waters and associated marine resources on the Treasure Island project site will be actively managed to offset potentially significant impacts caused by the proposed project. The applicant shall prepare a Shoreline Resources Management Plan to implement in greater detail Section 9.2.2 of the LCP Implementing Actions Program for management of visitor use of the rocky outcrops of the project area. At a minimum, the plan shall specify: 1) application to the State of California for the area to become an Ecological Reserve or, if it is maintained as a Marine Life Refuge, implement monitoring and enforcement of protective regulations as specified herein, 2) signage, 3) enforcement of posted regulations, 4) on-site naturalists or lifeguards to enforce regulations and cite violators, 5) educational programs and docent programs, and 6) areas of restricted access and/or no access.

This management plan shall include the following, at a minimum:

- Develop an educational booklet for hotel guests that provides ways to prevent ecological damage to intertidal and subtidal habitats.

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- Post simple but direct and enforceable signage at all access points to the rocky intertidal habitat from the residential areas of Treasure Island and near the rocky outcrop upcoast of Aliso Beach. Signage shall concisely specify the regulations pertaining to activities within the reserve, and areas of limited or no access.
- ~~Provide recommendations related to enforcement personnel (who will have the authority to write citations) on a daily basis during the summer and on weekends during the winter months between Labor Day and Memorial Day. An agreement shall be made with regards to the party responsible for providing the enforcement personnel and determination of funding of personnel.~~
- Provide for quarterly monitoring surveys of beach and rocky intertidal habitat use and concurrent intertidal biological resource surveys to determine whether the management program is effective at preventing degradation of the intertidal communities. This program should be based on the methodology of Murray (in progress), and conducted for a period of five years following construction. If the program is shown to be successful after three years, monitoring could be reduced at the discretion of the project marine biologist.
- Provide for a detailed subtidal habitat mapping survey of the reefs and a census of the subtidal marine life (plants, invertebrates, and fishes) between the shoreline and a distance of 600 feet offshore of the Reserve boundaries prior to the designation of the area as an Ecological Reserve. Reef mapping should be conducted using a combination of side-scan sonar techniques and diver observations to fully understand the seafloor topography. Photographic and/or video methods should be included in the monitoring program to provide a database for analyzing long-term changes.
- Provide for winter and summer subtidal monitoring surveys for a period of five years following the designation of the site as an Ecological Reserve to document the effectiveness of the designation, signage, and enforcement of the Reserve policies. This program will also assist in determining the impacts, if any, of stormwater discharges into the Reserve from the proposed drainage plan. Photographic and/or video methods should be included in the monitoring program to provide a database for analyzing long-term changes.
- Prepare annual reports and revise the management plan's objectives, as necessary, based upon the results of the monitoring surveys.

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- Provide for the funding of the Resource Management Plan (RMP) through the operation and/or taxes generated by the operation of the resort.

If it is determined through the survey results that, after five years, the overall management program is not effective in reducing the degradation of intertidal habitats, a written assessment of the management program shall be prepared by the assigned Marine Biologist(s). This assessment shall prescribe alternative methods for improvement of habitat quality and health. The Assessment Report/Revised Program shall be reviewed for approval by the Director, Community Development Department, prior to implementation of alternative methods. The Assessment/Revised Program shall be prepared and submitted for review prior to the completion of the sixth year after implementation of the original RMP.

The Director, Community Development Department, of the City of Laguna Beach shall review said management plan prior to issuance of project grading permits. The details of the management plan, including timing, responsible parties, and funding, are included in the LCP.

Significant Effect No. 4-2 - Local Scour

The following topic is also addressed in Section 4.2, Hydrology/Water Quality (refer to discussion under "Significant Effect No. 2-1 - Local Scour"); however, it is repeated here as it relates to beach sand loss/replenishment.

The conceptual drainage plan for the proposed project directs surface flow from the Resort Center (southern) portion of the site (behind the bluffs) to the planned central (36" possibly 42") storm drain. Runoff quantities that will flow into the existing southern (18") storm drain are designed to remain at or less than existing levels (some runoff from Coast Highway and other off-site sources will continue to be directed to the southern drainage). Therefore, the proposed development will not increase the demand flow on the existing storm drain, and the two new drains are designed to accommodate the project cumulative surface runoff. The final sizing of the storm drains and other drainage facilities will be approved by the Director, Community Development Department, as required by Standard Condition 2-5. Any existing degree of local scour can be expected to continue at the outfall of the southern storm drain, where the energy dissipator is located in the back berm area near the bluff toe, approximately 160 feet shoreward of the Mean High Tide Line. Similarly, the proposed central storm drain will outlet runoff from the site plateau above the beach onto the beach sand near the bluff toe. Wave run-ups during a storm event may not reach the back berm area (Noble Consultants, Appendix E) and, therefore, eroded sand may not be replenished. At the southern drain outlet, this is an existing condition, and would not be worsened by the proposed development. The proposed northern storm drain outlet is expected to naturally replenish the locally scoured beach.

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The 36" (possibly 42") central storm drain will, however, carry additional runoff generated by the project development plus the cumulative runoff from nearly 40 acres of off-site tributary areas that is routed from Coast Highway through the site. The predicted 25 year return peak flow velocity at the outlet of this storm drain is estimated to be approximately 40 feet per second (Huitt-Zollars, Preliminary Hydrology Report, EIR Appendix C). The increased runoff velocity at this location is expected to cause an additional scour of beach sands (greater than existing levels) during 25 year or greater storm events.

This impact will require mitigation to reduce the potential loss of sand to below significance. Increasing the size of the dissipator from what is conceptually proposed (15'x15'x3')¹ would not be practicable given the location on a beach, which will have increased use by the public. Therefore, physical replenishment of sand by backhoe or similar equipment can be accomplished as needed after major storm events. Mitigation Measure 2-1, in the Hydrology/Water Quality Section, prescribes an engineering study be conducted to determine the requirements for a mechanical sand replenishment process at this location after scour caused by large storm events.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

Previously listed Mitigation Measure 2-1 mitigates this impact to below a level of significance.

CULTURAL/SCIENTIFIC RESOURCES

Significant Effect No. 5-1

Impacts to archaeological site ORA-8/108/110 resulting from the proposed project may potentially include:

- Compaction of midden and fragmentation of artifacts resulting from the removal of the mobile homes and the movement of heavy equipment across the site;
- Destruction of portions of the site due to localized cutting and grading to the 1937 contour minus two feet.

¹ The ultimate size of the energy dissipator(s) will be determined by the Final Hydrology Study prescribed in SC 2-5.

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In the absence of more detailed information on site significance, this is considered a potentially significant impact.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 5-1a The proposed project will destroy remaining portions of archaeological site ORA-8/108/110. Locus A of the site was largely excavated by Winterbourne. Locus B has not been scientifically excavated. No formal evaluation of the potential eligibility of either locus for listing on the *California Register* has been completed. Therefore, mitigation of intact midden deposits encountered during clearance of the site will include the following:

- a) Phase II testing of the intact portions of the site to assess the importance of the site and to evaluate the site for listing on the *California Register*.

The following information should be obtained through Phase II testing:

- 1. An assessment of the amount of intact (i.e., undisturbed) midden deposit that remains on the site;
 - 2. An assessment of the remaining horizontal and vertical extent of the midden deposit;
 - 3. An assessment of the size and location of any features such as house floors, and "communal" areas, and the human burial area, referred to in the 1940 WPA report as "site A;" and
 - 4. An investigation into the nature and extent of all past archaeological activities on the property, including an attempt to locate field notes, and previously excavated material.
- b) If the intact portions of the site are determined to be important by a City retained archaeologist, Phase III data recovery shall occur to obtain a statistically representative sample of archaeological material from the site without the limitations identified in CEQA Section 21089.2.

The archaeologist shall provide a report to the City Council documenting the conclusions on importance of any intact

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portions of the site and Phase III data recovery recommendations.

- c) Areas of intact midden located within public, open space areas of the project can be avoided through placement of a protective cap over the archaeological site, and permanent deeding of the parcel into an open space easement. Capping procedures shall adhere to the requirements set forth in CEQA, Appendix K, Section II - B.3, and the recommendations of the Archaeological Assistance Program of the Department of Interior Technical Brief Nos. 5, 8, and 12. Construction activities within this capped area will be restricted to the soil cap unless approved by a certified archaeologist.

Significant Effect No. 5-2

Removal of the mobile homes and the existing infrastructure at the park will expose the archaeological site to vandalism and illegal artifact collecting, and these activities may compromise the scientific value of the testing and data recovery programs.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

- M.M. 5-2 The project site will be fenced and suitable security provided to prevent illegal digging and artifact collecting. Given the documented significance of the site, these security measures shall be retained through the period of cutting and grading in the event that isolated cultural resources are uncovered following the completion of data recovery.

Significant Effect No. 5-3

Grading throughout the project could potentially expose significant fossil finds.

Finding 1

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Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

- M.M. 5-3
- Prior to any grading or building operations, an Orange County certified paleontologist will be retained to supervise paleontological monitoring efforts. The paleontologist, or his designated representative, will be present at the preconstruction conference for project grading.
 - Grading operations throughout the project will be monitored for paleontological resources under the supervision of the certified paleontologist.
 - In the case of a particularly significant find or a significantly productive site, provisions will be made in the building/grading plan to divert impacting activities until appropriate mitigation is completed.
 - The certified paleontologist will have the ability to temporarily halt or redirect construction activities in the area of a significant paleontological discovery.
 - In areas rich in micro-fossils (as determined during project grading), removal and washing of soil samples for microvertebrates, bones and teeth shall be part of the mitigation.
 - All specimens recovered during monitoring shall be prepared to a point of identification, freed of excess matrix, and curated into a scientific institution equipped for their proper care and analysis.

LAND USE

Significant Effect No. 6-1 - Land Use Compatibility

The project will intensify the land use on a portion of the site. The proposed Resort Center and single family dwelling units will change the land use on the site. Also, while a portion of the site will remain in open space, the open space area will increase with the project because of the coastal access and Blufftop Park provided with the project. While the proposed project is generally compatible with the land use mix in the area, there may be two areas with land use compatibility issues: the single family house abutting the site to the south, and the Blue Lagoon Condominiums to the north.

These issues arise from aesthetic and view compatibility issues, which are addressed in more detail in Section 4.11, Aesthetics/Visual Resources. That section concluded that

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the visual encroachment of the proposed project would likely be perceived as a significant impact. This visual impact also results in a land use impact in accordance with Significance Criteria C.

The proposed Resort Center may be perceived as a significant change in the land use visual setting by the house adjacent to the site. Mitigation Measure 6.1 is provided to reduce this impact to below a level of significance.

The proposed project may result in resort villas next to the existing Blue Lagoon Condominiums at the north end of the site (25-foot setback). The operational characteristics of the multi-keyed units will be similar to a residential use. The portion of the site adjacent to the Blue Lagoon Condominiums will have a density of six DU/acre, compared to the Blue Lagoon density of 15-22 DU/acre.

The proposed residential units will likely be perceived as a significant change in the land use visual setting by the Blue Lagoon Condominiums. Because it is unknown at this time exactly where the proposed buildings would be located on the site, this EIR takes a conservative view of the effects of the project on the house, and any intensification would be considered a significant impact. There are no feasible mitigation measures to eliminate this land use impact, based on the project as analyzed in the Draft EIR.

Because of other factors, including the proximity of the Blue Lagoon buildings to the project site, topography, geotechnical considerations, City height limit, and bluff setback requirements, virtually any development project in this location, as allowed by the current General Plan, would be perceived as an impact on Blue Lagoon residents.

Project specific Coastal Development Permits (CDPs) will be required prior to implementation of the project. The City will evaluate each CDP for a number of factors, including building location, size, height, fencing, and setbacks. As part of the review of each CDP, the City will review the potential environmental impacts of the CDP and determine whether the impacts are within those described and analyzed in this EIR.

Findings 1 and 3

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

With the implementation of PDFs 11-1, 11-4, and 11-7 through 11-12 in Aesthetics/Visual Resources, and Mitigation Measure 6-1, all land use impacts but one are reduced to a level below significance. There is one remaining land use impact at the northern edge that cannot be mitigated to below a level of significance.

Specific technical considerations described below make infeasible the mitigation measures or alternatives identified in the environmental impact report.

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Facts in Support of Findings

M.M. 6-1 At the southern edge of the project site, one of the following will be implemented: a) the Resort Center will have a 100 foot setback from the property line of the existing single family house, or b) the project will include a Resort Villa unit between the existing single family house and the Resort Center with a 25 foot setback between the Villa and the single family home property line. This measure will be verified by the Planning Commission at the MCDP level of approval and by the Design Review Board at a later stage.

As part of the deliberations on the project, the City Council has developed preliminary conditions of approval. Condition No. 9 imposes height and setback restrictions to further reduce this impact. Condition No. 9 is reproduced as PDF 11-4 later in these findings. The only remaining conceivable building height restriction would be to restrict the residential units within this area to one story with a maximum height of 16 feet (including a pitched roof).

A one-story height restriction would significantly reduce the economic value of the project because buyers would be inordinately limited in terms of the square footage of custom home per square foot of lot, and by the limited views they could obtain from one-story units, which would be surrounded and dwarfed by Blue Lagoon's three story units. Such height restrictions would not only impose an economic hardship, they would likely be of little or no benefit because even 16 foot high buildings would significantly affect views from the eight Blue Lagoon units. In fact, the view impact might be even greater on the lower floors of the eight units because the residential lots and/or building elevations would be wider, resulting in fewer or narrower side yards that allow view windows toward the water.

In short, because of technical factors, either one or two story residential development may significantly affect views across this area of the Treasure Island site where historically the oldest, narrowest, smallest, most flat roofed—and many truly "vacation" size—travel trailers were located. Their height is no benchmark and has no relationship to built, in-place dwellings developed to modern building code and zoning standards in Southern California.

NOISE

Significant Effect No. 9-1 - Short-Term (Construction)

Noise disturbances at adjacent existing residential properties can be expected during project construction. These disturbances will be due to site preparation and construction of new buildings. Construction will require the use of heavy equipment, such as bulldozers, backhoes, loaders, concrete mixers, etc. In addition, trucks, both heavy and light, will be required to move excavated material and to deliver gravel, concrete, lumber and other materials. Although construction noise will be a short-term impact, there is a potential for disruption of nearby sensitive receptors if steps are not taken to limit the intensity and duration of their noise exposure.

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The operation of such equipment can be expected to result in the generation of both steady and episodic noise greater than the ambient L_{90} (residual) levels currently experienced at noise sensitive areas near the project site.

The maximum noise levels from construction equipment operation would range from 67 dB to 79 dB at 200 feet. The City of Laguna Beach General Plan Noise Element states that the noise level maximum should not exceed the ambient noise level by more than 10 dB. Whether the construction noise levels will exceed this criterion depends on the distance to the receiver location and the ambient noise level during the construction noise episodes.

Existing private residences are located directly adjacent to the project at the north and south boundaries. These residential properties would be within about 50 feet of site preparation equipment operations. Potentially, there would be intermittent episodes of intensive maximum noise levels in the 80 to 90 dBA range. The other nearest residential properties are on the east side of Pacific Coast Highway, within 200 feet of the project site preparation and/or construction areas. At these locations, there could be intermittent episodes of intrusive maximum noise levels in the 70 to 80 dBA range. A private school facility is located east of PCH about 300 feet from the project site. Episodes of intrusive maximum noise levels in the 65 to 75 dBA range could be expected at the school property.

The noise levels at off-site properties due to operation of site preparation and building construction equipment could result in potentially significant impacts.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 9-1 Prior to issuance of grading permits, the project applicant shall incorporate the following measures as a note on the grading plan cover sheet to ensure that the greatest distance between noise sources and sensitive receivers during construction activities has been achieved. This language shall be approved by the Director, Community Development Department.

1. All construction equipment, fixed or mobile, shall be maintained in proper operating condition with noise mufflers.
2. Vehicle staging areas shall be located away from off-site receivers and occupied buildings on site during the later phases of project development.
3. Stationary equipment shall be placed such that emitted noise is directed away from residential areas to the greatest extent feasible.

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These measures shall also be discussed at the pre-grade meeting, as required by the grading ordinance, and implemented by the contractor during construction.

SC 9-1 Prior to issuance of grading permits, the project applicant shall incorporate the limitation on construction hours of operation outlined in Chapter 7.25 of the City of Laguna Municipal Code. Pursuant to Section 7.25.050 of the Code, construction hours are limited to between the hours of 7:00 a.m. and 6:00 p.m. on any weekday. In addition, Section 7.25.070 prohibits the use of any pile driver, steam or gasoline shovel, pneumatic hammer, derrick, steam or electric hoist or other appliance, the use of which is attended by loud or unusual noise, during the hours of 6:00 p.m. and 7:00 a.m.

Significant Effect No. 9-2 - Traffic Noise

There will be a small increase in noise exposure levels (CNEL): 0.3 dB and 0.5 dB. The project's contribution to the future noise levels at Receivers 3 and 4 is less than one decibel and is not considered a significant increase. No mitigation is required for the project's contribution to off-site traffic noise increases. The predicted on-site traffic noise levels at proposed Resort Center and Villa exterior receiver locations exceed the 65 dBA CNEL criterion and constitute a potentially significant impact.

A nine-foot barrier wall at the project site property line would be needed to reduce predicted exterior noise levels at the residential area. A 14-foot wall would be needed to reduce ground floor exterior noise levels to below 65 dBA CNEL at the Resort Center. Exterior noise impacts can be avoided by locating outdoor living areas away from PCH with setbacks or proper building orientation. This is true for either ground level or upper floor areas. Balconies, patios, and picnic areas should not be located adjacent to PCH without sound barrier protection.

Interior noise impacts can be avoided by upgrading the building facade or reducing the number and size of windows fronting PCH. Mechanical ventilation, such as air conditioning systems, should be provided to ensure windows can remain closed for a prolonged period of time. Building setbacks would also help reduce intrusive indoor noise attributable to PCH traffic. It should be noted that the ultimate height/length of any barrier or additional attenuation features will be established as part of the final acoustical analysis, based on actual construction drawings for future development within the project site.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

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M.M. 9-2

Prior to the submittal of applications for building permits for each structure, the applicant shall submit a final acoustical report prepared to the satisfaction of the Director, Community Development Department, showing that the development will be sound-attenuated to meet City interior and exterior noise standards. The final acoustical analysis shall calculate the noise impact exposure levels and specify design features necessary to bring the project into conformance with applicable City noise standards and policies. Attenuation measures may include, but not be limited to, exterior barriers, berms, setbacks, building orientation, architectural treatments (double paned windows, thicker stucco, etc.), or air conditioning systems. The final acoustical analysis shall be prepared by an expert in the field of acoustics.

Pursuant to Conditions 20 and 25, if a sound wall/fence is built, it shall not be higher than six (6) feet above the centerline of Coast Highway.

Determination of whether or not to build a sound wall will be made by the Planning Commission based on design and an acoustical study.

A sound wall shall be allowed only if no other reasonable methods are feasible.

Any proposed walls along Coast Highway should be designed to optimize the views into the site. This will include breaks in the wall to allow additional public view corridors.

M.M. 9-3

In conjunction with the issuance of building permits for each structure, documentation shall be provided to the Director, Community Development Department, demonstrating that all mitigation measures identified in the approved final acoustical report required by Mitigation Measure 9-2 have been incorporated into the project.

AIR QUALITY

Significant Effect No. 10-1 - Short-Term (Construction)

Fugitive Dust

Estimated fugitive dust (PM₁₀) emissions due to site preparation (grading, scraping, etc.) exceed the SCAQMD threshold. Application of SC-10-1 and SCAQMD Rules 402 and 403 are estimated to provide about 50 percent reduction in PM₁₀ emissions. Remaining PM₁₀ emissions continue to exceed the SCAQMD threshold and constitute a significant impact.

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Exhaust Emissions

Estimated site preparation and building construction mobile equipment exhaust component CO and NO_x emissions significantly exceed the SCAQMD thresholds. The related ROC emissions exceed the corresponding threshold by a small margin. Estimated SO_x emissions are less than the significance threshold and are judged a less than significant impact.

Findings 1 and 3

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

With implementation of SC 10-1 and Mitigation Measure 10-1, potential construction emissions will be reduced; however, remaining emissions have the potential to continue to exceed the criteria and, therefore, are considered significant impacts.

Specific technological or other considerations described below make infeasible the mitigation measures or alternatives identified in the environmental impact report.

Facts in Support of Findings

M.M. 10-1 Prior to issuance of any grading permit, the applicant shall implement standard contract specifications requiring instructions to be carried out by the construction manager to minimize emissions by heavy equipment. Measures may include but not be limited to: 1) proper maintenance of equipment engines, 2) use of cleaner burning equipment or equipment using alternative fuels, 3) avoidance of idling equipment for extended periods of time, 4) connecting stationary equipment to electrical facilities, and 5) avoidance of unnecessary delays of traffic on PCH resulting from blockage of traffic by heavy equipment.

SC 10-1 Prior to issuance of any grading permit, the applicant shall demonstrate compliance with SCAQMD Rules 402 and 403 notification requirements. Submittal of a notification package or detailed dust control plan to SCAQMD outlines steps that will be taken to comply with Rules 402 and 403, which restrict fugitive dust emissions. Potential dust control measures shall include but not be limited to: daily watering of graded areas, washing of equipment tires before leaving the construction site, use of SCAQMD approved chemical stabilizers or soil binders, and discontinuance of construction activities during first and second stage smog alerts or when wind gusts exceed 25 miles per hour.

The City examined alternatives that would not exceed the short-term thresholds (Alternative 4, New Mobile Home Park; Alternative 5A, No Project/Existing Mobile Home Park Conditions; Alternative 5B, No Project/No Development; Alternative 6, All Public Park; and Alternative 7, All Single Family Residential). As described in the

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EIR and later in these Findings in the Alternatives section, these alternatives do not meet the project objectives. Furthermore, except for Alternative 4, New Mobile Home Park, these alternatives are considered infeasible.

Significant Effect No. 10-2 - Long-Term (Operation)

Predicted air pollutant emissions for each component of the project are listed in Table 4.10.E. Estimated project emissions produced by the mobile and stationary sources for each emissions constituent (pounds per day of CO, ROC, etc.) are compared to the significance thresholds specified by SCAQMD. Estimated SO_x and PM₁₀ emissions are less than the corresponding SCAQMD significance thresholds, and are considered less than significant impacts. In the case of CO, ROC, and NO_x, the emissions are estimated to significantly exceed the SCAQMD significance threshold values.

For comparison, the estimated operational air pollutant emissions for the existing mobile home park (188 units as of April, 1996) at the Treasure Island location are shown in Table 4.10.F. The existing emissions are generally about one-third to one-fourth the predicted project operations emissions, and are much less than the specified significance thresholds. Implementation of the proposed project would replace these existing emissions with those of the proposed project. Elimination of the existing emissions can be considered as credits and reduce the project's overall impacts.

Finding 3

With implementation of SC 10-1 and Mitigation Measure 10-1, potential construction emissions will be reduced; however, remaining emissions have the potential to continue to exceed the criteria and, therefore, are considered significant impacts.

Specific technological or other considerations described below make infeasible the mitigation measures or alternatives identified in the environmental impact report.

Facts in Support of Finding

SC 10-2 Prior to issuance of certificates of occupancy, the applicant shall provide verification to the Director, Community Development Department, that all regulated equipment/activities (i.e., process/heating boilers or charbroilers) have been permitted by the SCAQMD. All regulated equipment/activities of emission shall be subject to the requirements of Regulation XII, New Source Review and other appropriate SCAQMD regulations, in effect at the time of issuance of certificates. Through implementation of these rules, new stationary sources shall be required to offset any new emissions such that there is no net gain in emissions within the air basin.

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- SC 10-3 Consistent with SCAQMD Rule 2202, any hotel use on site employing more than 250 permanent employees will establish a program to encourage reduction in vehicle emissions associated with employee vehicle trips.
- SC 10-4 Prior to site plan approval for the hotel, the applicant shall incorporate the requirements of the City's Transportation Demand Management (TDM) Ordinance into the site plan (Chapter 25.94 of the City's Zoning Code). These requirements are summarized below:

- Carpool Parking - The total parking spaces devoted to employee parking shall be determined by the Joint Use/Shared Parking Plan prepared in conjunction with the Resort Center Coastal Development Permit and at least 15 percent of employee parking shall be designated for carpool vehicles.
- Bicycle Parking/Shower Facilities - Bicycle parking and locker facilities shall be provided at a rate of at least five racks for every one hundred employees and a minimum of two shower facilities provided, one each for men and women, respectively.
- Transportation Information - An area shall be provided that offers employees information on available transportation alternatives to the single occupancy vehicle.
- Transit Improvements - Bus stop improvements, including bus pullouts, bus pads and right-of-way for bus shelters, shall be required for all applicable development located on high traffic volume streets and established bus routes.
- Ridership Program - Purchase of monthly bus passes from the Laguna Beach transit lines and/or Orange County Transportation Authority for employees who use transit regularly.

The project is located in a non-attainment area in which any project that contributes emissions to the Basin has a cumulative impact on the air quality of the Basin without adequate implementation of the AQMP. Therefore, the proposed project, in conjunction with other past, present, and reasonably foreseeable future projects, will contribute to unavoidable significant cumulative impacts on air quality, if the control strategies outlined in the AQMP are not adequately implemented.

The conclusion on a significant unavoidable adverse impact is based on conditions in the air basin and the fact that the threshold of significance is very low. Only very small projects will not trigger the threshold for air quality impacts. The Alternatives Sections in the EIR and these Findings analyzed several alternatives, including the proposed project alternatives that would have fewer air quality impacts than the proposed project.

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However, these alternatives do not meet the project objectives, and for the most part are considered infeasible.

Significant Effect No. 10-3 - Local Traffic Carbon Monoxide

Estimated eight hour CO concentrations at all locations except one are within the federal and State 9.0 ppm standard, and increases are considered less than significant. However, CO levels at Receiver No. 8 exceed the federal and State standards. When the project traffic increment is added, CO levels at the motel or restaurant receiver locations at Pacific Coast Highway and Diamond Street intersection increase to 0.6 ppm greater than the federal and State standard, and are considered a potentially significant impact.

Note that the projected peak hour traffic rates at other signalized intersections on Pacific Coast Highway (PCH) in South Laguna Beach north of the Treasure Island project are about the same as for the Diamond Street/PCH intersection. Also, the general character of the land use is commercial and residential. The sensitive receiver location at the Diamond Street intersection is considered representative of receiver locations at other intersections in the area. Thus, there would potentially be exceedances of the eight-hour CO concentration standard at other South Laguna locations along PCH and, consequently, the project would result in a significant impact.

Finding 3

The project will result in exceedance of the eight hour CO standard at the Diamond Street receiver location. Application of PDF 10-1, SCs 10-3 and 10-4, and SCAQMD Rule 2202 may reduce the project traffic increment which, in turn, could reduce CO emissions. Although these items will result in emissions reductions, there is no guarantee of specific numerical reductions. However, there are no feasible mitigation measures to further reduce this impact. As such, there remains a significant, unavoidable adverse impact on CO emissions.

Specific technological or other considerations described below make infeasible the mitigation measures or alternatives identified in the environmental impact report. This impact cannot be reduced to below the level of significance because there are no other development alternatives to the proposed project that would meet the project objectives and reduce these emissions to below the significance level.

Facts in Support of Findings

The project is located in a non-attainment area in which any project that contributes emissions to the Basin has a cumulative impact on the air quality of the Basin without adequate implementation of the AQMP.

The conclusion on a significant unavoidable adverse impact is based on conditions in the air basin and the fact that the threshold of significance is very low. Only very small projects will not trigger the threshold for air quality impacts. Sections in the EIR and these Findings analyzed several alternatives, including some alternatives that would have fewer air quality impacts than the proposed project.

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However, these alternatives do not meet the project objectives, and for the most part are considered infeasible.

AESTHETICS/VISUAL RESOURCES

Significant Effect No. 11-1 - Landform Aesthetics (General Effects)

Overall, the general slope and characteristics associated with the terrain should not be significantly altered. With implementation of the grading concepts as proposed in the Specific Plan, the site's topographical features will be modified and integrated into the design concepts and architecture. As a result, despite the grading quantities proposed and cuts and fills in excess of 25 feet, the project will not result in modifications to the terrain that are considered aesthetically adverse. There will be little noticeable difference between the existing and proposed topography, once all improvements are in place.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

With the implementation of PDF 1-1 from Section 4.1, Earth Resources/Topography, the project's effects on the aesthetic value associated with landforms will be minimized, and impacts will be less than significant.

Significant Effect No. 11-2 - Obstruction of Public Views (General Effects)

The proposed Specific Plan incorporates PDFs 11-1, 11-4 and 11-10 into the site plan to assist in preserving view corridors and windows through the site of the distant ocean and horizon. Use of PDFs 11-1 and 11-4 reduces the impacts of the project from public views of these resources. By creating view corridors and windows, restricting heights, imposing setbacks, and sensitively locating buildings, the view from several public vantages of the ocean and horizon is either enhanced or created, when compared with the current condition. Several features will be created that did not previously exist, thus enhancing the aesthetic value.

Pursuant to Conditions 20 and 25, if a sound wall/fence is built, it shall not be higher than six (6) feet above the centerline of Coast Highway.

Determination of whether or not to build a sound wall will be made by the Planning Commission based on design and an acoustical study.

A sound wall shall be allowed only if no other reasonable methods are feasible.

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Any proposed walls along Coast Highway should be designed to optimize the views into the site. This will include breaks in the wall to allow additional public view corridors.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

PDF 11-1 Three reasonably sized public view corridors shall be provided from Coast Highway through the site to the ocean at the two signalized entries to the site, opposite Wesley Drive, the entry to the Aliso Creek Plaza Shopping Center and a site below the Wesley Drive view corridor, and shall be shown on the Resource Management Plan in the LCP Amendment. Mature growth height limits and maintenance schedules (types and frequency of pruning) for all vegetation that potentially impact views shall be specified. All landscaping shall be installed in accordance with the approved landscaping plans. Thereafter, the landscaping shall be continuously maintained (including replanting as necessary) in compliance with the approved landscaping plans, unless such plans are subsequently revised and approved by the City or are exempt as specified in Municipal Code Section 25.05.040(B).

A blufftop park will be provided to enhance viewing opportunities for the general public and resort area visitors/residents. This PDF is included in the Resources Management Plan of the Specific Plan as the Land Dedication Program.

PDF 11-3 To the extent possible, arborist identified specimen trees and shrubs existing within the site, including any candidate heritage trees, except for eucalyptus, which are rapidly grown from smaller stock, shall be boxed and replanted within the Resort. Trees along Coast Highway shall be pruned at least once a year (refer to Condition No. 30 of Local Coastal Program Approval Resolution). As outlined in Section 3.2, Project Characteristics, the Land Use Plan proposes to upgrade landscaping and parkway facilities adjacent to Coast Highway, including a 25 foot Scenic Highway setback along Coast Highway, as needed to protect these resources. This PDF will be verified through site plan and landscape/streetscape approval by the Planning Commission, in conjunction with Coastal Development Use Permit(s).

PDF 11-4 Restrict building heights within the project site to facilitate views over the project site structures to the Pacific Ocean and horizon. Maximum allowable heights as established by the conditions of approval (Condition No. 9 of Local Coastal Program Approval Resolution) are as follows:

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- **Resort Center Hotel**
 - 30 feet above existing grade as established by an Existing Grade Map that basically reflects the existing grade of the site prior to the terracing of the site for the mobile home park and utilizing the 100-foot squares per City Municipal Code Section 25.52.006. ~~The Existing Grade and 100-Foot Squares Maps shall be incorporated into the LCP Amendment.~~ Maximum height for architectural projections, including roof structures for the housing of mechanical equipment, sloping roofs over public areas of the hotel (e.g., lobby and ballroom), elevator towers and chimneys, shall not exceed an additional six feet.
 - No additional building setback requirement
 - Performance standard of terracing the Resort Center Hotel structure(s) with the existing topography. The three view corridors, as required in Condition Number 33, shall be considered in the design of the project. Articulation techniques including, but not limited to, separation, off-sets, terracing and reducing the size of any one element in the structure should be used to reduce the appearance of mass.
 - No portion of any building shall exceed 20 feet above the centerline of Coast Highway at the closest point between the building and highway with the exception that architectural projections, including roof structures for the housing of mechanical equipment, sloping roofs over public areas of the hotel (e.g., lobby and ballroom), elevator towers and chimneys, shall not exceed an additional six feet.
- **Resort or Residence Villas (unless included in the Resort Center Hotel, in which case the height standards for the Resort Center Hotel shall apply).**
 - 30 feet above finish or existing grade, whichever is more restrictive
 - Additional building setback required as a guideline only
 - Performance standard of terracing the Villas with the existing topography
- **Residential Estates (single family residences)**
 - Height standards shall be as specified in the R-1 Zone of the City's Municipal Code
 - Additional building setback required
- **Residential Estates (single family residences in the area south of the Blue Lagoon guest parking lot)**
 - Height standards shall be as specified in the R-1 Zone of the City's Municipal Code, including requiring the basis of measurement to be from finished or natural grade, whichever is more restrictive.

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- Additional building setback required
- Additional height restriction of a sloped plane starting at an elevation of 97 feet above mean sea level at the Blue Lagoon Condominiums and extending down to an elevation of 86 feet above mean sea level at the average center of the pads proposed for single-family residences closest to the blufftop park
- **Amend the LCP's Design Guidelines Section 14.5.6 (View Preservation)**
 - Amend No. 3 to read, "Special sensitivity shall be given to creating view corridors between the Residential Estates. This may be accomplished by increasing structural setbacks and/or using some single-story design elements."
 - Amend No. 5 to read, "Special sensitivity shall be given to the issue of privacy intrusion. This issue can be addressed by offsetting window orientation, avoiding the placement of decks and balconies in locations of privacy conflicts, and with appropriate landscape screening techniques."
 - Add a new No. 7 to read, "As part of its review of the Project CDP for the Resort Center, the Planning Commission and Design Review Board shall evaluate existing views from Blue Lagoon condominiums, Coast Highway, residences above the Aliso Creek Plaza Shopping Center and Fred Lang Park, and, if possible, ensure that they are preserved to the maximum reasonable extent in the light of and balancing all of the LCP's policies and objectives. These views may also be enhanced by the proper maintenance and selective thinning of trees along Coast Highway and within the site."

Per the Specific Plan, preserve three public view corridors from Coast Highway as described in PDF 11-1.

This PDF will be verified through site plan approval by the Planning Commission, in conjunction with Coastal Development Permits.

PDF 11-10

Special sensitivity shall be given to creating view corridors between the Residential Estates. This may be accomplished by increasing structural setbacks and/or using some single story design elements.

Special sensitivity shall be given to the issue of privacy intrusion. This issue can be addressed by offsetting window orientation, avoiding the placement of decks and balconies in locations of privacy conflicts, and with appropriate landscape screening techniques.

As part of its review of the Project CDP for the Resort Center, the Planning Commission shall evaluate existing views from Blue Lagoon condominiums, Coast Highway, residences above the Aliso Creek Plaza

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Shopping Center parking lot and Fred Lang Park to ensure that they are preserved to the maximum reasonable extent in the light of and balancing all of the LCP's policies and objectives. These views may also be enhanced by the proper maintenance and selective thinning of trees along Coast Highway and within the site

M. M. 11-2 Obstruction of Public Views

Building heights of the project as viewed from Fred Lang Park shall generally not exceed those shown in the visual analysis View 2A, unless the Planning Commission determines that such a change will not create a new significant impact.

Significant Effect No. 11-3 - Light and Glare/Solar Access (General Effects)

Implementation of the proposed project is expected to result in increases in light and glare intensities when compared with the existing trailer park uses. Depending on the ultimate lighting intensity and placement, the effects could be significant, as indicated in ISC 11-C and ISC 11-D. With the proposed resort style villas and the hotel, lighting will be used for a variety of purposes, including security, accent, signage, and direction. While the mobile home park also incorporated lighting into the park to accomplish similar objectives, the scale, quantity, and intensity of mobile home park lighting is significantly lower than expected for the project. In addition, the proposed project will provide public access through the project site to the sandy beach area. It is expected that lighting features for public access purposes would be a secondary source for relatively intense illumination.

Proposed project structures and landscape materials could potentially interfere with the maintenance of solar access (ISC 11-C), particularly for the Blue Lagoon complex. Building heights will be greater with the proposed uses, and the proposed landscape materials (type, ultimate height, location, etc.) could interfere with potential adjacent solar access opportunities during certain portions of the year. In the absence of a shade/shadow plan (which requires a building layout plan), it would be expected that shadows from adjacent resort villas would extend into the Blue Lagoon complex. However, both height and setback restrictions will control the shadow effects. The maximum height proposed for the villas adjacent to the Blue Lagoon complex is 32 feet and 28 feet; the 25 foot and 15 foot setbacks along the Blue Lagoon complex interface should assist in minimizing the potential for shadow encroachment into the existing structures (see PDF 11-4 for the conditioned heights). In addition, adherence to PDF 11-8 will assist in reducing large blocks of shade into the adjacent parcels. As a result of site orientation, shadow encroachment may occur in the morning hours into the existing Blue Lagoon complex along the western project boundary. The encroachment would occur primarily in paved and parking areas, with building surfaces avoiding long-term daily encroachment.

Finding 1

Changes or alterations have been required in, or incorporated into the project which mitigate or avoid the significant effects on the environment.

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Facts in Support of Findings

M.M. 11-3a Prior to Design Review approval, the applicant shall prepare a lighting plan for approval by the Design Review Board. The plan shall demonstrate that lighting intensity does not adversely affect adjacent uses, directly create glare from off-site views, or detract from the tranquility of the coastal zone environment.

M.M. 11-3b Prior to design review approval of the CDP, the applicant shall prepare a solar access plan for approval by the Design Review Board demonstrating that project structures, landscaping or other features do not impair solar access opportunities for adjacent properties.

Significant Effect No. 11-5 - Effects on Specific View Locations

View 7

From View 7, views of the proposed residential units will replace views of the existing mobile homes. As noted in the graphic, the proposed units are substantially greater in mass and bulk than the smaller mobile home structures. This view presently has views of the ocean through breaks in the landscaping. Despite the addition of project features, some of the desired visual features remain unaffected. With the proposed layout, the residential units obscure the ocean and horizon in only a few locations, preserving some views or windows of ocean and horizon in the distance. In addition, abundant project landscaping will soften the architectural features in the view frame, and assist in blending the project with the existing vegetation. Overall, the pre- and post-project conditions are not significantly different, when considering the views of the ocean and horizon. The Draft EIR determined that the change in this view is not a significant impact based on 1) the amount of ocean view in the before and after project scenarios; and 2) the distance (about 110 feet) between the buildings and the project site, which are separated by a parking lot. However, the EIR also notes that the project would result in a significant unavoidable land use impact (change in land use and intensification of land use) because of the aesthetic effects of this change on the Blue Lagoon condominium project units directly adjacent to the site.

As a result of the comments received on the Draft EIR and the Planning Commission's consideration of this issue, the Final EIR concludes that there is a significant impact at View 7. This is based on the fact that the units in the building illustrated on View 7 have ocean/horizon views from their living area/bedroom across the Blue Lagoon parking lot and the project site. Views from the other side of the units (to the north/northeast) are of other Blue Lagoon buildings and facilities. Thus, for these units, their main ocean/horizon view is across the project site. This contrasts with the units shown in View 9, which also have ocean views to the west from their living room.

This significant impact at View 7 is a part of the general land use and related aesthetic impact identified in the Draft EIR.

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View 8

In this view, the proposed residential units will replace views of the Pacific Ocean and horizon through the glass windbreak. At 28-foot vertical heights, the structures will encroach into the skyline up to or over the windbreak throughout the view frame. Views of the Pacific Ocean and horizon through breaks in the landscaping from pool area vantages will be obscured by project features. Despite the use of landscape materials to assist in screening the structures, the views from the pool area will be significantly changed from current conditions. This is a significant adverse impact.

View 9

Views of the proposed residential units will replace or substitute views of the mobile homes. However, with minor exceptions, views of the Pacific Ocean and horizon remain substantially unaffected by the proposed project. A negligible amount of ocean will be obscured in the view frame by the resort villas; however, the overall character of the view frame is retained. It should be noted that this view is not the primary (i.e., living room and bedroom) view for condominium units in this building. This view is from the dining area/kitchen and bedroom windows (see previous discussion in the Existing Setting subsection). Primary views of the Pacific Ocean from these units remain unaffected by the proposed project.

The proposed residential units will likely be perceived as a significant change in the visual setting by those Blue Lagoon residents represented by View 9. Because it is unknown at this time exactly where the proposed buildings would be located on the site, the analyses provide a general description (based on proposed LCP/Specific Plan development guidelines) of potential view effects. As indicated in the photo, when compared with the existing setting, some encroachment from project buildings into the distant ocean setting may occur. Although the amount of encroachment will not be determined until actual site plans and building plans are available, taking a conservative view of the effects of the project on View 9, any encroachment would be considered a significant impact. There are no feasible mitigation measures to eliminate this impact. Because of other factors, including the proximity of the Blue Lagoon buildings to the project site, topography, geotechnical considerations, City height limit, and bluff setback requirements, virtually any development project in this location, as allowed by the current General Plan, would be perceived as an impact by Blue Lagoon residents.

Finding 3

Overall Visual Impact

The project would result in a significant unavoidable land use impact (change in land use and intensification of land use) because of the aesthetic effect of this change on the Blue Lagoon Condominium project units directly adjacent to the site. There will also be an overall visual impact as a result of the change in land use and intensification of land use.

Specific technological or other considerations outlined below make infeasible the mitigation measures or alternatives identified in the environmental impact report.

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Facts in Support of Finding

The Conditions of Approval include Condition No. 9, which further restricts heights. No further reduction is considered feasible, as detailed below.

The feasibility of developing a project below the grade of Coast Highway "where topography allows" has also been analyzed. The project's objectives, as stated in Section 3.5 of the Environmental Impact Report (SCN 96031023), are: 1) provide for a destination resort, with extensive scale and program requirements as a visitor-serving use; 2) provide for public open space in the form of a Blufftop Park, public beaches and a scenic highway easement area; 3) provide for new public access to the park and beaches; and 4) provide for conventional and innovative residential uses compatible with the resort. When these project objectives are considered together, the objectives require the complete use of the 30 acre site. The length and vertical curve of Coast Highway and the relatively large and flat mesa character of the topography as it adjoins the right-of-way makes building below the grade of Coast Highway a very limiting factor. In fact, if the project was constrained to be built below the grade of Coast Highway, and if a 30-foot structural height limit was assumed, at least 1/3 of the site would be restricted from structural development. This is an unacceptable limit to the City and the owner/developer because it does not allow for a destination resort project that could be financed and constructed. Therefore, due to the need to utilize the entire site to satisfy the project's objectives, the site's topography does not allow for a viable project to be built below the grade of Coast Highway.

The only remaining conceivable building height restriction would be to restrict the residential units near the Blue Lagoon condominiums to one story with a maximum height of 16 feet (including a pitched roof). A one-story height restriction would significantly reduce the economic value of the project to the applicant because buyers would be inordinately limited in terms of the square footage of custom home per square foot of lot, and by the limited views they could obtain from one-story units, which would be surrounded and dwarfed by Blue Lagoon's three story units. Such height restrictions would not only impose an economic hardship, they would likely be of little or no benefit because even 16 foot high buildings could significantly affect views from the eight Blue Lagoon units. In fact, the view impact might be even greater on the lower floors of the eight units because the residential lots and/or building elevations would be wider, resulting in fewer or narrower side yards that allow view windows toward the water.

In short, because of technical factors, either one or two story residential development may significantly affect views across this area of the Treasure Island site where historically the oldest, narrowest, smallest, most flat roofed—and many truly "vacation" size—travel trailers were located. Their height is no benchmark and has no relationship to built, in-place dwellings developed to modern building codes and zoning standards in Southern California.

Another method that was tested to potentially reduce visual impacts was to dig down to create lower elevation pads for the residential units. In fact, the applicant will be required to lower the current elevation of the trailer park area adjacent to the condominium parking lot by approximately five feet vertical along the common property line to reduce visual impacts.

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To reduce the visual impact on the eight condos in Blue Lagoon to a level of insignificance would require lowering the elevation of an approximately 1.7 acre area by approximately 15 feet along the common property line with the Blue Lagoon parking lot. This amount of cut would result in expensive/unattractive retaining walls and/or the loss of significant usable land (approximately 16,000 square feet) within the property due to steep (2:1) slopes that have no functional use. Such additional excavation would result in inordinate grading and export costs, increased haul truck traffic, and potential drainage problems compared to the current project. Additionally, the already steep road down from Coast Highway to serve this area could not descend quickly enough to reach the inland elevation of the lowered area, so the road would have to be elevated above the residential units, proceed to a point near the bluff, then loop back as a duplicate road or driveway, which would result in significant unusual costs and the loss of more usable land within the property. In short, there are significant physical, economic, and technical problems with lowering the area in front of the Blue Lagoon parking lot by more than the five feet that the City will require.

Mitigation Measure 11-2 will ensure that impacts are not increased at View 2A.

PUBLIC SERVICES AND UTILITIES

Significant Effect No. 13-1 - Need to Upgrade Wastewater/Sewage Facilities

The South Coast Water District (SCWD) has indicated that the district has adequate water and sewer capacity to serve the anticipated demand of proposed project uses. However, the existing lift station at the Blue Lagoon Condominiums may require upgrades. The source of water for domestic and fire prevention service for the project will be the existing facilities located adjacent to the project site within Coast Highway. The District's General Manager, Michael Dunbar, has indicated that the existing lift station at Blue Lagoon is currently operating at capacity.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 13-1 Project specific engineering analysis for project wastewater facilities will determine whether modifications to the existing lift station are required. If improvements are required, plans indicating the necessary improvements to the Blue Lagoon wastewater lift station will be submitted to and approved by the SCWD's General Manager prior to the approval of the final tract map. Costs for the necessary improvements will be provided for, on a fair share basis, as determined by the SCWD. Verification of the approval will be sent to the Community Development Director. If necessary, adequate wastewater facilities will be provided through other methods, including but not limited to an on-site lift station.

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Significant Effect No. 13-2 - Increased Need for Lifeguard and Beach Maintenance Services

Since no services are currently provided to the beach at Treasure Island, the City will need to either contract for new services with the County of Orange or conduct the services through the City. An increase in beach use can be expected as a result of the proposed project's coastal recreation emphasis (see Section 4.12, Recreation and Public Access), and a correlating need for increased lifeguard services and beach maintenance is anticipated.

The project includes dedication of the beach to a public entity. It has not been determined whether this will be the City or the County.

An impact would occur if appropriate services and maintenance could not be provided. CEQA limits the evaluation of economic or social effects of a project in an EIR because the focus of analysis shall be on physical changes. The CEQA Guidelines, Section 15131, provide that an "EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes." If the beach were not maintained, there could be physical effects of the dedication of the beach, primarily from trash left by visitors. The following summary of the potential economic aspects, which could lead to physical effects, is based on the Fiscal Impact Analysis prepared by Alfred Gobar Associates, May, 1997 (see Appendix K).

If the beach is dedicated to the City, there will be no economic effects because of the overall fiscal benefit of the project. If the beach is dedicated to the County of Orange, costs would exceed the revenues provided through property tax assessments. Based on the fiscal study, the shortfall would be \$194,316 per year.

Limited opportunities exist to address the financial impact of providing lifeguard and beach maintenance services by imposing exactions on the Resort Center operator or future residents of the project. Because the project includes dedication of the beach to a public entity for use by the general public, the provisions of Proposition 218 set forth in Articles XIII C and D of the California Constitution prohibit assessing future homeowners of the project or the Resort Center operator for the cost of lifeguard and beach maintenance services. In addition, California Government Code Section 65913.8 prohibits the imposition of operations and maintenance costs on a project applicant when such costs are attributable to a public facility required as a part of the project.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 13-2

Prior to issuance of certificates of use and occupancy, the applicant shall demonstrate to the satisfaction of the City Manager that an agreement has been reached between the appropriate parties (depending on beach dedication) to ensure appropriate funding of beach maintenance and

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lifeguard services. Possible methods for reaching agreement include but are not limited to the following:

- Funding contribution by the Resort Center or master homeowners association.
- If the beach is dedicated to a public entity other than the City, prior to the opening of the beach to the general public, the City may enter into an agreement with the County or other appropriate party (depending on beach dedication) to ensure appropriate funding of beach maintenance and lifeguard services from tax revenues, including bed tax, received by the City from the project.

Significant Effect No. 13-3 - Schools

Given the trend within the District of 3.5 percent enrollment growth per year, on average,¹ projected enrollment would not reach existing capacity until the year 2008-09. Including the 16 total students anticipated to be generated by the construction of homes within the Treasure Island Redevelopment project, the projected enrollment still does not reach capacity until the year 2007-08. This is a conservative approach, since nine students are already enrolled. These projections, detailed in Table 4.13.1, assume a continuation of the District's desire to limit classroom size to an average of 27 students. Given the lack of large undeveloped parcels in the district boundaries, it may not be reasonable to assume that a 3.5 percent enrollment growth per year will continue in the future.

Based on these projections, it is anticipated that, with or without the construction of the homes within the Treasure Island Redevelopment project, capacity will be available for additional students within the Laguna Beach Unified School District for the next 11 years, at the District's desired average classroom size of 27 students. Should the District decide to increase the average number of students per classroom to 30 students, capacity could be extended within existing school facilities for an additional three years, or until the year 2,010. Another method for increasing capacity is changing to year-round school operations.

Maximum Statutory School fees (pursuant to Government Code Section 53080 et seq. and 65995 et seq.) are \$1.84 per square foot of residential development per dwelling unit. This translates to approximately \$6,440.00 per unit based on an average size of 3,500 square feet. The School District's response to the NOP indicates the District's position (see Appendix A, NOP and Responses), i.e., that the proposed project will result in a significant impact unless substantial fees (beyond the statutory school fees)

¹ Based on enrollment data received from the Laguna Beach Unified School District for the years 1987 through 1997, as presented in Table 4.13.B of this report.

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are paid. The School District is seeking \$10,225 per unit. The District's letter indicates that, because of the age of their facilities, "major reconstruction or replacement of school facilities will be required to accommodate projected growth within District boundaries and to add the appropriate classroom space to meet the needs of current and future educational programs."

Depending on a number of variables, as shown by the different approaches and numbers as summarized in the EIR, it would be possible to conclude that the level of impact will be less than stated by the District. On that basis, it could be concluded from a CEQA standpoint that no additional mitigation is required. However, the School District is assuming higher costs and, to ensure that the applicant and the School District reach closure on this issue, the measure below is included.

Finding 1

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

Facts in Support of Findings

M.M. 13-3 Prior to the issuance of building permits by the City of Laguna Beach, the owner of the property shall enter into a written mitigation agreement with the Laguna Beach Unified School District mitigating the impacts the owner's project will have on the school district's school facilities. The mitigation agreement will require the owner to pay the sum of \$10,225 or the mitigation payment amount for residential detached units, which includes guest houses or guest rooms as defined by City of Laguna Beach Municipal Code Section 25.10.004, as justified by the then current adopted school district's justification study, whichever amount is greater, per residential detached unit. The mitigation agreement will also require the owner to pay the District the then current residential statutory school fee amount or the mitigation payment amount for residential attached units as justified by the then current adopted school district's justification study, whichever amount is greater, per residential attached unit. The mitigation agreement will also require that any commercial/industrial development, as defined by Government Code Section 65995, shall be mitigated by the payment of current commercial/industrial statutory school fee amounts pursuant to Government Code Sections 65995 and 66000 *et seq.*, and Education Code Section 17620 *et seq.* or \$0.31 per square foot of chargeable covered and enclosed space, whichever amount is greater. The \$10,225, \$0.31, and other mitigation payments amounts shall be increased effective January 1, 1999, and annually thereafter from January 1, 1998, by the change in the Marshal-Swift Class D Wood Frame Index, or if this index is non-existent, any comparable index as reasonable determined by the school district.

In the event that any commercial unit is no longer considered commercial/industrial development for purposes of Government Code

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Section 65995, and is therefore considered a residential unit, the owner(s) of such unit(s) shall pay to the District the then current residential statutory school fee amount or the mitigation payment amount for residential attached units as described above, less any previously paid statutory school fee amount.

The provisions herein relative to mitigation of school facility impacts shall be binding on the District, owners of the property within the project area, and their successors, notwithstanding the provisions of any existing or future legislation, ordinance, resolution, regulation, policy or court decision issued or adopted by any court, the State of California or subdivision thereof which either decreases and/or eliminates statutory school fees and/or mitigation payment amounts.

ALTERNATIVES

CEQA requires that an EIR describe a range of reasonable alternatives to the project, or to the location of the project, that could feasibly attain the basic objectives of the project, and that it evaluate the comparative merits of the alternatives.

One of the key purposes of the alternatives analysis in an EIR is to focus on alternatives capable of eliminating identified unmitigated significant environmental effects or reducing them to a level of insignificance, even if these alternatives will not attain the basic project objectives or are more costly.

In addition, the "no project" alternative shall be evaluated along with its impact. The "no project" analysis shall discuss the existing conditions, as well as what would be reasonably expected to occur in the foreseeable future if the project were not approved. Where, as in this project, significant environmental effects remain even after application of all feasible mitigation measures identified in the Final EIR, the decision makers must evaluate the project alternatives identified in the Final EIR. Under these circumstances, CEQA requires findings on the feasibility of project alternatives. "Feasible" means capable of being accomplished in a successful manner within a reasonable time, taking economic, environmental, legal, social, and technological factors into account (CEQA Guideline Section 15364). Factors that may be taken into account when addressing the feasibility of alternatives are site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries, and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site. If there is a feasible project alternative, the decision-makers must decide whether it is environmentally superior to the project. All project alternatives considered must be ones that could feasibly attain the basic objectives of the project.

The project objectives are repeated below for reference:

1. Provide visitor serving/resort commercial uses on the site.
2. Provide public open space/recreation, with public ownership of the sand beach between mean high tide and the base of the bluff, including the tidepools, rocky points (and Goff Island), and pocket beaches.

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3. Provide for public access to the beach, including:
 - Vertical access from Coast Highway and the project site safely and conveniently down to the large sand beach
 - Horizontal access along the length of the beach
 - Access to the beach for the general public, including the physically handicapped, as well as lifeguard and emergency personnel and equipment
 - Off-street parking for the general public, in addition to that provided to resort guests and employees
4. Limit the degradation of marine resources (tidepools, beach coves, and intertidal resources) on the project site that may occur with increased public access.
5. It is the applicant's objective to provide conventional and innovative residential uses compatible with resort commercial visitor uses to provide financial feasibility for the project.

Based upon these objectives and comments from the public, the City considered and evaluated the alternatives as addressed below.

ALTERNATIVE 1 - ALL HOTEL/CONFERENCE CENTER, 500 ROOMS

Description

This alternative consists of a 500-room hotel/conference center on 21.6 acres and open space/conservation/recreation on 8.49 acres. Similar to the proposed project, this alternative includes public dedication of the beach and bluff face. There would be a 25-foot blufftop setback. This alternative provides about one-third acre less open space than the proposed project, and provides for substantially the same footprint of the open space. A new ramp (within the hotel acreage) would provide access to the beach. It is likely that this alternative could include some type of bluff top walkway; however, there is no design for this alternative, so such a walkway is not illustrated on the figure. Maximum building height would be 30 feet, or two and one-half stories, as provided by the Commercial Hotel-Motel zoning.

Environmental Effects/Comparative Merits

This alternative is expected to generate 5,160 daily trips, with 448 trips in the a.m. peak hour and 451 trips in the p.m. peak hour. In comparison to the proposed project, this alternative will generate almost two and one-half times the amount of a.m. peak hour traffic and over one and one-half times the amount of p.m. peak hour traffic. The Al

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Hotel/Conference Center Alternative will generate more trips than any other alternative.

With 500 guestrooms and 18,200 square feet of conference/meeting areas, this alternative provides a substantially larger commercial/visitor serving facility than the proposed project. Tax revenue, including bed tax to the City from this alternative, would be incrementally higher than the proposed project. This alternative would meet objectives 1 through 4, providing visitor serving/resort commercial uses and also providing public open space and public access to the beach. This alternative does not provide for any residential uses.

Finding

This alternative does not avoid or substantially lessen any significant effects of the project; this alternative would generate more trips than the proposed project. Therefore, this alternative is not environmentally superior to the proposed project.

ALTERNATIVE 2 - 300 ROOM HOTEL AND R-1 RESIDENTIAL

Description

This alternative entails the following uses: a 300 room hotel on 10.75 acres, R-1 residential (30-35 units) on 10.76 acres, and open space/conservation/recreation on 8.58 acres. The hotel would be on the northern portion of the site, adjacent to the Blue Lagoon condominiums, and the residential would be in the southern portion. The density of the R-1 portion would be 3-7 du/acre. This compares to a 6 du/acre for the Resort Villa portion of the proposed project.

Similar to the proposed project, this alternative includes public dedication of the beach and bluff face. There would be a 25 foot blufftop setback. This alternative provides about one-quarter acre less open space than the proposed project, and provides for substantially the same footprint of the open space. A new ramp (within the hotel acreage) would provide access to the beach. It is likely that this alternative could include some type of bluff top walkway within the hotel area; however, there is no design for this alternative, so such a walkway is not illustrated on the figure. Maximum building height of the hotel would be 30 feet, or two and one-half stories, as provided by the Commercial Hotel-Motel zoning. Maximum height for the R-1 residential would be 25 feet.

Environmental Effects/Comparative Merits

Alternative 2 will generate 3,540 daily trips, with 286 trips in the a.m. peak hour and 326 trips in the p.m. peak hour. This is about 14 percent fewer daily trips than with the proposed project. However, the peak hour trips are higher. This alternative will generate about 60 percent more trips on an a.m. peak hour basis than the proposed project, and about 20 percent more trips on a p.m. peak hour basis.

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This alternative increases the aesthetic impact at the Blue Lagoon Condominiums. This alternative provides a slightly larger commercial/visitor serving facility than the proposed project (50 more guestrooms). Tax revenue, including bed tax to the City from this alternative, would be incrementally higher than the proposed project. This alternative project meets all of the objectives, but this alternative is not environmentally superior to the project.

Finding

In consideration of the increased aesthetic impact at the Blue Lagoon Condominiums and the increased peak hour trips, this alternative is not considered environmentally superior to the proposed project.

ALTERNATIVE 3 - 250 ROOM HOTEL AND R-3 RESIDENTIAL

Description

This alternative consists of a 250-room hotel on 8.34 acres, R-3 residential on 13.2 acres, and open space/conservation/recreation on 8.48 acres. Similar to the proposed project, this alternative includes public dedication of the beach and bluff face. There would be a 25-foot blufftop setback. This alternative provides about one-third acre less open space than the proposed project, and provides for substantially the same footprint of the open space. A new ramp (within the hotel acreage) would provide access to the beach. It is likely that this alternative could include some type of bluff top walkway; however, there is no design for this alternative, so such a walkway is not illustrated on the figure. Maximum building height for the hotel would be 30 feet, or two and one-half stories, as provided by the Commercial Hotel-Motel zoning. Building heights for the R-3 residential would be between 30 and 35 feet. The intensity of the hotel is similar to Alternative 2. This alternative provides almost 30 rooms per acre of land, compared to 20 rooms per acre for the proposed project.

Environmental Effects/Comparative Merits

This alternative, with a minimum of 209 residential condominium units, will generate 3,770 daily trips, with 280 trips in the a.m. peak hour and 343 trips in the p.m. peak hour. This alternative will generate over 50 percent more trips on an a.m. peak hour basis than the proposed project, and about 25 percent more trips on a p.m. peak hour basis.

With the maximum of 306 residential condominium units, this alternative is expected to generate 4,240 daily trips with 312 a.m. peak hour trips and 355 p.m. peak hour trips. This alternative will generate over 70 percent more trips on an a.m. peak hour basis and 40 percent more trips on a p.m. peak hour basis than the proposed project.

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This alternative provides the same number of guest modules as the proposed project. However, there are more rooms per acre for the hotel, so this is a more intense use of the site. Tax revenue, including bed tax to the City from this alternative, would be similar to the proposed project. This alternative project meets all of the objectives, but this alternative is not environmentally superior to the project.

Finding

This alternative does not avoid or substantially lessen any significant effects of the project. This alternative has greater traffic impacts than the proposed project. For these reasons, Alternative 3 (250 Room Hotel and R-3 Residential) is not environmentally superior to the proposed project.

ALTERNATIVE 4 - NEW MOBILE HOME PARK

Description

This alternative consists of a new, 142-unit mobile home park on 20.69 acres and open space/conservation/recreation on 9.4 acres. Similar to the proposed project, this alternative includes public dedication of the beach and bluff face. There would be a 25-foot blufftop setback. This alternative provides slightly more open space than the proposed project, and provides for substantially the same footprint of the open space. However, there is no new ramp to provide access to the beach. Maximum building height would be 18 feet with a pitched roof, or one story.

Environmental Effects/Comparative Merits

This alternative avoids or substantially lessens significant visual and land use effects of the project; however, this alternative meets only two of the basic project objectives. This alternative, as described herein, does not provide the same benefits, such as public access to the beach or additional parking for beach users. Tax revenue, including bed tax to the City from this alternative, would be lower than with the proposed project. The fiscal viability of this alternative is questionable.

This alternative would meet objective 2, providing public open space. No visitor serving/resort commercial uses would be provided. Public access to the beach would be allowed; however, with a mobile home park on the upper portion, no specific access or ramps are provided. Furthermore, no parking for public use is provided. This alternative provides residential uses, as listed in objective number 5.

Finding

The New Mobile Home Park Alternative avoids or substantially lessens the significant visual and land use effects of the project; however, this alternative meets only two of the basic project objectives. This alternative, as described herein, does not provide the same benefits, such as public access to the beach or additional parking for beach users. Tax revenue, including bed tax to the City from this alternative, would be lower than

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with the proposed project. For these reasons, the City finds that the proposed project is preferred over this alternative.

ALTERNATIVE 5A - NO PROJECT, EXISTING MOBILE HOME PARK CONDITIONS

Description

This alternative entails retaining a mobile home park at the 188-unit occupancy as of March 15, 1996. Although now, at the time this EIR is distributed for public review, all the tenants have moved out, this alternative is provided for comparison purposes because the site was occupied at this level, and historically was occupied at an even higher amount of 268 mobile homes. There would be no public dedication of the bluff face and the beach, although they would not be altered under this alternative. The existing ramps, which do not meet ADA standards, would remain in place. All existing improvements would remain in place.

Environmental Effects/Comparative Merits

This alternative would not meet any of the project objectives. No visitor serving uses would be provided. No public dedication of beach and bluff face/Blufftop Park would occur. The beach would continue to be privately owned, and no County or City services would be provided to the beach. The marine resources on the site would not experience additional use (beyond unauthorized use of the private beach). However, degradation of the area is occurring now from fishermen and other users, so this alternative may not limit the degradation of marine resources in any substantial way.

This alternative would realistically only be an interim use of the site. The City's General Plan designates the site for development. The City previously approved the closure of the mobile home park. The City has expressed interest in obtaining permanent public protection of the beach and bluff and in providing visitor-serving uses on the site, consistent with Coastal Act policies. The impacts of this alternative from continued operation of the mobile home park are lower in magnitude than the proposed project.

Finding

The No Project/Existing Mobile Home Park Conditions Alternative would not meet any of the project objectives. No visitor serving uses would be provided. No public dedication of beach and bluff face/Blufftop Park would occur. The beach would continue to be privately owned, and no County or City services would be provided to the beach. For these reasons, the City finds that the proposed project is preferred over this alternative.

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ALTERNATIVE 5B - NO PROJECT/NO DEVELOPMENT

Description

This alternative would maintain the site in its existing condition with no occupancy of the site (no dwelling units, mobile homes, or hotel rooms). The beach, bluff face and blufftop would not be dedicated to public use.

Environmental Effects/Comparative Merits

This project alternative would not meet any of the project objectives. This alternative would realistically only be an interim use of the site. The City's General Plan designates the site for development. The City previously approved the closure of the mobile home park. The City has expressed interest in obtaining permanent public protection of the beach and bluff and in providing visitor-serving uses on the site, consistent with Coastal Act policies. Public benefits of providing a public beach and open space would not occur.

Finding

Because the objectives would not be accomplished and because the alternative is inconsistent with the General Plan, the City finds that the proposed project is preferred over this alternative. The No Project/No Development Alternative would not meet any of the project objectives.

ALTERNATIVES NOT EVALUATED AS FULL ALTERNATIVES

ALTERNATIVE 6 - ALL PUBLIC PARK

Description

This alternative would change the entire 30.09-acre site to a public park. To maximize public access and use, the park would need to include parking, facilities such as restrooms, and improved ramps to provide ADA suitable access to the beach (or other means of access). These improvements would reduce the land area actually in passive or active recreational use. If these improvements could not be funded, public benefits would be reduced, as only a limited number of people would be able to access the park. There also might be secondary effects such as increased parking on nearby residential streets, if there were not enough parking at the park itself.

Environmental Effects/Comparative Merits

This alternative would meet objectives 2 and 3, providing public open space/recreation and public access to the beach. No visitor serving/resort commercial uses would be provided as a source of tax revenues to the City.

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This alternative provides public benefits in the form of a park, public beach, and open space. There would likely be no significant adverse physical impacts. However, the City would not obtain one of the project benefits because visitor serving/resort commercial uses are not provided.

Finding

The All Public Park Alternative is considered infeasible because there is no funding available to implement this alternative. Furthermore, the City General Plan designates the site for development. No tax revenues would be provided to the City. For these reasons, the City finds that the proposed project is preferred over this alternative.

ALTERNATIVE 7 - ALL SINGLE FAMILY RESIDENTIAL

Description

This alternative consists of an R-1 residential designation on 20.69 acres and open space/conservation/recreation on 8.89 acres. Similar to the proposed project, this alternative includes public dedication of the beach and bluff face. There would be a 25-foot blufftop setback. This alternative provides the same amount of open space as the proposed project, and provides for substantially the same footprint of the open space. However, there is no new ramp to provide access to the beach. Maximum building height would be 25 feet.

Environmental Effects/Comparative Merits

This alternative would meet Objectives 2, 4, and 5 providing public open space and residential. Portions of Objective 3 would be met. No visitor serving/resort commercial uses would be provided. Public access to the beach would be allowed; however, with single family residential on the upper portion, no specific access or ramps are provided. Furthermore, no parking for public use is provided.

This alternative avoids or substantially lessens the significant visual and land use effects of the project at the northern and southern boundaries. However, this alternative does not provide the same benefits. This alternative provides some of the same recreational opportunities and public access to the beach as the proposed project. However, with no ADA ramp and no parking, the same level of access is not provided. This alternative does not address Coastal Act policies to provide visitor-serving uses. As proposed, this private development would not provide public use areas. Tax revenue, including bed tax to the City from this alternative, would be lower than with the proposed project. This alternative project meets a few of the objectives.

Finding

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The All Single Family Residential Alternative would not provide the visitor serving/resort commercial uses and the related revenue to the City. This alternative does not address Coastal Act policies to provide visitor-serving uses. For these reasons, the City finds that the proposed project is preferred over this alternative.

ALTERNATIVE 8 - ALL TIMESHARE MOTOR HOTEL

Description

This alternative is a project that was previously approved by the County of Orange, and was addressed in EIR No. 243, 1980. This alternative analysis is based on and summarizes the conclusions of EIR No. 243. No new analysis was conducted. The project included a 540-unit timeshare motor hotel complex with supporting commercial uses (lobby, coffee shop, gift shop, etc.), 60 rental apartments, and a cliff restaurant. These 60 rental units were to be used initially to house the displaced long-term permanent residents of the trailer park. Ultimately, through attrition, these rental units were to be used for hotel employees. The main structure would also include support commercial within the main structure, such as the hotel lobby, sundries, a restaurant, and a coffee shop. Tennis courts and swimming pools would be developed in conjunction with the main hotel structure. The main structure offers a sweeping profile, with the central tower set back in excess of 100 feet from the bluff and extending approximately 160 feet above and 60 feet below the Coast Highway. The remainder of the structure would cascade to about the elevation of Coast Highway.

A cliff restaurant is proposed for the central point of the land on the property. This restaurant would serve as the activity center for the publicly oriented southern portion of the site.

The site arrangement of two buildings would allow the development of the major portion of the site into publicly accessible park like open space, which would offer a wide view corridor and provide blufftop walkways, observation points, and public beach access.

The majority of parking would be underground for both the motor hotel and restaurant facilities. A small amount of surface parking would be provided for short-term public parking and motor hotel registration. The timeshare motor hotel complex was to be located on the northern portion of the site.

Environmental Effects/Comparative Merits

This alternative would meet the project's objectives 1 through 4, providing visitor serving/resort commercial uses, and also providing public open space and public access to the beach. Although this alternative provides for residential use (60 apartments), it does not meet the applicant's objective 5 because the 60 apartments would not provide financial feasibility for the project.

Using current standards, the trip generation potential would be higher than originally calculated (51,910). Using the original figures, this alternative will generate about 5 percent more trips in the a.m. peak hour and 30 percent fewer trips in the p.m. peak

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hour than the proposed project. For consistency with the traffic alternative analysis, the restaurant trips were assumed to be included with the timeshare trips.

With 540 timeshare rooms, this alternative provides a substantially larger commercial/visitor serving facility than with the proposed project. However, because all 540 units are timeshare, there may be less opportunity for the general public to stay at the site. Tax revenue, including bed tax to the City from this alternative, would be incrementally higher than with the proposed project if the City adopts an ordinance to obtain bed tax from timeshares. This alternative project meets most of the objectives. However, the height of the main structure would be out of character for the area and inconsistent with City standards.

Finding

The All Timeshare Motor Hotel Alternative does not avoid or substantially lessen any significant effects of the project; therefore, this alternative is not environmentally superior to the proposed project.

ALTERNATIVE 9 - ALTERNATIVE LOCATIONS

CEQA Guidance

The CEQA Guidelines, Section 15126 (d)(5)(B), describe the "key questions and first step in analysis" as "whether any of the significant effects of the project would be avoided or substantially lessened by putting the project in another location." Further, only locations "that would avoid or substantially lessen any of the significant effects of the project need be considered for inclusion in the EIR."

Analysis

The significant unavoidable effects of the project are visual and land use compatibility effects at the northern and southern boundaries. The project does not have any significant adverse biological impacts that would be avoided by putting the project in another location. Also, any location within the City of Laguna Beach would have similar traffic and related noise and air quality impacts.

The City of Laguna Beach is nearly built out or has designated other areas to remain as open space. There are no other sites available within the City of Laguna Beach for visitor-serving uses that would: 1) provide the public access and public beach dedication of this project, and 2) support a facility providing guest rooms and banquet/meeting room space at a level to serve local needs while providing adequate revenue to the City. Providing visitor serving uses and maximizing public access to the beach is consistent with Coastal Act policies. This project results in public dedication of an existing private beach, a major benefit that would not be provided if the project were developed at another location.

The coastline in Laguna Beach is characterized by mixed-use development. Even if the project were to be developed at another site, it is likely that similar land use and visual

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compatibility issues would arise. If the project were developed at another site in the region, outside of Laguna Beach, impacts would not necessarily be reduced. For example, the Dana Point Headlands site, about 4.5 miles to the south, has substantial biological resources that would be effected by any development.

Since the proponent owns the project site, it is questionable whether the proponent can feasibly acquire or access another site.

For the reasons described above, the City of Laguna Beach has determined that no feasible alternative locations exist.

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EXHIBIT C

MITIGATION MONITORING PROGRAM
 TREASURE ISLAND RESORT COMMUNITY
 ENVIRONMENTAL IMPACT REPORT
 SCH #96031023

4.1 EARTH RESOURCES/TOPOGRAPHY

Project Design Features

PDF 1-1 Specific Plan Grading Concepts. The project shall be designed to retain the basic topographical character, and blend the future landform contours with the existing contours while maximizing ocean views from the Resort Center and residential lots. This will be achieved through a variety of grading concepts, including, but not limited to, those in a Specific Plan. The concept grading plan will primarily avoid alteration of the coastal bluffs, except where needed to redesign and improve the southern beach access ramp to meet ADA requirements and emergency vehicle use. This PDF shall be verified through concept grading plan approval by the City of Laguna Beach Planning Commission.

Method of Verification	Timing of Verification	Responsible Person/Group
Concept grading plan approval	Prior to issuance of grading plans	City Planning Commission

PDF 1-2 Foundation Setbacks. A minimum foundation setback from the bluff slope based on a 2:1 (horizontal:vertical) upward projection through the terrace deposits and/or compacted fill shall be established. This projection will originate at or behind the previously delineated setback distance of ten feet from the face of the bluff at the top of the bedrock. These foundations setback recommendations are illustrated on Figure 4.1.1.1, later in this section. This PDF will be verified during plan review and grading permit issuance by the City Community Development Department and independent review of geologic and soils reports.

Method of Verification	Timing of Verification	Responsible Person/Group
Grading plan check	Prior to issuance of grading permits	City Community Development Department

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American with Disabilities Act

**MITIGATION MONITORING PROGRAM
TREASURE ISLAND RESORT COMMUNITY
ENVIRONMENTAL IMPACT REPORT
SCH #96031023**

4.1 EARTH RESOURCES/TOPOGRAPHY

PDF 1-3 Fill Slope Stabilization. Proposed fill slopes steeper than 2:1 will be stabilized. This stabilization is proposed to be accomplished through a mechanically stabilized earth (MSE) design. This design is described in more detail in the geotechnical investigation in Appendix B.

The primary element of this design is a high strength "geogrid," which is placed in layers within the compacted fill to provide additional strength/reinforcement to the soil. In the subject reconstruction area, the existing fill would be removed and recompacted to a gradient generally varying between about 1:1 to 2:1, similar to the existing slope configuration. Typical primary geogrid reinforcement lengths for those portions of the slope steeper than 2:1 would extend horizontally about 18 to 25 feet behind the proposed slope face. Vertical spacing of the primary geogrid layers would be four feet, with secondary geogrid layers at an intervening spacing of one foot. Secondary geogrids are intended to enhance the surficial stability of the slope and would extend about four to seven feet behind the slope face, depending upon the slope gradients. The slope would also be covered with an erosion blanket because of the generally cohesionless (sandy) character of the site soils. The blanket would minimize erosion and would provide interim support until proposed landscape planting could establish itself.

The applicant may utilize a different system if, at the time of construction, another method that accomplishes the same stabilization is available. This PDF will be verified during grading permit review by the City of Laguna Beach Community Development Department and independent review of geologic and soils reports by a registered geologist.

Method of Verification	Timing of Verification	Responsible Person/Group
Review and approval of concept grading plan and independent geology and soils reports	Prior to issuance of grading permits	City Community Development Department

SC 1-1 Code Compliance. All site grading operations will conform with applicable local building and safety codes, and to the rules and regulations of those governmental agencies having jurisdiction over construction.

Section 22, Excavation and Grading, of the Laguna Beach Municipal Code includes provisions and standards for site grading activities. Section 22.06, Design Standards, outlines general design standards, design standards for cut slopes, design standards for fills, design standards for cut and fill setbacks, and design standards for drainage. Generally, cut and fill slopes must conform to a maximum 2:1 (horizontal to vertical) slope gradient. The code does allow for exceptions (also regulated by Section 22.22.010), with City approval based on certification by an engineering geologist and as addressed in appropriate soils and geotechnical evaluations. The City's Design Review Board will be involved in separate project specific approvals. Interpretations of any standards are subject to the review and final decision of the appropriate discretionary review body for concept plans.

Method of Verification	Timing of Verification	Responsible Person/Group
Review and approval of concept grading plan and independent geology and soils reports	Prior to issuance of grading permits	City Community Development Department

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