

C.C.H.O.A.  
505 Grand Caribe Cswy.  
Coronado, CA 92118



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www.cchoa.org

HOMEOWNERS ASSOCIATION

By U.S. and Electronic Mail

August 4, 2022

Board of Port Commissioners  
Port of San Diego  
3165 Pacific Highway  
San Diego, CA 92101

RE: Trailer Park Hotel Proposal for North Grand Caribe Isle, Coronado Cays

Dear Board of Port Commissioners:

We have just learned that the leaseholder (Keith Mishkin) of the bay front parcel on North Grand Caribe Isle in the Coronado Cays has submitted another hotel-type concept plan to the Port that involves the construction of 45 permanent hotel trailers, each with an adjacent cement pad for RV parking, along with a reception building and a restaurant bar building for the parcel on the west channel side of North Grand Caribe Isle. The plan also appears to show that the Port's Grand Caribe Shoreline Park native plant garden will be turned into a beach, and that bathrooms will be constructed on the adjacent Port mitigation parcel. The leaseholder has conducted no community outreach that we know of, and we only became aware of this new project two weeks ago at a meeting with Port Commissioner Urtasun. We understand that Commissioner Urtasun informed the City of Coronado about the project a couple days earlier.

The Coronado Cays Homeowners Association ("Association") strongly opposes this project for the same reasons it opposed the leaseholder's hotel proposal that the Port rejected in 2020: (1) increased traffic in a residential area with only one entrance; (2) increased traffic, pollution and noise from RVs entering and leaving the trailer park; (3) potential accidents and traffic difficulties for RVs and towed vehicles in the Cays circular entrance and at the traffic circle on Grand Caribe Blvd.; (4) increased delivery truck traffic; (5) increased noise and light pollution; (6) increased erosion and damage to Grand Caribe Shoreline Park and the adjacent mitigation area; and (7) the loss of one of the last unobstructed, publicly accessible views of open water on the San Diego Bay. See Exhibit 1, September 25, 2020 – Association letter to Port.

The Port turned down a similar hotel proposal from this leaseholder in 2020 because it was not consistent with the (current) Port Master Plan; and the proposal did not complement "the scale and character of development adjacent to the area including the Coronado Cays residential community," as well as "native plant open space and opportunities for mitigation banking." See Exhibit 2, June 5, 2020 Port of San Diego letter to Cays Resort, LLC, page 5. The Port's letter also stressed the importance of support from the surrounding community, including the Association, the City of Coronado and the public, and detailed thirty years of community opposition to hotel-type projects on this parcel.

This lease of public trust tidelands expires in 2034, along with all Port leases that have not been renegotiated. The leaseholder is aware of this fact because, at the same time he is submitting hotel projects to the Port, he is also actively negotiating with other parties to buy out the lease. At meetings with the Association, for example, the leaseholder has proposed that the Association buy the lease outright for between \$1.5 and \$2 million and up (the lease was purchased out of bankruptcy in 2013 for \$750,000), or that the Association make a down payment on the purchase of the lease and operate the boat storage yard until the lease expires in 2034. We understand he may also be negotiating with other parties to exchange the lease for tax credits. Thus, his approach to “monetizing” the lease is multifaceted and goes beyond submitting potential hotel proposals to the Port.

While community opposition to a hotel-type development on this parcel has been consistent over the past thirty years, with strong support from the City of Coronado and from our Port Commissioners, at the same time this community has put in countless hours trying to reach a positive resolution to this situation. For example:

- In 2003, a vote of the Association to purchase the lease with conventional funding fell three votes short of passing;
- In 2013, the non-profit Coronado Conservancy lost its bid to purchase the lease out of bankruptcy to the current leaseholder, after extensive negotiations with the bankruptcy attorneys, including submitting voluminous documentation showing the history of community opposition to a hotel on this property; and
- Beginning in 2015, the City of Coronado submitted retiring this lease as its number one Port capital improvement project for several years, with no response from the Port.

While these attempts to retire the lease have not been successful to date, the Association has continued to work closely with the Port over several years on the updated Port Master Plan, which re-designates this lease area as Recreation/Open Space starting in 2034, and which adds multiple view corridors for this unique area. In addition, the Association has actively monitored the status and condition of this property to help ensure that the leaseholder meets the terms of his permit by, for example, prohibiting boat maintenance on the property, maintaining the adjacent streetlights to prevent electric shocks to animals walking nearby, and by maintaining the landscaping and appearance of the boatyard so that it fits with the surrounding community.

The Coronado Cays community is surrounded by 20 hotels within a five-mile radius, including the 440-room Loews Hotel next door to the Cays. In addition, Silver Strand State Beach across the highway accommodates 68 RV camping spaces and 1,000 day use parking spaces. On the bay side is the boundary of the USFWS San Diego Bay National Wildlife Refuge. The Port emphasized the importance of good stewardship of the unique natural resources of the San Diego Bay in the 2013 San Diego Integrated Natural Resources Management Plan that it developed with the U.S. Navy and 14 other Board of Port Commissioners stakeholders. Working with our community to achieve good natural resources

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<sup>1</sup> At its August 27, 2020 regular meeting, the Association unanimously affirmed its 2005 resolution stating that it is the official policy of the Association to oppose a hotel or other high density development on the bay front side of North Grand Caribe Isle. Also, in 2019, Coronado Port Commissioner and Chair Garry Bonelli said, “No Hotel at Ferry Landing, No Hotel In Cays and No Promenade.” Sept. 5, 2019, Coronado Eagle Journal.

stewardship in this case would be a big win for our community, both for the Cays community and the public at large, and would also be a big win for this unique, sensitive and beautiful South Bay area.

Members of our immediate community, along with groups like the Audubon Society and Cummins Diesel, continue to donate countless hours maintaining and restoring Grand Caribe Shoreline Park, a fact that the Port recently recognized in its 25<sup>th</sup> Anniversary celebration for this park. Grand Caribe Shoreline Park is a unique, passive use park (a “botanical experience,” as described on the Port’s website). Extending this concept into North Grand Caribe Isle would preserve for the public the open water views of the South San Diego Bay that are found only on this land. Preserving this parcel as open space would be a jewel in the Port’s “green necklace,” that would complement and strengthen connections to the surrounding significant habitat areas, and an amazing public rest stop on the Bayshore Bikeway. The Association strongly agrees with this community vision and urges the Port and its many stakeholders to work with us to finally make this vision a reality.

Sincerely,



Dennis Thompson  
President, CCHOA

Enclosures:

September 25, 2020 Association letter to Port  
June 5, 2020 Port of San Diego letter to Cays Resort, LLC (w/o attachments)

Dan Malcolm, Chairman  
Rafael Castellanos, Vice Chairman  
Sandy Naranjo, Secretary  
Ann Moore, Commissioner  
Danielle Moore, Commissioner  
Frank Urtasun, Commissioner  
Michael Zuchet, Commissioner

cc.

Mayor and City Council Members, City of Coronado  
Tina Friend, City Manager, City of Coronado  
Thomas A. Russell, General Counsel, Port of San Diego  
Rebecca Harrington, Senior Deputy Counsel  
Tony Gordon, Principal, Portfolio Manager, Port of San Diego  
Christian Andersen, Program Manager, Port of San Diego  
Lesley Nishihira, Planning Director, Port of San Diego



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HOMEOWNERS ASSOCIATION

By U.S. and Electronic Mail

September 25, 2020

Ann Moore, Chair  
Michael Zucchet, Vice-Chair  
Dan Malcolm, Secretary  
Garry J. Bonelli, Commissioner  
Rafael Castellanos, Commissioner  
Marshall Merrifield, Commissioner  
Robert Valderrama, Commissioner  
Board of Port Commissioners  
Port of San Diego  
3165 Pacific Highway  
San Diego, CA 92101

RE: Hotel Proposal for bay front strip of North Grand Caribe Isle, Coronado Cays

Dear Board of Port Commissioners:

At its regular meeting on August 27, 2020, the Board of the Coronado Cays Homeowners Association ("CCHOA") unanimously confirmed its 2005 resolution stating that it is the official policy of the Coronado Cays Homeowners Association to oppose a hotel or other high-density development on the bay front strip of North Grand Caribe Isle in the Coronado Cays (Resolutions at Attachment 1; Map at Attachment 2). The CCHOA Board felt it was necessary to affirm its longstanding policy in light of the current leaseholder's proposal to build a hotel on this land, and the leaseholder's intense public relations campaign soliciting support for his proposal.

As you are aware, the Coronado Cays community, with longstanding support from the City of Coronado, has a thirty-year history of opposing a hotel or other high-density development on this land. Much of that history was outlined in the Port's June 6, 2020 letter to the leaseholder disapproving his proposal. Cays residents have twice attempted to purchase this lease (a homeowners association vote in 2003 fell three votes short; the non-profit Cays Conservancy lost a bid to purchase the lease out of bankruptcy in 2013), and the City of Coronado proposed, for several years running, that the Port buy out this lease as a capital improvement project. While these attempts to retire the lease have not been successful, the CCHOA has continued to work closely with the Port to monitor the status and condition of this property, and community members and organizations have continued to work on restoring the native plant gardens of Grand Caribe Shoreline Park.



Public opposition to this latest proposal has been overwhelming, and for all the same reasons that previous projects have been opposed for this property: constructing a hotel on this small strip of land would create substantial detrimental effects from increased traffic, parking and noise in a residential neighborhood; erosion and other damage from the overuse of Grand Caribe Shoreline Park would continue, and one of the last unobstructed views of open water on the San Diego Bay would be lost.

One of several online petitions opposing this project already has over 345 signatures, as well as heartfelt comments from our South Bay community (Excerpts at Attachment 3). In addition, Port Commissioner Bonelli has stated that he has heard Coronado residents say, "loud and clear," that they want no new hotel rooms on Port tidelands in Coronado, including no hotel rooms on North Grand Caribe Isle. There are twenty hotels and motels within five miles of the Coronado Cays, and another 1,600 new hotel rooms are being built as part of the Chula Vista Bayfront Master Plan. There is no need for a hotel in the middle of this residential neighborhood.

Members of the CCHOA have met with this leaseholder several times regarding his proposal and, at the end of every meeting, the leaseholder has stated that he is open to a buyout. One example he proposed was having the CCHOA purchase the lease with a down payment and finance the balance by operating the boat storage yard until 2034. While this particular option would not be practical for several reasons, among them having to conduct a vote of the homeowners as well as possibly adversely affecting the nonprofit status of the CCHOA, Cays residents are forming a new non-profit organization that will be able to accept grants to continue the work of restoring Grand Caribe Shoreline Park, as well as being poised to work with the Port on resolving the lease for North Grand Caribe Isle.

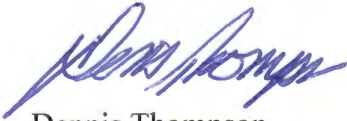
The CCHOA is very encouraged by the Port's Master Plan Update ("PMPU"), which provides a path to resolving this land use issue by changing the designation for this parcel to "Recreation/Open Space" in 2034. The CCHOA submitted comments strongly supporting the PMPU's update for this area (Attachment 4), and the City of Coronado also provided comments in support of changing this land use designation (Attachment 5).

With Port leases set to expire in 2034, the CCHOA sees several opportunities to work with the Port (and the new non-profit organization) on a global resolution of Port issues in the Coronado Cays, including the North Grand Caribe Isle lease, the CCHOA buildings lease, Cays homeowners with individual Port leases for their backyard docks, erosion at Grand Caribe Shoreline Park, dredging the navigation channel at the south end of the Isle in an area that is part of the North Grand Caribe Isle lease (October 18, 2011 Port letter at Attachment 6), and completing the eel grass project on the mitigation section of South Grand Caribe Isle that was promised after extensive sand removal in 2005 for the Campbell Shipyards cap project.

Grand Caribe Shoreline Park is a unique, passive use park (a “botanical experience,” as described on the Port’s website). Continuing the passive park use on North Grand Caribe Isle would preserve for the public the open water views of the South San Diego Bay that are found only on this land. Preserving this parcel as open space would also be a significant addition to the Port’s “green necklace,” that would complement and strengthen connections to the significant habitat areas that surround the Coronado Cays the Cays (Map at Attachment 7), as well as being an amazing public rest stop on the Bayshore Bikeway.

When the first non-profit organization attempted to buy this lease out of bankruptcy in 2013 (with substantial support from the Coronado Cays Yacht Club), their vision was to create a natural area that would continue to benefit our South Bay community by providing open space, connected habitat areas and educational opportunities for the public. The CCHOA still strongly agrees with this vision and looks forward to working with the Port to finally make this vision a reality.

Sincerely,



Dennis Thompson  
President, CCHOA

cc. Mayor and City Council Members, City of Coronado  
Blair King, City Manager, City of Coronado  
Thomas A. Russell, General Counsel, Port of San Diego  
Rebecca Harrington, Senior Deputy Counsel  
Tony Gordon, Principal, Portfolio Manager, Port of San Diego  
Christian Andersen, Program Manager, Port of San Diego  
Lesley Nishihira, Planning Director, Port of San Diego

Attachment 1: CCHOA Resolutions 20-08 (August 27, 2020) and 05-03 (May 13, 2005)  
Attachment 2: Map of Grand Caribe Isle  
Attachment 3: Excerpts from online No Hotel Petition comments  
Attachment 4: July 25, 2019 letter from CCHOA to Port re: PMPU comments  
Attachment 5: July 24, 2019 letter from City of Coronado to Port re: PMPU comments  
Attachment 6: October 18, 2011 letter from Port to CCHOA re: dredging  
Attachment 7: Map of natural habitat areas surrounding Coronado Cays



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Homeowners Association

## **RESOLUTION 20-08**

### **RESOLUTION ON DEVELOPMENT OF GRAND CARIBE ISLE**

**WHEREAS**, the official policy of the Coronado Cays Homeowners Association (“CCHOA”), pursuant to Board Resolution 05-03, passed unanimously by the Board on May 13, 2005, opposes a hotel or similar dense development on a portion of Port of San Diego public trust lands at North Grand Caribe Isle in the Coronado Cays (Attachment 1, hereto),

**WHEREAS**, a proposal for the development of a hotel on this property was recently submitted to the Port of San Diego and the Port of San Diego rejected that proposal in writing on June 5, 2020 (Attachment 2, hereto), stating that the proposal is “not consistent with the PMP [“Port Master Plan”],” and is “not in the best interests of the overall development of San Diego Bay, . . .”

**WHEREAS**, the Port of San Diego further found that the proposed hotel is “inconsistent with the PMP Precise Plan concept of complimenting the scale and character of development adjacent to the area including the Coronado Cays residential community,” and that “there is no evidence that the Plan fits with . . . nearby sensitive resources,”

**WHEREAS**, the Port of San Diego found that four previous hotel proposals for this same parcel did not move forward because of strong opposition from Coronado Cays residents, the Coronado Cays Homeowners Association and the City of Coronado,

**WHEREAS**, the draft Port Master Plan Update, which takes effect in 2034 once it is adopted, provides for no hotels in the Coronado Cays,

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Coronado Cays Homeowners Association:

- (1) affirms its longstanding opposition to a hotel on North Grand Caribe Isle as being inconsistent with the residential character of the Coronado Cays;
- (2) recognizes that Coronado Cays homeowners and the Association have a decades long history of opposing a hotel on this property and that the City of Coronado has a long history of supporting the Coronado Cays’ opposition to a hotel on North Grand Caribe Isle;
- (3) affirms its agreement with the stated positions of the Port of San Diego, the City of Coronado and prior Resolutions of the CCHOA finding that high density development, such as hotels, destination resorts and the like are inconsistent with the residential character of the Coronado Cays and that changes in traffic, noise, lighting and the loss of views would negatively impact Coronado Cays homeowners;

(4) affirms its position in favor of the draft Port Master Plan Update designating North Grand Caribe Isle as "recreation/open space" land that would not permit a hotel to be built, and recognizes that the City of Coronado also supports the draft Port Master Plan Update for North Grand Caribe Isle;

(5) calls upon the City of Coronado to once again affirm its support of the CCHOA position that a hotel on North Grand Caribe Isle is not appropriate for the Coronado Cays residential neighborhood; and

(6) affirms that CCHOA Board Resolution 05-03, passed unanimously on May 13, 2005, opposing a hotel or similar development on North Grand Caribe Isle, remains the official response of the Association.

**As unanimously approved by the Board of Directors on August 27, 2020.**

\_\_\_\_\_  
**Mark Crisson, President**

\_\_\_\_\_  
**Karen Farmer, Secretary**

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25 Grand Caribe Isle  
Coronado CA 92118



Homeowners Association


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**RESOLUTION 05-03**  
**RESOLUTION ON DEVELOPMENT OF GRAND CARIBE ISLE**

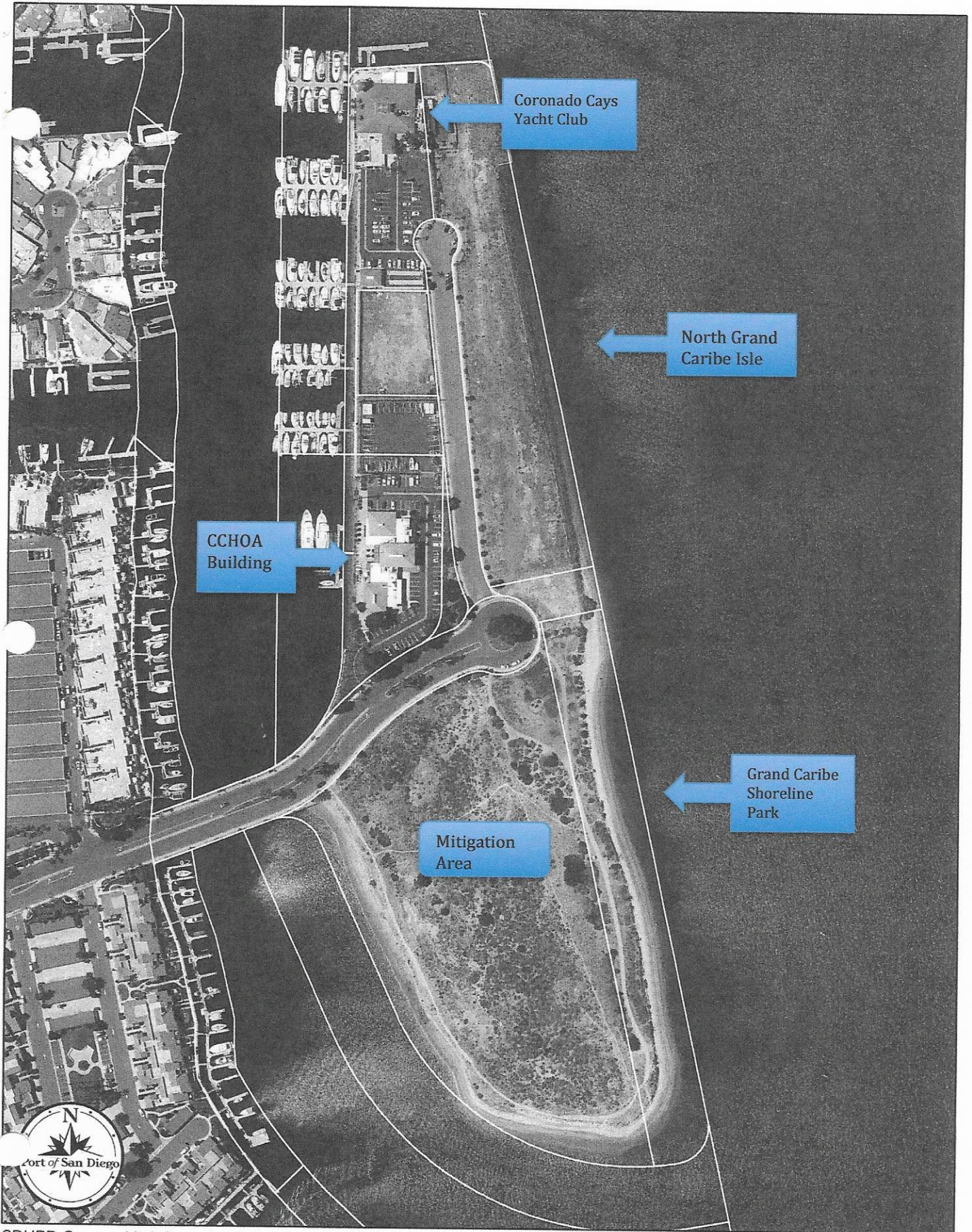
**Be it resolved by the Board of Directors of the Coronado Cays Homeowners Association** that recognizing that Grand Caribe Isle is located in the very center of a fully developed and mature residential community with no separate access except through residential streets, the Board (1) affirms the long-standing policy of the Board of Port Commissioners of Unified Port of San Diego that development of Grand Caribe Isle should not only conform with the applicable lease restrictions and the Port's Master Plan but "gain approval of the City of Coronado and the surrounding neighborhoods" and that "public support is still an essential element of the success of any Project"; (2) opposes high density development inconsistent with the residential character of the Cays Community such as hotels, timeshares, hotel spas, convention centers, destination resorts and the like; (3) should any proposal of the nature specified above be submitted to the Unified Port of San Diego, that this resolution shall be automatically the official response of the Association: and (4) calls upon the City of Coronado to concur in this position and express it without reservation to the Port District upon notification that any proposal of the nature specified above has been received by the Unified Port of San Diego.

-As unanimously approved by the Board of Directors on May 13, 2005

  
Doug Metz, President

  
Frank Rickman, Secretary







## COMMENTS ON "NO HOTEL AT THE CAYS" PETITION

- Purchased here because of the privacy, quiet neighborhood and cleanliness

- This is not in the best interest of residents nor the broader Coronado community....

- There are very few lightly and/or undeveloped areas open to the public in South County. Grand Caribe is one of the few small beaches where I can safely launch my SUP board, and cruz out into the bay where it's quiet and fish are jumping! Many shore birds nest here as well. It is a thrill to be in nature here. Sometimes I pick up a lot of trash in the water; with a busy hotel, the trash will only increase. Idling cars will also contribute to ground and water pollution. My sister has a debilitating condition. She loves to walk the trail above the water, and she literally needs to do that regularly to survive. I moved to IB from Sonoma County and this quiet area made me feel right at home. If a hotel is allowed here, it will end the chance for peaceful contemplation many residents and non-residents can get only here. The fresh air helps us stay healthy, now especially needed. I see many seniors out walking their dogs, most are residents of the Cays, and some no longer drive. This daily walk is so important for them. At age 64 myself, I feel safe here, even while paddling alone. It isn't fair to residents to sell out to developers. They continue to invest a lot to be here, many have worked all their lives to be able to enjoy their later years in peace and quiet. We have two gorgeous new hotels in Imperial Beach, and another one coming. The restaurants along Seacoast will need the business these hotels bring when covid is gone. The Imperial Beach hotels, camping at the Strand,

No Hotel comments

and the many other hotels in Coronado provide plenty of options for visitors. We don't know when or if life will return to normal. But nature will help us all navigate our uncertain futures. Please keep Grand Caribe quiet and natural! Thank you!

- The proposed project is not consistent with the Cays lifestyle.
- This would dramatically change the peaceful environment we love about our bay beach and the open streets.
- People make poor business decisions at times. Yet after a well thought out rejection on basic fundamentals by the Port Authority to have this developer continue to try and shove his "poor decision" down the throats of a large majority of opposed constituents doesn't make him a good neighbor either.
- Please no hotel. The environmental impact on both the defenseless bay life and the human community would be devastating and permanent. Stop killing our environment for money.
- Wrong size development on a one of the remaining pieces of pristine bay properties with heart and mind wrenching views.
- No hotel, no development, period. Green space...yes.



•I oppose this, latest attempt to inflict such development and density in an inadequate, delicate location where it will choke off our natural environment and detract from the lives of all who live here. Further, the naming and the promotional materials are disingenuous and would have anyone who is uninformed believe that this is a done deal. It is not. It does not fit with the Port's plan and the Port has not approved it!

•No hotel wanted or needed in the Cays. Please leave this section of the Cays open and undeveloped. This is a residential community.

•Coronado Cays is a residential community of boaters, beach and nature lovers and is also home to local and migrating wildlife. The community is a beautiful, quiet retreat. Building a hotel in the Cays would be disruptive to residents and local wildlife alike. It would increase traffic on an already crowded Coronado Island and would particularly impact traffic in the Cays. It would change the quiet and solitude here and would eliminate Bay views for residents. It's difficult to find a silver lining for residents in the event construction of a hotel is approved. Please no hotel!

•Like all other Cays development proposals this one also violates established Port and City regulations. It also would destroy the Cays as a residential community. Coronado doesn't need nor want more population density, traffic, pollution, noise and tourists. Green space is heartily welcomed.

•We here in the Cays, DO NOT want a hotel built on this land.....a park on the waterfront...please!

•Grand Caribe location is in the middle of the neighborhood and has no separate road entrance unlike Loews. It will be very disruptive to the neighborhood that is already pretty dense and further increase crowds/traffic on Coronado Cays Blvd which is already packed during youth sports season. The residents know to drive well below the speed limit when soccer season is ongoing because balls roll onto the street and very many children are crossing all along the street. Hotel traffic will have to go through the Cays Rotunda which is close to the heavily used pedestrian/ bikepath crossing. This is an accident waiting to happen. Whatever is put on Grand Caribe should alleviate density not increase it.



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Homeowners Association

July 25, 2019

Port of San Diego  
Attn: Planning Department  
3165 Pacific Highway  
San Diego, CA 92101

Re: Comments on the Port Master Plan Update Discussion Draft

Dear Port of San Diego Planning Department:

The Coronado Cays Homeowners Association ("CCHOA") appreciates the opportunity to provide comments on the Discussion Draft of the Port Master Plan Update ("PMPU"). The Coronado Cays is a unique community of waterfront homes in the South San Diego Bay, surrounded by Silver Strand State Beach to the west and the San Diego National Wildlife Refuge on the bayside. We are adjacent to the Bayshore Bikeway and are home to the Port's only native plants park, Grand Caribe Shoreline Park. We agree with the comments of the City of Coronado supporting the preservation of our unique open space areas, and we strongly support the expansion of Grand Caribe Shoreline Park into the north section of Grand Caribe Isle. This re-designation would preserve unique scenic vistas and view corridors, as well as expand the native plant garden and habitat areas in Grand Caribe Shoreline Park. Our comments pertaining to the Planning District Standards ("PD") for Planning District 9, "Grand Caribe Isle and South Cays Subdistrict," PMPU, pgs. 219-227, are as follows:

**PD9.2: "Support limited small-scale development in Commercial Recreation Land Use designation, compatible with existing development in the planning district and in the adjacent areas by:**

- a. Requiring building height is compatible, but does not need to be in conformance, with adjacent jurisdiction standards.**
- b. Designing development and improvements to be context-sensitive in design with the Coronado Cays community and views to the Bay."**

PD9.2a proposes to exempt development on Port lands from local building height limits. Homes in the Coronado Cays are limited to 35 feet in height and condominium buildings at 40 feet. We agree with the comments of the City of Coronado that building heights should comply with existing municipal codes, as reflected in the current Port Master Plan, in order to provide certainty to existing development and to residents. While PD9.2b requires any proposed development to be "context-sensitive" and preserve views to the bay, the HOA is concerned that the Port could use Standard PD9.2a to allow taller buildings in this area that would not be compatible with the surrounding neighborhood.

In addition, Port BPC Policy No. 355, "Real Estate Leasing Policy," has always required that any lease extensions, which would be required for long-term development projects, must take into account "the input of the local community." See, BPC Policy No. 355, Administrative Practices-Real Estate Leasing, page 5. The Master Plan Update provisions need to be clear that they do not intend to replace the requirement for local community input as part of the Port's development project planning process.

**PD9.3:** "Require that all structural improvements that solely benefit the Coronado Cays be paid for by the residents or structural improvements that partially benefit the residents include a fair-share contribution by the residents upon the creation of fee program."

We agree with the comments of the City of Coronado that this provision be removed from the Master Plan Update. This provision is not in the current Master Plan, nor is it found anywhere else in the Master Plan Update, and the HOA is unclear as to the reasons for its inclusion. Determining what structural improvements "solely benefit the Coronado Cays" is difficult, as people from all over San Diego enjoy this area. In addition, requiring such improvements to be paid for solely by Cays residents or pursuant to a fee agreement appears to be outside the Port's jurisdiction. Moreover, this provision could have a detrimental affect on possible funding sources, such as grants or other sources that the HOA or Cays residents may wish to pursue, in making any improvements in this area. For these reasons, this provision should be deleted.

**PD9.11:** "Investigate and potentially create mitigation banking in Conservation/Inter-tidal areas."

This section applies to the west part of South Grand Caribe Isle that is not part of Grand Caribe Shoreline Park. See, Figure PD9.3 - Water and Land Use Map Silver Strand, PMPU, page 227. The Port has planned for this area to be a mitigation area, but no mitigation has ever taken place. We recently learned, after a meeting with Port Planning staff, that habitat restoration activities, short of an actual mitigation project, would be allowed by the Port, and we are ready to work with the Port to support such activities as soon as possible. This area has been an eyesore for many years, and would benefit from restoration projects that would slow the pace of erosion and continue the native plant restoration activities that are currently taking place in Grand Caribe Shoreline Park, thanks to the Audubon Society and the Silver Strand Beautification Project.

**PD9.12:** "Support improvements and maintenance of pathways, including:  
 a. Providing a minimum 12-foot-wide paved or unpaved promenade, beginning north of Grand Caribe Causeway, that extends along the bayside and loops around to the north basin-side of the subdistrict.  
 b. Maintaining the current continuous unpaved pathway on the east edge of Grand Caribe Isle, south of Grand Caribe Causeway, not to exceed 6-feet in width."

We recommend that any pathways along the east bayside of Grand Caribe Isle be limited to the unpaved, 6-foot maximum width pathway that currently exists in Grand Caribe Shoreline Park. This type of path is more appropriate to a park-like conservation area than a 12-foot wide path.

**PD9.13:** "Expand Grand Caribe Shoreline Park, starting north of Grand Caribe Causeway as illustrated on the Silver Strand Planning District Water and Land Use map, in a manner that is complimentary to adjacent natural open space and coastal resource areas."



The HOA strongly supports extending Grand Caribe Shoreline Park north into North Grand Caribe Isle. This re-designation reflects longstanding community efforts to expand Grand Caribe Shoreline Park in order to preserve one of the unique scenic vista areas of the South San Diego Bay. Extending Grand Caribe Shoreline Park would also be a significant addition to the Port's "green necklace" concept of establishing and improving natural habitat areas around the Bay. In conformance with this objective, this expanded area should be designated "Conservation Open Space," rather than "Recreation Open Space." A conservation designation more accurately reflects the intent of the expanded park area, and agrees with the comments of the City of Coronado that there be no "programmed uses and special events" at Grand Caribe Shoreline Park.

**PD9.14: "Support programmed uses and special events, as well as non-programmed uses at Grand Caribe Shoreline Park."**

As stated above, we agree with the City of Coronado's comments that no programmed uses and special events be permitted at Grand Caribe Shoreline Park, or in the northern extended area. Grand Caribe Shoreline Park was created as a native plant garden and a natural habitat restoration area, and efforts are currently underway to restore the native plants and their identification signs, after years of neglect. Any activities for this park should be limited to non-programmed passive activities. The Port currently does not issue activity permits for this park because it is a passive natural habitat area.

Because Grand Caribe Shoreline Park is passive natural habitat area, the usage rules for this park should parallel those proposed for the Sweetwater Park. The proposed rules emphasize that the park is "required to be mostly passive and natural," that there are "no special events or organized sports," that access to the shoreline would be controlled (to prevent erosion), that trails should "look natural," that major activities "would include walking," and that "educational opportunities for ecology, nature and history are suggested." See, "Sweetwater Park Public Meeting #2, March 20, 2019," power point presentation. These proposed rules would also be appropriately applied to Grand Caribe Shoreline Park.

In the City of Coronado's comments to the Port, the City recommends that the Port enter into a services agreement to provide for the maintenance of Grand Caribe Shoreline Park. We agree with this concept. We also agree with the City's comment that the Coronado municipal code provisions limiting and/or prohibiting the use of alcohol, tobacco or cannabis in city parks also be applied to Grand Caribe Shoreline Park. We also agree with the City's comment that no commercial activities, such as food trucks, should be allowed in recreation/open space or conservation/open space areas such as Grand Caribe Shoreline Park.

**PD9.15: "Encourage non-programmed recreational activities and amenities along the shoreline."**

The majority of the shoreline in this area of the Coronado Cays, as envisaged by the Port's Updated Master Plan, consists of natural habitat areas such as Grand Caribe Shoreline Park, a mitigation bank, and the northern extension of the park. Any non-programmed recreational activities and amenities in these areas must take into account the sensitive coastal resources that exist in these areas.

**PD9.16: "Establish and preserve the Scenic Vista Area at Grand Caribe Shoreline Park, as depicted on the Silver Strand Planning District Water and Land Use map."**

The Scenic Vista Area currently on the map at Fig. 9.3, PMPU, pg. 227, shows the scenic vista area starting at the bayside shoreline directly east of Grand Caribe Causeway. However, the scenic vistas in this area occur all along the bayside shoreline of Grand Caribe Isle, and actually begin at the intersection

of Coronado Cays Boulevard and Grand Caribe Causeway. We recommend that Scenic Vista Area designations be added to the north and the south of the current Scenic Vista Area location in order to fully capture the unique views on the east shore of Grand Caribe Isle. In addition, we recommend that a "View Corridor Extension," as indicated by a binoculars symbol, be added where possible on Grand Caribe Causeway in order to preserve the view corridor along the Causeway before it reaches Grand Caribe Isle.

**PD9.17: "Support limited small-scale water-oriented development that is in character with the scale and size of the surrounding development in the Commercial Recreation land use designation on Grand Caribe Isle, west of Grand Caribe Cay North Boulevard."**

We understand that this section applies to the area currently occupied by the Coronado Cays Homeowners Association buildings, the CCHOA boat storage lot, a boat storage lot held by the current lessee of North Grand Caribe Isle, and the Coronado Cays Yacht Club. We strongly support restricting any development in this area to small-scale, water-oriented development that is compatible with the existing residential neighborhood. However, we would like to reiterate our concerns with Standards PD9.2 and PD9.3 and stress that any proposed development should not be exempt from municipal building height limitations, and that PD 9.3 be deleted from the Master Plan. We note that our comments support, and are in agreement with, the comments of the City of Coronado.

**PD9.18: "When appropriate, develop public restroom facilities at Grand Caribe Shoreline Park north of Grand Caribe Causeway."**

As currently stated, this section would require public restrooms to be located in one of the most scenic and pristine views of the bay. There are existing public restrooms at the Coronado Cays Park, 500 feet from Grand Caribe Shoreline Park. If additional public restrooms are contemplated, we recommend that this section be changed to require that they be located somewhere in the yellow Commercial Recreation zone and not in the Recreation/Conservation Open Space areas.

**PD9.19: "Support aquaculture and blue technology opportunities complimentary with the existing water and land uses within the planning district."**

This provision states that it applies to the entire planning district, but it is only included in the section pertaining to Grand Caribe Isle and the South Cays Subdistrict. Since the waters off this subdistrict are within the boundaries of the South San Diego Bay National Wildlife Refuge, which is a sensitive habitat area, it is unclear what aquaculture or blue technology opportunities would be permitted in this subdistrict. Other than eel grass restoration, which is already contemplated in the mitigation bank area, there do not appear to be any other aquaculture or blue technology uses that would be compatible with this intertidal area.

**PD9.20: "Piers and docks adjacent to residences off Tidelands may be altered, destroyed, or removed, when environmental impacts are avoided; provided, however, no increase in over-water coverage shall occur and there is no existing direct public access from the landside."**

This section applies to certain homeowner docks within the Coronado Cays, and to the Coronado Cays Yacht Club and CCHOA docks in the Grand Caribe Isle and South Cays Subdistrict planning areas. We note that an identical provision, PD9.8, applies to Coronado Cays private homeowner docks in the Crowne Isle Subdistrict, which includes docks behind homes on The Point in the Coronado Cays. The provisions of both these sections mirror the provisions of the "blanket" five-year multi-agency permit



that applies to docks in the Coronado Cays that are located within the boundaries of the City of Coronado, which includes most of the docks in the Coronado Cays. We recommend that the Port align its residential docks replacements standards and procedures to those of the Cays' five-year permit so that all residential docks within the Cays can be replaced or repaired using the same standards.

**PD9.21: "Allow for maintenance and slip modifications of existing recreational marinas to support changes to waterside facilities and boating needs."**

We support this provision provided that any such modifications comport with other requirements of the Master Plan, such as to be "context-sensitive in design with the Coronado Cays community and views to the Bay," PD9.2b, and that any such modifications are in compliance with the "protection of sensitive coastal resources." Standards. PMPU, pg. 222.

**Figure PD9.3: Navigation Corridors.**

The City of Coronado has asked that the Port take responsibility for maintaining identified navigation corridors on this map, including the navigation corridor adjacent to South Caribe Isle. We agree with the City's comments.

**Transportation Links:**

Comments from City of Coronado also recommend that the Port enter into negotiations with the City of Coronado to expand the City's Free Summer Shuttle service to include year-round service. We would request that any discussions also include expanding the Free Summer Shuttle to also include extending the Free Summer Shuttle to the Coronado Cays.

Sincerely,



Mark Crisson  
President, Board of Directors  
CCHOA

- cc. Coronado Mayor and City Councilmembers  
Chairman of the Board of Port Commissioners, Gary Bonelli  
Port Commissioners  
Coronado City Manager Blair King





CITY OF CORONADO  
OFFICE OF THE MAYOR  
RICHARD BAILEY

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1825 STRAND WAY • CORONADO, CA 92118 • (619) 522-7320 • RBAILEY@CORONADO.CA.US

July 24, 2019

Port of San Diego  
Attn: Planning Department  
3165 Pacific Highway  
San Diego, CA 92101

Re: Comments on the Discussion Draft of the Port Master Plan Update - 2019

To Whom It May Concern:

The City Council of the City of Coronado has authorized me to sign this letter on behalf of the full City Council.

The City of Coronado appreciates the opportunity to provide comments on the Discussion Draft of the Port Master Plan Update (PMPU). The City encourages development on Port properties in a balanced manner that preserves their unique open space and recreation potential while permitting new economically viable coastal dependent commercial/recreation uses; moreover, the City desires to ensure that the plan would not have a negative impact on existing Coronado residents, facilities or infrastructure.

Coronado is primarily a residential community and the fundamental goal of its General Plan is "*to preserve and improve Coronado as a beautiful, pleasant residential community in which to live, work, shop, and pursue leisure-time activities.*" The PMPU needs to emphasize the surrounding residential character of Coronado and rethink what is and is not compatible with this existing residential community. In the late 1970s, as the Port was beginning to prepare its plans for the Port Tidelands, the City of Coronado and its residents worked cooperatively with the Port to ensure Coronado maintained its charm and residential community character. The resultant Memorandum of Understanding (MOU) between the City and the Port provided Coronado residents peace of mind while development of the Port Tidelands in Coronado was pursued. Additionally, the Coronado City Council adopted a Tidelands Overlay Zone that laid out how Coronado expected development of these areas to proceed, and much of that was incorporated into the current Port Master Plan, including a 40-foot height limit. Unfortunately, it appears that many of the items contained within the MOU and the Tidelands Overlay Zone have not been included in the discussion draft of this PMPU which is unacceptable to the City of Coronado.

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The City of Coronado's comments on the Discussion Draft of the PMPU are as follows in no particular order:

- In 1979, the Board of Port Commissioners and the Coronado City Council each adopted identical resolutions, Resolution 79-338 and Resolution 5909, respectively, approving a Memorandum of Understanding (MOU) between the Port and the City of Coronado highlighting agreed upon planning principles and development guidelines for the Coronado Bayfront area (see attached). These agreed upon planning principles and development standards were created to respect Coronado's needs and residential character, open space requirements and traffic problems, while being consistent with the Port District's primary purposes and duties as a trustee of public land. However, it seems many of the planning principles in the approved MOU have been eliminated from the PMPU, including a 40-foot height limit and a traffic circulation plan that would minimize the use of residential streets. The City of Coronado strongly advocates that these negotiated and mutually-agreed upon planning principles contained in the 40-year longstanding MOU be incorporated into the PMPU as they were put in place to protect the existing residential neighborhood and mitigate negative impacts resulting from activities on Port lands.
- Multiple sections of the PMPU state that the height of new development should be compatible but does not need to conform with the adjacent jurisdiction standards. The City of Coronado Municipal Code has a maximum height limit of 40 feet for all of Planning District 10, and the majority of Planning District 9 has a height limit of 35 feet. Additionally, the existing Port Master Plan has a height limit of 40 feet for the Coronado Bayfront Planning District. The City of Coronado requests that the existing height limits found in the City's Municipal Code as well as the existing Port Master Plan be maintained in the PMPU to continue providing certainty to existing development and to residents regarding the types and height of future development to be expected.
- Standard PD9.3 requires all structural improvements that solely benefit the Coronado Cays be paid for by the residents or structural improvements that partially benefit the residents include a fair-share contribution by the residents upon the creation of a fee program. It does not seem appropriate for the Port to choose to make improvements then force existing property owners to pay for those improvements. This standard should be removed from the PMPU.
- Standard PD9.14 calls for programmed uses and special events to occur at Grand Caribe Shoreline Park. While the City does support the expansion of Grand Caribe Shoreline Park to North Grand Caribe Isle, it does not believe having programmed uses or special events is complimentary to natural open space and sensitive coastal resource areas, and requests that no programmed uses or special events be allowed at Grand Caribe Shoreline Park without approval of the City of Coronado.
- Figure PD9.3 identifies various water and land use areas, including navigation corridors. The City requests that the Port take responsibility to maintain these navigation corridors and dredge where necessary, such as in the identified navigation corridor adjacent to South Caribe Isle.



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- The PMPU calls for up to 360 net new hotel rooms within the Crowne Isle Subdistrict, which is the location of the existing Loews Resort. The City believes that no more than 250 net new hotel rooms could be accommodated while still being compatible with the current surrounding uses. We, therefore, request that the number of hotel rooms in the Crowne Isle Subdistrict be revised to no more than 250 net new hotel rooms with associated meeting space.
- The PMPU discusses potential reconfiguration or increase/decrease in vessel slips in the South Coronado Subdistrict on page 237. The City would like the Port to acknowledge that any expansion or change would require an equal partnership with the City of Coronado, recognizing the City is not a private development entity, and that no additional boat slips be provided beyond the existing bulkhead line in Glorietta Bay.
- The Planning District Characteristics for Planning District 10 focus on “visitor-serving” and “attracting visitors” but fails to recognize the existing adjacent residents. The PMPU should be revised to not only focus on visitors, but also on adjacent residents. Planning District 1 recognizes that it is adjacent to a residential neighborhood and we would ask for the same with Planning Districts 9 and 10.
- Standard PD10.12 discusses introducing a Local Gateway Mobility Hub near the Ferry Landing with wayfinding signage. Coronado discourages any additional unnecessary signage within its jurisdiction, and already provides wayfinding signage throughout the City that includes the Ferry Landing.
- The City supports the concept of a Gateway Mobility Hub provided the Mobility Hub is not used to justify non-tidelands dependent uses such as additional high-density housing in the City.
- Standard PD10.17 calls for new development to establish a promenade and a landscape buffer setback of 20 feet. The desire of the City, as contained in our Municipal Code, calls for a 30-foot public accessway and requests that the PMPU be revised to require a 30-foot-wide public accessway. This is due to the heavy congestion experienced along the Bayshore Bikeway within the Ferry Landing, which we believe may be the most congested area of the entire Bayshore Bikeway.
- Should there be any modifications to the streetscape in the North Coronado Bayfront Subdistrict, Coronado requests that sidewalk width and tour bus parking be addressed. The sidewalks are often impacted by pedestrians, cyclists, and leisure activities including the riding of surreys, and the area would benefit from wider sidewalks. Additionally, providing a location for tour buses to unload and park should also be explored.

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- Standard PD10.19 allows for additional hotel rooms at the existing hotel facility directly north of Tidelands Park (Marriott), and the document later states up to 350 net new rooms be allowed, but it is unclear if this is limited to the existing hotel site or if it also includes the Ferry Landing. The City of Coronado's Municipal Code caps the number of hotel rooms in the North Coronado Bayfront Subdistrict at 300, and requests that the PMPU be revised to align with the City standards. The City believes that an additional 350 hotel rooms is not compatible and will unduly impact an area surrounded by residential properties and is already impacted by significant daily traffic, and requests that these additional hotel rooms be removed from the PMPU.
- Standard PD10.20 allows for a mix of commercial uses and hotel development adjacent to the water-based transfer point, but it does not identify which of the two water-based transfer points it is referencing. Please specify.
- Standard PD10.25 calls to establish a continuous pathway around Glorietta Bay. The City has significant concerns with introducing a continuous pathway around Glorietta Bay as there is an existing golf course that would expose people on the pathway to errant golf balls which is a major safety concern. A pathway around the Bayside of the golf course would also require security fencing to be placed along the path, which would impact views and potentially limit public access. Additionally, the pathway should be allowed on the inland portion of the existing location of the Coronado Yacht Club. Please include such language in this standard and update the language found in Standard PD 10.17 b. to read *"this standard does not apply to the shoreline around the golf course or the Coronado Yacht Club where public access can be provided on the inland portion of the golf course and yacht club for safety reasons."*
- The City would like its previous suggestions regarding the existing boat anchorage adjacent to Tidelands Park, including that a dinghy dock/tie-up location be provided, be incorporated into the PMPU.
- The PMPU should recognize parking, and parking rates, in the context of adjacent and neighboring land uses. If the Port or its tenants set parking rates higher than nearby locations, motorists will migrate to the less expensive areas outside of the Port's jurisdiction, and thus negatively impact Coronado's residentially zoned areas. Parking should be free and open to the public.
- The City would like the PMPU to encourage maintaining, enhancing and expanding existing ferry service to and from Coronado with additional financing from the Port, including ferry service for Navy personnel to traverse the Bay to and from North Island. This would further various policies found in the PMPU, including Mobility policies 2.3, 2.9 and 2.11, as well Water and Land Use Policy 3.1.



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- The City would also encourage multiple forms of water-based transport servicing Coronado and the greater Bay consistent with the Port Act. We believe the Port should avoid exclusive rights agreements with any one water-based transportation provider to encourage competition and service options, and to potentially analyze having public agencies monitor and control these services.
- Coronado encourages the Port to enter into a services agreement with member jurisdictions to maintain open spaces and parks, including Tidelands Park and Grand Caribe Park. Additionally, the Wildlife Refuge Parking lot in or near Planning District 7 serves mainly those interested in the wildlife refuge or the Bayshore Bikeway, not the City of Coronado, and the Port should look to take over the amenable lease and ongoing maintenance. These would improve the efficiency of maintenance efforts and provide positive environmental enhancements including reduction in vehicle travel and maintenance as well as fuel consumption.
- The PMPU should define policies related to the maintenance of storm drain outfalls on Port property.
- The PMPU should be explicit with regard to health and safety provisions related to alcohol, cannabis, and tobacco use, sales, and/or limits on Port property. Coronado requests that such provisions for Port Districts 9 and 10 mirror or be consistent with those found in the Coronado Municipal Code.
- In an effort to increase links between different modes of transportation around the Bay, the City would like to enter into discussions, and ultimately a financial agreement, to assist the City in providing its Free Summer Shuttle service connecting the Ferry Landing to the rest of Coronado, and potentially expanding the service year-round. It is our understanding that the Port participates in bus service along Harbor Drive and Coronado would also request to receive that benefit.
- One of the PMPU goals is to create a vibrant, internationally acclaimed waterfront and Economics Policy 2.1 calls for providing a variety of commercial recreation opportunities including cultural uses and performance venues. The City recently completed a comprehensive, year-long study to assess arts and culture in Coronado that identified building a new community arts and cultural center as a top priority. Depending on other factors, the City believes the Ferry Landing could be an appropriate site for such a facility and would urge the Port to not preclude some type of cultural arts center at that location.
- The PMPU shall explicitly state that Recreation Open Space designated areas, including Tidelands Park, shall not allow for commercial activity such as mobile food vendors.



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- The City notes that the Coronado Golf Course land has been reclassified from 'Golf Course' to 'Commercial Recreation' and requests that that land use classification be maintained as 'Golf Course.' The Coronado Golf Course has existed in its current location prior to the establishment of the Port of San Diego; it is the only existing golf course located on Port Tidelands; and is a desirable feature that should be maintained for residents and visitors of Coronado. Should the Port decline to maintain the 'Golf Course' Land Use classification and change it to 'Commercial Recreation,' Coronado would like there to be a hierarchy of specific use types within the PMPU identifying a golf course as having priority over other uses under the Commercial Recreation land use classification.

Again, we want to reiterate that Coronado is principally a built-out residential community that is already experiencing significant impacts to our infrastructure, including parking and traffic impacts. The items highlighted above threaten what many people, residents and visitors, enjoy about Coronado and our comments should be reviewed within that context, and incorporated into the next draft of the PMPU. A portion of the Port's Mission Statement is to provide community benefit through a balanced approach, but we believe that balanced approach is lacking within the Coronado Planning Districts. The PMPU in its current form would introduce more traffic, increase parking impacts, and focus more on visitors at the expense of existing Coronado residents. Our comments above, including the agreed upon planning principles and development standards found in the MOU and within the City's Tideland Overlay Zone, will help the Port draft a plan that advances its goals while giving consideration to Coronado and its residents.

Thank you in advance for addressing these comments before the next iteration of the plan is released. The City of Coronado looks forward to staying involved and working with the Port of San Diego on this project.

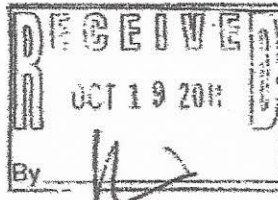
Sincerely,



Richard Bailey  
Mayor

RB/jb  
Attachments

cc: City Council  
City Manager Blair King  
City Attorney Johanna Canlas  
Director of Community Development Rich Grunow  
Senior Planner Jesse Brown



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619.686.6200 • www.portofsandiego.org

October 18, 2011

Mr. Larry Peterson, General Manager  
CORONADO CAYS HOMEOWNERS ASSOCIATION  
505 Grand Caribe Isle  
Coronado, California 92118

Dear Mr. Peterson:

Re: Request for Dredging of Navigational Channel at the South End of the Coronado Cays, Coronado, California

Thank you for your August 1, 2011 letter in which you expressed concerns regarding the current depth of the navigational channel located at the south end of the Coronado Cays. Across San Diego bay, water-side ingress and egress to marinas is designated in the Port Master Plan as Boat Navigation Corridors (BNC) (see attached language). After reviewing the request by the Coronado Cays Homeowners Association (CCHOA), staff believes that the BNC in question lies solely within the leasehold of CG Coronado Owner, LLC, a subsidiary of SCI Capital Group (SCI) (see attached maps). Since this is the designated path of travel in the location described in your letter, any requests for maintenance dredging should be directed to SCI.

The District is willing to facilitate a dialogue between CCHOA and SCI on this issue and would welcome the opportunity to set up a meeting with all interested parties at your request. In the meantime, please let us know if you have any additional questions or concerns.

Sincerely,

Jenner Smith  
Asset Manager  
Real Estate

Enclosures

cc: L. Smith, Commissioner SDUPD  
W. Darbeau, President SDUPD  
R. Coniglio, VP SDUPD  
K. Weymann, Director SDUPD  
P. Dealy, Dealy Development (SCI Representative)  
R. Robotti, SCI Capital Group  
A. Dahl, Area Real Estate Manager SDUPD

SDUPD Docs. No. 483827

San Diego Unified Port District



near Coronado — San Diego





**VIA U.S. CERTIFIED MAIL AND EMAIL**

June 5, 2020

Cays Resort, LLC  
Attention: Keith Mishkin  
14602 N. Tatum Blvd.  
Phoenix, AZ 85032  
Email: keith@cambridgeproperties.com

Re: District Objection to Cays Resort, LLC's March 20, 2020 *Inn at the Cays* Proposed Development Plan Submittal

Dear Mr. Mishkin:

The San Diego Unified Port District (District) is in possession of Cays Resort, LLC's March 20, 2020 submittal for a proposed development plan for that certain site covered by a certain Restated Lease (Lease) by and between Cays Resort, LLC, a Delaware limited liability company (Lessee) and the San Diego Unified Port District (Lessor or District).<sup>1</sup> Lessee stated by e-mail on April 10, 2020 and in the proposed development plan submittal cover letter dated March 19, 2020 that it is not seeking a lease term extension in connection with the proposed development plan. Accordingly, this letter only addresses the proposed development plan as it relates to the existing Lease and certified Port Master Plan (PMP). However, it should be noted that without a lease term extension, the proposed development plan would not be economically viable, which is not in the best interests of the overall development of San Diego Bay.

Paragraph 7(a) of the Lease includes allowed uses on the Premises and states that such uses must be (i) permitted and authorized by the Chapter 1744, California Statute of 1965 (the original "Port Act") and (ii) "approved by Lessor as provided in subparagraphs 7(c) and 7(d) as consistent with the master plan of the Lessor [(PMP)], as herein may be amended from time to time, the provisions of such statutes and in the best interests of the overall development of San Diego Bay, taking into consideration all statewide interests which approval shall not be unreasonably withheld."

The Lease provides a process for Lessee to submit a Plan of Development (Plan) to Lessor. The Plan should address proposed improvements, the proposed location, use and character of buildings, facilities, other structures and improvements, open space, public ways and access routes in reasonably sufficient detail as determined by Lessor. (Lease, Para 7(c).) According to the Lease, within ninety (90) days after submittal of the

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<sup>1</sup> District Document No. 17678.

Plan, Lessor shall notify Lessee, in writing, any objection of Lessor to the uses under the Plan, or portion thereof, as not being permitted or authorized in Paragraph 7(a), the Port Act, or as not being in the best interests of the overall development of the San Diego Bay, taking into consideration all statewide interests. In the context of the Lease, Lessor shall apply the criteria of Paragraphs 7(a)(i) and 7(a)(ii), as well as consider the Plan's provision for public access to navigable waters and reasonable assurances that facilities provided will be available to the public on substantially the same basis as they are made available to residents of Rancho Carrillo. The Lease also states that any proposed uses which the Lessor fails to object to shall be deemed approved as consistent with Paragraph 7(a), the Port Act and the best interests of the overall development of San Diego Bay, taking into consideration all statewide interests.

***This letter constitutes the Lessor's written objection to the entire Plan.*** As detailed herein, the Plan is not consistent with the PMP and an amendment to the PMP (PMPA) is required prior to any issuance of a Coastal Development Permit (CDP). Additionally, Lessor staff would not recommend the Plan because it is not in the best interests of the overall development of San Diego Bay, taking into consideration all statewide interests.

Moreover, it should be noted that District cannot contract or delegate away its legislative police powers, including the Board of Port Commissioners (Board) ability to consider and approve, disapprove or condition a PMPA or a CDP.<sup>2</sup> Approval of a PMPA and CDP are also discretionary and require full environmental review in accordance with the California Environmental Quality Act (CEQA) prior to approval.<sup>3</sup> Hence, while the failure of Lessor to object within 90 days to the Plan, which has not occurred, may mean the proposed Plan's uses are allowed under the Lease, an approval of a PMPA (or a CDP) cannot legally occur prior to CEQA review and approval and the Board's ability to consider the PMPA or CDP and exercise its discretion.

Lessee's March 19 Letter also claims that it:

[M]et with Port District staff several times in 2013 to express Cays Resort's desire to acquire the Cays Leasehold for the

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<sup>2</sup> It is well settled that "a local government may not contract away its right to exercise its police power in the future, and land use regulations involve the exercise of police power. [Citation.]" (*Alameda County Land Use Assn. v. City of Hayward* (1995) 38 Cal.App.4th 1716, 1724.) Ultimately, "powers which require the exercise of judgment and discretion ... must necessarily remain with the public agency and cannot be delegated." (*County of Los Angeles v. Nesvig* (1965) 231 Cal.App.2d 603, 617.)

<sup>3</sup> Approval of PMPA is a legislative action and is not subject to the Permit Streamlining Act (PSA) and hence, the Plan cannot be deemed approved under the PSA. (*Land Waste Management v. Contra Costa County* (1990) 222 Cal. App. 3d 950; *Landi v. Monterey County* (1983) 139 Cal. App. 3d 934.)

purpose of developing a hotel, restaurant and marina . . . . At that time, Port District staff indicated that a hotel, marina and restaurant on the Cays Leasehold is consistent with the Ground Lease and PMP, and that a project submittal for those uses would be viewed favorably as a permitted use. At that time, Port District staff confirmed that such uses were compatible with the *Commercial Recreation* land designation in the PMP and would be a benefit to San Diego Bay and surrounding neighborhoods. Cays Resort subsequently acquired the Cays Leasehold to develop a hotel, restaurant and marina consistent with initial meetings with the Port District staff.

The District believes this claim of reliance is wholly without merit and is disingenuous. Lessee fails to identify the project proposed to District staff, which District staff made the alleged statements, when the statements were made and the actual statements made. Additionally, District staff does not have the authority to bind the District to such statements and it would be unreasonable to rely on any such statements. Only a decision-making body – here, the Board – may approve a particular development/project, approve a PMPA and authorize issuance of a CDP. Moreover, a CDP is not a bi-right permit and may be denied by the Board regardless of staff’s statements or recommendations. This is a well-known fact among developers that purchase or develop property, like the Lessee.

### **The Plan is Inconsistent with the PMP**

As stated in Paragraphs 7(a)(ii) and (7)(c), the District may object to any Plan if it is inconsistent with the PMP. The designated uses for the Plan site are Commercial Recreation and Recreational Boat Berthing in the certified PMP, which allow for hotels, restaurants, specialty shopping, pleasure craft marinas, and water-side docking for recreational marine craft and commercial passenger vessels. However, consistency with a land use designation is only the first step to determine whether a proposed development – here, the Plan – is consistent with the PMP. The Plan proposes several “appealable developments” under Section 30715 of California Public Resource Code (herein after Coastal Act), such as the hotel and recreational marina facilities.<sup>4</sup> Section 30711 of the

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<sup>4</sup> While the District believes restaurants are non-appealable development, the California Coastal Commission (CCC) has taken an opposing position, and likely would consider any proposed restaurants as appealable development. (See March 8, 2017 CCC Staff Report on Dispute Resolution No. 6-17-0146-EDD regarding The Brigantine, Inc.’s proposed Portside Pier Project.)



Coastal Act requires that appealable developments, like the ones being proposed, to be listed in the PMP “in sufficient detail to be able to determine their consistency with policies of Chapter 3 [of the Coastal Act].” For the PMP, this is accomplished through adding proposed appealable development projects to the applicable “Project List” and adding a description of those projects to the text of the corresponding Planning District. The Plan does not meet these legal requirements.

Accordingly, other proposed projects have been found to be inconsistent with the existing PMP, as amended, and had to process PMPAs despite not changing the land use designation, such as, by way of example, the Shelter Island Boat Launch Facility Improvements and San Diego Marriott Marquis & Marina Facilities Improvement projects.

The Plan site is located in Planning District 8, Silver Stand South and in particular the Grand Caribe Isle – North subarea of that Planning District. Unlike other areas proposed for development in the PMP, there is a one paragraph description of Grand Caribe Isle – North in the PMP:

All of this subarea is also under long-term lease and is proposed for development for commercial recreation, boat docks and navigational corridors. Specific land use plans for this area have been developed, and have been reviewed and approved by City and State agencies.

The reference to the land use plans address the original construction of the Grand Caribe Isle island and the approved PMP precise plan text and land/water use designations for establishment of Grand Caribe Isle. Hence, the construction of Grand Caribe Isle island was approved by various agencies including the District, City of Coronado, California State Lands Commission, California Regional Water Quality Control Board, and the U.S. Army Corps of Engineers. This language does not address the proposed Plan. Hence, details of the Plan would need to be added to the subarea description to ensure consistency with Coastal Act Chapter 3. Additionally, none of the Plan’s proposed appealable development are included on the Project List and hence, would need to be added and are inconsistent with the PMP. For this reason alone, the District objects to the entire Plan under Paragraph 7 of the Lease. However, as described below, District staff also believes that the Plan is not in the best interests of the overall development of San Diego Bay, taking into consideration all statewide interests.

## **The Plan is Not in the Best Interest of the Overall Development of the Bay, Considering Statewide Interests**

In accordance with the Port Act, as trustee of certain State tidelands and submerged waters (collectively, Tidelands), the District has the authority and a duty to balance several Public Trust uses, including commerce, navigation, fisheries, recreation and the environmental uses. The District also may prohibit certain uses in order to protect the general public's use of Tidelands.<sup>5</sup> Additionally, not one Public Trust use is more important than another and the District has the ability to freely choose among them.<sup>6</sup> Consequently, the District balances environmental and recreational uses with revenue generating Public Trust uses on a Baywide basis, taking into account several factors, including but not limited to community character, sensitive resources, environmental factors and public access.

Furthermore, the PMP Precise Plan Concept for Planning District 8 and Grand Caribe Isle seeks to provide opportunities for recreational boating, some public access within a small shoreline park, and other water related activities, at a level of intensity that is suitable with the surroundings, including the Coronado Cays residential community, as well as native plant open space and opportunities for mitigation banking. Based on the submittal received, while the Plan provides some new public access and recreational opportunities, it is inconsistent with the PMP Precise Plan concept of complementing the scale and character of development adjacent to the area including the Coronado Cays residential community.

In addition, support for any proposed development in the area, by the City of Coronado, the surrounding Coronado Cays residents and general public, as well as regulatory agencies, is critical in successfully securing the necessary approvals for a project and illustrative of meeting community character. As shown in the attached correspondence, four development plans had previously been proposed for the Grand Caribe Isle area (a 55-unit hotel in 1988, a large timeshare complex in 1999, a timeshare/marina complex in 2001, and a spa resort in 2004) and were strongly opposed by the Coronado Cays residents, Coronado Cays Home Owners Association (CCHOA), and the City of Coronado, and therefore, did not move forward (see Attachment C). The District has consistently encouraged Grand Caribe Isle developers to work with the City of Coronado and Coronado Cays community on a project proposal they can embrace (see Attachments A and B), and would require the same for the Plan. It is unclear from Cays

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<sup>5</sup> *State of California v. Superior Court (Lyon)* (1981) 29 Cal.3d 210; *City of Berkeley v. Superior Court* (1980) 26 Cal.3d 515.

<sup>6</sup> *Colberg Inc. v. State* (1967) 67 Cal.3d 408; *County of Orange v. Heim* (1973) 30 Cal.App.3d 694.



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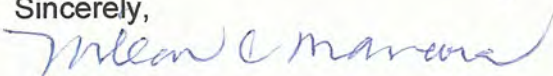
Resort's submittal whether such widespread community support for the project has been garnered. Additionally, there is no evidence that the Plan fits within the surrounding community character and nearby sensitive resources. Moreover, District staff believes the Plan fails to provide adequate public access and is too intense for the quiet nature of the surrounding areas. Therefore, the Plan is not in the best interests of the overall development of San Diego Bay, taking into consideration all statewide interests.

### **District Staff Determination**

Based on the submittal received, the Plan is inconsistent with the current PMP and is not in the best interests of the overall development of the bay, considering statewide interests. If Cays Resort, LLC would like to modify its project to meet these two criteria, District staff would be happy to reconsider its revised submittal.

If you have any questions or would like to discuss next steps, please contact Christian Anderson, Program Manager, at (619) 686-6505 or [canderson@portofsandiego.org](mailto:canderson@portofsandiego.org) to schedule a meeting.

Sincerely,

A handwritten signature in blue ink that reads "Wileen C. Manaois".

Wileen C. Manaois  
Director, Development Services

### **Attachments:**

- A. February 4, 1997 Board Meeting Minutes regarding Grand Caribe Isle Time Share Proposal
- B. July 30, 2004 Board Memo regarding Grand Caribe Inc. Resort and Marina Proposal
- C. May 31, 2005 Comments from CCHOA on 2004 Spa Resort Proposal and CCHOA Board of Directors Resolution on Development of Grand Caribe Isle
- D. May 16, 2017 City of Coronado City Council Staff Report regarding District proposed PMPU designation for Grand Caribe Isle

cc: Anthony Gordon, SDUPD  
Christian Anderson, SDUPD  
Rebecca Harrington, SDUPD  
Thomas Russell, SDUPD  
Lesley Nishihira, SDUPD  
Juliette Orozco, SDUPD

SDUPD Doc No. 1636585