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DEC 18 2019

CITY OF PACIFIC GROVE
COMMUNITY DEV DEPT
December 13, 2019

Rob Mullane
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

**Subject: Notice of Preparation (NOP) for the American Tin Cannery Site Hotel Project
(SCH# 2019110152)**

Dear Mr. Mullane:

Thank you for providing us with the Notice of Preparation (NOP) for the American Tin Cannery Hotel and Commercial Project draft Environmental Impact Report (EIR). The 5.59-acre project site is located at 125 Ocean View Boulevard in the City of Pacific Grove. The proposed project would redevelop the four parcels at the American Tin Cannery site as a new hotel. Proposed construction activities include grading, tree and vegetation removal, partial demolition and renovation of the existing American Tin Cannery building, construction of a subterranean parking garage, and construction of a multi-story building to establish the new 225-unit hotel and related commercial uses. The hotel is proposed to include approximately 20,000 square feet of street retail uses on the ground floor along the Ocean View Boulevard frontage and two hotel guest wings (Family/Group Wing and Executive Wing) on the upper floors, each with a distinctive visitor experience with respect to amenities and services.

Generally speaking, we have been supportive of the concept of a hotel at this highly visible location adjacent to the shoreline, the City's public access trails, and the Monterey Bay Aquarium, as it is a prime spot for a visitor-accommodations use. That being said, there are issues that will need to be addressed. Given the magnitude of the project and its location, special consideration must be given to water availability, cost of accommodations, coastal hazards, tree removal, parking availability, and limiting impacts to coastal views. All of these issues will need to be addressed through the coastal permitting process and thus we would encourage the CEQA document to address them at this early stage.¹ With that in mind, please consider the following comments on the NOP:

Jurisdiction and Coastal Permitting Authority

The Commission recently approved the City of Pacific Grove's Land Use Plan (LUP), along with a new Implementation Plan (IP), for a complete Local Coastal Program (LCP). The City still needs to accept the Commission's approved modifications in order for the LCP to be in effect. Until then, the Coastal Act will be the standard of review, with the Commission-approved LCP as guidance. And note that the Commission-approved LCP contains specific policies and

¹ Please note that we previously submitted preliminary comments on the project to the city on July 12, 2019 and it is unclear whether there have been any significant changes to the project since that time.

standards for a hotel at this site (for example, see IP Section 23.90.180(C)(5)(g) for standards specific to the American Tin Cannery site, as well as IP Section 23.90.220(C) regarding the provision of lower-cost visitor accommodations in hotel projects). Thus, we strongly encourage the City to evaluate this project for conformance with the Commission-certified LCP. Please also note that until the LCP is certified, the Commission retains all CDP permitting functions in the City. Should the LCP be certified, the City of Pacific Grove would process the CDP. The EIR should also disclose that a portion of the project as proposed is located within the Commission's appeal jurisdiction.

Water

There is a significant water shortage problem in the greater Monterey peninsula, including within the Monterey Peninsula Water Management District's service territory, which is resulting in ongoing coastal resource degradation of the Carmel River. The proposed project includes 225 hotel rooms, hotel spa, multiple pools, and other facilities that would generate a significant water demand. The Coastal Act allows approval of new development where it has been clearly demonstrated that adequate water supply is available to serve the development. Furthermore, the Commission approved LCP contains specific development provisions for water supply and conservation (LUP section 3.4.4) including that provisions that individual private water systems including desalination facilities, except for rainwater collection, are prohibited (INF-2). Thus, the EIR for the proposed project should demonstrate that the development will be served by an adequate existing water allocation as well as sustainable long-term water supply by analyzing the water demands and water sources in order to be consistent with these requirements. We also suggest inclusions of a robust water offset and mitigation program.

Low-Cost Accommodations

The proposed hotel project is broken up into two "wings": the Executive Wing and the Family/Group Wing. Projected average room rates are not discussed in the project description but the distinction and title of each respective wing suggest that the Family/Group Wing may provide lower cost accommodations and/ or provide room amenities that would serve as a lower cost option for families (e.g. additional beds per unit, suite facilities, kitchen facilities, etc.). The Coastal Act protects lower-cost visitor-serving facilities, including overnight accommodations, by requiring visitor-accommodating development projects that would have adverse impacts on lower-cost accommodations to do one of the following: ensure lower-cost accommodations are provided onsite; ensure an equivalent number of lower-cost units are created off-site, or; pay into an "in-lieu" fund that will be used to create an equivalent amount of new lower-cost accommodations to be constructed elsewhere. The Commission has typically required at least 25% of proposed rooms be lower cost. In order to assess if the proposed project would adversely impact lower-cost visitor accommodations, a feasibility analysis as well as an impact analysis must be completed. Please refer to Commission approved IP Section 23.90.220(C) regarding lower-cost accommodations and the required analyses. Ultimately, the EIR should clearly explain whether the project includes high, low, and moderate cost rooms, and explore ways to maximize low-cost accommodations in one of the ways described above.

Coastal Hazards

Although located on the inland side of Ocean View Boulevard, the proposed hotel development on the site may be subject to natural coastal hazards, including large winter waves and bluff erosion, within the life of the project. The proposed project includes at least one subterranean parking garage that may be particularly susceptible given its elevation. The Coastal Act requires that new development minimizes risks to life and property in areas of high geologic, flood, and fire hazard. Thus the project should be designed to avoid/minimize impacts from coastal hazards, including but not limited to, erosion, episodic and long-term shoreline retreat, flooding, inundation, storm waves, high seas, tidal scour, and tsunamis, including in relation to sea level rise, over the life of the development. In order to assess the risk from coastal hazards, a site specific hazards report prepared by a qualified geologist/engineer will be required, the purpose of which is to ensure that such development can be built in a manner consistent with applicable coastal hazards policies. The EIR should evaluate coastal hazards at the project site and additional information on coastal hazard assessment specifications can be found in section 23.90.140 of the approved IP.

Parking

The American Tin Cannery building is currently occupied by retail stores, restaurants, and recreational uses with approximately 147 uncovered parking spaces dedicated to such existing uses. The proposed project includes a 225-room hotel, a restaurant and bars, meeting and gathering spaces, and a spa and fitness center with a total of 304 valet/off-street parking spaces for such uses. The Coastal Act requires that public access and recreational opportunities be maximized. This typically means that new development must provide adequate, appropriately-distributed off-street parking in order to protect on-street parking for coastal access uses. In order to ensure adequate parking is provided by the project in accordance with policy 23.90.180.5.C of the Commission approved IP, the EIR should demonstrate that the number of off-street parking spaces reflects both customer and employee parking needs are provided on-site and that it does not conflict with public coastal access parking needs. The EIR should consider factors including the size of the lot, proximity to the shoreline, and adequacy of public parking opportunities for public coastal access in the vicinity as well as additional measures to address non-vehicular access options, including bike rentals, "park once" strategies, and other transportation demand management (TDM) measures. Please note that bike racks are required by the project (LUP policy INF-19) and should not be considered when determining the appropriate number of off-street parking spaces. Lastly, the EIR should discuss the allocation of parking spaces per type of hotel room (executive vs/ family/group) and how the number of designated spaces per room type is appropriate to accommodate the number of guests/beds expected per room. For example, family/group rooms are designed to contain additional beds to accommodate families or groups and the ratio of parking spaces to each room type should reflect the number of individuals expected per room. The EIR should address how the allocated number of parking spaces is appropriate for the increased number of guests and thus is not expected to impact the remaining non-designated parking spaces provided for those using the conference/meeting areas, shopping in the 20,000 square feet of retail space, or employee parking.

Coastal Community Design Standards

The project site slopes down from Central Avenue to Ocean View Boulevard towards Monterey Bay. Given that the parcels are located along the first public road from the ocean and act as an important gateway transitioning from Monterey's historic Cannery Row to the City of Pacific Grove, the project site is subject to design standards for development under the Commission approved LCP. Section 23.90.180.5 of the approved IP provides Commercial Design Standard provisions specific to the ATC site, including maximum building height of 40 feet, maximum site coverage of 90 percent, and building setbacks of 8 feet. Under the approved LCP, buildings and other structures may be allowed up to 40 feet in height as measured from existing grade, with an allowance of an additional eight feet for mechanical appurtenances. Thus, any minor rooftop structures may not exceed 48 feet (measured from existing grade) and any such structures must be appropriately screened to protect public views. Please ensure that building heights are appropriate heights to ensure that existing blue water views from public vantage points are predominantly maintained to the maximum extent feasible. In addition, new development that fronts Ocean View Boulevard must include story step-backs and building articulation to ensure that structures do not appear as large flat planes. The EIR should contain visual simulations and explore the various building and height scenarios to best meet LCP and Coastal Act objectives of ensuring no blockage of existing blue water views from public vantage places, and ensuring that there are step-backs and articulation to avoid domineering over the Recreational trail and Ocean View Blvd. In regards to the maximum allowable site coverage, please note that site coverage may only be allowed up to 90 percent of the total site area if the project includes public amenities that enhance public access (e.g., public restrooms, seating areas, sidewalk and roadway access improvements on- and offsite, etc.) beyond that which is required by the Commission approved LCP for compliance with other requirements. Otherwise, site coverage may be decreased if substantial public coastal access amenities are not incorporated into the project.

In addition, the proposed project includes visitor-serving facilities including 20,000 square feet of street retail uses on the ground floor, restaurants, some indoor/outdoor gathering areas, and a rooftop bar. However, it does not appear that these visitor-serving amenities would constitute general public access amenities because they typically will require the purchase of food, beverages, or other commodities. The EIR should therefore consider including public restrooms, and outdoor patio or seating areas that can be used without the need to purchase any products. Section 23.90.080.F of the Commission approved IP requires that the project supports the LCP goal of providing for visitor-serving needs as appropriate, including providing low and no cost visitor and recreational facilities. The EIR should discuss what low and no cost visitor and recreational facilities are included in the project and how these facilities project supports the before-mentioned goal of the LCP. Lastly, the single site plan submitted with the NOP shows a building setback of zero feet along Ocean View Boulevard. Please note that there is a minimum building setback of eight feet.

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In conclusion, thank you for the opportunity to comment on the NOP. We are generally supportive of reutilization of this historic site to enhance visitor-serving uses, but we are also mindful of the potential adverse impacts to sensitive coastal resources resulting from the proposed hotel project and believe that addressing these issues early on will help facilitate the permitting process. We look forward to working through the above issues as you work through the local and/or Commission permitting processes. Please do not hesitate to contact me at (831) 427-4865 if you have any questions or would like to further discuss these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'AMC', with a long horizontal flourish extending to the right.

Alexandra McCoy
Coastal Planner
Central Coast District Office