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December 17, 2014

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Subject: San Mateo County Coastal Development Permit (CDP) Application Referral PLN 2013-00451, November 26, 2014; Final Addendum to the Big Wave Wellness Center and Office Park Project Environmental Impact Report (EIR), State Clearinghouse #2008102109, November 2014

Dear Ms. Leung:

Thank you for sending the Big Wave Wellness Center EIR Final Addendum (Final Addendum) received via email on November 5, 2014, and the CDP Application Referral for PLN2013-00451 (Permit Referral) received via email on November 26, 2014, both provided by San Mateo County (County). The Final Addendum evaluated a 4-Building Alternative for the Big Wave Wellness Center and Office Park Project, and the Permit Referral provides information on a revised site plan for the Applicant's most recent alternative proposing eight buildings. The 8-Building Alternative includes subdivision of two parcels (APN 047-311-060 subdivided into 7 lots and APN 047-312-040 subdivided into 2 lots); construction of 5 office park buildings totaling 162,000 square feet; 3 wellness center buildings totaling 97,520 square feet and related improvements; construction of a concrete restroom and boat storage parking; and grading consisting of 736 cubic yards of cut and 16,400 cubic yards of fill. The proposed project is located on the west side of Airport Street, north of Stanford Avenue and across the street from the Half Moon Bay Airport, in the unincorporated Princeton area of San Mateo County. We appreciate that the County extended the deadline to submit comments on the Permit Referral until today, December 17, 2014, and we hope that these comments prove useful to the County, the Applicant, and other interested parties as this matter makes its way through the permitting process.

Overall, it has been extremely difficult for Commission Staff to adequately evaluate both alternatives and their potential impact on coastal resources due to the somewhat unclear nature of the materials and the fact that the project seems to be in a state of semi-constant change. We are particularly hindered by the nature of undefined uses proposed for the office park and business space in the Wellness Center, as well as the multiple changes made to the building site configurations and square footages, architectural design, buffer area, and parking layout. It is also difficult to conduct a comprehensive evaluation of the potential impacts to coastal resources and consistency with the San Mateo County Local Coastal Program (LCP) without scaled plans for the 8-Building Alternative (including a lack of elevations), and without a detailed description of the aspects of the project that have changed from the 4-Building Alternative to the 8-Building Alternative. Nevertheless, we have reviewed the submitted materials referenced above and provide the following comments:

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- 1. Project Uses and Phasing:** The modified phasing plan presented in the Final Addendum and the Permit Referral only partially address the concerns expressed in our earlier comments, as the County and Applicant continue to assert that development of the Office Park buildings will be based on demand. LCP Policy 1.19 requires that “no permit for development in the urban area shall be approved unless it can be demonstrated that it will be served with adequate water supplies and wastewater treatment facilities.” And LCP Policy 1.3b states in part “...some land has been included within the urban boundary which should be restricted to open space uses and not developed at relatively high densities (e.g. prime agricultural soils, and sensitive habitats)” (see also discussion below). If the type of demand associated with the first two phases results in development that utilizes all the available water allocated for the entire project by Montara Water and Sanitary District (MWSD), what will happen to the development and newly created lots proposed in Phase 3? Has the County considered approval of the project in phases to ensure that no permit will be issued for lots or buildings that will potentially be undeveloped due to a lack of demand or available public services? Any approval must necessarily account for all aspects of it that will be approved, including in terms of build-out and service needs. Also, the level and types of uses and development and any project phasing directly relate to the question of the allowed level of density and intensity here. Conformance with LCP policies can only be measured if it is extremely clear what uses and development are being applied for and authorized, including in terms of phasing. We would strongly encourage the Applicant and the County to provide clarity on the level and types of uses and development that might be allowed by any CDP, and the ways in which that and any applicable phasing scenarios affect LCP conformance questions. Finally, the County needs to carefully consider project phasing to ensure that any initial phases account for relatively higher LCP priority uses and development, and any final phases account for any relatively lower priority components.
- 2. Affordable Housing:** Commission Staff agrees with proposed CDP condition 5(d) “the employment arrangements between the owners of the Office Park and the Wellness Center,” number 12, which requires that, “The Owner shall enter into a Contract with the County for maintenance of rates of all housing at the Wellness Center as affordable housing for the life of the project, prior to the final certificate of occupancy for housing at the Wellness Center.” Commission staff also recommends that the County require a condition to the CDP that will ensure that the Wellness Center will be used as a sanitarium specifically for developmentally disabled adult housing for the life of the project, as this is the primary reason for the residential component of the project being allowed in the M-1 zoning district.
- 3. Water Supply:** Commission Staff appreciates the revisions and additions made to the water demand estimates in Table 6 (Project Water Demand, Daily and Peak Flows) of the Final Addendum. However, there is no comparison of estimates with similar uses as previously requested. While the mix of uses in the proposal is unique, the different components of the proposal (office uses, light industrial uses, community housing, recreation facilities, etc.,) are not unique, and should have comparative usage estimates. Having a basis for comparison or more refined detail of these estimates would better justify that the estimates reflect the realistic maximum potential water demand for the project. Any approval must be based on a clear indication that MWSD has adequate capacity to address all water needs of the project, including in relation to any flexibility related to uses and phasing (as previously described).

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4. **Wastewater:** Granada Sanitary District (GSD)'s April 11, 2014 letter provided as Attachment E in the Final Addendum confirms that GSD has sufficient wastewater collection, transmission and treatment capacity to accommodate the project at the earlier estimation of 8,800 gallons per day. Has GSD confirmed that the new estimates provided in the Final Addendum can be accommodated? Any approval must be based on a clear indication that GSD has adequate capacity to address all wastewater needs of the project, including in relation to any flexibility related to uses and phasing (as previously described).
5. **Traffic and Parking:** As a result of the undefined uses proposed for the 165,000 square foot Office Park and the 27,000 square feet of business space proposed for the first floor of the Wellness Center, at this point, Commission Staff cannot adequately assess the necessary parking required consistent with LCP requirements or the maximum traffic impact from maximum occupancy of the proposed development.

The traffic study provided in Attachment B of the Final Addendum (Big Wave North Parcel Alternative Drafted Transportation Impact Analysis, August 28, 2014) provides a scenario of uses that could accommodate the full square footage of the proposed Office Park, such that the required parking would not exceed the proposed parking. However, the scenario evaluated may not be the actual scenario at build-out as the Applicant states that the uses will be based on demand. As such, it is unclear 1) if the estimated parking currently reflects the parking required for the maximum probable build-out scenario for the Office Park and Wellness Center (including the business space on the first floor of the Wellness Center); 2) if the parking provided on the lots for the 8-Building Alternative meets the size requirements for parking outlined in the LCP and provides for a range of space sizes that could accommodate parking demand for potential office, research and development, storage, and light manufacturing uses that were evaluated in the traffic impact analysis; and 3) from the hand drawn sketches provided with the Permit Referral, if there is sufficient space on the lot to accommodate the parking proposed and the 150-foot wetland buffer in the 8-Building Alternative configuration.

In regard to the traffic impacts evaluated, it is similarly unclear if the traffic impacts reflect the maximum probable impacts of various scenarios that could occur from different uses. For example, if there is only demand for office uses, would this significantly alter the total daily trips for the AM and PM peak weekday hours and Midday Saturday peak hour? Since the LCP requires 1 parking space for 200 square feet of office use, it seems that 84,000 square feet of office uses could be accommodated by the 420 parking spaces provided for the Office Park in the 8-Building Alternative configuration. Would 84,000 square feet of office uses alter the results of the traffic analysis significantly? If this was the build-out scenario, would the remaining space proposed for the Office Park and Wellness Center business space (103,000 square feet) be left in open space or developed with more office uses and parking? These uncertainties could present a situation where more parking and office uses are developed than were originally evaluated in the EIR and coastal development permit (CDP) application, affecting water, sewer, and traffic estimates.

Commission Staff recommends that the County clearly define and/or restrict the uses proposed to the uses and corresponding square footages evaluated in the traffic analysis or conduct additional evaluations of various scenarios in which the only uses are those that produce the highest trip generation rates during peak weekday and weekend hours. As mentioned above, if there is a potential for any part of the square footage currently proposed as Office Park and business uses in the Wellness Center to be devoted to additional parking areas in the future (due to demand), this could potentially affect the traffic analysis and mitigation measures established for the project consistent with LCP Policy 2.52. Therefore, Commission Staff recommends the County not allow any more than 420 parking spaces on-site to support the Office Park, regardless of the uses at build-out. In all cases, any approval must account for all traffic impacts and all parking demand based on what is approved. If the approval allows for a range of uses and phasing, then it needs to be very clear the way in which any flexibility in that regard is allowed, and any possible permutations associated with that flexibility must be evaluated in terms of their traffic impacts and parking demand, including in terms of changes that might be necessary to accommodate same (e.g., more or less parking, etc.).

6. **Public Views:** The LCP protects public views and requires visual compatibility, including that LCP Section 6565.17 (L) requires "The design of the structure is appropriate to the use of the property and is in harmony with the shape, size and scale of adjacent building in the community." As indicated above, our review in this respect has been hampered by a lack of project materials showing the proposed alternatives, including fundamentally in terms of a lack of elevations for the 8-building alternative and scaled plans. Based on what we do know, it appears that the size and scale of both proposed project alternatives is significantly larger than that found in the surrounding community. In addition, the visual aspects of the project have changed significantly, including building design, location, articulation, colors, spacing, massing and landscape screening. The LCP requires design review approval or a final recommendation by the Coastside Design Review Committee (CDRC). Once the CDRC has approved and/or submitted a final recommendation for the project, we would appreciate reviewing any new site plans, elevations, and visual simulations based on that CDRC recommendation prior to Planning Commission and/or Board consideration. It is also possible that review of such materials results in the need for additional evaluation materials, but it is hard to say at this juncture whether that will be necessary and what those might entail. In any case, the project needs to be evaluated for consistency with the visual resources policies of the LCP, including with respect to adjacent sensitive resources, viewsheds, and community character.
7. **Coastal Hazards:** A second fault trench study was conducted and was observed by the County geologist and Commission staff on November 10, 2014. While the County finds the first study adequate for the purposes of CEQA, given that a more detailed study that should provide better evidence of the geologic conditions at the project site has been conducted, Commission Staff recommends that the County review the new study and draw conclusions prior to issuance of a CDP. Please also provide Commission staff with a copy of the most recent trench study once it has been finalized. Based on the information currently provided, we cannot conclude at this time that the site is safe from geological hazards consistent with the LCP until such additional geologic investigation is provided.

- 8. Sensitive Habitats:** It is Commission Staff's understanding that the minimum buffer from the edge of the wetlands on both parcels would be 150 feet and that the Applicant is proposing to restore 50 feet of the area adjacent to the wetlands and use the remaining 100 foot buffer area for organic farming. It is also understood that willow wattle fences would be constructed between the restored and farmed areas and between the farmed and development areas, and that the organic farming activities would include planting, keeping of chickens (75 chickens/acre with all chickens housed outside wetlands and buffers) and a potted plant nursery, without plowing.

LCP Policy 7.19 permits, "public trails, scenic overlooks, and agricultural uses that produce no impact on the adjacent wetlands" in wetland buffers. LCP Policy 7.20 regarding the management of Pillar Point Marsh states in part, "All adjacent development shall, where feasible, contribute to the restoration of biologic productivity and habitat." The Commission's Senior Ecologist, Dr. John Dixon, has reviewed these components of the proposed project and the relevant materials and agrees with the 150 foot buffer, but not the manner in which the buffer would be used. Based on Dr. Dixon's input, we recommend that the 100 feet adjacent to the edge of the wetlands be restored and left alone, and that the remaining 50 feet adjacent to the development be allowed to be used for organic farming. Dr. Dixon also recommends that the farming proposed to take place within the buffer not include lighting, chickens, or livestock in order to adequately protect the adjacent wetlands. In addition, any trails recommended for the buffer should be within the outer 50 foot farmed area. As such, the trail condition number 26 proposed with the County CDP should be modified to include a specific trail plan with trails restricted to the outer 50 foot buffer. Commission Staff suggests modifying the project and the referenced condition as described above so that the Pillar Point Marsh wetlands, which provide habitat for sensitive species, are protected consistent with the requirements of the LCP. The open space and agricultural easements should also reflect the use restrictions recommended above.

- 9. Agricultural Lands:** LCP Policy 1.3 recognizes that some lands, including prime agricultural soils and sensitive habitats included in the urban boundary, should not be developed at relatively high densities. The Final Addendum states, "the consolidation of project buildings, agricultural use, and wetland and wetland buffer restoration proposed by the applicant help the project achieve the open space and density requirements of LCP Policy 1.3b." While the 8-Building Alternative does reduce the overall site coverage and density of development as compared to the original Big Wave project, a large portion of the agriculture maintained on the lot has been located within the wetland buffer area, in conflict with the protection of these sensitive resources (see also above). Thus, it appears that there is less space on the property than previously thought for ongoing agricultural activities. In addition, it is not clear that the proposed development is not "relatively high density" development under the LCP. The County should provide further evidence of how the development is not "relatively high density" development under the LCP and is consistent with LCP Policy 1.5 which addresses land uses and development densities in urban areas, including with respect to consistency with the Montara-Moss Beach-El Granada Community Plan; or consider reducing the density of the proposed Office Park to meet the requirements of LCP Policy 1.3 and 1.5 and provide more space for organic farming consistent with the goals of the project.

- 10. South Parcel Development:** How will the proposed project ensure that boat storage, public parking, public trail usage, restoration and landscaping, and the proposed organic gardening use, are the only

uses that would occur on the South Parcel for the future life of the subdivided land? The Final Addendum only discusses the agricultural and open space easements over the agricultural and wetland buffer portions of the property. This project would potentially increase the density of development which could occur on the south parcel through the subdivision. How will the uses be restricted for the life of the project to provide for waterfront and public uses consistent with the proposed project? Please ensure that these questions are evaluated and appropriately answered, including consistency with the LCP policies that apply to this portion of the property.

11. Alternatives Analysis: While the 4- and 8-Building Alternatives are alternatives to the original Big Wave project, the project does not consider other alternatives necessary to achieve LCP conformance that may reduce the overall size, scale and density of the Office Park in the 8-Building Alternative while still meeting project goals (including providing economic sustainability for the Wellness Center). The information in the Final Addendum also confuses the necessity of the location, size, and scale of the proposed Office Park in relation to the development with sustainability of the Wellness Center. Specifically, in regard to use of other affordable housing sites, the Final Addendum states, "the designated affordable housing sites are constrained topographically and are not zoned to incorporate office/manufacturing uses required by this project to support the Wellness Center economically." However, the Final Addendum goes on to state that development of the Office Park uses within the site will be based on demand. In addition, the Final Addendum states that "the Wellness Center would rely on private funding and boat storage and farming business proceeds if the Office Park were not built." This suggests that some or all of the Office Park may not be developed if there is little or no demand. These statements also suggest that there are other funding mechanisms for the Wellness Center separate from the development of the Office Park calling into question the necessity of such a large development in this location. Since the size, scale and density of the proposed development still raise LCP concerns regarding consistency with the surrounding land uses, visual impacts, high density development on agricultural land, impacts to sensitive resources, the nature and phasing of the project, available space for parking, and traffic impacts, Commission Staff would like to understand the following:

- Is the size, scale, and density of the currently proposed Office Park and subdivisions necessary to meet all project goals?
- If so, is there an economic feasibility analysis to support this?

In the original alternatives analysis for the proposed project the DEIR stated, "A reduced development alternative of the Wellness Center and Office Park on the northern parcel (Office Park site) only was also rejected as being infeasible because it would not be economically viable" and "A reduced development alternative with less than 186,000 square feet for the Office Park and fewer than 57 units for the Wellness Center was rejected as being infeasible because it would not be economically viable, according to the applicant." The 8-Building Alternative currently proposed seems to be within the constraints that were previously defined as not economically viable by the Applicant. Thus, it is unclear how the Applicant is defining economic viability relative to the proposed project. Without the information enumerated above, Commission Staff cannot clearly evaluate whether or not there are any other feasible alternatives which may meet the goals of the project while reducing environmental impacts and bringing the project into better consistency with the LCP.

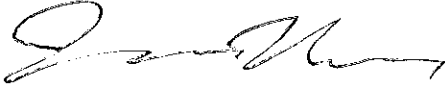
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We appreciate the opportunity to comment on the Final Addendum and the Project Referral for this project. We hope that these comments prove useful, and we look forward to additional coordination and discussion on the proposed project, including as new information and materials are developed moving through the County's CDP evaluation process. If you have any questions regarding these comments, please contact me at the address and phone number listed below.

Sincerely,



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