



**SPECIAL JOINT MEETING AGENDA
SAN DIEGO UNIFIED PORT DISTRICT
BOARD OF PORT COMMISSIONERS**

AND

**CITY OF CHULA VISTA CITY COUNCIL/
REDEVELOPMENT AGENCY**

August 9, 2005

4:00 P.M.

City of Chula Vista Council Chambers
Public Services Building
276 Fourth Avenue
Chula Vista, California

**PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE
COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE DISTRICT CLERK.**

Note: Agendas are available in alternative formats upon request. If you require assistance or auxiliary aids in order to participate at public meetings, please contact the District Clerk's office at (619) 686-6206 within 24 hours of the meeting.

1. Roll Call.
2. Public Communications (3 minutes each). No actions may be taken on these items.
3. Chula Vista Bayfront Master Plan:
 - A) Receive Presentation on the Master Plan Components and Financial Analysis;
 - B) Resolution Granting Preliminary Approval of the Master Plan and authorizing staff to proceed with the Environmental Review Process;
 - C) Resolution Authorizing Staff to enter into negotiations with the City of Chula Vista and the Redevelopment Agency of the City of Chula Vista to address public financing and entitlement processing of the Chula Vista Bayfront Master Plan through a Joint Powers Agreement or other such arrangement.

SAN DIEGO UNIFIED PORT DISTRICT

DATE: August 9, 2005

SUBJECT: CHULA VISTA BAYFRONT MASTER PLAN:

- A) RECEIVE PRESENTATION ON THE MASTER PLAN COMPONENTS AND FINANCIAL ANALYSIS**
- B) RESOLUTION GRANTING PRELIMINARY APPROVAL OF THE MASTER PLAN AND AUTHORIZING STAFF TO PROCEED WITH THE ENVIRONMENTAL REVIEW PROCESS**
- C) RESOLUTION AUTHORIZING STAFF TO ENTER INTO NEGOTIATIONS WITH THE CITY OF CHULA VISTA AND THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA TO ADDRESS PUBLIC FINANCING AND ENTITLEMENT PROCESSING OF THE CHULA VISTA BAYFRONT MASTER PLAN THROUGH A JOINT POWERS AGREEMENT OR OTHER SUCH ARRANGEMENT**

EXECUTIVE SUMMARY:

Phase II of the Chula Vista Bayfront Master Plan (CVBMP) is at its conclusion. Presentations will be made by staff and the consultant team on the master plan components, including proposed uses and density and height ranges, and the financial analysis. Staff requests that the Board of Port Commissioners (Board) grant preliminary approval of the master plan and authorize staff to proceed with the environmental review process. Staff also requests that the Board authorize staff to enter into negotiations with the City of Chula Vista and the Chula Vista Redevelopment Agency to address public financing of the CVBMP infrastructure improvements and entitlement processing, through a Joint Powers Agreement (JPA) or other such arrangement.

RECOMMENDATION:

Chula Vista Bayfront Master Plan:

- A) Receive presentation on the master plan components and financial analysis
- B) Adopt resolution granting preliminary approval of the master plan and authorizing staff to proceed with the environmental review process
- C) Adopt resolution authorizing staff to enter into negotiations with the City of Chula Vista and the Redevelopment Agency of the City of Chula Vista to address public financing and entitlement processing of the Chula Vista Bayfront Master Plan through a Joint Powers Agreement or other such arrangement

FISCAL IMPACT:

This Board action will allow the environmental review process to proceed. Funds in the amount of \$500,000 are available in the Land Use Planning FY 05/06 Operating Budget for a consultant to prepare the required environmental review document for this project. Pacifica Companies, as a partner with the Port and City in the CVBMP planning effort, will reimburse the Port 25% of the total environmental review consultant costs for the CVBMP (Certificate of the Treasurer 04-163).

DISCUSSION:

Background

In June 2002, the joint Board and Chula Vista City Council (City Council) authorized Port and City staff to proceed with a master planning effort for the Chula Vista Bayfront. The goals of the CVBMP planning process were three-fold: to develop a world-class waterfront, one that is supported by sound planning and economics, and one that has broad-based community support.

In March 2004, the Board and City Council approved the expansion of the 420-acre CVBMP planning area to incorporate the 128 acres of privately- and publicly-owned lands known as the "Midbayfront" properties. This enabled staff to begin joint planning both properties, and to explore the feasibility of a land exchange between the two properties, which could allow residential use to be placed on existing Port property.

During Phase I of the planning process, the Port and City engaged in an extensive, award-winning public participation program, comprised of 15 Citizens Advisory Committee (CAC) meetings, 7 Power Plant Working Group meetings, 7 public workshops and joint Board/City Council meetings, over 25 community presentations, distribution of 3 newsletters, and establishment of a CVBMP webpage. As a result, there was overwhelming community support for two of the land use plans developed during the one-year Phase I process.

On May 25, 2004, the joint Board and City Council gave preliminary approval of the CVBMP Phase I land use plans supported by the community and known as "Option C" and "Option B" (with a preference for "Option C"). They also authorized staff to proceed with Phase II of the master plan to identify a specific development program with master plan alternatives and to conduct a financial feasibility analysis of the plan.

Since Phase II began, the CVBMP team, comprised of Port and City staff, Pacifica Companies representatives, and consultants Cooper, Robertson & Partners (CR&P); Katz and Associates, Inc.; Wade Communications; Economics Research Associates (ERA); and RECON Environmental, Inc., has worked extensively and collaboratively with the expanded CAC and the public to educate and solicit input on the master plan program. During Phase II, 16 additional CAC meetings were held, including two "charette" workshops that enabled participants to review plan alternatives in three

dimensions, five meetings on economics, and a bayfront tour. A public meeting was also held in December and over 15 additional community presentations were conducted.

On February 8, 2005, Port and City staff provided updates on the CVBMP to the Board and City Council. On March 8, 2005, Port and State Lands Commission staff gave a presentation to the Board on the land exchange concept in general and its application to the CVBMP.

CVBMP Overview

The CVBMP project area encompasses a total of approximately 550 acres including approximately 490 acres of land area and 60 acres of water area. As part of CR&P's early analysis, the project area was logically organized into three distinct districts – Sweetwater, Harbor, and Otay. The Sweetwater District, approximately 128 acres, includes the northern section between the southern boundary of the Sweetwater Marsh National Wildlife Refuge and the South Bay Boatyard site. The Harbor District, approximately 271 acres, includes the middle section of the project area between the boatyard and J Street/Marina Parkway. The Otay District, approximately 149 acres, includes the southern section of the CVBMP study area, between J Street and the former LNG site.

Based on extensive CAC and community input, the CVBMP team has developed a master plan for the Chula Vista Bayfront that strives to: balance revenue-producing development with public open space and infrastructure improvements; promote economic development throughout the region; and create a vibrant, active, unified waterfront with strong connections to the rest of Chula Vista. The CVBMP proposes to redevelop existing underutilized and vacant areas in the City of Chula Vista and on Port tidelands with a variety of uses including: park, open space, civic/cultural, recreational, residential, hotel, office, entertainment, and retail. Ecological buffers are proposed where appropriate to protect adjacent environmentally sensitive resources. The plan proposes to extend Chula Vista's traditional grid of streets to ensure pedestrian, vehicle, bicycle, and transit links. The CVBMP also proposes a continuous open space system, fully accessible to the public, which seamlessly connects the Sweetwater, Harbor, and Otay Districts through components such as a continuous shoreline pedestrian walkway or "baywalk" and a continuous bicycle path linking the parks and ultimately creating greenbelt linkages. Significant park and other open space areas in each of the three districts are proposed along with a defined signature park and the creation of an active commercial harbor with public space at the water's edge. The plan also proposes to enhance existing physical and visual corridors while adding new ones.

Financial Analysis

ERA prepared an initial analysis of the financial performance and fiscal impacts of the CVBMP based upon a 25-year plan. Program elements provided through CVBMP planning consultants CR&P, cost estimates provided by engineering consultants Kimley Horn and Associates, and other economic and market data provided by marketing

consultants The Sedway Group and PKF Consultants, formed the basis of the analysis. The analysis considered the following:

- Estimated cost of infrastructure such as roads, bridges, and sewers necessary to support the new development;
- Private development proformas from the private developer perspective in order to estimate the financial feasibility of the private developments; and
- Potential public sector revenues to the Port, City of Chula Vista, and the Chula Vista Redevelopment Agency.

Gaylord Entertainment

Earlier this year, Gaylord Entertainment (Gaylord), operator of several large-scale convention center resort hotels in the United States, approached the Port and City expressing its interest in the Chula Vista Bayfront for its west coast expansion. In June of this year, Gaylord formally expressed an interest in immediately developing an approximately \$600 Million resort conference center facility on the bay. Staff initially estimated that a development of this magnitude could dramatically bolster the economics of the CVBMP through earlier development of a major “anchor,” which could include the addition of over 1,500 hotel rooms, 400,000 square feet of conference space, and several restaurants. It should be noted that the initial CVBMP financial analysis prepared by ERA was completed prior to considering the inclusion of a resort conference center anchor within the project. However, latter ERA reports did look at a resort conference center facility of a similar magnitude and concluded that a resort conference center facility could have a positive economic gain on the plan. The initial findings of ERA’s analysis are discussed below, exclusive of any financial effect that a major resort conference center might have on the plan.

Infrastructure and Public Improvements

In the ERA analysis, the cost of the infrastructure that would be required in order to support new development proposed for the CVBMP was estimated at \$260 - \$280 Million. Total public sector costs for the first 25 years of project development, including infrastructure, maintaining parks, open space, promenades, marinas, and readying parcels for private development, were estimated at \$475 - \$520 Million, translating to a net present value (NPV) of \$260 - \$280 Million.

Private Development Feasibility

ERA prepared 10-year development proformas for each of the private development components of the plan prior to Gaylord’s unsolicited proposal. The costs for the infrastructure described above were allocated to each of the private development parcels assuming that each would contribute reimbursement for a portion of up-front costs. The results of the analysis revealed that only the denser residential scenario and certain retail parcels located along the harbor would perform well. Most other private components of the plan were indicated to be marginally feasible, or would require gap

funding or abatement of infrastructure reimbursements or ground lease payments in order to achieve returns sufficient to attract private developers. The initial analysis indicated that the up-front development costs for the lodging parcels were too high, driven in large part by the costs associated with constructing structured parking, but that the potential exists for closing some of the financial gaps.

Port Revenues

ERA initially estimated total potential revenues to the Port in the first five years of the project development (through 2031) at \$590 - \$650 Million, translating to an NPV of \$170 - \$190 Million. Revenues would be comprised of lease revenues, parking revenues and infrastructure reimbursements. Lease revenues were estimated at \$280 - \$300 Million. Port revenues alone would not be sufficient to offset the public costs associated with the project and it was suggested that partnerships with other agencies, such as the City and the Chula Vista Redevelopment Agency, be explored.

Fiscal Revenues to the City of Chula Vista and Bayfront Redevelopment Project Area

ERA also initially found that the CVBMP could impact the balance sheets of the City of Chula Vista by generating new retail sales taxes (both through the planned new retail components and the expenditures of new visitors, employees and residents elsewhere in the city), new transient occupancy taxes (TOT), and development impact fees. There would also be associated costs to the City in providing services to the new development. Total net revenues to the City were estimated at \$45 - \$100 Million, or an NPV of the 25 year impacts estimated at \$25 - \$35 Million.

Net new property tax revenues to the Bayfront Redevelopment Area would depend on the number of residential units ultimately approved. ERA ran scenarios for 1,500 residential units, which could generate an estimated total net impact of \$165 - \$190 Million (NPV of 25 year impacts \$65 - \$75 Million); and 2,900 units, which could generate an estimated total net impact of \$225 - \$250 Million over 25 years (NPV of \$80 - \$100 Million).

Summary Table 6 – Summary of Net Present Value of Net Public Sector Impacts, 2007 – 2031 (In Millions of 2005 Dollars)

Source	Baseline	1,500 Dwelling Units
Public Costs	(260.0) – (280.0)	(260.0) – (280.0)
Port Revenues	170.0 – 190.0	170.0 – 190.0
CVRA Revenues	85.0 – 95.0	65.0 – 75.0
City of Chula Vista Revenues	25.0 – 35.0	25.0 - 35.0
Total Revenues	280.0 – 320.0	260.0 – 300.0
Total	20.0 – 40.0	(0.0) – 20.0
Less Potential Private Sector Gap Funding Requirement ¹	(55.0) – (65.0)	(85.0) - (95.0)
Total Public Sector Impact	(35.0) – (25.0)	(85.0) - (75.0)

¹Excluding Arena/Event Center

Note: This table is illustrative only for the purpose of comparing public costs to potential revenues. No potential public agency revenues have been allocated to the project and should not be assumed to be allocated.

Source: Economics Research Associates

Table 6 above illustrates that while total public sector revenues are capable of outweighing the capital and operational costs (if the various agencies determined to use those revenues to cover such costs), the result would be an overall deficit when private sector gap funding is factored in.

ERA’s initial analysis of the fiscal impacts of the CVBMP project indicate that it could generate significant public sector revenues that could be used to both leverage the public investment required and service the development. ERA stresses, however, that such revenues would be dependent in large part on hotel, entertainment, and specialty retail uses that are considered relatively risky from a developer’s perspective. It should be noted that the ERA financial analysis is not a static document and will evolve and be updated as necessary to specifically address financing and phasing strategies for implementing the CVBMP.

Positive Economic Impacts of a Resort Conference Center

The CVBMP financial analysis summarized above did not consider the destination resort conference center anchor component recently proposed. The addition of a major resort/convention destination (like a Gaylord development) could not only generate lease revenues, property taxes, retail taxes, and transient occupancy taxes, but could also generate indirect revenues through the demand it could generate for other lodging, restaurant, retail and recreational uses. As a result, the magnitude of the impacts associated with a resort conference center type facility could have a very substantial impact on the overall CVBMP project feasibility from both the public sector and private development perspectives. The market support for private development could be

accelerated by the addition of an anchor facility, and the risk associated with private development could be reduced. Subsequently, the increased viability for the private development could reduce the risk of the public resources required to implement the plan. Therefore, in staff's view, the destination draw capability of a Gaylord-type product would be highly desirable for the CVBMP.

Master Plan Components – Plan A

Based on sound planning and economics, and extensive CAC and community input, the land use plans approved by the Board and City Council in May 2004 have evolved into master plan concepts with proposed specific uses and locations, and density/height ranges. Staff proposes land uses and density/height ranges that will maximize flexibility in attracting development and minimize subsequent environmental review, which will facilitate timely implementation of the master plan components. In the Environmental Impact Report (EIR), staff proposes to analyze the first phase components (uses proposed to be constructed within the first five years) at a project-specific level, with all other components analyzed at a programmatic level, as these levels are defined by the California Environmental Quality Act (CEQA).

Staff proposes to analyze the following uses and density/height ranges for the proposed project "Plan A" (formerly referred to as "Plan C") in the EIR (refer to the following attachments: Attachment 1, "Plan A Draft Illustrative Plan"; Attachment 2, "Plan A Parcel Plan"; and Attachment 3, "Plan A Proposed EIR Density and Height Ranges"). For ease in referencing the uses, each specific plan component has been assigned an individual "parcel number." Parcel numbers that begin with "S" are located in the Sweetwater District, with "H" in the Harbor District, and with "O" in the Otay District.

Sweetwater District

The Sweetwater District includes the lowest intensity development of the three districts and focuses on lower scale, environmentally-sensitive and environmentally-themed uses, including a large ecological buffer, other open space areas, mixed use office/retail/civic, and hotel. It also proposes new roadway improvements to E and F Streets. For Plan A, no residential use is proposed in the Sweetwater District.

Plan A – Sweetwater District Summary Table			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Public Space			
SP1	400-foot-wide ecological buffer	42 acres	N/A
SP2	Wetlands	18 acres	N/A
SP3, SP4, SP5, SP6, SP7, S5	Parks/Open Space	14 - 16 acres	N/A

Plan A – Sweetwater District Summary Table (continued)			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Development			
S1	Mixed Use Office/ Commercial Recreation	200,000 - 300,000sf	40 to 60
S1	Civic/Cultural	10,000 - 50,000sf	30 to 45
S2	Conference Hotel	250 - 400 rooms	40 to 60
S3	Mixed Use Office/ Commercial Recreation	60,000 - 120,000sf	30 to 45

Harbor District

The Harbor District includes the highest intensity development of the CVBMP and encourages an active, vibrant mix of uses including: a resort conference center with 1,500 to 2,000 rooms and a large conference center on H23 as a destination anchor component; a large signature park and other open space areas; residential (subject to the proposed land exchange); retail/entertainment; mixed use office/commercial recreation; civic/cultural; other hotels; piers; and collector parking uses. The Harbor District is central to downtown Chula Vista and would provide a significant link from the city to the bayfront via the extension of H Street, ending in a new pier. A mix of low, medium, and high-rise buildings, and new and improved roadways (such as proposed Marina Parkway modifications) are proposed throughout the Harbor District. Also proposed are two options for reconfiguration of the existing harbor to create a new commercial harbor, and improvements to the navigation channel.

Plan A – Harbor District Summary Table			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Public Space			
HP1	Signature Park	32 acres	N/A
HP3	Promenade (12K -15K linear feet)	12 to 14 acres	N/A
HP5, HP11	Wetlands	11 acres	N/A
HP7, HP8, HP9	Marina View Park	6 acres	N/A
HP12, HP13	Other Parks/Open Space	11 acres	N/A
HP10, HP14	Open Space	4 acres	N/A
HP15	Bayfront Park/Boat Launch	8 acres	N/A
HP28	H St Pier	1 acre	N/A
HW1, HW2, HW6	Marinas	1,100 slips	N/A
HW4	Commercial Harbor	15 acres	N/A

Plan A – Harbor District Summary Table (continued)			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Development			
H1	Resort Hotel/Marine Sales and Service	350 - 500 rooms	50 to 65
H3	Civic/Cultural/Retail	200,000 - 400,000sf	45 to 75
H8/H9	Retail, Commercial Recreation	50,000 - 100,000sf	30 to 45
H12	Retail/Ferry Terminal	15,000 – 25,000sf	30 to 40
H15	Mixed Use Office/Commercial Recreation	300,000 – 475,000sf	170 to 200
H15	Hotel	200 – 250 rooms	170 to 200
H18	Collector Parking with wrap-around ancillary Mixed Use Office/Commercial Recreation	2,000–3,000 parking spaces, 200,000 – 400,000sf Mixed Use/Commercial Recreation	85 to 155
H21	Retail	75,000 – 150,000sf	30 to 45
H23	Resort Conference Center	1,500 to 2,000 rooms	250 to 300

Regarding residential use, staff recommends a project goal of 2,000 units located on parcels H13 and H14 in the Harbor District (with a maximum height range of 50 to 300 feet) and on parcels O1 and O2 in the Otay District. This goal of 2,000 units is consistent with the maximum number of units recommended for analysis in the EIR by many CAC members at their June 15 meeting. However, the current financial analysis data indicates that 2,000 units may be marginal and the analysis did not consider a labor component or LEED certification. Consequently, staff feels that additional flexibility is needed in the EIR analysis to continue to refine the appropriate number of residential units. Therefore, staff recommends that the EIR analyze a range of 2,000 to 2,400 residential units, and that refinement of the residential component occur as part of the environmental and financial analysis update process.

Otay District

The Otay District includes medium intensity development and consists of a mix of uses such as residential (see discussion under Harbor District above), energy/utility zone uses such as power generation facilities (relocation of the power plant and switchyard), low cost visitor-serving recreational uses (such as a recreational vehicle park, a new “South Park,” and other open space areas), and an ecological buffer.

Plan A – Otay District Summary Table			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Public Space			
OP1	South Park	40 acres	N/A
OP2	Ecological Buffer	15 to 18 acres	N/A
OP3, OP4	Park/Open Space	28 acres	N/A

Plan A – Otay District Summary Table (continued)			
Parcel Number	Proposed Use	Density Range	Maximum Height (feet)
Development			
O3	RV Park	175 – 236 RV spaces	15 to 35
O4	Power Plant		
	--Stacks	N/A	155
	--Towers	N/A	70 to 115
	--Other structures	N/A	20 to 105

CAC Input on Plan A

The Plan A proposed uses (for the non-residential components) and density/height ranges were presented to the CAC on July 13, 2005. A list of CAC comments were received and is contained in Attachment 4. Overall, CAC members' comments on Plan A were well-balanced. To address height concerns expressed by some CAC members, staff proposes that the Harbor District retail parcels H8, H9, and H21 be predominantly 1 to 2 stories, but could be as tall as 3 stories. Furthermore, staff proposes that the S2 conference hotel be predominantly 1 to 2 stories but could rise up to 3 to 4 stories in non-sensitive areas, and that the H1 resort hotel be predominantly 3 to 4 stories, but could be as tall as 5 stories.

Plan A – Resort Conference Center Options

To maximize flexibility of the CVBMP, staff proposes to analyze two additional options in the environmental review process that include the resort conference center in two key locations. These options would have the same level of analysis as Plan A in the EIR. These options were presented to the CAC on July 25, at which 16 of the CAC members voted to support inclusion of a resort conference center facility in the plan, or, alternatively, an events center if the resort conference center is not constructed. Furthermore at that CAC meeting, many of the CAC members supported the location of the resort conference center on the HP1 site. Draft illustrative plans for Options 1 and 2 will be revised in response to the comments received from the CAC on July 25.

Option 1 (see Attachment 5) is similar to Plan A in that it proposes the resort conference center on H23; however, it proposes a maximum 20-story hotel tower on H9 with a bridge connecting the two structures across Marina Parkway. Compared to Plan A, retail use on H8/H9 would be reduced from a range of 50,000 – 100,000 square feet to a range of 10,000 - 25,000 square feet due to the hotel tower; however, there would be 2.3 acres of new park space at H8/H9. All other proposed uses in Option 1 would be the same as in Plan A.

Option 2 (see Attachment 6) proposes the resort conference center on approximately 31 acres on portions of H1, HP1, and HP10, and on parcels H3 and H14, and set back at least 400 feet from the shoreline. The H1 yacht club building will be reduced in size. A portion of the signature park would transfer and occupy S2 in Sweetwater. The signature park would continue onto parcels HP10, a portion of H1, HP1, H8, and a

portion of H9 in the Harbor District, wrapping around the western end of the resort conference center. The signature park in this option would total about 41 acres, about 9 acres more than the signature park proposed in Plan A. Compared to Plan A, retail use on H8/H9 would be reduced from a range of 50,000 – 100,000 square feet to a range of 25,000 - 50,000 square feet, with a predominant height of 1 story, but could be as tall as 2 stories. The proposed civic/cultural center would move from H3 to H23 with a maximum of 400,000 square feet of civic/retail use and parking. In lieu of the S2 and H1 hotels proposed in Plan A (totaling 900 rooms), Option 2 proposes a single 500-room resort hotel on S1 in the first phase, with a maximum height of 8 stories near the freeway and stepping down to a maximum of 2 stories as it approaches the Sweetwater Wildlife Refuge. Conditions of approval would be that the signature park would be built at the same time as the resort conference center and contain a 100-foot-wide buffer along the extension of H Street on parcels H8 and a portion of H9. The CAC would continue to address architectural issues. All other proposed uses in Option 2 would be the same as in Plan A.

Plan B

In addition to analyzing Plan A and the two additional options that include the resort conference center, staff proposes to analyze in the EIR, at a programmatic level, a Plan B that assumes no land exchange and therefore no residential use in the Harbor and Otay Districts. Plan B alternatives propose residential, office/retail/civic, and hotel uses (as well as the ecological buffer, wetlands, and park/open space areas proposed in Plan A) in the Sweetwater District, and additional retail/entertainment uses on parcels H13 and H14 in the Harbor District.

Plan A Phase I Components

Staff proposes to analyze the first phase components, which are proposed to be constructed within the first five years, at a project-specific level in the EIR, and all other components analyzed at a programmatic level. Phase I is envisioned to consist of high-quality development and public improvements that will be concentrated in the Harbor District and will be a catalyst for surrounding CVBMP public and private development. The proposed Phase I components are: the H23 resort conference center (for Plan A and the two additional options that include the resort conference center), the HP1 signature park (and in Option 2, the S2 signature park), the H13 and H14 residential use, the H15 mixed use office/commercial recreation/hotel, the H18 mixed use office/commercial recreation/parking, the extension of H Street, Marina Parkway improvements, a portion of the HP28 H Street Pier, H8 and H9 retail around the harbor, the HP3 baywalk, and a multi-modal transit plan with shuttles, bike paths, and collector parking lots.

Financing of the CVBMP

In order to implement the proposed Phase I and subsequent phase improvements, a financial participation agreement between the Port, the City of Chula Vista, and the Chula Vista Redevelopment Agency will be required. Staff requests that the Board authorize staff to negotiate with the City of Chula Vista and the Chula Vista

Redevelopment Agency to address additional entitlement processing and the financing and phasing of the CVBMP infrastructure improvements in order to implement the project, through a JPA or other agreement. Staff will request authorization of a proposed financing agreement at a future Board meeting.

Recommendation and Next Steps

Staff requests that (1) the Board grant preliminary approval of the master plan and authorize staff to proceed with the environmental review process; and (2) the Board authorize staff to enter into negotiations with the City of Chula Vista and the Chula Vista Redevelopment Agency to address public financing and entitlement processing of the Chula Vista Bayfront Master Plan through a Joint Powers Agreement or other such arrangement. During the EIR process, staff will continue to work with the community on specific design issues relating to the CVBMP. It is anticipated that the EIR will be certified in late 2005, followed by State Lands Commission approval of the land exchange, and Coastal Commission approval of the Port Master Plan and Local Coastal Program amendments (that incorporate the preferred plan) by Spring/Summer 2006. Coastal development permits can then be issued and the first phase components implemented.

Port Attorney's Comments:

Not applicable.

Environmental Review:

This proposed Board action will allow staff to proceed with the environmental review process for the CVBMP.

Equal Opportunity Program:

Not applicable.

PREPARED BY: Ralph T. Hicks
Director, Planning

Randa J. Coniglio
Area Real Estate Manager

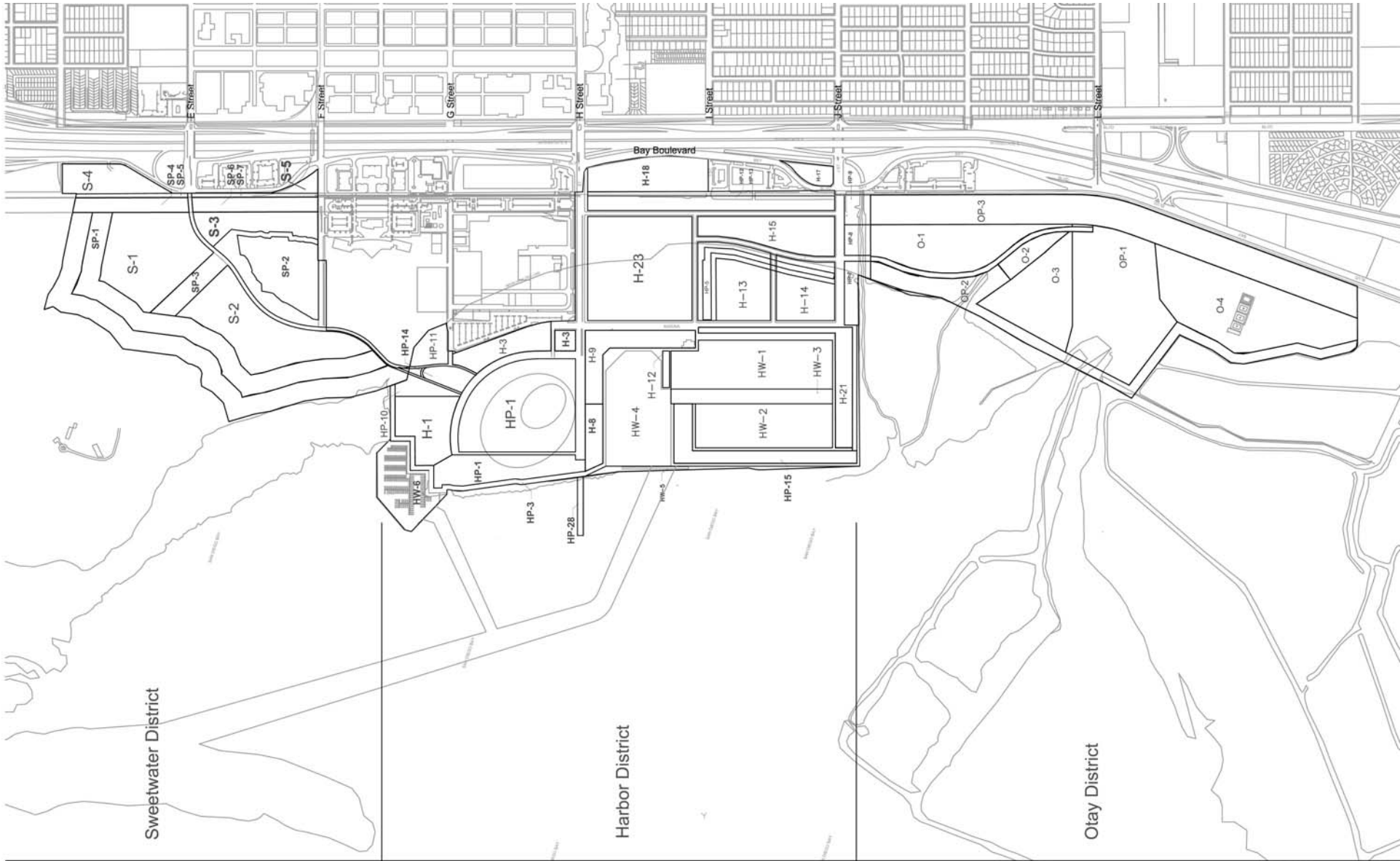
Wileen C. Manaois
Senior Planner



CHULA VISTA BAYFRONT MASTER PLAN
DRAFT ILLUSTRATIVE PLAN – PLAN A
(RCC on H23 only)

Note: This plan is conceptual and is subject to change.

ATTACHMENT 2 to Staff Report for
8/9/05 Joint BPC/CV City Council Meeting



CHULA VISTA BAYFRONT MASTER PLAN
PLAN A PARCEL PLAN 7/25/05

CHULA VISTA BAYFRONT MASTER PLAN
Plan A - Proposed EIR Density and Height Ranges

ATTACHMENT 3 to Staff Report for
 8/9/05 Joint BPC/CV City Council Meeting

S=Sweetwater; H=Harbor; O=Otay

Parcel No.	Proposed Use	Economic Studies		Plan Total	Maximum Height (stories)	Maximum Height (feet)	Sweetwater Total		Harbor Total		Otay Total	
		Densities					Low	High	Low	High	Low	High
Mixed Use Office/Commercial Recreation (square feet)												
S1	Mixed Use Office/Commercial Recreation			200,000	300,000	2 to 4	40 to 60					
S3	Mixed Use Office/Commercial Recreation			60,000	120,000	2 to 3	30 to 45					
H15	Mixed Use Office/Commercial Recreation			300,000	475,000	14 to 17	170 to 200					
H18	Mixed Use Office/Commercial Recreation, Collector Parking (2,000-3000 spaces)			200,000	400,000	6 to 10	85 to 155					
Total				1,420,000	760,000	1,295,000		260,000	420,000	500,000	875,000	0
Retail (square feet)												
H8/H9	Retail, Commercial Recreation			50,000	100,000	2 to 3	30 to 45					
H12	Retail			15,000	25,000	2	30 to 40					
H21	Retail			75,000	150,000	2 to 3	30 to 45					
Total				572,000	140,000	275,000		0	0	140,000	275,000	0
Civic/Cultural (square feet)												
S1	Civic/Cultural			10,000	50,000	2 to 3	30 to 45					
H3	Civic/Cultural/Retail			200,000	400,000	3 to 5	45 to 75					
Total				435,000	210,000	450,000		10,000	50,000	200,000	400,000	0
Hotel (rooms)												
S2	Conference Hotel			250	400	2 to 4	40 to 60					
H1	Resort Hotel/Marine Sales & Service			350	500	3 to 5	50 to 65					
H15	Hotel			200	250	14 to 17	170 to 200					
H23	Resort Conference Center			1,500	2,000	20 to 25	250 to 300					
Total				950	2,300	3,150		250	400	2,050	2,750	0
Public Space (acres)												
	Buffers			57	60	-	-	42	42	0	0	15
	Wetlands			29	29	-	-	18	18	11	11	0
	Parks/Open Space			136	151	-	-	14	16	58	63	64
	Promenade (12,000-15,000 linear feet)			12	14	-	-	0	0	12	14	0
Total				234	254			74	76	81	88	79
Other												
O-3	RV Park (RV parking spaces)			236	175	236	1 to 2	15 to 35				
O-4	Power Plant											
	--stacks (height in feet)			-	-	-	-	155				
	--towers (height in feet)			-	-	-	-	70 to 115				
	--structures (height in feet)			-	-	-	-	20 to 105				

Notes: Parcel S1 appears twice under MU Office/Comm. Recreation and Civic; parcel H15 appears twice under MU Office/Comm. Recreation and Hotel.
 Acreages shown reflect gross acreage.
 Based on February 2005 parcel plan.
 Table does not include proposed residential use.



Chula Vista Bayfront
Master Plan Phase II

CHULA VISTA BAYFRONT MASTER PLAN – PHASE II
July 13, 2005 Citizens Advisory Committee Meeting
CAC Comments on Staff Proposed Master Plan Density/Height Ranges

Pat Aguilar, Crossroads II

- It appears that 400,000sf civic/retail on H3 will not be feasible; instead suggests deleting the office component in S1 and increasing the civic use density.
- 1.3 million total square feet of office use is unrealistic and doesn't attract people to the bayfront, and should be significantly reduced to perhaps 375,000 square feet. Office use does not support the WOW factor and can be located anywhere; the bayfront should be reserved for more exciting uses.
- Residential use also does not support the WOW factor.

Ken Baumgartner, The Corky McMillin Companies

- Supports maximum flexibility and increased intensity of uses.
- Need morning, afternoon, and evening pedestrian traffic through a mix of office and residential use to make the retail work.
- Residential use should be brought in early on and can help support more of the infrastructure requirements than any of the other uses.
- Retail use may need to be subsidized early on.

Jack Blakely, CV Downtown Business Association

- More than 1.0 million square feet of office use is too high; may be more appropriate to reduce that use density and increase densities of other uses.
- The CAC was asked to come up with a "WOW" factor for the bayfront; is concerned that having one-level Motel 6's on prime waterfront property is not a "WOW" factor. There should be no 1-story buildings in this plan. The plan proposes a 400-foot-wide buffer and other open space improvements that cannot be financed through 1-story development.
- Doesn't think increasing density of civic rather than retail use will be financially feasible.
- Supports 2,000 residential units in the plan.

John Chavez, South Bay Forum

- Questions whether 2,000 residential units is the right number given the increase in projected revenue for the CVBMP resulting from the Resort Conference Center proposal; perhaps a lower number is appropriate.

Nick DeLorenzo, SD Council of Design Professionals

- Is concerned that the proposed amount of civic use will not fit on the H3 civic/retail site.
- Reducing height will increase the buildings' massing on the site, which would be unattractive. Prefers having some increased height within the parcel with appropriate design incorporated to minimize raptor concerns.
- Supports multiple uses, such as paving and park, within the SDG&E easement corridor in the Otay District.
- Massage the O3 RV Park into a nicer shape; perhaps site it within the SDG&E easement corridor.

Ian Gill, Highland Partnership

- Feels the level of intensity in the plan is very low.
- Need to have feasible development with sufficient flexibility to endure several cycles of development.
- Opposes reducing flexibility of uses.
- Parcel S4 would be appropriate for office or hotel use, or a civic building serving as a gateway to the Sweetwater District.
- Supports higher intensity use on the S1 mixed use office/retail/civic parcels and the S2 conference hotel; perhaps reduce SP1 buffer area to accommodate this.
- Heights near the freeway should not be limited to 3 to 5 stories; it should be whatever good planning will allow.
- The Resort Conference Center concept could fit well in the Sweetwater District.
- Supports the proposed uses and height ranges in the Harbor District, and broad use descriptions to maximize flexibility of uses recognizing the challenges in attracting trust-related office use. The proposed uses also provide sufficient open space and accessibility.
- Concerned that the plan does not have a jobs/housing balance.
- Supports co-location of office and residential uses.

- Opposed to removing residential use from the Otay District, which will reduce flexibility; feels residential use here is appropriate since it was removed from the Sweetwater District.
- Supports public transit/parking intercept concept at H18; would also make a good residential site.
- Residential near the freeway would not be an issue if properly mitigated.
- RV Park relocation to Otay District needs to be visually pleasing in design yet be workable for this longstanding bayfront tenant.
- Need to accommodate SDG&E's undergrounding requirements (ie, access, etc.).

Chris Lewis, CV Chamber of Commerce

- The Chula Vista Chamber of Commerce supports commerce, and this cannot be achieved with 1-story hotels. 3-story development is needed to attract developers.
- Need to consider return to retailers also; residential mass is needed to attract retailers (like downtown San Diego).

Jim Peugh, SD Audubon Society

- Concerned about the maximum height of the S2 conference hotel at 40 to 60 feet considering its proximity to the F&G Street Marsh; doesn't think 4 stories will fit there; should follow the Vacation Village model by reducing to 1 and possibly 2 stories maximum if done well.
- Doesn't think 3 to 5 stories will fit on the H1 resort hotel site; H1 should follow the Loews Hotel model and be reduced to a maximum of 2 stories.
- H8 and H9 retail uses should be reduced to 1 to 2 stories maximum, but predominantly 1 story, with good visual and physical access between the buildings to allow for views and access from the signature park to the harbor.
- Include an aesthetically-pleasing stormwater treatment facility in the Otay District as had been shown in previous renderings.
- Supports reducing density at the S2 conference hotel and increasing density and height at the S1 mixed use office/retail/civic site.

Rudy Ramirez, CV General Plan Update

- Retail on the bayfront should be the type that attracts visitors.
- Would like to see the greenbelt connection between the Harbor and Otay districts and how it relates to heights/massing and opening of corridors.

Emerald Randolph, CV Boys & Girls Club

- The proposed retail use should serve both residential and hotel uses.

- Civic uses are wonderful and a WOW factor but don't pay for themselves.
- Building all the proposed open space areas will be challenging.

Allison Rolfe, SD Baykeeper

- Concerned about the maximum height of the S2 conference hotel; should be reduced to a maximum of 1 to 2 stories like Asilomar and Vacation Village.
- Concerned about the maximum height of the H1 resort hotel, and H8 and H9 retail parcels, which are within the flyway, so the heights should be lower (1 to 2 stories). To compensate for the height and density reduction on these parcels, would support increasing the maximum height of the H3 civic/retail parcel to 6 or 8 stories because it would not be in the flyway and is next to the Goodrich industrial buildings.
- Concerned about the maximum height of the H21 retail parcel due to its proximity to the J Street Marsh; should be reduced to a maximum of 1 to 2 stories.
- Concerned about having maximum heights that may lead to building of towers, which could result in perching issues. However, appropriate design could alleviate this concern.
- Concerned that in a scenario where the power plant would remain in its existing location, the proposed O1 and O2 residential uses would be within 1,000 feet of the plant; therefore, one of the EIR alternatives should include no residential use in the Otay District and the residential density transferred to the Harbor District. The proposed RV Park could be relocated to O1 and O2.
- The EIR should consider the new Air District rule that prohibits residential development within 500 feet of a freeway.
- Concerned about the potential reduction of the OP2 buffer width on the O4 former LNG site and potential impacts to the J St Marsh area; suggests working out issues with SDG&E regarding the width of the OP4 easement.
- Supports achieving the WOW factor through a mix of uses.
- Supports higher maximum height at the S1 mixed use office/retail/civic site.
- Supports higher maximum heights near the freeway, lower near the water, consistent with previous discussions.

Jeff Wells, Voit Commercial Brokerage Company

- Maintain flexibility in uses and allow for a mix of uses, which will benefit the EIR, the builders, and public access.



CHULA VISTA BAYFRONT MASTER PLAN
DRAFT ILLUSTRATIVE PLAN – PLAN A Option 1
(RCC on H23 with tower on H9)

Note: This plan is conceptual and is subject to change.



CHULA VISTA BAYFRONT MASTER PLAN
DRAFT ILLUSTRATIVE PLAN – PLAN A Option 2
(RCC on central site along proposed Marina Parkway Realignment)

Note: This plan is conceptual and is subject to change.