

FILE NUMBER: 2025-085

DATE: Tuesday, March 11, 2025

SUBJECT: Coronado Yacht Club Preliminary Project Review for Proposed Redevelopment

DESCRIPTION: (A) Receive Preliminary Project Review Presentation for the Proposed Redevelopment of the Coronado Yacht Club at 1631 Strand Way in Coronado; and (B) Resolution Authorizing Staff to Commence Environmental Review in Accordance with the California Environmental Quality Act for the Proposed Project

EXECUTIVE SUMMARY:

The District has a 5-year lease with Coronado Yacht Club, a California non-profit corporation dba Coronado Yacht Club (“CYC”), located at 1631 Strand Way in Coronado, California (Attachment A – Location Map). Existing improvements include a clubhouse building, 264 marina slips, 91 parking spaces, and landscaping.

CYC is proposing a full redevelopment of the premises that would see the facility transformed and repositioned into a modernized yacht club. The redevelopment would involve demolishing the existing land improvements which date back to 1947 when a government surplus building was moved to the site for use as the clubhouse. The proposed redevelopment includes a new 17,000 square foot two-story main clubhouse, a new youth sailing school center, bulkhead rip-rap, boat hoists and dinghy launch ramp, ancillary building, landscaping, utilities upgrades and a new storm water filtering system (collectively, “Project”). In addition, the proposed Project would enhance public access to San Diego Bay through the creation of a 6-foot-wide public promenade and viewing platform along the Bayfront shoreline, with spectacular views towards Glorietta Bay.

The proposed Project will provide event rooms that will be available for public service functions including meetings of the Coast Guard Auxiliary, U.S. Power Squadron, Optimist Club of Coronado, Coronado Association of Realtors and local chapters of the Military Officers Association of America and the Navy League. The proposed Project will support the community activities it has supported in the past, such as Sharp Hospice Care, through the fund-raising activities of CYC's Sharp Hospice Care Benefit Regatta, and Relay for Life.

The Project is presented to the Board of Port Commissioners (“BPC” or “the Board”) pursuant to Section 3.02 of the Port Code for preliminary project review as required for a tenant project that may require a California Environmental Quality Act (“CEQA”) analysis and a Coastal Development Permit (“CDP”). Furthermore, the Project has a budget of approximately \$18.5 million and has prominent visibility. Therefore, staff are proceeding with a Preliminary Project Review presentation and are seeking the Board’s authorization to commence environmental review for the proposed Project.

RECOMMENDATION:

Coronado Yacht Club Preliminary Project Review for Proposed Redevelopment

- (A) Receive Preliminary Project Review Presentation for the Proposed Redevelopment of the Coronado Yacht Club at 1631 Strand Way in Coronado; and
- (B) Adopt Resolution Authorizing Staff to Commence Environmental Review in Accordance with the California Environmental Quality Act for the Proposed Project.

FISCAL IMPACT:

Preliminary project review and authorization from the Board to commence environmental review in accordance with CEQA will not have a direct fiscal impact to the District.

As consideration for their significant investment, CYC has requested a lease extension. Staff anticipates negotiating a new lease with CYC on the District's current lease template as well as adjusting the rent to market for Yacht Clubs. Any such new lease would be subject to Board approval.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A vibrant waterfront destination where residents and visitors converge.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

Background

The CYC has leased the approximately 675,376 square feet of land and water area located at 1631 Strand Way, in the City of Coronado, for over 50 years. They are currently on a five (5) year lease, commencing January 1, 2024 and ending December 31, 2028, and are a tenant in good standing. CYC is non-profit yacht club of approximately 264 slips, ancillary dry boat storage facilities, lockers, and supporting food and beverage operations including catering. The Lease is summarized on Attachment B (Attachment B – CYC Lease Information Summary).

In addition, 39,858 square feet of land area that the CYC leases is under a separate City of Coronado Lease, which is coterminous with the District lease.

Proposed Project Description

The proposed Project intends to transform CYC leasehold by modernizing and enhancing the entire premises and repositioning it as a premier non-profit yacht club in the region.

While the proposed Project would not include any work to the marina, it would see almost all components of the leasehold either replaced or renovated, with an anticipated minimum investment of over \$18.5 million. The proposed Project includes the elements listed below, all of which would be built on the existing leasehold and depicted on the attachment (Attachment C – Project Renderings).

Main Clubhouse

The new main clubhouse would be built in generally the same location as the existing building and serve the same purpose. The existing one-story, 10,860 square foot clubhouse would be demolished and replaced with a two-story 17,000 square foot clubhouse. The new clubhouse would be 40 feet above the finish floor at the highest roof peak. The building's foundation would be elevated approximately 3 feet higher than the existing grade and dry floodproofing will be utilized to account for potential sea level rise. It will include a main kitchen, staging kitchen, restrooms, storage, elevator, event rooms, bar, library, administration facilities, locker room and retail store.

In addition, the event rooms will be available for public service functions including meetings of the Coast Guard Auxiliary, U.S. Power Squadron, Optimist Club of Coronado, Coronado Association of Realtors and local chapters of the Military Officers Association of America and the Navy League. The Project will support the community activities it has supported in the past, such as Sharp Hospice Care, through the fundraising activities of CYC's Sharp Hospice Care Benefit Regatta, and Relay for Life.

Youth Sailing School Center

The proposed new youth sailing school will be approximately 1,200 square foot and built adjacent to the new clubhouse. The school would include classrooms, storage lockers for sailing equipment, and offices. The school will accommodate larger classes which in turn will allow greater public participation from children throughout San Diego County.

In addition, CYC has operated a Junior Sailing Program since 1966. The highly successful program is open to all children between the ages of 8 and 21 that is funded by student fees and subsidized by the CYC general fund. CYC also offers scholarships for students who cannot afford the fees. The summer sailing program has approximately 450 youth sailors attending with 49% being non-members. CYC also supports the Coronado High School Sailing Team of which approximately 60% are non-members. The high school stores sail boats within CYC leasehold at no cost, and the CYC sailing coach serves as the high school sailing team coach. The proposed project will allow CYC to continue and expand its support of the Coronado High School Sailing Team.

Public Pedestrian Promenade and Viewing Platform

An approximately four thousand square feet of public access improvements are proposed to be built along the existing waterfront and will allow for public access on the leasehold during daylight hours. The public access improvements include approximately six feet wide, 400 feet long promenade, terminating at a public viewing platform that will include a sitting bench for the public to enjoy views of Glorietta Bay.

Bulkhead Rip-Rap

The existing bulkhead and associated rip-rap materials along the bayside of the leasehold will be replaced to ensure foundation stability for proposed structures and longevity of the leasehold property.

An approximately 3-foot-high solid flood wall barrier will be constructed along the bayside to prevent flooding from potential sea level rise. The 3-foot-high wall is anticipated to be similar to the City of Coronado rip-rap constructed near the CYC leasehold.

Vehicle Parking Lot and Site Access

The existing asphalt parking lot will generally be retained in its current configuration. The entrance to the parking lot will be relocated approximately 160 feet to the south.

Boat Hoists and Dinghy Launch Ramp Replacement

The existing overwater pier foundation that supports two boat launching hoists will be replaced in its entirety. The existing dinghy boat ramp will also be replaced with a new dinghy boat ramp that will be approximately 20-feet wide to allow for dinghies to be launched concurrently.

Ancillary Building

The existing 1,000 square foot maintenance shop, as well as the marina bathroom facilities, will be demolished and reconstructed to approximately 4,000 square feet, as part of a combined structure that will also include locker storage for equipment.

Landscaping

Landscaping will be replaced and enhanced across the site. This will be accompanied by improvements to lighting, furniture, and amenities to create additional informal outdoor spaces for yacht club members and guests to enjoy.

Infrastructure and Utilities

The proposed Project will see comprehensive maintenance of existing assets and improvements to infrastructure and utilities, lighting, and power as well as an improved stormwater filtering system.

In summary, the benefits of modernization of the CYC leasehold, include the creation of a public access promenade and viewing platform, guest and member meeting space, enhanced overall experience, and the maintenance of existing assets and infrastructure. This will see CYC better positioned to remain competitive in the greater San Diego market, attracting more visitors to the area, and increasing revenue to the District.

Review of Board of Port Commissioners Policy No. 355

Board of Port Commissioners Policy No. 355 Real Estate Leasing Policy provides for tenant investments that may qualify for lease term extensions along with project submittals that are presented to the Board for consideration of the project and term extensions. CYC intends to request additional lease term in connection with the Project. If the Board authorizes staff to commence environmental review of the Project, staff will work to concurrently negotiate associated lease terms with CYC, for future consideration by the Board.

Next Steps

If the Board authorizes staff to commence environmental review, the next step will be to commence pre-application coordination with CYC in accordance with District Code Section 3.02. Then, in accordance with District Code Section 3.03, CYC will be requested to submit a project application. Once the project application is deemed complete and a detailed project description has been developed, the CEQA and Coastal analysis will commence.

Other next steps will include presenting the proposed Project to the Accessibility Advisory Committee for review of the accessibility elements of the Project, and to provide any committee recommendations to the applicant.

Conclusion

CYC is a tenant in good standing and has demonstrated the willingness and capacity to operate a successful non-profit yacht club, which provides enjoyable experiences to its patrons and visiting public. The proposed Project aims to comprehensively redevelop and modernize the yacht club, emphasizing aesthetic appeal, enhanced guest and member experience, infrastructure maintenance, and improved public access, which will improve a District-owned asset and attract more visitors to the waterfront.

Staff recommends that the Board authorize staff to commence environmental review for CYCs' proposed Project.

General Counsel's Comments:

The General Counsel's Office has reviewed this agenda and attachments, as presented to it, and approves the same as to form and legality.

Environmental Review:

The Board actions including without limitation, a preliminary project review presentation and authorizing staff to commence environmental review does not constitute a project under the definition set forth in CEQA Guidelines Sections 15352 and 15378 because there is not a commitment to a definite course of action and no direct or indirect changes to the physical environment would occur at this time. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable

activities that may result from projects prior to the approval of the same. Any project requiring the District or the Board's discretionary approval, including the proposed Project, resulting in a physical change to the environment shall be analyzed in accordance with CEQA prior to consideration for approval. The District or the Board reserves its sole and absolute discretion to approve or disapprove the proposed Project. CEQA review may result in the District or the Board, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" and/or adopting a Statement of Overriding Consideration, if required. The exercise of this future discretion is in no way limited by receiving this presentation and providing direction to staff today. Therefore, no CEQA review is required at this time.

The presentation and direction to staff complies with Section 35 of the Port Act which allows for the Board to do acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the presentation and direction to staff is consistent with the Public Trust Doctrine.

This presentation and direction to staff does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's CDP Regulations because there will not be, without limitation, a physical change, change in use, or increase the intensity of uses. Therefore, issuance of a CDP or exclusion is not required at this time. However, development within the District requires processing under the District's CDP Regulations. Future development would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan (PMP), and Chapter 3, as applicable, and Chapter 8 of the Coastal Act. The exercise of the District's discretion under the District's CDP Regulations is in no way limited by today's presentation and direction to staff. An Appealable CDP will be required for the proposed Project and will be presented to the Board for its consideration in the future.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct impact on District workforce or contract reporting at this time.

PREPARED BY:

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Attachment(s):

Attachment A: Location Map
Attachment B: CYC Lease Information Summary
Attachment C: Project Renderings