RESOLUTION 2019-098

RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE OFFSITE IMPROVEMENTS TO BE LOCATED IN THE CITY OF CHULA VISTA

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1 (Port Act); and

WHEREAS, Chula Vista Marina/RV Park, Ltd. had a lease with the District for approximately 578,929 square feet of land located at 460 Sandpiper Way in the City of Chula Vista (Existing RV Park), which the District terminated on March 4, 2019; and

WHEREAS, after termination of the lease for the Existing RV Park, the District entered into a Tideland Use and Occupancy Permit (TUOP) with Sun Chula Vista Existing Park RV LLC to operate the Existing RV Park; and

WHEREAS, the Existing RV Park is improved with 237 recreational vehicle (RV) stalls, a delicatessen-convenience store and laundry, game room, and meeting facilities; and

WHEREAS, the Existing RV Park is located on the site of the future Harbor District Park and resort hotel and convention center (RHCC) in the Chula Vista Bayfront (CVB) and will need to be closed permanently to make way for the construction of these elements of the CVB; and

WHEREAS, through the entitlement process, it was envisioned that the Existing RV Park would be relocated to another part of the CVB to promote low-scale, low-intensity uses consisting of a RV park and/or campground with retail, restaurant, or meeting space associated with these uses within the Sweetwater District of the CVB, while allowing for greater density in the Harbor District of the CVB; and

WHEREAS, Section 21.5 of the Chula Vista Bayfront Development Policies (Development Policies), which is incorporated by reference into the Port Master Plan (PMP), requires all existing 237 RV stalls to be replaced prior to the Existing RV Park closing; and

WHEREAS, the Chula Vista Bayfront Master Plan (CVBMP) identified the 19-acre site located at E Street and Bay Boulevard in the Sweetwater District of the CVB on Parcel S-1 of the CVBMP (Site) as a possible replacement site for the 237 RV stalls; and
WHEREAS, at the October 13, 2016 Board of Port Commissioners (Board) meeting, the Board directed staff to issue a Request For Proposals (RFP) for the development of an RV park with a minimum of 237-stalls and associated infrastructure improvements to be located on the Site; and

WHEREAS, on October 24, 2016, staff issued the “Destination RV Park” RFP (RFP 16-36RH) for the development of an RV park on the Site with a minimum of 237-stalls and associated infrastructure improvements; and

WHEREAS, at the April 11, 2017 Board meeting, the Board adopted a resolution selecting Sun Communities, Inc. and Northgate Resorts LLC as the successful proposer and directed staff to begin lease negotiations and environmental review; and

WHEREAS, since the RFP, Sun Communities, Inc. acquired Northgate Resorts LLC and Sun Communities, Inc. formed a new subsidiary, Sun Chula Vista Bayfront RV LLC, a Michigan limited liability company (Sun), to be the tenant under the lease for the Site (Ground Lease); and

WHEREAS, Sun Communities, Inc., is one of the largest operators of RV resorts in North America, currently owning and operating 100 RV resorts across 29 states and two countries; and

WHEREAS, Sun Communities, Inc. has extensive development experience with over 2,000 units currently under construction, and they have a proven track record of success in financing, developing, and operating quality RV resorts; and

WHEREAS, Sun Communities, Inc. is a publicly traded real estate investment trust (REIT) with a total value exceeding $9 billion, and the company has a $450 million line of credit set aside for project acquisitions; and

WHEREAS, the Sun Communities, Inc.’s proprietary marketing database contains over 1 million RV resort travelers; and

WHEREAS, on April 24, 2018, the Board and City Council of the City authorized a Disposition and Development Agreement (DDA) between the District, the City and RIDA Chula Vista, LLC (RIDA) that outlines the steps necessary to start construction of the RHCC and associated infrastructure identified as Phase 1A of the CVB in the DDA (Phase 1A Improvements); and

WHEREAS, Sun has committed to accomplishing the critical path item of building the replacement RV Park required by the Development Policies to close the Existing RV Park and funding and constructing a significant portion of the Phase 1A Improvements that the City and the District would have needed to fund and construct under the DDA; and
WHEREAS, the proposed development by Sun includes: (i) a combination of 246 spaces, consisting of a mix of up to 172 traditional RV stalls and 74 park model unit (Park Models) stalls as a low-scale, low profile, and lower-cost RV resort with associated improvements on Parcel S-1 of the CVBMP (Costa Vista RV Park); and (ii) approximately $15 million in offsite public infrastructure (collectively, the Offsite Improvements, and together with the Costa Vista RV Park, the Project); and

WHEREAS, the Offsite Improvements include grading on Parcels S-2 and S-3 of the CVBMP; the extension of E Street; construction of a 400-foot-wide landscape buffer within a portion of Parcel SP-1 of the CVBMP; and the realignment of Gunpowder Point Drive within Parcels SP-1 and SP-3 of the CVBMP to allow continued access to the Living Coast Discovery Center (LCDC); and

WHEREAS, Sun’s contribution toward the Phase 1A Improvements will help both the District and the City solve for the project financing timing contemplated under the DDA; and

WHEREAS, Sun will have up to 24 months to construct the Project, including the Offsite Improvements; and

WHEREAS, the Ground Lease requires that Sun enter into a Development and Maintenance Agreement with the District concurrently with the execution of the Ground Lease for the development, monitoring and maintenance of the Offsite Improvements (DM Agreement); and

WHEREAS, the term of the DM Agreement is approximately seven years – two years of proposed construction and five years of maintenance and monitoring; and

WHEREAS, Sun’s obligation to maintain and monitor the Offsite Improvements will commence once the Project is completed and will be pursuant to that certain Habitat Mitigation Plan for the Costa Vista RV Park dated February 2018 that is attached as Exhibit D to the DM Agreement; and

WHEREAS, once the Project Improvements are constructed, ownership of the Offsite Improvements will be conveyed to the District or another third party designated by the District, which may include another public agency; and

WHEREAS, of the approximately $55 million Project cost, approximately $15 million is attributable to the Offsite Improvements; and

WHEREAS, the plans and specifications (Plans) are for the Offsite Improvements; and
WHEREAS, the proposed Board actions, including without limitation, an ordinance granting a lease between the District and Sun for a RV Park and a resolution accepting plans and specifications for offsite improvements serving the RV Park was adequately covered in the Final Environmental Impact Report (FEIR) for the CVBMP (UPD #83356-EIR-658; SCH #2005081077; Clerk Document No. 56562), certified by the District on May 18, 2010 (Resolution No. 2010-78), the Addendum to the FEIR, which was adopted by the Board on August 13, 2013 (Resolution No. 2013-138), and the Second Addendum to the FEIR, which was adopted by the Board on April 10, 2018 (Resolution No. 2018-0069); and

WHEREAS, the proposed Board actions are not a separate "project" for the California Environmental Quality Act (CEQA) purposes but is a subsequent discretionary approval related to a previously approved project. (CEQA Guidelines § 15378(c); Van de Kamps Coalition v. Board of Trustees of Los Angeles Comm. College Dist. (2012) 206 Cal.App.4th 1036.); and

WHEREAS, pursuant to CEQA Guidelines Sections 15162 and 15163, and based on the review of the entire record, including without limitation, the FEIR and Addendums, the District finds and recommends that the proposed Board actions do not require further environmental review as: 1) no substantial changes are proposed to the project and no substantial changes have occurred that require major revisions to the FEIR and Addendum due to the involvement of new significant environmental effects or an increase in severity of previously identified significant effects; and 2) no new information of substantial importance has come to light that (a) shows the project will have one or more significant effects not discussed in the FEIR and Addendum, (b) identifies significant impacts would not be more severe than those analyzed in the FEIR and Addendum, (c) shows that mitigation measures or alternatives are now feasible that were identified as infeasible and those mitigation measures or alternatives would reduce significant impacts, and (d) no changes to mitigation measures or alternatives have been identified or are required. Pursuant to CEQA Guidelines §15162(b), the District finds and recommends that no further analysis or environmental documentation is necessary; and

WHEREAS, the proposed Board actions are merely a step-in furtherance of the original project for which environmental review was performed and no supplemental or subsequent CEQA has been triggered, and no further environmental review is required; and

WHEREAS, the proposed Board actions comply with Sections 21, 35, and 87 of the Port Act which allow for the Board to pass resolutions and ordinances and to do all acts necessary and convenient for the exercise of its powers, and for the use of tidelands for visitor serving commercial uses; the construction, reconstruction, repair, and maintenance of commercial buildings; the construction, reconstruction, repair, and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or
landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient for the promotion and accommodation of any of the uses set forth in Section 87; and the construction, reconstruction, repair, maintenance, and operation of public buildings, public assembly and meeting places, convention centers, parks, playgrounds, bathhouses and bathing facilities, recreation and fishing piers, public recreation facilities, including, but not limited to, public golf courses, and for all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses; and

WHEREAS, the Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine; and

WHEREAS, the proposed actions are consistent with the Public Trust Doctrine; and

WHEREAS, because the proposed Board action was covered in the Coastal Development Permit (CDP) for the Costa Vista RV Resort approved by the District on September 12, 2018, the proposed Board action is consistent with the project in that CDP; and

WHEREAS, no additional action under the California Coastal Act is required at this time; and

WHEREAS, staff recommends the Board approve the Plans for the Offsite Improvements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District that the plans and specifications for the offsite public improvements required to be constructed by Sun Chula Vista Bayfront RV LLC (Sun) pursuant to the Ground Lease between Sun and the District and the Development and Maintenance Agreement between Sun and the District to be located in the City of Chula Vista are hereby approved.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

[Signature]
By: Assistant/Deputy
2019-098

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 13th day of August 2019, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet
NAYS: None.
EXCUSED: None.
ABSENT: None.
ABSTAIN: None.

Garry J. Bonelli, Chairman
Board of Port Commissioners

ATTEST:

Donna Morales
District Clerk

(Seal)