

6.0 OTHER CEQA CONSIDERATIONS

6.1 SUMMARY OF SIGNIFICANT UNAVOIDABLE IMPACTS

Section 15126.2(c) of the California Environmental Quality Act (CEQA) Guidelines (*State CEQA Guidelines*) requires that an Environmental Impact Report (EIR) describe any significant impacts that cannot be avoided. Specifically, Section 15126.2(c) states that an EIR shall:

“Describe any significant impacts, including those which can be mitigated but not reduced to a level of insignificance. Where there are impacts that cannot be alleviated without imposing an alternative design, their implications and the reasons why the project is being proposed, notwithstanding their effect, should be described.”

The Executive Summary of this Revised Draft EIR (Chapter 1.0) contains a detailed summary that identifies the Modified Project’s environmental impacts as compared to existing conditions, proposed mitigation measures, and the level of significance of any impacts after mitigation. No impacts were identified that are considered significant, adverse, and unavoidable after all mitigation is applied. These impacts and proposed mitigation measures are also described in detail in Chapter 4.0, Existing Environmental Setting, Environmental Analysis, Impacts, and Mitigation Measures. Chapter 2.0, Introduction, also provides a summary of those topics for which no impacts would occur with implementation of standard conditions and compliance with existing regulations, including agricultural resources; biological resources; mineral resources; population and housing; recreation; and wildfire.

6.2 ENERGY IMPACTS

According to Section 15126.2(b) of the *State CEQA Guidelines*, “[i]f analysis of the project’s energy use reveals that the project may result in significant environmental effects due to wasteful, inefficient, or unnecessary consumption use of energy, or wasteful use of energy resources, the EIR shall mitigate that energy use.”

As described in Section 4.4, Energy, of this Revised Draft EIR, the Modified Project would not result in significant impacts related to energy use. Energy (i.e., fuel) usage on the project site during construction of the Modified Project would be temporary in nature and would be relatively small in comparison to the State’s available energy sources. In addition, similar to the Original Project, the net increase in electricity usage under the Modified Project would not represent a substantial demand on available electricity resources and would reduce natural gas consumption in Orange County. Furthermore, automobiles and transportation-related energy use to and from the project site would be subject to fuel economy and efficiency standards applied throughout the State and fuel efficiency would increase throughout the life of the Modified Project. Therefore, implementation of the Modified Project would not result in a substantial increase in transportation-related energy uses. Similar to the Original Project, neither construction nor operation of the Modified Project would result in the wasteful, inefficient, or unnecessary consumption of energy resources. Therefore, no mitigation is required.

6.3 GROWTH-INDUCING IMPACTS

Sections 15126(d) and 15126.2(e) of the *State CEQA Guidelines* require that an EIR analyze growth-inducing impacts and discuss the ways in which a proposed project could foster economic or population growth or construction of additional housing, either directly or indirectly, in the surrounding environment. This section examines ways in which the Modified Project could foster economic or population growth, or the construction of additional housing either directly or indirectly in the surrounding environment. *State CEQA Guidelines* Section 15126.2(d) also requires a discussion of the characteristics of projects that may encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively. To address these issues, potential growth-inducing effects were examined through analysis of the following questions:

- Would the project remove obstacles to, or otherwise foster, population growth (e.g., through the construction or extension of major infrastructure facilities that do not presently exist in the project area, or through changes in existing regulations pertaining to land development)?
- Would the project foster economic growth?
- Would approval of the project involve some characteristic that may encourage and facilitate other activities that could significantly affect the environment?

Growth-inducing effects are not to be construed as necessarily beneficial, detrimental, or of little significance to the environment (*State CEQA Guidelines*, Section 15126.2(e)). This issue is presented to provide additional information on ways in which the Modified Project could contribute to significant changes in the environment beyond the direct consequences of developing the proposed land uses as described in earlier sections of this Revised Draft EIR.

6.3.1 Removal of Obstacles to, or Otherwise Foster, Population Growth

The project site and the adjacent Commercial Core are surrounded by the larger Dana Point Harbor, which is highly urbanized and developed with a mix of retail, restaurant, hotel, and other commercial uses, as well as visitor-serving recreational and marine-related uses: limited population growth is feasible within the vicinity of the project site as no residential uses are located in the Dana Point Harbor or permitted under current zoning and land use regulations. In any event, similar to the Original Project, the Modified Project would not remove impediments to population growth in the area surrounding the project site. While the Modified Project may require additional water, sewer, electricity, and natural gas lines on site compared to existing conditions, such improvements would be intended to meet associated demand and would not necessitate substantial utility infrastructure improvements within the Harbor. The project site is currently developed with the Marina Inn, which is served by existing water, sewer, electricity, and natural gas services. As such, the project site would redevelop an already developed site, and would not include growth within a previously undeveloped area. In addition, a portion of the service increases related to these improvements were previously contemplated as part of the analysis related to the overall Dana Point Harbor Revitalization conducted as part of the adoption of the Dana Point Harbor Revitalization Plan and District Regulations (DPHRP&DR). The incremental increase in utility services based on the Modified

Project from that assessed for the Dana Point Harbor Revitalization is not large enough to remove an obstacle to or foster population growth, consistent with the conclusion reached in the 2021 Draft EIR regarding the Original Project. Further, the minor driveway and curb improvements along Dana Point Harbor Drive and Casitas Place are intended to improve access to the project site, and would not foster off-site population growth through enhanced transportation routes.

Short-term and long-term employment opportunities offered by the construction and operational phases of the Modified Project, are likely to be met by the available local and regional labor pool. Construction of the Modified Project would provide temporary, short-term construction jobs over an approximately 32-month period, and operation of the Modified Project would result in an increase in the number of employees due to the increased number of hotel rooms and expanded amenities associated with two hotels. The Modified Project may require slightly more employees than the Original Project in order to serve its 33 additional guest rooms. However, as of May 2024, the City had a labor force of 18,200, and the County had a labor force of 1,575,500, with approximately 500 and 51,000 people unemployed, respectively.¹ The May 2024 unemployment rate was 2.9 percent for the City and 3.2 percent for the County.² This suggests an available local and regional labor pool likely to serve both the short-term construction and long-term employment opportunities offered by the completion of the Modified Project, which is consistent with the analysis presented in the 2021 Draft EIR regarding the Original Project. Therefore, it is unlikely under the Modified Project, similar to the Original Project, that employees would need to be relocated from outside of the region to meet the number of employees needed for construction or operation of the proposed hotels resulting in unanticipated population growth.

The reapportionment of development intensity included for the Modified Project is also entirely for visitor-serving uses, rather than for residential development. As described above, employment opportunities for these visitor-serving uses would be addressed by the local labor pool and would not indirectly or directly induce population or growth. Operation of the Modified Project, similar to the Original Project, would not induce substantial population growth or accelerate development.

Since the Modified Project would replace the existing lower-cost accommodation hotel, the Marina Inn, with both a lower-cost overnight accommodation hotel (Surf Lodge) and a market-rate hotel (Dana House Hotel), it is anticipated that the additional room rate options may attract a larger range of customers. However, as the Modified Project includes the development of visitor-serving uses similar to the Original Project, the growth of a new customer base would remain distinct from the City's residential population and would not directly foster population growth in the project site vicinity or elsewhere.

As described above, since the local labor force is likely to fulfill the employment opportunities and the development is visitor-serving, the Modified Project, similar to the Original Project, would not

¹ State of California Employment Development Department (EDD). 2024. Monthly Labor Force Data for Cities and Census Designated Places, May 2024 - Preliminary. May. Website <https://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-census-areas.html> (accessed on August 22, 2024).

² Ibid.

generate any new permanent residents on the project site. Although some local businesses that provide goods and services within the Harbor may hire a small number of additional employees to accommodate the minor increase in visitors associated with the Modified Project, this additional hiring is not expected to induce material population growth because most of these new employees are not expected to change their place of residence. Due to the limited number of jobs induced and the available labor pool within Dana Point and the region, it is unlikely that the employment offered by the Modified Project would cause people to move or relocate to the area solely for the purpose of being close to the project site. Therefore, although the Modified Project, as with the Original Project, would provide employment opportunities, it would not result in substantial indirect growth or create a significant demand for housing or services in the project site vicinity.

Therefore, given that the employment opportunities generated by construction and operation of the Modified Project, as with the Original Project, would be filled by people who would commute to the project site, the potential population growth associated with employment generation would be minimal.

6.3.2 Foster Economic Growth

In its existing condition, the project site is used for overnight accommodations at the Dana Point Marina Inn and boater services for the Harbor. Therefore, the project site currently generates revenue for the City. However, similar to the Original Project, the Modified Project would provide additional sales and property tax revenues and transient occupancy (hotel) taxes to the City as compared to the existing uses on the project site with the development of a second hotel and associated amenities. The additional retail and restaurant space associated with the proposed Dana House would also be considered net revenue generators for the City. Because the Modified Project would provide additional visitors to the Harbor that would patronize the surrounding retail, recreational, restaurant, and commercial uses, it could result in an indirect increase in City sales tax revenue as well.

The construction of the Modified Project would generate additional construction-related jobs in Dana Point during the 32-month construction period. As described above, the proposed hotels would also provide long-term employment opportunities. At this time, the number of long-term employees that would be created by the Modified Project is not known. While the project site currently provides long-term employment opportunities for the existing hotel use, implementation of the Modified Project, which include additional hotel rooms and amenities, would foster economic growth as compared to the existing uses on the project site.

6.3.3 Other Characteristics

Similar to the Original Project, the Modified Project involves the demolition of the existing Dana Point Marina Inn, two boater service buildings, and parking areas on the project site and includes the development of two hotels, one of which would include space for boater services, associated ancillary uses, and designated boater and hotel parking. As described in Chapter 3.0, Project Description, the Modified Project would include the development of both market-rate and lower-cost overnight accommodations, and a greater number of hotel rooms and intensity of ancillary uses than is currently prescribed in the Dana Point Harbor Revitalization Plan Statistical Table contained

in Chapter 17 of the DPHRP&DR. The Local Coastal Program Amendment (LCPA) allowing the increase in the number of hotel rooms and the intensity of the related ancillary uses proposed by the Modified Project analyzed in this Draft EIR was approved with suggested modifications of the California Coastal Commission in June 2024; the Coastal Commission certified it at their February 5, 2025, meeting. However, the LCPA for the Modified Project does not amend the existing land use designations and zoning classifications to residential, and would not add any permanent residents to the project site, and consequently, would not directly increase the City's population beyond existing levels. The Modified Project would utilize existing roadways for site and emergency access and would not include any new public roadway connections. As described in Section 4.14, Utilities and Service Systems, the Modified Project, as with the Original Project, would result in increased demand for utility infrastructure and would install additional utilities on the project site. Any improvements to local utility infrastructure would serve the project site and would not provide additional capacity to utility service providers that may allow for additional unplanned development in the Harbor or growth in the City. Any future growth in the City is likely to occur regardless of whether the Modified Project is approved. As described above, approval of the Modified Project, consistent with the Original Project, would not involve any specific characteristics that may encourage and facilitate other activities that could significantly affect the environment.

6.4 SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

Section 15126.2(d) of the *State CEQA Guidelines* requires that an EIR consider and discuss significant irreversible changes that would be caused by implementation of a proposed project. The *State CEQA Guidelines* specify that the use of nonrenewable resources during the initial and continued phases of a project should be discussed because a large commitment of such resources makes removal or non-use thereafter unlikely. Primary and secondary impacts (e.g., a highway improvement that provides access to a previously inaccessible area) should also be discussed because such changes generally commit future generations to similar uses. Irreversible damage can also result from environmental accidents associated with a project and should be discussed.

The types and level of development associated with the Modified Project would consume limited, slowly renewable, and nonrenewable resources. This consumption would occur during construction of the Modified Project and would continue throughout operations. As with the Original Project, development of the Modified Project would require a commitment of resources that would include (1) building materials, (2) fuel and operational materials/resources, and (3) the transportation of goods and people to and from the project site.

Similar to the Original Project, construction of the Modified Project would require consumption of resources that are not replenishable or that may renew so slowly as to be considered nonrenewable. These resources would include certain types of lumber and other forest products (e.g., hardwood lumber), aggregate materials used in concrete and asphalt (e.g., sand, gravel, and stone), metals (e.g., steel, copper, and lead), petrochemical construction materials (e.g., plastics), and water. Fossil fuels (e.g., gasoline and oil) would also be consumed through the use of construction vehicles and equipment. Water, which is a limited, slowly renewable resource, would also be consumed during construction of the Modified Project. However, given the temporary nature of construction activities, water consumption during construction would result in a less than

significant impact on water supplies. As with other resources consumed during construction, the consumption of nonrenewable fossil fuels for energy use would occur on a temporary basis during construction of the Modified Project.

Similar to the Original Project, operation of the Modified Project would continue to expend similar nonrenewable resources that are currently consumed on the project site by the existing hotel and boater services. These include energy resources such as electricity, petroleum-based fuels, fossil fuels, and water. Energy resources would be used for heating and cooling buildings, transportation and associated fuel usage to and from the project site as well as internal circulation around the site for passenger vehicles, truck deliveries, and golf cart shuttles, and building lighting. Fossil fuels are primary energy sources for construction and operation of the Modified Project. This existing, finite energy source would thus be incrementally reduced. Under Title 24, Part 6 of the California Code of Regulations (CCR), conservation practices limiting the amount of energy consumed by the Modified Project would be required during operation. Nevertheless, the use of such resources would continue to represent a long-term commitment of essentially nonrenewable resources.

As described in Section 4.7, Hazards and Hazardous Materials, the Modified Project, as with the Original Project, would result in the limited use of potentially hazardous materials contained in typical cleaning agents and pesticides for landscaping on the project site and storage of potentially hazardous materials associated with construction and operation of the proposed hotels. Such materials would be used, handled, stored, and disposed of in accordance with applicable government regulations and standards that would serve to protect against a significant and irreversible environmental change resulting from the accidental release of hazardous materials.

In summary, construction and operation of the Modified Project would commit the use of slowly renewable and nonrenewable resources and would limit the availability of these resources on the project site for future generations or for other uses. However, the continued use of such resources during operation would be on a relatively small scale and consistent with regional and local urban design and development goals for the area, including the Dana Point Harbor Revitalization Plan. As a result, similar to the Original Project, the use of nonrenewable resources in this manner would not result in significant irreversible changes to the environment under the Modified Project.