MAGNOLIA TANK FARM SPECIFIC PLAN PROJECT DESCRIPTION SPECIFIC PLAN APPLICATION

January 2019

PROJECT TITLE: Magnolia Tank Farm Specific Plan ("Project")

PROJECT APPLICANT: SLF HB-Magnolia, LLC (hereinafter, the "Applicant")

PROJECT SUMMARY: The Project proposes the redevelopment of the Magnolia Tank Farm property with a mixed-use community that includes visitor- and local resident-serving uses and new residential neighborhoods in a context-sensitive design that unifies natural resource protection, coastal access, residential uses and recreation.

PROJECT SITE LOCATION AND SETTING: The 29-acre Project site is located at 21845 Magnolia Street, Huntington Beach, Orange County, California. The Project site is located in the southeastern area of Huntington Beach. The site is bounded by Magnolia Street on the east, the Huntington Beach Magnolia Marsh and the Huntington Beach Channel on the southwest, and the vacant ASCON property on the north. The inland embankment of the Huntington Beach Channel adjacent to the Project site is lined by metal sheet piles.

Other surrounding uses include the AES Southland power generating facility to the west of the Channel, which is in the process of being demolished and replaced with a new, more efficient, lower-profile, lower emissions and quieter power plant. To the east across Magnolia Street are single-family residences. Magnolia intersects with Pacific Coast Highway ("PCH") which is also an entry point to Huntington State Beach (approximately 1,200 feet to the south of the site). See **Figure 1.**

The project site is currently graded, undeveloped, and being used as a staging area for the demolition of the AES Generating Facility generating facility and construction of the replacement plant. From 1972 to 2009, the project site was used as a fuel oil storage facility with three aboveground fuel storage tanks, and other oil-related infrastructure including roads, pipelines and ancillary buildings. The oil storage tanks provided fuel for the adjacent power generating facility (currently owned by AES Southland) until that facility was converted to a natural gas facility in the 1990s. Each of the tanks measured approximately 300 feet in diameter. The 45-foot tall, 25-million-gallon fuel storage tanks oil storage tanks were demolished July 2017.

On the eastern end of the Project site, adjacent to Magnolia Street, is a privately-owned, landscaped area comprised of turf, ornamental trees, decorative rocks and an earthen berm, which provides some visual screening of the site. The site is separated from the inland metal sheet pile bank of the Huntington Beach Channel by a chain link fence and a gated maintenance road with an unpaved, bare earth strip abutting the Project property boundary. Near the midpoint of the western property line is a concrete bridge extending across the Huntington Beach Channel to the Magnolia Marsh. The Project property has an appurtenant access easement over the bridge and beyond. The Huntington Beach Channel embankment metal sheet pile, AES facility and tanks on the Project

site dominate the visual landscape from Pacific Coast Highway.

ENTITLEMENT REQUEST: This request and Project Description are submitted to allow the City of Huntington Beach to initiate preparation of an Environmental Impact Report for the following entitlements which the Project Applicant is requesting under separate application:

- General Plan Amendment
- Zoning Map and Text Amendment
- Local Coastal Program Amendment
- Specific Plan

The General Plan land use designation and applicable text for the Project site from Public (P) - a designation reflecting the site's former use as a fuel depot for the AES Generating Facility, a public utility - to a mix of land uses including Open Space-Conservation (OS-C), Open Space-Park (OS-P), Commercial Visitor (CV) (maximum floor area ratio of 1.5) and Residential Medium Density (RM). See Figures 2 and 3. The Applicant also proposes to amend the relevant land use provisions of the City's Local Coastal Program Land Use Plan to be consistent with the proposed General Plan Amendment.

The Project also includes an amendment to the Huntington Beach Zoning Map to change the site from Public-Semi-Public to Specific Plan, to be implemented by the adoption of the Magnolia Tank Farm Specific Plan (the "Specific Plan"). A Zoning Text Amendment is also needed to recognize the Specific Plan. See Figures 4 and 5.

In addition to City approvals, additional agencies will be consulted and approvals sought, to include:

- California Coastal Commission
- Orange County Flood Control District
- Regional Water Quality Control Board
- Others as may be identified

PROJECT COMPONENTS:

The Specific Plan will establish a land use plan, development standards and guidelines to allow for the creation of a mixed-use community comprised of a lodge/guest-house accommodations, ancillary and visitor-serving retail and dining, and residential units. The proposed Project consists of four planning areas:

- Planning Area 1 (PA 1): Coastal Conservation (CC);
- Planning Area 2 (PA 2): Open Space-Park and Recreation (OS-PR);
- Planning Area 3 (PA 3): Residential (RM); and
- Planning Area 4 (PA 4): Commercial Visitor (CV).

The maximum development proposed to be permitted under the proposed Project is shown in Table 1:

TABLE 3-1 MAXIMUM DEVELOPMENT

Development Types	Maximum Density/Intensity	Net Acres	Maximum Development	Total Open Space Acres
PA 1: CC Area				
Coastal Conservation Area		2.8		2.8
PA 2: OS-PR Area				
Parks		2.8		2.8
PA 3: RM Area				
For-Sale Residential (RM)	15 du/ac	18.9	250 units	
PA 4: CV Area				
Lodge	175 guest rooms	4.4	Up to 230,000 gsf (211,000 gsf Lodge and Guesthouse; 19,000 gsf retail)	

Planning Area 1 – Coastal Conservation

PA 1 is designed to create upland habitat that functions as a buffer to the Magnolia Marsh, which is an environmentally sensitive habitat area and would include a 24-foot wide public trail and interpretive signage. The trail would connect Magnolia Street with the Marsh Park located on the northern end of the CV area. Interpretive signage and observation blinds would be located in limited areas to provide compatible educational and wetlands observation opportunities and sun shelter. Lighting would be restricted to low intensity lighting along the pedestrian trail to provide for public safety. The CC component of the proposed Project would provide a 215-foot setback from Magnolia Marsh. The OCFCD property east of the channel currently provides a maintenance access road and does not provide any habitat value. The design features of this area were developed in consultation with the Huntington Beach Wetlands Conservancy.

In addition to the public trail overlooking Magnolia Marsh, the proposed Project seeks to further enhance public access to coastal resources pursuant to a Coastal Development Permit approved by the Planning Commission. The Applicant is currently in discussion with the Huntington Beach Wetlands Conservancy, a volunteer-led organization, to develop a wetlands interpretive program that would enhance the Conservancy's existing programs. The discussion includes a controlled access point and expanding the existing docent-led tour programs. Through the current discussion and a future agreement, the lodge owner/operator would partner with the Conservancy to provide Magnolia Marsh wetlands interpretive programs for lodge guests and the public through interpretive signage and access to docent-led tours of Magnolia Marsh.

The Lodge would provide a gathering place for hotel guests and transportation to the Huntington Beach Wetlands Conservancy Interpretive Center (located at 21900 PCH on the of PCH and Newland) where current tours depart. Docent-led tours may use the existing bridge over the Huntington Beach Channel to access the marsh if feasible, as determined by City of Huntington Beach and County of Orange in conjunction with the Huntington Beach Wetlands Conservancy,

at the time a development proposal is submitted. Marsh Park, located on the north side of the CV area and adjacent to the bridge, would serve as a staging area for interpretive programs. Interpretive signage designed to provide information about sensitive wetland and upland habitats would be placed in Marsh Park to augment the organized tours conducted by the Huntington Beach Wetlands Conservancy.

Planning Area 2 – Open Space-Parks and Recreation

PA 2 is the OS-PR area, which includes open space in multiple locations throughout the site (PA 2A, 2B, and 2C and includes parks, open space areas, and other recreational uses, such as trails, and walking paths. The proposed Project includes two publicly accessible parks, Marsh Park and Magnolia Park.

- Marsh Park (PA 2A) overlooks Magnolia Marsh and is designed to provide the public with views of Magnolia Marsh and the ocean. This park area would also provide education, passive recreation, a shade grove (greenscreens and vertical trees), and serve as a staging point for interpretive programs and docent-led tours of Magnolia Marsh. The park would be lined by screening trees, a bioswale, and meadow-like planting. The park design features would be compatible with the CC area design for water quality and drainage, lighting, acoustics and access.
- Magnolia Park (PA 2C). The existing, privately-owned greenbelt area, commonly referred to as Squirrel Park, would be enhanced and converted into a passive privately maintained, public park. This area currently has trees and groundcover, but no additional physical improvements. The proposed design and improvements would emphasize a dry riparian woodland ecosystem concept that is climate appropriate and complements the coastal sage scrub plant community in the CC area. All existing parking capacity along Magnolia Street would be retained. Mature trees removed during development would be replaced at a 2:1 ratio (i.e., two 36-inch box trees for every mature tree removed), in accordance with City of Huntington Beach Policy Memorandum Cl-74 (Huntington Beach 2005).

Planning Area 3 – For Sale Residential

The Specific Plan provides for a range of residential products to suit the needs of different life stages and market segments. These include a variety of single-family detached and attached homes. PA 3 would consist of would consist of a maximum of 250 medium-density residential units within neighborhoods of single-family detached and attached homes. Under the proposed Project, the residential uses would be primarily located on the northern portion of the site, to the north and northeast of the CV area. Maximum building height within PA 3 would be 35 feet. Elevator penthouse or non-habitable floor space (i.e., stairs or landings) to access the roof and similar structures and necessary mechanical appurtenances may exceed the permitted height limit by no more than 10 feet.

At least 150 square feet of open space would be provided for each residential unit. This space may be a combination of common, private or shared recreation facility and is intended for active and passive recreation use. This type of open space would include common recreation spaces with

amenities such as clubhouse, swimming pool, outdoor cooking facilities, and other related amenities and pedestrian paseo connections with amenities such as seating, decorative lighting, planters, fountains, decorative tiles, public art, landscaping, bicycle racks, etc.

Public access and pedestrian linkage would be provided between buildings and public open spaces through interconnected streets and walkways to promote connectivity and walkability. The proposed Project would incorporate bicycles shared roadways within the community and connectivity to the existing Class 2 bicycle lane on Magnolia Street. New pedestrian pathways would be provided within Magnolia Park, as well as public coastal access at Huntington Beach Channel.

Planning Area 4- Commercial Visitor (Lodge and Guesthouse)

The CV area of the proposed Project will consist a 230,000-square-foot Lodge that includes a maximum of 175 guest rooms and guesthouse-style, budget-oriented, family/group overnight accommodations with 40 rooms, and ancillary and visitor-serving retail and dining, and plaza. Under the proposed Project, development within the CV area would provide outdoor or unenclosed areas on the ground floor or any above ground levels, accessible for public use. The public open space may include plazas, patios, balconies, gardens or view areas open to the street on the first floor, open on at least one side above the first floor, or open to the sky. The development standards require that at least 5 percent of the gross CV area be public open space and at least 30 percent of the public open space area contain landscaping, including shade trees, accent trees, and other soft landscaping. Hard-surfaced areas and specialty paving would also be incorporated into the public open space design.

Public open space would also include seating and other amenities including decorative lighting, planters, low-water-using fountains or water features, distinctive paving, decorative tiles, public art, landscaping, and bicycle racks.

Circulation

The community would not be gated and be publicly accessible, the internal street network would be privately owned and maintained. The proposed circulation concept emphasizes connectivity (vehicular, pedestrian and bicycle). Primary vehicular access is provided from the intersection of Magnolia Street and Banning Avenue and a secondary access point located to the north at the at intersection of Magnolia Street and Bermuda Drive. Internal circulation would be provided via a loop street designed with on-street parking, pedestrian links and open spaces.

Drainage

The proposed Project will also include the installation of on-site storm drain, water quality, water, sewer, electricity, natural gas, and telecommunications infrastructure systems to serve the proposed land uses. The on-site utility infrastructure would connect to existing utilities in the vicinity of the Project site or new utility lines that would be installed in the roadways adjacent to or within the project site. In addition, curb, gutter, sidewalk and parkway improvements are planned along the west side of Magnolia from the project site to Hamilton Avenue for the purpose of improving pedestrian circulation and aesthetic appearance in the area if the City is able to

acquire necessary right-of-way land. Additional design features, subject to agreement with off-site owners, may be developed pursuant to a development agreement with the City of Huntington Beach but are not mandatory components of the Specific Plan.

It is expected that construction of the proposed Project would be initiated in 2020. The project would be phased based on market demands, but it is expected that development would be completed in or around 2026. Grading of the entire site would be done as one phase; however, the timing of building construction will depend on market conditions at that time.

Sea Level Rise

Based on information in the draft document State of California Sea-Level Rise (SLR) Guidance 2018 prepared by the Ocean Protection Council (OPC) and California Natural Resources Agency (CNRA), the mean sea level along the southern California coast is projected to rise to between 2.1 and 9.9 feet by the year 2100 depending on several climate modeling scenarios. Under existing conditions, the 13-foot flood control channel wall which is located 30 feet westerly of the Specific Plan boundary, will protect the site from SLR and coastal erosion through 2100.

A sea-level rise adaptation plan (SLR AP) was developed to address the vulnerability to coastal wave storms and fluvial flooding that would be expected to start occurring in Year 2100. The SLR AP involves several components that would be implemented at different points in time. As part of initial project construction, the pad elevations of the residential structures would be raised to provide protection from flood waters that might enter the project site. The project would allocate space for future SLR adaptation measures that might be implemented as a local SLR adaptation project by property owners or the City and/or regional flood control project (e.g., Orange County).

PROJECT PURPOSE: The Applicant is requesting the referenced General Plan and zoning amendments for the site to allow for redevelopment of the Project site from its present industrial use to a mixed-use community including conservation, open space (parks and coastal access), visitor-serving commercial, and residential.

After the approval of these amendments by the City of Huntington Beach and the California Coastal Commission, site plans, including parcel map(s) and tract map(s), park improvement plans, and architectural plans—all subject to a Coastal Development Permit approval by the City—will be submitted to the City. The approved Specific Plan will provide the regulatory framework and planning/design guidance for future development applications and discretionary approvals by the City.

ENVIRONMENTAL REVIEW PROCESS: The City of Huntington Beach is the lead agency for the preparation of environmental analysis pursuant to CEQA.

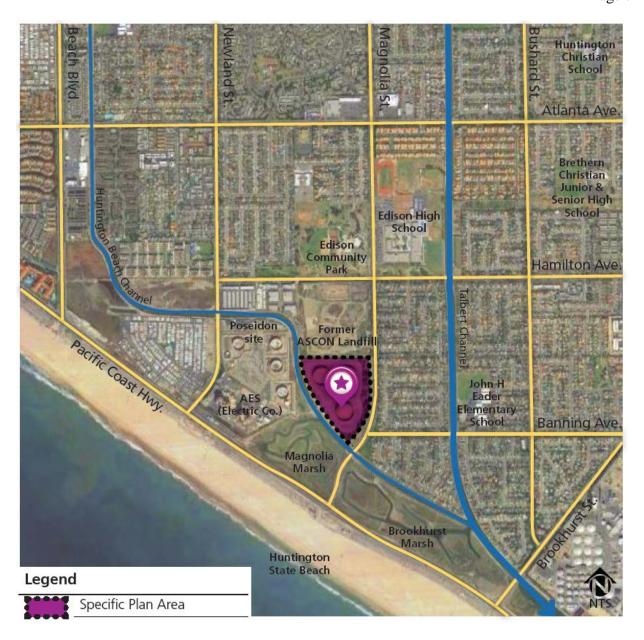


Figure 1: Neighborhood Context

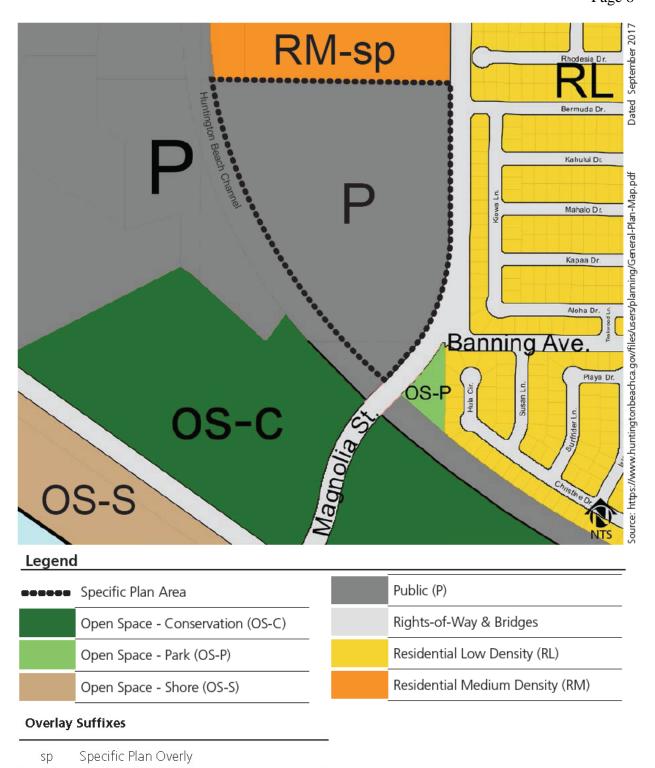


Figure 2: Huntington Beach General Plan 2017

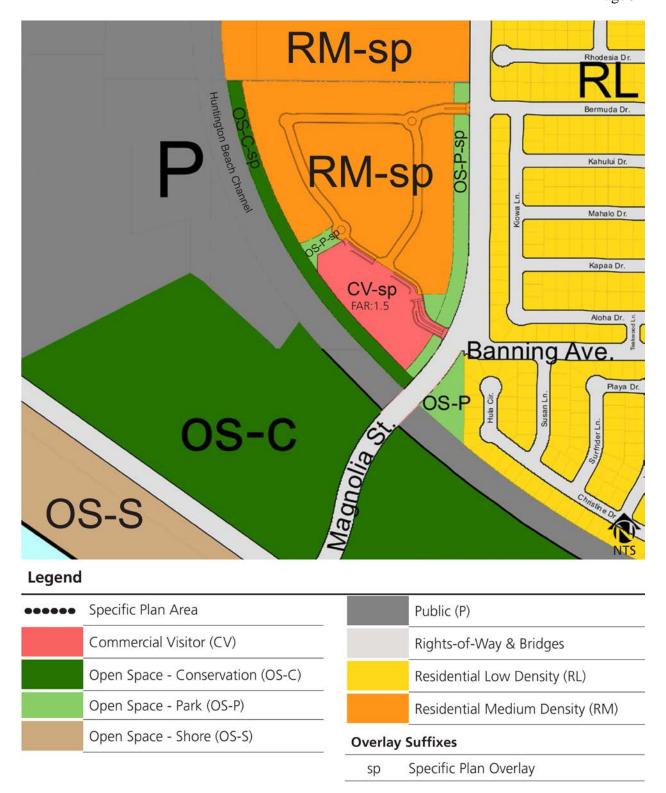


Figure 3: General Plan Designation as Amended

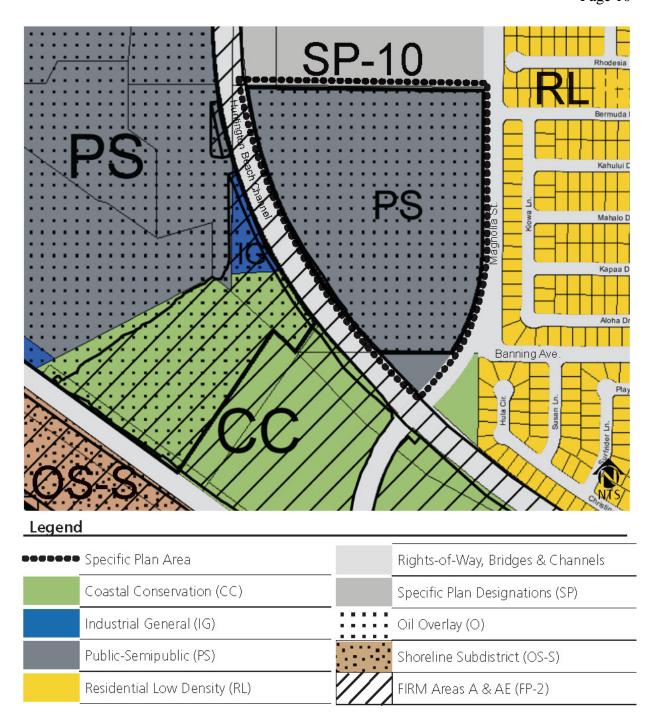


Figure 4: Huntington Beach Zoning Map 2017

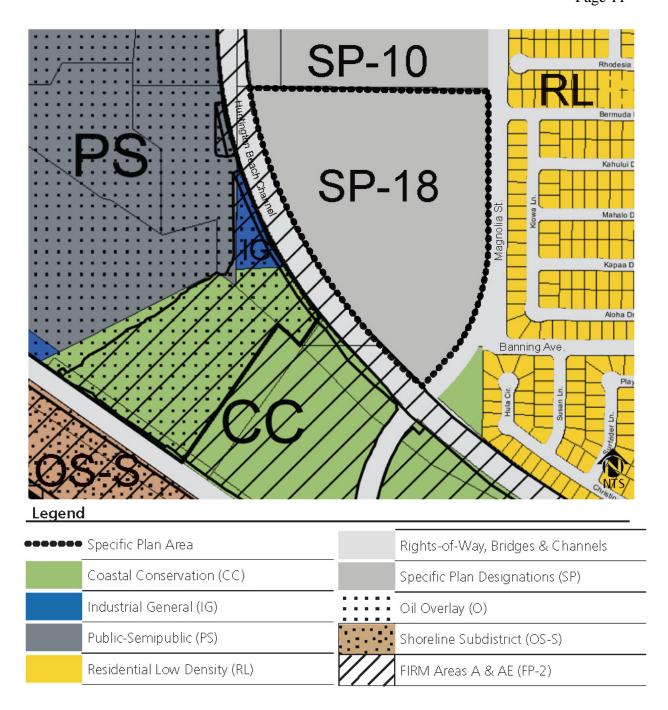


Figure 5: Huntington Beach Zoning Map (as implemented by this Specific Plan)