

Attachment O  
California Coastal Commission  
LCPA Resolution  
May 9, 2012

Pebble Beach Company  
PLN100138

Board of Supervisors  
June 19, 2012



**CALIFORNIA COASTAL COMMISSION**

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**ADOPTED**

Prepared April 26, 2012 (for May 9, 2012 hearing)

**To:** Coastal Commissioners and Interested Persons

**From:** Charles Lester, Executive Director  
Dan Carl, District Director  
Katie Butler, Coastal Planner

**Subject:** Monterey County Major Amendment Number 1-12 Part 1 (Del Monte Forest Update and Pebble Beach Company Concept Plan)

## 1. Staff Recommendation

### A. Summary of Staff Recommendation

Monterey County is proposing to amend the Del Monte Forest segment of its Local Coastal Program (LCP) Land Use Plan (LUP) and Implementation Plan (IP). The primary purpose of the amendment is to provide a final build out and preservation plan for the Pebble Beach Company's (PBC) remaining undeveloped landholdings in the Del Monte Forest (the PBC "Concept Plan"). The amendment also includes a partial update to the LUP that proposes a series of changes designed to update the LCP overall for the Del Monte Forest, both to respond to changes in circumstances and understandings since the original LUP adoption in the 1980s, as well as to better protect coastal resources. Commission staff has worked closely with the County and PBC on the submitted amendment, and is recommending that the amendment be **approved as submitted**.

The PBC Concept Plan is the result of an agreement reached between Commission staff and PBC following the Commission's denial of the "Measure A" LCP amendment in 2007. In addition to nearly 100 residential units, Measure A provided for a new golf course and driving range, and a new equestrian center relocated to a protected restoration area. The Commission found that the amendment was inconsistent with the Coastal Act's ESHA policies due to significant impacts to sensitive native Monterey pine forest and other habitats and wetlands. In contrast, the new Concept Plan does not include the most problematic Measure A components, including the golf course, driving range, and relocated equestrian center projects. Instead, the Plan provides for 90 residential units and a new 100-unit hotel, as well as improvements to the existing Lodge at Pebble Beach and The Inn at Spanish Bay resorts. In staff's opinion, the PBC Concept Plan is a good compromise plan that protects coastal resources and provides for priority visitor-serving development, while recognizing some remaining development potential of PBC's undeveloped land. Most significant, the Concept Plan will result in the permanent preservation and management of 635 acres of sensitive native Monterey pine forest, and it includes significant improvements to existing public recreational access facilities, including the Del Monte Forest trail system, and overall public access management in the Del Monte Forest.



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The Concept Plan will have unavoidable impacts on certain ESHAs and wetland areas (approximately 56 acres), which is inconsistent with Coastal Act Sections 30240, 30230, 30231 and 30233. However, these impacts are approvable under the conflict resolution provision of the Coastal Act. Specifically, the Commission must recognize that PBC has some development potential on its existing undeveloped property, most of which is designated in the existing LCP for residential development. And while the precise potential is uncertain, it is clear that development under the current LCP will result in a pattern of development that is dispersed and not concentrated in or adjacent to existing developed areas, inconsistent with Coastal Act Section 30250, and located in ESHA inconsistent with Section 30240. The Concept Plan effectively reduces this development potential through down-zoning and permanent protection of 635 acres of undeveloped land, and concentrates the reduced development potential in and immediately adjacent to other more intensely used areas (golf courses, roads, utility corridors, and neighborhoods). On balance, when compared to other possible development alternatives, and because it is a final build out plan that provides certainty regarding PBC's significant landholdings, including permanently protecting an additional 635 acres of sensitive native Monterey pine forest and related ESHA, the Concept Plan is more protective of coastal resources than the existing LCP or other alternatives that would allow more dispersed development with much more extensive impacts to the forest. Approval of the Concept Plan will also end a decades old debate about potential future development in and protection of the unique Monterey pine forest ecology of the Del Monte Forest.

Finally, the proposed partial LCP update changes are the result of a collaborative effort between Monterey County and Coastal Commission staff to make the LCP more protective of coastal resources, and to provide for an update and streamlining of existing language. The key changes include: improved clarity regarding identification of ESHA and ESHA protection requirements; modifications designed to better address and protect public viewsheds, including specific attention to the area along the shoreline and 17-Mile Drive; updated policies keyed to water and wastewater availability; policy and text reframed to better conform to Coastal Act policies and requirements; and other changes throughout to update background and policy text, and to improve internal consistency and application. All of these changes are consistent with the Coastal Act. In addition, these changes (and others in the Concept Plan), help to appropriately resolve other potential resource concerns with the Concept Plan, including questions regarding public service capacities (most significantly in terms of water supply) and the provision of lower cost visitor-serving facilities. For example, the LCP now recognizes the existence of a PBC legal water entitlement, wastewater and circulation improvements since LCP certification, and requirements to construct or pay for construction of lower cost visitor serving accommodations.

Overall, the partial LCP update provides significantly better coastal resource protection for the Del Monte Forest area, and the Concept Plan represents an appropriate build out and preservation plan for PBC's remaining undeveloped landholdings. Staff recommends that the Commission approve the LCP amendment as submitted. The required motions and resolutions to implement this recommendation are on page 3 below.





## **B. Staff Recommended Motions and Resolutions**

Staff recommends that the Commission, after public hearing, approve the proposed amendment as submitted. The Commission needs to make the following two motions, one on the proposed LUP changes and one on the proposed IP changes, in order to act on this recommendation:

### **1. Approval of Land Use Plan Major Amendment 1-12 Part 1 as Submitted**

Staff recommends a **YES** vote on the motion below. Passage of the motion will result in certification of the Land Use Plan amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

**Motion (1 of 2).** I move that the Commission **certify** Major Amendment Number 1-12 Part 1 to the Monterey County Local Coastal Program Land Use Plan as submitted by Monterey County. I recommend a yes vote.

**Resolution to Certify the LUP Amendment.** The Commission hereby certifies Major Amendment Number 1-12 Part 1 to the Monterey County Local Coastal Program Land Use Plan as submitted by Monterey County and adopts the findings set forth below on the grounds that the amendment conforms to the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

### **2. Approval of Implementation Plan Major Amendment 1-12 Part 1 as Submitted**

Staff recommends a **NO** vote on the motion below. Rejection of the motion will result in certification of the Implementation Plan amendment as submitted and adoption of the following resolution and findings. The motion to reject the IP amendment as submitted passes only by an affirmative vote of a majority of the appointed Commissioners.

**Motion (2 of 2).** I move that the Commission **reject** Major Amendment Number 1-12 Part 1 to the Monterey County Local Coastal Program Implementation Plan as submitted by Monterey County. I recommend a no vote.

**Resolution to Certify the IP Amendment.** The Commission hereby certifies Major Amendment Number 1-12 Part 1 to the Monterey County Local Coastal Program Implementation Plan as submitted by Monterey County and adopts the findings set forth below on the grounds that the amendment conforms to the policies of the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.



**LCP Amendment Action Deadline:** This proposed LCP amendment was filed as complete on March 23, 2012. It is an LUP and IP amendment, and the 90-day action deadline is June 21, 2012. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until June 21, 2012 to take a final action on this LCP amendment.

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## **2. Findings and Declarations**

The Commission finds and declares as follows:

### **A. LCP Amendment Background**

Monterey County proposes to amend the Land Use Plan (LUP) and Implementation Plan (IP) for the Del Monte Forest (DMF) segment of its Local Coastal Program (LCP). The proposed amendments would update various provisions throughout the LCP affecting DMF. In addition, the proposed amendments provide significant changes relating to the Pebble Beach Company's (PBC) land holdings in the Del Monte Forest.<sup>1</sup> Specifically, the amendment includes PBC's "Concept Plan" that would facilitate build out and preservation of the remaining undeveloped PBC-owned land in the Del Monte Forest.<sup>2</sup> This amendment is not described by the County as a comprehensive update of the LCP, rather it has been considered a partial update, and the County anticipates preparing a full update of the LCP at a later date.<sup>3</sup>

The following sections provide background on the Del Monte Forest and the Pebble Beach Company's

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<sup>1</sup> Most of the land in the Del Monte Forest that is not in other private residential ownership is owned by the Pebble Beach Company. PBC owns the Del Monte Forest road and gate system (including 17-Mile Drive), the two resort hotel properties (The Inn at Spanish Bay and The Lodge at Pebble Beach), most of the main commercial area (at The Lodge), four of the golf courses (including the Pebble Beach Golf Links), the series of coastal accessways (primarily along 17-Mile Drive), and almost all of the undeveloped property within the Del Monte Forest.

<sup>2</sup> The Concept Plan includes visitor-serving improvements (including approximately 240 new overnight units at the Lodge and at Spanish Bay, and a new hotel at the former Spyglass Quarry); 90 new residential lots; equestrian center and golf driving range improvements; DMF trail system and California Coastal Trail (CCT) additions and improvements; DMF roadway system and Highway 1/68 interchange improvements; and preservation of 635 acres of native Monterey pine forest and related habitats. See amendment description that follows for more details.

<sup>3</sup> The County indicates that such full updates of the various LCP segments (there are four in the County) are planned in the short term, including for the Del Monte Forest segment.



past “build out” proposals, including the most recent proposal (known as “Measure A”).

## **1. Del Monte Forest Area**

The Del Monte Forest area is located on the Monterey Peninsula (occupying much of the peninsula landform itself) and is bounded roughly by the cities of Pacific Grove and Monterey to the north and northwest, and Carmel to the south, with State Highway 1 skirting the Del Monte Forest a couple of miles inland (see Exhibit A). The Del Monte Forest has long been recognized for its natural beauty and is well known for its mostly craggy shoreline that extends through the bluff platform and large areas of dunes up through and into a sloped landform mantled by native Monterey pine forest. The Del Monte Forest is home to a variety of plant and animal species, including some that are exceptionally rare. As the Del Monte Forest LUP describes:

*The spectacular meeting of forest, land, and sea in the Del Monte Forest Area is not only an important scenic attraction of the Monterey Peninsula, for both residents and visitors, but vital habitat for a variety of vegetation and wildlife, including several rare and endemic species dependent on the unique ecosystem. That so much of the Forest’s natural and scenic resources remain unspoiled is also significant; it provides a sharp contrast to urban developments in the cities of Carmel, Pacific Grove, and Monterey.<sup>4</sup>*

As this LUP passage reflects, perhaps the most compelling characteristic of the Del Monte Forest area is its spectacular physical setting. Framed by the Asilomar Dunes extending into Pacific Grove upcoast and Carmel Beach downcoast, the DMF shoreline includes the sand dunes and beaches at Spanish Bay, Fan Shell Beach, and Signal Hill, the craggy shoreline from Cypress Point to Pescadero Point, and the waters and sandy beaches of Stillwater Cove – part of the larger Carmel Bay State Marine Conservation Area<sup>5</sup> and the Monterey Bay National Marine Sanctuary. Inland of the shoreline, the Del Monte Forest transitions through both developed and undeveloped areas containing a variety of streams and creeks towards the peak of the Monterey Peninsula. Much of the Del Monte Forest remains substantially mantled by forest cover; predominantly native Monterey pine forest, but also native Monterey cypress, Gowen cypress, and Bishop pine in both distinct and mixed groves of these species. Even the Forest’s developed areas are mottled to greater and lesser degrees (depending on the nature of the development and how much of the native flora was retained and protected) with forest cover. Several areas have been formally set aside for preservation, key among these the over 350-acre Huckleberry Hill Natural Habitat Area (HHNHA) with its unique and valuable habitat ecosystems.

At least 53 special-status plant species and 28 special-status wildlife species have the potential to occur

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<sup>4</sup> Del Monte Forest LUP page 11.

<sup>5</sup> Carmel Bay is also designated by the state as a Water Quality Protection Area (WQPA) and an Area of Special Biological Significance (ASBS). The Bay was also historically recognized as a state Ecological Preserve, and the LCP includes references to this designation as well (the Ecological Preserve state designation was replaced by the SMCA designation).



in the Del Monte Forest and the surrounding area.<sup>6</sup> Of these, 16 special-status plant species and 4 special-status wildlife species have been positively identified in the area affected by the LCP amendment.<sup>7</sup> This includes the federally listed as endangered Yadon's piperia, that is found in the Del Monte Forest but almost nowhere else in the world, and the federally listed as threatened California red-legged frog. The native Monterey pine forest within which these sensitive species reside is the dominant biological community in the DMF and is itself a special habitat – the largest and most extensive of only five such native Monterey pine forest occurrences in the world.

The Del Monte Forest has also seen substantial development over time. It is now home to eight golf courses, two high-end resorts (The Inn at Spanish Bay and The Lodge at Pebble Beach), one main commercial area (in Pebble Beach at and around The Lodge), mostly larger single-family homes on mostly larger lots, and a meandering interior private road system. But even with this level of development, much of the Forest remains undisturbed, which helps offset more intense developments (like the golf courses, and the more concentrated of the residential subdivisions), and contributes to an overall sense that there remains a forest in the Del Monte Forest – dominated by native Monterey pine and related natural resources – that retains significant coastal resource value. Overall, the Del Monte Forest is well known for its blend of natural resources and its large, often mansion-like, homes. It is also well known as a golf destination (including being home to one of the most famous golf courses in the world, the Pebble Beach Company's Pebble Beach Golf Links) through which winds the world-famous 17-Mile Drive, and in which lies Pebble Beach itself.<sup>8</sup>

The Del Monte Forest occupies a very large land area of about 10 square miles that is located along roughly seven miles of central California shoreline that extend inland three to four miles in places (see Exhibits A and B). The Pebble Beach Company owns the roads and almost all of the undeveloped land in the DMF. PBC also owns and operates the two resorts in the DMF, much of the Pebble Beach Lodge-related commercial operations, as well as four of the eight DMF golf courses.<sup>9</sup> PBC owns all of the land directly affected by the Concept Plan portion of the proposed LCP amendment. In addition to its resort and recreational areas, PBC generally maintains the road and related infrastructure for the Del Monte Forest. PBC's land portfolio can be traced back to the early 1900s when PBC's predecessor, the Del

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<sup>6</sup> As described in the PBC Project Final Environmental Impact Report (FEIR) pages F-27 and F-35 (where the "PBC Project" is the same as the Concept Plan project). Unless otherwise described, references to the FEIR that follow are references to the PBC Project FEIR (SCH# 2011041028). The FEIR for the PBC Project has been prepared by the County as supporting documentation and analysis for both the PBC Project/Concept Plan project and the proposed LCP amendment.

<sup>7</sup> FEIR pages F-27 and F-36.

<sup>8</sup> The Del Monte Forest is often referred to as "Pebble Beach" more generically, particularly outside of the immediate Monterey Peninsula area, even though Pebble Beach is just one area within the larger DMF area.

<sup>9</sup> PBC's DMF golf courses are the Pebble Beach Golf Links, Spyglass Hill Golf Course, The Links at Spanish Bay, and the Peter Hay (9-hole) Golf Course. All of these courses are open to the public. PBC also owns and operates the Del Monte Golf Course located in Monterey outside of the Del Monte Forest. The other four DMF golf courses that are owned and operated by entities other than PBC are the private Cypress Point Golf Club, the private Monterey Peninsula Country Club (two courses), and the public Poppy Hills Golf Course; the latter owned and operated by the Northern California Golf Association.



Monte Properties Company, acquired all of the Del Monte Forest and much of the surrounding area. Although PBC has sold off much of these original holdings, it remains the predominant Del Monte Forest landowner and land management entity.

The Pebble Beach Company controls access into the Del Monte Forest via the road system at its five entrance gates. The general public is charged a \$9.50 vehicular entrance fee at these gates,<sup>10</sup> while bicyclists and pedestrians are allowed free entrance. Past the gates, significant public access amenities have been developed in this private setting, including a series of public shoreline access points connected by miles of trails along the shoreline as well as interior pedestrian and equestrian trails supported by public parking areas. Many of these public access improvements were required and developed as part of the terms and conditions of the Commission's approval of the Spanish Bay Resort and Golf Course development in 1985, and are operated and maintained by the PBC for the general public as part of the terms and conditions of that approval.

Almost all of the Del Monte Forest (and all of the area affected by the proposed LCP amendment) is located within the coastal zone.<sup>11</sup> Because the entire Del Monte Forest coastal zone area is seaward of the first through public road, all Monterey County CDP decisions within the Forest are appealable to the Coastal Commission.

See Exhibits A and B for vicinity maps showing the location of the Del Monte Forest and the described features within it.

## **2. Recent Pebble Beach Company "Build Out" Proposals**

The Pebble Beach Company has been pursuing development on its remaining undeveloped land holdings in the Del Monte Forest (including on the land directly affected by this proposed LCP amendment) for many years. In the early 1990s, the previous owners of the Pebble Beach Company proposed what was called the "Pebble Beach Lot Program". The Lot Program project included a 400-lot subdivision, an 18-hole golf course, and extensive related development throughout the Forest on almost 700 acres.<sup>12</sup>

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<sup>10</sup> The fee structure – including allowable fee increases over time – is written into the LCP as LUP Policy 96, where the terms of LUP Policy 96 were also made part of the terms and conditions of the Commission's approval of the Spanish Bay resort in 1985 (CDP 3-84-226).

<sup>11</sup> The majority of the Country Club planning area within the Del Monte Forest is not in the coastal zone (see Exhibit B). This area includes most of the two Monterey Peninsula Country Club golf courses and related residential development downcoast from Spanish Bay and Pacific Grove and along the shoreline roughly from Point Joe to Bird Rock. The area was already substantially built-out when the coastal zone boundary was developed for this stretch of coast, and it was mostly excluded from the zone when it was designated in 1976. Only that portion of the Country Club area seaward of and including 17-Mile Drive (and including the 14<sup>th</sup> hole of the Monterey Peninsula Country Club Dunes Course) is located in the coastal zone.

<sup>12</sup> References to the Lot Program include those to "Refined Alternative 2" that emanated from the never completed Lot Program CEQA analysis and that, among other things, reduced the number of proposed residential units to 364 and moved the proposed golf course location from Pescadero Canyon to the area roughly between Cypress Point Golf Club and Spyglass Hill Golf Course. The Lot Program CDP application was withdrawn by PBC in 1999.



Although the County completed substantial CEQA and other analytic work on the Lot Program project during the 1990s, the project was never approved. Ultimately, PBC was acquired in 1999 by the current owners who subsequently embarked on a different proposal, known as the “Pebble Beach Company Preservation and Development Plan” (PDP).

The Pebble Beach Company PDP project included a new 18-hole golf course, a new golf driving range, a new relocated equestrian center, resort facility expansions at The Inn at Spanish Bay and The Lodge at Pebble Beach (160 overnight units, 215,000 new square feet, and underground parking structures), 60 multi-family employee units, subdivision for 33 residential lots (and 36 residential units), Highway 1/68 interchange redevelopment, as well as conservation easements for approximately 450 acres of undeveloped land in the coastal zone.

To allow for the PDP project (because the PDP project included known LCP inconsistencies absent an LCP amendment), the Pebble Beach Company sponsored a countywide voter initiative known as Measure A that was designed to change the LCP to allow for the project. Measure A was passed by Monterey County voters on November 7, 2000. Due to the Measure A connection, the PDP project also became known as the Measure A project.

On June 13, 2007, the Commission denied the proposed Measure A LCP amendment based on a number of Coastal Act and LUP inconsistencies, primarily related to environmentally sensitive habitat areas (ESHAs), wetlands, and other biological resources, as well as inconsistencies with previous Commission actions, such as the Spanish Bay CDP.<sup>13</sup> Shortly thereafter, the County rescinded their PDP CDP approvals that had been appealed to the Commission, and the appeals associated with those actions were mooted.<sup>14</sup> After the Commission’s denial of the Measure A LCP amendment, PBC and the Commission entered into an agreement to toll the statute of limitations for the PBC to sue the Commission for its denial of the Measure A LCP amendment. The Commission has extended the tolling agreement several times (and it remains tolled today) while PBC worked with Commission and County staff on development of their Concept Plan (described below). PBC has therefore preserved its right to challenge the Commission’s denial of the Measure A LCP amendment at some future date. As to the current status of Measure A itself (i.e., the voter initiative), it is of no force and effect given the Commission denial of

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<sup>13</sup> The Spanish Bay CDP, approved by the Commission in March 1985 (CDP No. 3-84-226), allowed for development of The Inn at Spanish Bay, the Spanish Bay Golf Links, and related condominium development. As part of that project, the Commission allowed the Pebble Beach Company to reopen and mine the Sawmill Gulch site in DMF for sand to be used for the golf course and the accompanying dune restoration. As partial mitigation for the impacts due to the Spanish Bay project, the Spanish Bay CDP required that all of Sawmill Gulch be restored following sand mining, placed under conservation easement, and protected in perpetuity, including the upper portion being made a part of the HHNHA surrounding Sawmill Gulch. In the years following, restoration at Sawmill Gulch commenced, and conservation easements were placed over the upper and lower portions of it. Despite these Sawmill Gulch permanent protection requirements, the Pebble Beach Company PDP project and Measure A sought to undo these requirements (and undo the required restoration/enhancement) and instead develop the Sawmill Gulch site with a new equestrian center.

<sup>14</sup> Appeal numbers A-3-MCO-05-044 and A-3-MCO-05-045.



it in 2007.<sup>15</sup>

### **3. Pebble Beach Concept Plan**

Following the Commission's denial of Measure A in June 2007, the Pebble Beach Company reached out to Commission staff in an effort to discuss other potential avenues for addressing their remaining landholdings in the Del Monte Forest. Commission staff entered into such discussions premised on avoiding the ESHA impacts that had been identified in Measure A, which PBC acknowledged as a precursor to discussions by agreeing to eliminate consideration of a new golf course, a new golf driving range at Area C, and any development at the Sawmill Gulch restoration site. Along with these significant concessions, Pebble Beach Company entered into such discussions based on their explicitly identified need for any overall project to pencil out financially, including in terms of preservation and public access funding and related commitments over time. From there, PBC and Commission staff worked together to refine ESHA mapping and to identify a project that could avoid identified ESHA, including through maximizing use of existing developed and former quarry areas for new development. As part of that effort, PBC subsequently agreed to completely preserve and protect as habitat their two largest remaining undeveloped and residentially-designated landholdings (and the two largest and most critical of such areas remaining in all of the Forest) at Pescadero Canyon and the former proposed golf course site (see also below). Ultimately, though, even through creative use and reuse of existing developed areas to accommodate development, a revised project that both parties could agree upon and that completely avoided ESHA was not identified. The remaining undeveloped and residentially-designated PBC ESHA landholdings were then ranked in terms of sensitivity, and the largest and most sensitive areas were eliminated from development consideration. PBC development was then directed to the remaining areas nearest existing development areas, some of which are more sensitive than others (as will be discussed in the Habitat/ESHA section of this report). Ultimately, following some two years of discussion, and including coordination with Monterey County, PBC and Commission staff came to agreement on the parameters of an LCP amendment and a project that could address both Pebble Beach Company and Coastal Act objectives and requirements (see Exhibit D). Over the course of the next two years, staff of the Commission, Monterey County, and Pebble Beach Company met together to develop the LCP amendment that is now before the Commission. The parties also consulted further on the parameters of a project that could be found consistent with the LCP if so amended.

Like Measure A, the current LCP amendment and project proposal include recreational, visitor-serving, residential, infrastructure, and resource conservation components, and encompass all of Pebble Beach Company's undeveloped De Monte Forest property, and thus can be described as a final build out and

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<sup>15</sup> The only way that Measure A could gain any status and relevance in the future would be if the Commission were sued on its 2007 Measure A denial before the statute of limitations (currently tolled) expires, and resolution of such suit led to a different outcome than denial, and one where Measure A or portions of it were required to be included in the LCP.





preservation plan related to those landholdings. Unlike Measure A and the former PDP, the current proposal eliminates the most problematic components previously proposed (a new 18-hole golf course, a new driving range, and development at Sawmill Gulch), and clusters proposed residential and other development in and adjacent to existing developed and disturbed areas of the Forest. The project is known as the Pebble Beach Company Concept Plan, and this proposed LCP amendment includes a standalone Concept Plan section (see pages 46 through 53 of Exhibit F). PBC has applied for a CDP from the County and the County has started review and held some preliminary hearings related to the project, but the County does not intend to proceed with final consideration of the CDP application until after the LCP amendment process has concluded.

The Concept Plan project would provide for new and expanded visitor-serving development (including a new hotel at the old Spyglass Quarry site), single-family residential development (90 lots), public recreational access improvements throughout the Forest, roadway improvements (including most notably reconfiguration of the intersection where Highway 1, Highway 68, and 17-Mile Drive intersect at the main Pebble Beach gate), and permanent preservation and protection for over 635 acres of sensitive habitat (including all of PBC's remaining land holdings at Pescadero Canyon, and the sites of the previously proposed Measure A golf course and driving range). The Pebble Beach Company indicates that the Concept Plan is their final build out and preservation proposal for the Forest. See the Concept Plan portion of the LCP amendment description that follows for more detail on the Concept Plan.

## **B.LCP Amendment**

### **1. Existing LCP Provisions**

#### **Structure of the Monterey County LCP**

The certified Monterey County LCP has four geographic segments – the Del Monte Forest area is one of these segments.<sup>16</sup> Each of these segments has its own LUP, and the four LUPs together form the LCP's overall LUP. The Implementation Plan (IP) portion of the LCP is broken up into six sections that complement one another: the overall LCP component of the zoning code that applies to all of the segments (i.e., the coastal zone regulations in Title 20 of the County Code), four segment-specific IP sections that provide implementation detail for each of the four segments, and then a sixth part that includes other applicable County ordinances, the zoning district maps, and a series of appendices. The Coastal Commission certified the individual LCP LUP segments between 1982 and 1986; the Del Monte Forest LUP segment was certified in 1984. The complete LCP IP was effectively certified on January 12, 1988. On February 4, 1988, Monterey County assumed authority for issuing most CDPs in the County. Since that time at least two dozen LCP amendments have been submitted to the Commission, including ten LCP amendments that included components specific to the Del Monte Forest. Commission staff

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<sup>16</sup> The other three segments are North Monterey County, Carmel Area (excluding the City of Carmel), and Big Sur.



conducted a periodic review of the certified LCP in 2002-2003, and transmitted preliminary staff recommendations (not adopted by the Commission) to the County as a means of assisting the County in their General Plan update process (still ongoing).

### **Structure of the Del Monte Forest LCP Segment**

Coastal development in the Del Monte Forest area is primarily governed by the DMF LUP, the DMF-specific IP segment (Chapter 20.147 of the County Code), and the zoning district maps that show the Forest (Sections 10 and 16 of the County Zoning Plan). The Del Monte Forest LUP is organized around eight large planning areas: Spanish Bay, Country Club, Gowen Cypress, Spyglass Cypress, Middlefork, Huckleberry Hill, Pescadero, and Pebble Beach. Within portions of these eight large planning areas, a series of smaller planning areas have been further delineated and identified alphabetically as planning areas A through Y. The LCP amendment directly affects most of the alphabetically identified areas (see also below). See maps showing the larger planning areas and the smaller alphabetical planning areas in Exhibit C.

The DMF LUP has three primary land use designations: Residential, Commercial, and Open Space. Each of these designations is further broken down into a number of sub-designations. There are five residential land use sub-designations with densities ranging from a maximum of one unit per two acres up to a maximum of four units per acre.<sup>17</sup> The Commercial designation has three sub-designations: Visitor-Service Commercial, General Commercial, and Institutional. These commercial designations are exclusively applied to the existing Spanish Bay and Pebble Beach Lodge areas, Robert Luis Stevenson High School, and the Pebble Beach Company corporation yard area (the latter two being non-visitor-serving). The Open Space designation includes three sub-designations as well: Open Space Recreational, Open Space Forest, and Open Space Shoreline. The Open Space Recreational designation applies exclusively to all existing golf courses and the Pebble Beach equestrian center. The Open Space Forest and Open Space Shoreline designations apply to resource conservation and protection areas, where the distinction between the two is primarily locational (i.e., immediate shoreline versus more inland areas).

Open space lands in DMF are also further governed by the open space management categories of the LUP's Management Plan for Open Space Property (LUP Chapter 7), also known as the OSAC Management Plan (or the OSAC Plan) in reference to its initial preparation for the Del Monte Forest Open Space Advisory Committee (OSAC) during the course of initial LUP development in the early 1980s. There are eleven OSAC Plan open space management categories and these are based on the type of open space resource being managed (e.g., natural reserve, open forest, etc.).

Although similarly labeled with the "Open Space" term, the LUP's Open Space Recreational land use category encompasses very different types of land use from the other LUP open space categories, and a

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<sup>17</sup> The five designations are 1 unit/2 acres, 1 unit/1.5 acres, 1 unit/acre, 2 units per acre, and 4 units per acre. In addition, in a relatively few number cases in the Forest, density per acre differs from these five sub-designation categories and is explicitly identified on LUP maps. The proposed LCP amendment only involves properties with one of the five base sub-designations.



different type of land use than the phrase “Open Space” typically connotes. The Open Space Forest and Open Space Shoreline designations are resource protection land use designations (generally applied to rare species habitat, dunes, riparian areas, tide pools, shoreline, beaches, reserves, etc.) within which only very low intensity development is even allowed (e.g., public access trails). These designations are meant to protect resources as natural open space (e.g., the Huckleberry Hill Natural Habitat Area is designated Open Space Forest).

In contrast, the LUP’s Open Space Recreational land use category is not a resource protection designation, but rather provides specifically and only for three development-intensive land uses: existing golf courses, the Beach and Tennis Club, and the equestrian center. These three allowed land uses thus provide for significant development, including structural development, such as the Beach and Tennis Club and the clubhouse at the Poppy Hills Golf Course, as well as areas used for high-intensity recreation, such as turfed golf course holes, horse corrals, and riding rings.

Finally, the LUP also includes several land use designation overlay categories. Chief among these is the Resource Constraint Area overlay that applies to the majority of the land involved in the proposed LCP amendment. This overlay is meant to identify property where certain constraints to development are present. When it was established as part of the LUP in the 1980s, it was applied to all the undeveloped DMF land that was not designated at that time for preservation as well as a variety of developed or partially developed sites (like Area X). The overlay was applied based on concerns over water, wastewater, and transportation constraints.

With respect to zoning, the LCP IP zoning districts that apply to DMF essentially mimic the LUP land use designations. For those areas designated Residential in the LUP, the corresponding zoning districts are either Low Density Residential (LDR) or Medium Density Residential (MDR).<sup>18</sup> For those areas designated Commercial in the LUP, the zoning districts are Visitor Service Commercial (VSC), Coastal General Commercial (CGC), or Institutional Commercial (IC), essentially a one to one reflection of the LUP designations. For those areas designated Open Space in the LUP, the zoning designations break down along two very different classifications that map to the above-described resource protection and development sub-categories in the land use designations. The Open Space Forest and Open Space Shoreline designations are implemented by the Resource Conservation (RC) zoning district. RC is generally considered the most resource protective of the County’s LCP zoning designations. The Open Space Recreational land use category, on the other hand, is implemented by the Open Space Recreation (OR) zoning district; a district whose purpose is to provide for outdoor recreation (like golf courses), and not resource protection.<sup>19</sup>

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<sup>18</sup> In some cases, the LDR and MDR zoning designations are further defined by maximum density notations (e.g., LDR/2 means an LDR district with a maximum density of 1 unit per 2 acres).

<sup>19</sup> Throughout this report, land use designations are generally spelled out, followed by zoning districts in parentheses. For example “Open Space Forest (RC/B-8)” represents the Open Space Forest land use designation and the Resource Conservation zoning district to which the B-8 resource constraint overlay also applies. For cases where the “B-8” district is shown, the Resource Constraint Area LUP



With respect to secondary combining zoning designations, the LUP's Resource Constraint Area overlay is implemented by the Building Site (B) combining zoning district that is further defined by eight variations, B-1 through B-8.<sup>20</sup> The B-8 district, often referred to as the resource constraint overlay (because it restricts development where there are particular resource constraints), applies to the majority of the land involved in the proposed LCP amendment, including all of the alphabetically lettered planning units and the Spanish Bay Resort area. Lands with a B-8 overlay cannot be subdivided and new development on them is prohibited other than the first single-family home on a legal residential lot.<sup>21</sup> All DMF land is also combined with the Design Control (D) combining zoning designations, a district meant to guide development with respect to size, scale, layout, appearance and other such elements of design meant to ensure compatibility and protect public viewsheds, among other things. Finally, all County coastal zone land, including that within the Del Monte Forest, includes the "(CZ)" coastal zone identifier (e.g., "RC (CZ)" identifies the Resource Conservation zoning district in the coastal zone).<sup>22</sup>

## **2. Proposed LCP Amendment**

The proposed LCP amendment is a partial update of the DMF LCP that includes the PBC Concept Plan that, if and when implemented through individual CDPs, would result in final build out and preservation for the Pebble Beach Company's remaining land holdings. With respect to the former, the proposed amendment includes a series of changes designed to update the LCP overall for the Del Monte Forest, both to respond to changes in circumstances and understandings since the original LUP adoption in the 1980s, as well as to better protect coastal resources. With respect to the latter, the proposed amendment includes a Pebble Beach Concept Plan section that is designed to accommodate PBC's Concept Plan project. The Concept Plan is premised on acknowledging that there is some development potential on existing property owned by PBC, and that transferring and concentrating this development into and adjacent to existing developed areas of Del Monte Forest, while extinguishing the development potential on and permanently protecting and preserving all of PBC's remaining Del Monte Forest land, is more protective of coastal resources than allowing more dispersed development.

On November 9, 2011, the Monterey County Planning Commission held a workshop on the proposed LCP amendment. On December 14, 2011, the Planning Commission heard the LCP amendment, and forwarded a recommendation that it be approved to the Monterey County Board of Supervisors. The

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designation also applies. For ease of reference, the Resource Constraint Area LUP designation is not generally spelled out in this report, but it is understood to apply to the property in question.

<sup>20</sup> B-1 through B-5 identify specific site area and setback standards, and B-6 through B-8 include restrictions on development more generally.

<sup>21</sup> As indicated, the B-8 designation has been applied almost exclusively to undeveloped DMF lands lacking a resource conservation land use designation (e.g., those undeveloped lands not designated Open Space Forest (RC)).

<sup>22</sup> For the purpose of this report and for clarity in presentation, the "(D)" and "(CZ)" designations are not included where zoning designations are identified. In omitting this reference, it is acknowledged that each zoning designation in the DMF actually includes these identifiers; both in terms of the existing LCP and the proposed amendments to it.



Board subsequently heard and unanimously approved the LCP amendment at its January 24, 2012 hearing. See Exhibit E for the County's findings for the proposed LCP amendment and Exhibit F for the proposed LCP amendment itself, including pages 46 through 53 for the Concept Plan section of it.

### **A. Del Monte Forest Partial LCP Update**

The proposed amendment includes changes throughout the LCP that are designed to make sure that the LCP reflects current standards and understandings, and that it appropriately protects coastal resources as required by the Coastal Act. While not framed as a comprehensive update of the LCP, changes are proposed throughout the LUP and IP, and represent a partial update of sorts until such time that the County prepares a full update of the LCP. Almost every existing LUP policy and corresponding IP section is proposed for at least minor edits (including at least re-wording in most cases). The County worked closely with Coastal Commission staff on the proposed changes, and the amendment reflects proposed language emanating from that collaborative process. The proposed update makes the LCP more protective of coastal resources, and provides for streamlining and improved clarity of existing LCP language. The changes also codify various Monterey County and Coastal Commission interpretations of existing policies and regulations as reflected through LCP implementation over time. All of the proposed changes to the LCP can be found in Exhibit F. The following is a summary of the most notable proposed LCP update changes.

#### **1. Land Use Plan Changes**

The key proposed LUP changes include: improved clarity regarding identification of ESHA and ESHA protection requirements; modifications designed to better address and protect public viewsheds, including specific attention to the area along the shoreline and 17-Mile Drive; updated policies keyed to water and wastewater availability; policy and text reframed to better conform to Coastal Act policies and requirements; and other changes throughout to update background and policy text, to improve clarity in implementation, and to improve internal consistency and application. Primary changes are summarized as follows:

**ESHA.** Expands and clarifies the ESHA definition, and explicitly states that ESHA will be determined based on an evaluation of current resources on the ground; strengthens existing policies to provide for broader protection of resources; deletes policies for which the intent has already been met (e.g., related to the development of the Spanish Bay resort, which has already occurred, and easements at HHNHA that have already been secured); strengthens native Monterey cypress policy to reflect current practice (i.e., development on existing developed portions of a site only); moves biologic report requirements to IP; shifts habitat areas (including those being redesignated to preservation land use categories under the amendment, and those already in preservation categories) into HHNHA, increasing the area of HHNHA from about 350 acres to about 500 acres.

**Forest Resources.** Revises introductory and explanatory text and key policy with substantial additions characterizing native Monterey pine forest as ESHA in certain circumstances consistent with current



practice; adds new prohibitions against tree removal in ESHA unless for restoration; deletes commercial timber harvesting allowance.

**Hazards.** Expands and strengthens coastal hazards and shoreline armoring language and policies to be consistent with current understandings and practice; adds prohibition against new development that would require future shoreline armoring; moves geologic report requirements to IP.

**Visual Resources.** Strengthens and clarifies policy language for scenic resource protection overall.

**Archaeological Resources.** Expands introductory text to provide more historical context; modifies policies to track Coastal Act mitigation text.

**Land Use and Development.** Augments introductory land use and development text; strengthens ESHA protection policies (consistent with proposed edits to the LUP's ESHA section); deletes OSAC Plan references (see below under OSAC Plan); replaces caretaker units and senior units with "accessory dwelling units" to help clarify overall unit allowances;<sup>23</sup> deletes current allowance for golf course development in areas designated for residential use, and adds new requirement that all golf course development be located in areas designated Open Space Recreation only; adds new Pescadero Watershed and other watershed policies to limit structural and impervious coverage (to mirror existing IP requirement); only allows for commercial development associated with visitor-serving facilities; identifies a total of 700 visitor-serving units in DMF; clarifies status of former quarry areas (at Spyglass Hill, Spanish Bay, and the Pebble Beach Company corporation yard sites) and updates what is and is not allowed (e.g., deletes requirements for future development of a new resort at Spanish Bay since resort and golf course have since been developed); adds new prohibition against development (except for habitat restoration) at Sawmill Gulch quarry site; clarifies land use designations (related to high density residential development, visitor-serving commercial areas, open space, areas of special concern, etc.); clarifies/updates planning area descriptions; deletes outdated environmental considerations figures for each planning area (so that environmental/resource considerations can be based on resources on the ground); deletes LUP Table A and the references to it that identify the maximum number of allowed residential units in each of the large DMF planning areas, divided by the smaller lettered planning areas;<sup>24</sup> adds the Pebble Beach Concept Plan (see below).

**Circulation.** Updates language; adds trail system description; provides policy updates regarding the gate fee and new policy language that mirrors language in Concept Plan.

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<sup>23</sup> This change is something that the County has been working on more globally, and is proposed to occur in all Monterey County LCP segments through other LCP amendments over time.

<sup>24</sup> Table A describes the potential for up to 1,067 new residential lots in the lettered planning areas. Some of these planning areas (Areas A, S, and W) have already been developed. Two others (Areas X and Y) are privately owned and have not been subdivided. The remaining lettered planning areas are owned by the Pebble Beach Company and are being addressed by the Concept Plan described above. In short, Table A is being removed based on an assessment that it has outlived its usefulness as a planning tool, including because it has to date introduced certain ambiguities into the development review process, and the LCP's density and development standards are both adequate and more appropriate for addressing coastal resource concerns in the Del Monte Forest.



**Water and Wastewater.** Updates introduction to reflect current conditions (including regarding Cal-Am's cease and desist order, Pebble Beach Company's Monterey Peninsula Water Management District (MPWMD) water entitlement, PBC's estimated water use under the Concept Plan, the parameters of the existing recycled water project, current wastewater treatment capacity information, and Carmel Bay water quality information); changes key policy to allow development only if it can be served by adequate, long-term public water supply and wastewater capacity; recognizes and references PBC's MPWMD water entitlement; adds requirement that recycled water be used on golf courses as much as possible; and deletes resource constraint area overlay mechanism.

**Housing.** Revises introduction and key policy to encourage affordable housing; adds new policy language requiring new residential subdivisions to contribute to the provision of low or moderate income housing.

**Public Access.** Adds new introductory language describing all public access areas in the Del Monte Forest, including new access that has been developed since the time of original LCP certification; strengthens key policy to recognize Coastal Act requirement to maximize public recreational access opportunities; strengthens policies overall to make more consistent with current County and Commission practice for public access; deletes site-specific access recommendations and design criteria because the accessways have been developed and are operating; adds new Del Monte Forest Public Access Management Plan requirement (described under the Concept Plan) intended to provide an updated blueprint for the way in which public access is provided and managed in the Forest.

**Implementation.** Updates implementation language; deletes water allocation table because it is now obsolete (and water allowances are intended to be addressed through the changes in the LUP's water section); clarifies roles of the Del Monte Forest Foundation and the Open Space Advisory Committee.

**Open Space Advisory Committee (OSAC) Management Plan.** Deletes this plan from LUP because it is outdated, does not cover the full suite of protected areas in the Del Monte Forest, and it is proposed to be replaced with a new Forest Management Plan (described in Concept Plan section).

**Appendix A (list of certain ESHAs).** Deletes this appendix because it introduced confusion in terms of ESHA identification, and its purpose is proposed to be replaced with updated ESHA standards that explicitly require ESHA to be defined and determined based on resources on the ground at the time of development proposals.

**Appendix B (site specific shoreline public access design criteria).** Deletes this appendix because the public accessways covered have already been developed, and the management of the accessways is to be covered by the new Del Monte Forest Public Access Management Plan requirement (described in Concept Plan section) for the Del Monte Forest.

**Figures.** Updates all LUP figures to reflect current conditions and adds new Concept Plan figures. In terms of LUP Figure 5 (i.e., the primary LCP DMF land use designation figure and probably the most



critical LUP figure overall) and its related figures,<sup>25</sup> these figures would be updated to reflect changes being made, including related to the Concept Plan. The Figure 5-related figures would be redone to focus on each of the eight planning areas, and would continue to provide the same more detailed and “zoomed-in” depiction. The amendment would also delete existing Figures 6, 7, 8, 9, 10, 11, 12, and 13 which show various environmental considerations (from the mid 1980s) for each planning area, and modify the text to reflect that environmental considerations are based on resources on the ground at the time of a development proposal. See Exhibit G for selected existing LUP figures and pages 240 through 277 of Exhibit F for the proposed LUP figures.

## **2. Implementation Plan Changes**

The proposed IP changes complement the proposed LUP changes described above, and in most cases directly mimic the proposed amended language. Certain implementation detail has been augmented, and a number of requirements that were in the LUP have been moved to the IP (e.g., biological report requirements, etc.). The proposed IP changes are almost entirely to IP Section 20.147 (Part 5 of Title 20; the Del Monte Forest-specific IP section described earlier). There are also some changes to the main IP section (Part 1 of Title 20) that apply to all of the County’s coastal zone, and not just the Del Monte Forest. Primary changes are summarized as follows:

**IP Section 20.147.** In general, the proposed IP text includes the same policies that are in the proposed LUP. The IP also adds additional specificity and requirements for implementation of these policies in certain circumstances (e.g., additional technical requirements for reports, such as the biological survey requirements associated with ESHA identification; updated tree removal standards, including new requirements that no trees can be removed in ESHA without a CDP; identification of appropriate buffers; etc.). The amendment also proposes to change many of the existing definitions for clarification purposes and to eliminate redundancy (e.g., definitions are deleted where there already exists a definition for the same term in Part 1 or in the LUP (e.g., for development, discretionary permit, wetlands, and the land use categories), and where they are no longer relevant or applicable (e.g., a Timber Harvest Plan)). The proposed IP changes would also correct certain zoning errors where the zoning designation does not match the existing use and/or the LUP designation (e.g., changing the Beach Club site from Open Space Recreation to Visitor Serving Commercial<sup>26</sup>). In sum, though, the proposed Section 20.147 et seq IP changes simply conform the IP to the proposed LUP in most respects, provide additional strengthening detail in others, and corrects errors in yet others. See pages 278 through 387 of Exhibit F for the proposed changes to Section 20.147.

**IP Sections 20.12 and 20.14.** The proposed changes are limited to provisions for use and development in the Low Density Residential (LDR) and Medium Density Residential (MDR) zoning districts.

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<sup>25</sup> Figures 6a, 7a, 8a, 9a, 10a, 11a, 12a, and 13a, which show the same information as LUP Figure 5 just “zoomed-in” to show better detail for different areas of the DMF.

<sup>26</sup> The Visitor-Service Commercial LUP designation would be re-named Visitor Serving Commercial per the proposed LCP amendment.





Currently, golf courses are allowed as a conditional use in the Del Monte Forest in the LDR and MDR zones, and the proposed IP would eliminate golf courses as an allowed use in these zoning districts (see page 279 of Exhibit F).

## **B. Pebble Beach Company Concept Plan**

The LCP amendment proposes a new subsection in LUP Chapter 3 (the LUP's "Land Use and Development Element") and a new Section 20.147.095 in the IP, both titled "Pebble Beach Company Concept Plan". The proposed text of the Concept Plan sections is identical in the LUP and IP. The proposed Concept Plan was designed to be a specific plan of sorts for the Pebble Beach Company's remaining undeveloped land in the Del Monte Forest. It also is intended to address the Pebble Beach Company's plans for improvements to the existing Inn at Spanish Bay, the existing Lodge at Pebble Beach, the existing Pebble Beach Equestrian Center, and PBC's existing Driving Range adjacent to the Equestrian Center. This portion of the amendment includes detailed plans, allowances, and requirements for those improvement projects, as well as for the PBC's undeveloped land, most of which is proposed for habitat preservation (635 acres) and some of which is proposed for residential development (80 acres). The Concept Plan also proposes a new resort hotel at the former Spyglass Quarry, a currently undeveloped but disturbed property. The undeveloped land affected by the Concept Plan encompasses nearly all of the lettered LUP planning areas described above. Although the Concept Plan includes descriptions of specific development that it would allow, and although these descriptions can be used to help identify the effect of this portion of the proposed LCP amendment, the Concept Plan development is not before the Commission at this time. As indicated above, the Pebble Beach Company has applied to the County for CDP approval for the Concept Plan project, but any final County CDP actions on it must necessarily wait until this LCP amendment process is complete. For the description that follows, please refer to Exhibit C for LUP planning areas, page 6 of Exhibit D for the Concept Plan overview map, Exhibits H and I for the existing and proposed LCP land use and zoning designations, and Exhibit J for the Pebble Beach Company's Concept Plan project plans.

### **1. Visitor-Serving Areas**

#### **The Inn at Spanish Bay**

The Concept Plan improvements at The Inn at Spanish Bay include 40 new overnight visitor accommodation units<sup>27</sup> in five new 6,400-square foot two-story buildings, with a 5,600-square foot hospitality center in the middle (see page 1 of Exhibit J). The new visitor-serving units would be located on the southern side of the existing hotel buildings in the area located between the resort parking lot and the 10th and 11th holes of the Links at Spanish Bay. The new buildings would displace 30 existing parking spaces that would be replaced in the new parking lot in LUP planning area B (described below). In addition, the existing conference center portion of The Inn would be upgraded and expanded with a

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<sup>27</sup> Note that the increase in units will also require an amendment to the Commission's Spanish Bay CDP to allow more than the 270 units originally approved in 1985. PBC indicates that it intends to submit a CDP amendment application for this purpose to the Commission following the Commission's consideration of this LCP amendment.



new meeting venue and additions to the existing ballroom area. The proposed new meeting venue would be a two-story, 4,660-square foot addition on the north end of the existing building, and the ballroom improvements include a 4,155-square foot expansion on the south end of the existing building to create additional support and circulation space. Finally, a new 3.2-acre, 285-space surface parking lot for employees and guests would be constructed at the intersection of 17-Mile Drive and Congress Road, in the western triangular-shaped corner of LUP planning area B (see page 2 of Exhibit J). A 1.3-acre forested buffer would be retained along both 17-Mile Drive and Congress Road that would screen the parking lot and include a pedestrian trail. The Concept Plan also requires restoration of the area along both sides of Congress Road from 17-Mile Drive to Forest Lodge Road (that has been used for informal and event parking) to forest habitat.

The proposed amendment would also allow for an increase of up to 60 new visitor-serving units (from 270 existing allowed units to 330 allowed units) at The Inn at Spanish Bay (LUP Policy 89 would also be amended to identify the 350 allowed units). The LUP would also be amended to reflect an overall 700-unit maximum for DMF as a whole (to account for the proposed 100-unit hotel at the old Spyglass Quarry (see below), the 270 existing plus 60 new units at The Inn at Spanish Bay, and the 190 existing plus 80 new units at The Lodge at Pebble Beach). Although the current Concept Plan identifies 40 new overnight units at The Inn at Spanish Bay, the amendment would actually account for an additional 20 potential units that the Pebble Beach Company could pursue at the Inn in the future. The proposed amendment also includes re-designation of a 1.54-acre area at the south end of the existing Inn from Open Space Recreation (OSR/B-8) to Visitor Serving Commercial (VSC). The amendment would also specifically allow for the currently proposed expansion of the Inn's existing conference center described above.

The Concept Plan portion of the amendment also proposes to re-designate the 4.5-acre western triangular-shaped corner of LUP planning area B to allow for the above-described surface parking lot and perimeter trail. The central part of the triangle is currently designated Residential with a maximum density of 2 units per acre (MDR/B-8), and the edges (near the roads) are currently designated Open Space Forest (OSF). The proposed amendment would designate the central part of the triangle Visitor Serving Commercial (VSC) and designate the perimeter Open Space Recreational (OSR). The proposed new land use designations would be reflected in amended LUP Figure 5 and on the zoning maps.

Finally, the amendment includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the proposed new visitor-serving units and the proposed parking lot at Area B. The proposed amendment also includes a specific exception to the LCP's 17-Mile Drive visual setback requirements for the proposed visitor-serving units and the conference center additions at The Inn. The amendment also deletes LUP Policy 84 which allows Area B to be developed with a maximum of 63 residential units, and adds a new Policy 82 that specifically allows for the proposed parking lot and requires the rest of Area B to be preserved in perpetuity. The proposed amendment would add new figures in the LUP (9a, 9k, and 9o) to reflect the components of the Concept Plan related to The Inn at Spanish Bay.



### **The Lodge at Pebble Beach**

The Concept Plan improvements at The Lodge at Pebble Beach include a net addition of 55 new overnight visitor accommodation units, meeting facility expansion, and parking and circulation improvements (see pages 3 through 10 of Exhibit J). With the additional units, the Lodge would expand to a total of 245 units. The proposed two-story, 24,700-square foot Colton Building, located between Cypress Drive and the 1<sup>st</sup> fairway of the Pebble Beach Golf Links, would provide 20 new visitor-serving units and would be constructed on the existing parking lot adjacent to the existing Flavin, Morse, Jeffers, and McComas Lodge buildings, and immediately west of Casa Palmero (all of which provide existing visitor-serving overnight accommodations). The new building would displace 32 parking spaces, but would provide 31 replacement parking spaces in its basement level. The existing five-guest room Fairway One House and the existing Beirne Residence (currently vacant and used for occasional PBC staff events and storage), located between 17-Mile Drive and the 1st fairway of the Pebble Beach Golf Links, would be demolished to allow for the construction of a new Fairway One visitor-serving facility, with 40 overnight units<sup>28</sup> in six buildings and a hospitality facility, all totaling 33,700 square feet.

The existing 5,000-square foot meeting facility in the second floor of Building 2 at the main Lodge complex would be renovated and expanded to provide an additional 2,100 square feet of meeting room space and 2,900 square feet of additional support area (including a protected entrance, a covered service corridor for staff to access meeting rooms, banquet preparation and cooking areas, and storage). This building is located between 17-Mile Drive and the Lodge putting green.

Finally, the existing main 113-space Pebble Beach commercial area surface parking lot and the existing circulation in the immediate vicinity of the parking lot and The Lodge would be reconfigured. A new 39,500-square foot 224-space two-story parking structure would be constructed in the area between the existing surface parking lot and the Pebble Beach Golf Links cart barn. A new 23-space short-term surface parking lot would be constructed in the general vicinity of the existing parking lot. Two new roundabouts would be constructed on 17-Mile Drive between the parking area and The Lodge to improve vehicular and pedestrian circulation.

As described above for The Inn, LUP Policy 89 would be amended to identify the higher total number of allowed overnight units at The Inn at Spanish Bay, The Lodge at Pebble Beach and the proposed hotel at and near Area M (see below). Although the current Concept Plan identifies 55 new overnight units at The Lodge, the Concept Plan portion of the amendment would also allow for 25 additional units which the Pebble Beach Company may pursue in the future, for a total of up to 80 new units at the Lodge (and an overall total of up to 270 units). The proposed amendment involves re-designation of the existing Fairway One House and Beirne Residence sites from Residential with a maximum density of 1 unit per 1.5 acres (LDR/1.5) and General Commercial (CGC) to Visitor Serving Commercial (VSC). The proposed new land use designation would be reflected in an amended LUP Figure 5 and on the zoning maps. The amendment would also specifically allow for the currently proposed addition to The Lodge

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<sup>28</sup> 35 new units, and 5 replacement units for the 5 existing units at the Fairway One House.



conference facility and the parking lot and circulation reconfigurations described above.

The amendment includes a specific exception to the LCP's 17-Mile Drive visual setback requirements for the proposed Fairway One visitor-serving units and the conference center additions at The Lodge. The proposed amendment would add new figures in the LUP (9m, 9n, and 9q) to reflect the components of the Concept Plan related to The Lodge at Pebble Beach.

**New Hotel at Former Spyglass Quarry**

The Concept Plan includes a new resort hotel on 16 acres at the former Spyglass Quarry on Spyglass Hill, in and near LUP planning area M (see page 11 of Exhibit J). The entrance to the hotel would be across from the Spyglass Hill Golf Course, at the intersection of Spyglass Hill Road and Stevenson Drive. The proposed development would be comprised of a main two-story 44,000-square foot hotel building (with a restaurant, bar/lounge, terraces, meeting facilities, offices, retail, and storage); 100 visitor-serving overnight accommodation units in 11 separate single-story buildings, for a total of 79,400 square feet; a 32,300-square foot spa and fitness facility (including basement level parking); a three-story 103,700-square foot parking structure (one surface level and two stories underground) with 301 parking spaces; pool; and pathways throughout the site. The development would be terraced down the slope toward the northwest, adjacent to a portion of the Spyglass Hill Golf Course below. The Concept Plan also allows for this area to be used alternatively for up to 10 single-family residential lots (see page 17 of Exhibit J).

LUP planning area M is currently designated Residential with a maximum density of 4 units per acre (MDR/B-8) and Resource Constraint Area. The proposed amendment would designate 16 acres of Area M as Visitor Serving Commercial (VSC) and designate approximately 10 acres as Open Space Forest (RC). The proposed new land use designations would be reflected in an amended LUP Figure 5 and on the zoning maps.

The proposed Concept Plan portion of the amendment would also add text to the LUP and IP to allow for a 100-room resort hotel or 10 single-family residential lots in the VSC-designated portion of the site. This new text would be added to both the new Concept Plan section as well as to the Land Use and Development section of the LUP and IP. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the VSC-designated portion of the site so long as degraded dune areas adjacent to the VSC area are restored and that any landscaped areas within 100 feet of the edge of the proposed development area are landscaped compatible with the adjacent dune area. The proposed amendment would add new figures in the LUP (9g(1) and 9g(2)) to reflect the components of the Concept Plan related to a new resort hotel and the option for residential lots at this area.

**2. Recreational Areas**

**Equestrian Center, Driving Range, and Special Events Staging**

The existing Pebble Beach Equestrian Center, the existing Pebble Beach Driving Range, and PBC's



main special events staging area are located to the northwest of The Lodge at Pebble Beach, within the general vicinity of the intersections of Portola Road and Stevenson Road, and Ondulado Road and Stevenson Road. Under the Concept Plan, the existing 11.8-acre Equestrian Center would be renovated with a new 47,000-square foot covered arena, four 30,000-square foot outdoor riding rings, barns and stalls, 2,600-square foot employee housing, 1,600-square foot office, 2,000-square foot rider's lounge, vehicle storage, accessory structures, and 84-space surface parking lot (see pages 20 and 22 of Exhibit J). The overall footprint of the new facility would be smaller than the existing facility by about half, however there would only be a minor capacity reduction. In addition, the Equestrian Center would still be able to use the adjacent special events staging area for large events. Hours of operation would primarily be daylight hours, although the indoor arena could be used for indoor training and lessons during evening hours.

In addition, under the Concept Plan the existing Pebble Beach Driving Range would be relocated across the street from its current location at the intersection of Portola Road and Stevenson Road (in LUP planning area V) to the area known locally as Collins Field, a turfed 16.5-acre field that is currently used for a variety of field events as well as for temporary special event staging (see pages 20 and 24 of Exhibit J). Fourteen single-family residential lots are proposed for the existing Driving Range site (see below for details). According to the Pebble Beach Company, the current Driving Range is considered undersized by modern standards and cannot incorporate support facilities. The proposed driving range facility would include tee box hitting stations and terraced tees; a putting and chipping green; a 350-square foot golf ball kiosk with restroom; a 2,300-square foot golf academy with training center, offices, and restroom; and 26-space surface parking lot.

Also, a 14-acre special events staging area would be designated at the Equestrian Center site under the Concept Plan (see pages 20 and 23 of Exhibit J). This area and Collins Field (at the same location as the proposed relocated driving range) is used for large events such as the AT&T Pro-Am golf tournament, Concours d'Elegance, Pebble Beach Food & Wine, First Tee Open, and various other large tournaments and events sponsored by the Pebble Beach Company.

The proposed amendment does not involve any re-designation or re-zoning of the existing Pebble Beach Equestrian Center site; however, it does include an allowance for redevelopment of the Equestrian Center in its current location, and for designation of a special events staging area on the eastern half of the Equestrian Center site. The proposed amendment would add a new figure in the LUP (9h) that shows the proposed redevelopment of the Equestrian Center and the special events staging area.

The existing Collins Field is designated Open Space Recreational (OR) and the eastern corner is designated Residential with a maximum density of 2 units per acre (MDR/B-8). The proposed amendment would re-designate the eastern corner Open Space Recreation and remove the Resource Constraint Area overlay, and the proposed zoning (OR) would correspond to the new land use designation. The designation and zoning change would allow for the Pebble Beach Driving Range and new golf academy to be located at Collins Field. And the amendment includes new LUP and IP text and



a new LUP figure (9j) that would specifically allow for the relocated Driving Range and golf academy at Collins Field.

This portion of the amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements, as well as a specific exception to the LCP's 17-Mile Drive visual setback requirements, for the proposed redevelopment of the Equestrian Center, the new special events staging area, and the relocated Driving Range.

### **3. Residential Areas**

In addition to the potential 10 residential lots at the Spyglass Quarry site discussed above, the Concept Plan includes residential subdivisions to enable future development of up to 90 single-family residences. As shown in Exhibit J, the proposed residential subdivisions are located in nine areas (LUP planning areas F-2, I-2, J (consisting of J-1 and J-2), K, L, U, and V, at the existing Collins Residence site (near Collins Field), and at PBC's main corporation yard (located near HHNHA). The proposed amendment involves re-designation and re-zoning of some 80 acres of land for the specific Concept Plan densities identified. Almost all of this 80 acres is already designated and zoned for residential use, but the amendment proposes to reduce the density and remove the Resource Constraint Area overlay. Each of these areas is discussed in more detail below.

#### **Residential Area at LUP Planning Area F-2**

Area F-2 is a 19.5-acre parcel surrounded by the Poppy Hills Golf Course to the north, east, and west, and by Lopez Road and Poppy Hills Golf Course on the south side. Area F-2 is made up a single parcel that is currently undeveloped except for storage, a plant nursery operation, and an existing north-south trail. Under the Concept Plan the parcel would be subdivided into 16 residential lots ranging in size from 1 to 1.49 acres and totaling 17.7 acres. Roadway and utility easements through the parcels would total another 1.79 acres. Access to the lots would be from Lopez Road. The existing 0.35-mile north-south trail on the property would be relocated along the roadway through the center of the subdivision. See page 12 of Exhibit J for lot details.

Area F-2 is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate Area F-2 as Low Density Residential (LDR) with a new B-6 combining designation. The B-6 designation prohibits future subdivision. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9b) to reflect the Concept Plan's 16 residential lot configuration at Area F-2. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

#### **Residential Area at LUP Planning Area I-2**

Area I-2 is an 18.74-acre parcel sandwiched between Poppy Hills Golf Course to the north and Viscaino



and Ronda Roads to the south, and single-family residential neighborhoods fronting the roads themselves. The parcel is currently undeveloped except for an east-west trail roughly through its center. Under the Concept Plan the parcel would be subdivided to provide 16 residential lots ranging from 1 to 1.62 acres, and totaling 18.14 acres. Roadway and utility easements through the parcels would total another 0.32 acres. A small 0.28-acre parcel on the east side would be dedicated for habitat preservation. The 0.64-mile existing trail would be relocated along the northern edge of the subdivision, between the proposed lots and the Poppy Hills Golf Course. See page 13 of Exhibit J for lot details.

Area I-2 is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate Area I-2 as Low Density Residential (LDR) with a new B-6 (subdivision prohibited) combining designation. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9c) to reflect the 16 residential lot configuration at Area I-2. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

**Residential Area at LUP Planning Area J**

Area J consists of two areas, J-1 and J-2, (and three parcels) separated by Spyglass Woods Drive and existing single-family residential development, totaling 9.38 acres. The site is generally located just north of Spyglass Hill Golf Course. Under the Concept Plan the lots would be subdivided to provide five residential lots ranging from 0.55 to 0.98 acre, and totaling 3.8 acres. The subdivision would include four additional lots totaling 5.6 acres that would be dedicated for habitat preservation. An existing trail through the center of the southernmost proposed lots would be relocated around the lots. See page 14 of Exhibit J for lot details.

Area J is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate 3.8 acres of Area J as Medium Density Residential (MDR/2) with a new B-6 (subdivision prohibited) combining designation, and 5.6 acres as Open Space Forest (RC). The proposed land use designations would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9d) to reflect the 5 residential lot configuration and the preservation areas at Area J. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the proposed lots.

**Residential Area at LUP Planning Area K**

Area K consists of two areas (and two parcels) bisected by Stevenson Drive and totaling 10.62 acres adjacent to Spyglass Hill Golf Course. Under the Concept Plan this area would be subdivided into eight lots ranging in size from 0.44 to 0.74 acre and totaling 5.02 acres. The subdivision would include five



additional lots totaling 4.7 acres that would be dedicated for habitat preservation. Access to the lots would be from Stevenson Drive. An existing trail through the proposed lots would be relocated around the lots. See pages 15 and 16 of Exhibit J for lot details.

Area K is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate 5.02 acres of Area K as Medium Density Residential (MDR/2) with a new B-6 (subdivision prohibited) combining designation, and 4.7 acres as Open Space Forest (RC). The proposed land use designations would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9e) to reflect the 8 residential lot configuration and the preservation areas at Area K. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the proposed residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the proposed lots. The amendment would also re-designate and re-zone a 0.52-acre portion of Area K that is currently used for Spyglass Hill Golf Course maintenance from Medium Density Residential (MDR/B-8) to Open Space Recreation (OR).

#### **Residential Area at LUP Planning Area L**

Area L is an 18.4-acre site situated adjacent to the northwest corner of Spyglass Hill Golf Course, between the golf course and the Indian Village preserve area.<sup>29</sup> Under the Concept Plan the site would be subdivided into 10 residential lots ranging in size from 0.58 to 0.95 acre, totaling 7.09 acres. The new roadway area would total 1.76 acres, and access to the site would be from Dune Road to the west. A small area (1.01 acres) on the western end and a larger area (8.33 acres) to the east of the development area would remain undeveloped and be dedicated for habitat preservation (described below). See page 16 of Exhibit J for lot details.

Area L is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate 8.85 acres of Area L as Medium Density Residential (MDR/2) with a new B-6 (subdivision prohibited) combining designation, and approximately 9.5 acres as Open Space Forest (RC). The proposed land use designations would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9f) to reflect the 10 residential lot configuration and the preservation areas at Area L. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

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<sup>29</sup> Indian Village is a preservation area that includes dunes and native Monterey pine forest habitat surrounding an active recreational area (with restrooms, picnic tables, and turfed field) that is owned and operated by the Del Monte Forest Foundation for use by groups and individuals.





**Residential Area at LUP Planning Area U**

Area U includes a 5.48-acre area of the existing Equestrian Center where it backs onto Drake Road. The site is currently developed with various uses associated with the Equestrian Center. Under the Concept Plan the site would be subdivided to provide seven residential lots ranging in size from 0.71 to 0.83 acre. Access to the lots would be from Drake Road. The site is connected to two undeveloped areas (16.69 acres) of Area U that would be dedicated for habitat preservation (described below). See page 20 of Exhibit J for lot details.

Area U is currently designated Low Density Residential with a maximum density of 1 unit per acre with a resource constraint overlay (LDR/B-8). The proposed LCP amendment would remove the overlay and re-designate 5.48 acres of area U as Medium Density Residential (MDR) with a new B-6 (subdivision prohibited) combining designation, and 16.69 acres as Open Space Forest (RC). The proposed land use designations would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9h) to reflect the 7 residential lot configuration and the preservation areas at Area U. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

**Residential Area at LUP Planning Area V**

Area V includes a 10.41-acre area occupied by the existing Pebble Beach Driving Range, located between Forest Lake Road and Stevenson Road. Under the Concept Plan the site would be subdivided to provide 14 residential lots ranging in size from 0.47 to 0.5 acre, totaling 6.82 acres. An internal roadway area would total 0.77 acre, and a 3-acre recreational open space area would be identified on the corner of Forest Lake and Stevenson Roads. The existing driving range would be relocated across the street to Collins Field (described above). The larger undeveloped portion of Area V (15.33 acres) would be dedicated for habitat preservation (described below). See page 21 of Exhibit J for lot details.

Area V is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed LCP amendment would remove the overlay and re-designate 7.59 acres of area V as Medium Density Residential (MDR/2) with a new B-6 (subdivision prohibited) combining designation, 2.91 acres as Open Space Recreation (OR), and 12.56 acres as Open Space Forest (RC). The proposed land use designations would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9i) to reflect the 14 residential lot configuration and the recreational and preservation areas at Area V. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

**Residential Area at Collins Residence Site**

The Collins Residence site is a 3.85-acre area located immediately southwest of Collins Field at the intersection of Portola Road and Alva Lane that is currently developed with two residences on four



parcels. The four residential lots range in size from 0.75 to 0.91 acre. Under the Concept Plan the existing two residences would be demolished to make way for four new residences. A 0.51-acre roadway (cul-de-sac) would be developed in the center of the site. See page 19 of Exhibit J for lot details.

The Collins Residence site is currently designated Low Density Residential with a maximum density of 1 unit per 1.5 acres (LDR). The proposed LCP amendment would re-designate the site as Medium Density Residential (MDR) with a new B-6 (subdivision prohibited) combining designation. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9p) to reflect the 4 residential lot configuration at the site. The amendment also includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots.

**Residential Area at corporation yard Site**

The corporation yard site is an 8.08-acre portion of the Pebble Beach Company's existing corporation yard, off of Sunridge Road and adjacent to the Pebble Beach Company's main offices and nursery. The 8.08-acre area, which is currently used to support general Pebble Beach Company maintenance activities, would be subdivided under the Concept Plan into 10 residential lots ranging in size from 0.38 to 0.6 acre, for a total of 4.7 acres. A new 1.93-acre loop roadway would be constructed through the site. A 1.45-acre recreational open space area would be located on the north side of the subdivision. The remainder of the PBC's corporation yard area (7.42 acres) would remain in use, and a landscaped berm would be installed along the south side of the residential lots to provide a buffer from corporation yard activities. The site is adjacent to the Huckleberry Hill Natural Habitat Area, and includes a 7-acre area that would be dedicated for habitat preservation and added to the HHNHA (described below). See page 18 of Exhibit J for lot details.

The Pebble Beach Company corporation yard and surrounding area is a 15.5-acre area that is currently designated half Institutional Commercial (IC) and half General Commercial (CGC), all of which is a Resource Constraint Area (B-8). Because a portion of the existing corporation yard is located within the General Commercial area, the amendment proposes to correct the designations so that the entirety of the corporation yard itself is designated Institutional Commercial. The proposed LCP amendment would also re-designate 6.63 acres of the General Commercial area and 1.09 acres of Open Space Forest (RC) to Medium Density Residential (MDR with a new B-6 (subdivision prohibited) combining designation. In addition, 1.45 acres of Open Space Forest area would be re-designated as Open Space Recreation (OR), and small area in the corporation yard area that was inadvertently mapped as within HHNHA would be corrected. The proposed land use designations would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9i) to reflect the 10-residential lot configuration and associated recreational area. The amendment also includes specific exceptions to the LCP's ESHA protection policies and setback/buffer requirements for the residential lots, and includes a requirement for forest management plans and deed restrictions for forest and habitat protection on the lots. Finally, the amendment includes a new LUP Policy 96 and IP Policy 20.147.090.B.21 that describe the allowed uses at and adjacent to the corporation yard.



**Potential Residential Area at LUP Planning Area M**

As described above, a portion of LUP planning area M would be re-designated from Medium Density Residential (MDR) to Visitor Service Commercial (VSC) in anticipation of a proposed resort hotel at the site. In the event the Pebble Beach Company does not develop a hotel at this location, the Concept Plan allows 10 single-family residential lots in the same development footprint instead. The proposed VSC designation would conditionally allow for such residential use. As described above, the proposed amendment would add a new figure in the LUP (9g(2)) to reflect the option for 10 residential lots at and near Area M.

**4. Sensitive Habitat Preservation and Enhancement Areas**

The Concept Plan includes permanent dedication of conservation easements and resource management over 635 acres of undeveloped open space comprised of native Monterey pine forest and other native habitat. The preservation areas encompass all of LUP planning areas C, F-1, F-3, G, H, I-1, N, O, P, Q, R, and portions of LUP planning areas B, J, K, L, M, U, and V (see Exhibits C and D). The Concept Plan portion of the proposed LCP amendment involves re-designation and re-zoning of 435 acres from residential use to open space protection (i.e., Open Space Forest (RC)), as described in detail below. The Concept Plan also involves permanent protection in the form of conservation easements for all of these areas, as well as for other areas (200 acres) that are already designated Open Space Forest or Open Space Shoreline (and RC) but which lack protective easements and associated management. The amendment includes new LCP text that requires dedication of open space conservation easements to the Del Monte Forest Foundation for all preservation areas as well as a comprehensive forest and resource management plan for such areas and funding for implementation of such management in perpetuity. The comprehensive management plan is also required to encompass all other Del Monte Forest properties that the Pebble Beach Company has already encumbered with conservation easements or on which the Del Monte Forest Foundation already holds a conservation easement. The management plan itself is intended to update and replace the LUP's existing Chapter 7 (Open Space Advisory Committee (OSAC) Management Plan), which would be deleted from the LCP (as described above).

**Preservation Area at LUP Planning Area B**

The westernmost 4.5 acres of Area B would be designated for visitor serving development as described above. The remainder of the western half of Area B (19.45 acres) that is not already in protective easement is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). Area B is adjacent to a strip of land along 17-Mile Drive and Congress Road (between Area B and the roads) that is designated Open Space Forest (RC). The proposed amendment would designate all of Area B (other than the above-described 4.5 acres) as Open Space Forest (RC), and would remove the resource constraint overlay. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9a) with a close-up view of the site.

**Preservation Area at LUP Planning Area C**



The 29.05-acre Area C is located across Congress Road from Area B and is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed amendment would designate all of Area C as Open Space Forest (RC), and would remove the resource constraint overlay. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9a) with a close-up view of the site.

**Preservation Area at LUP Planning Area F-1**

The 9.77-acre Area F-1 is located on Congress Road immediately adjacent to HHNHA and the S.F.B. Morse Preserve at the northwest corner of Poppy Hills Golf Course, and is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). Area F-1 is framed by a small strip of land along Congress Road that is currently designated Open Space Forest (RC). The proposed amendment would designate all of Area F-1 as Open Space Forest (RC), and would remove the resource constraint overlay. Area F-1 would also be added to HHNHA. The proposed land use designations would be reflected in an amended LUP Figure 5 and on the zoning map.

**Preservation Area at LUP Planning Area F-3**

The 16.8-acre Area F-3 is located immediately adjacent to HHNHA on the east side of the Poppy Hills Golf Course along Lopez Road, and is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed amendment would designate all of Area F-3 as Open Space Forest (RC), and would remove the resource constraint overlay. Area F-3 would also be added to HHNHA. The proposed land use designations would be reflected in an amended LUP Figure 5 and on the zoning map.

**Preservation Area at LUP Planning Area G**

Area G is an approximately 60-acre area located at the southern end of the Huckleberry Hill Natural Habitat Area along Ronda Road that is currently designated in two ways. Most of the area (38 acres) is designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). Area G is also framed by a strip of land that wraps along Ronda Road that is designated Open Space Forest (RC). The proposed amendment would designate the 38 acres of Area G as Open Space Forest (RC), and would remove the resource constraint overlay. All of Area G and portions of the surrounding area already designated Open Space Forest (RC) would be part of the Concept Plan required preservation area and conservation easement, for a total of 60 acres in this area. Area G would also be added to HHNHA. The proposed land use designations would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9r) with a close-up view of the site.

**Preservation Area at LUP Planning Area H**

Area H is made up of two areas (totaling 22 acres) located at the southeast corner of Poppy Hills Golf



Course that are currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed amendment would designate Area H as Open Space Forest (RC), and would remove the resource constraint overlay. All of Area H and portions of the surrounding area already designated Open Space Forest (RC) would be part of the Concept Plan required preservation area and conservation easement, for a total of 50 acres in this area. The proposed new land use designation would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9r) with a close-up view of the site.

**Preservation Area at LUP Planning Area I-1**

Area I-1 is also comprised of two areas (totaling 29 acres) located to the west of the Poppy Hills Golf Course between Forest Lake Road and Lopez Road. Roughly 21 acres of Area I-1 are currently designated Low Density Residential with a maximum density of 1 unit per acre with a resource constraint overlay (LDR/B-8), and roughly 8 acres are currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed amendment would designate all of Area I-1 as Open Space Forest (RC). All of Area I-1 and portions of the surrounding area already designated Open Space Forest (RC) would be part of the Concept Plan required preservation area and conservation easement, for a total of 38 acres in this area. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the zoning map, and the amendment would add a new figure in the LUP (9c) with a close-up view of the site.

**Preservation Area at LUP Planning Areas J, K, and L**

The proposed amendment includes land use designation and zoning changes for Areas J, K, and L for both residential and open space, as described above. The proposed preservation-related changes for these areas can be found in the corresponding discussions under 'Residential Areas' above.

**Preservation Area at LUP Planning Area M**

The proposed amendment includes land use designation and zoning changes for Area M for both visitor-serving and open space, as described above. The proposed preservation-related changes for Area M are described in the discussion above under 'Visitor-Serving Areas'.

**Preservation Area at LUP Planning Area N**

Area N is a 50-acre area that is located adjacent to the east end of the Cypress Point Golf Course along Drake Road and Stevenson Drive. Area N is currently designated Low Density Residential with a maximum density of 1 unit per acre with a resource constraint overlay (LDR/B-8). The proposed amendment would designate all of Area N as Open Space Forest (RC), and would remove the resource constraint overlay. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9s) with a close-up view of the site.



**Preservation Area at LUP Planning Area O**

Area O is a discontinuous 12-acre area located at the intersection of Stevenson Drive and Bristol Curve. The site is currently designated Medium Density Residential with a maximum density of 2 units per acre with a resource constraint overlay (MDR/B-8). The proposed amendment would designate Area O as Open Space Forest (RC), and would remove the resource constraint overlay. All of Area O and portions of the surrounding area already designated Open Space Forest (RC) would be part of the Concept Plan required preservation area and conservation easement, for a total of 20 acres in this area. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9s) with a close-up view of the site.

**Preservation Area at LUP Planning Areas P, Q, and R**

Areas P, Q, and R (commonly referred to as combined planning area PQR) comprise a 159-acre area located in the southeastern corner of the Del Monte Forest in Pescadero Canyon. These areas are currently designated Low Density Residential with a maximum density of 1 unit per acre with a resource constraint overlay (LDR/B-8). The proposed amendment would designate Area PQR as Open Space Forest (RC), and would remove the overlay. All of Area PQR and portions of the surrounding area already designated Open Space Forest (RC) would be part of the Concept Plan required preservation area and conservation easement, for a total of 246 acres in Pescadero Canyon. The proposed land use designation would be reflected in an amended LUP Figure 5 and on the IP zoning map, and the amendment would add a new figure in the LUP (9t) with a close-up view of the site.

**Preservation Area at LUP Planning Areas U and V**

The proposed amendment includes land use designation and zoning changes for LUP Planning Areas U and V for both residential and open space, as described above. The proposed preservation-related changes for these areas can be found in the corresponding discussions under 'Residential Areas' above.

**5. Traffic and Circulation**

The Concept Plan includes reconfiguration of the intersection where Highway 1, Highway 68, and 17-Mile Drive intersect at the main Pebble Beach gate, and improvements to four internal Del Monte Forest intersections to facilitate improved traffic flow. The main Pebble Beach gate intersection reconfiguration would involve adding a new right turn lane on Highway 68 in the eastbound direction to the Pebble Beach entrance; widening the existing Highway 1 southbound off-ramp; improving the existing Highway 1 on-ramp; and modification of signals at the intersection of the two Highways. The four locations of the proposed internal intersection improvements are Congress Road/17-Mile Drive, Congress Road/Lopez Road, Lopez Road/Sunridge Road, and Portola Road/Stevenson Drive. Proposed changes at these intersections involve minor modifications to lanes, realignments, and elimination of problematic angles to improve sight distance and provide improved channelization. See page 26 of Exhibit J for roadway improvement details. The proposed amendment includes new LUP and IP text that requires the Pebble Beach Company to redevelop the intersection and gate at Highway 68, Highway 1, and 17-Mile Drive as described, and to improve The Lodge area parking and circulation system, as



described in the visitor serving discussion above. This requirement would be triggered by the first CDP approval issued for any of the development allowed by the Concept Plan, and would be included as a condition of approval of that first CDP.

#### **6. Water and Wastewater**

The Concept Plan portion of the proposed LCP amendment includes new LUP and IP text that specifically allows the Pebble Beach Company to use the “Pebble Beach Company and Monterey Peninsula Water Management District Water Entitlement” (identified in the Pebble Beach Company-MPWMD Fiscal Sponsorship Agreement dated October 3, 1989, as amended) for development pursuant to the Concept Plan. The amendment also includes new LCP language that describes the availability of wastewater at the Carmel Area Wastewater District treatment plant, and that the development described in the Concept Plan could be satisfied by that available capacity. The amendment also proposes new LCP language that all CDP approvals granted to the Pebble Beach Company for Concept Plan development must also incorporate and/or require as a condition of approval all other necessary measures and modifications that are identified during the development review process to adequately address water supply and wastewater issues and impacts associated with the development. Furthermore, the amendment includes language requiring all Pebble Beach Company-owned golf courses to use recycled water for irrigation as much as possible.

#### **7. Public Access and Recreation**

The Concept Plan involves relocation of several existing trails or trail components (in areas F-2, I-2, J, and K, described above). The relocated trails would add approximately 276 linear feet (or 0.05 miles) to the trail system. In LUP planning areas P, Q, and R, the proposed project involves construction of 1.36 miles of new trails primarily along existing dirt and fire roads (0.25 miles would be a new trail connection between fire road 20 and fire road 21). Similarly, the Concept Plan project involves creating 0.15 miles of new trails on existing dirt roads in the corporation yard area to connect the proposed residential lot subdivision to the existing network of trails in the HHNHA. And in the HHNHA, 0.59 miles of new trails would be created along the existing Haul Road. In total, the proposed Concept Plan project would add 2.4 miles of new trails to the existing 31.5-mile Del Monte Forest trail system, for a total of 33.9 miles. See page 25 of Exhibit J for trail details.

In addition, the Concept Plan provides for designation of the Del Monte Forest trail system as a component of the California Coastal Trail (CCT); CCT and public recreational access facility improvements to optimize vehicular, pedestrian, bicycle, and equestrian access to and along the shoreline through the Del Monte Forest; an in-lieu fee to support development of new lower cost visitor serving overnight accommodations in the coastal zone; and memorializing the PBC’s continuing commitment to manage and maintain all Del Monte Forest public recreational access features over their lifetime consistent with the LCP. The Concept Plan also provides for an updated Public Access Management plan to address ongoing and new management of public recreational access amenities, including improved identification of public recreational access and use rules for the Del Monte Forest.



See pages 49 through 53 of Exhibit F.

#### **8. Low-Cost Overnight Visitor-Serving Accommodations**

The Concept Plan portion of proposed amendment includes new LCP language stating that the Pebble Beach Company, as a condition of approval of the first visitor-serving development in the Concept Plan, will provide for lower cost overnight visitor-serving accommodations in the coastal zone. The amendment allows for this requirement to be satisfied by payment of a fee to an organization acceptable to the County and the Executive Director of the Coastal Commission that will use the fee to provide lower cost overnight visitor-serving accommodations in the coastal zone.

#### **9. Affordable Housing**

The Concept Plan portion of the proposed amendment includes new LCP language under the Concept Plan stating that the Pebble Beach Company will comply with the County's Inclusionary Housing Ordinance in the manner approved by the County. The Inclusionary Housing Ordinance (Monterey County Code Chapter 18.40) requires that all residential development consisting of five or more units must also provide inclusionary housing units in an amount equal or greater to 20 percent of the total number of market-rate units approved for the residential development, or pay a fee in-lieu of providing these units.

#### **10. Other**

The Concept Plan portion of the proposed amendment would add text to the LCP indicating that LCP policies will not be applied in a manner that prevents reasonable development consistent with the Concept Plan, and in particular to allow reasonable development on the Concept Plan residential lots in a manner generally consistent with the residential development on similar residential lots in the Del Monte Forest.

### **C. General Effect of Proposed Amendment**

The proposed update portion of the LCP amendment should result in better coastal resource protection in the Del Monte Forest. The existing Del Monte Forest LCP provisions are over 25 years old, and the updated language modifies these provisions to better respond to changes in circumstances and understandings since the original LUP adoption. The amended LCP should not only generally better protect resources, but the utility and clarity of the document itself as a planning and regulatory tool is enhanced for applicants, the County, the Commission, and all other interested parties.

The proposed Pebble Beach Company Concept Plan portion of the LCP amendment would transfer and concentrate development in and adjacent to existing developed areas of the Del Monte Forest, and would retire development potential on and permanently protect and preserve all of PBC's remaining Del Monte Forest land. The Concept Plan would thus lead to a final build out and preservation plan for PBC's land, providing clarity and certainty for PBC and other interested parties. It would also end the longstanding conflict concerning the nature of build out of PBC lands, provide certainty as to how build out will





occur, and result in significant conservation benefit to the Del Monte Forest and Forest resources. Overall, the Concept Plan reduces and redistributes potential development (see, for example, existing versus proposed land use designations and zoning in Exhibits H and I). The general effect would be to shift Del Monte Forest land use designations for the affected PBC property from mostly residential to mostly resource conservation, and to concentrate potential development in and near existing developed and/or disturbed areas. As analyzed below, while the Concept Plan would result in impacts to ESHA, failure to approve it would potentially result in increased ESHA impacts and a more dispersed development pattern. The LCP amendment is thus proposed as a reasonable way to resolve the conflict between competing Coastal Act policies to protect ESHA and concentrate new development in existing developed areas.

## **C. Procedure/Standard of Review for LCP Amendments**

The standard of review for the proposed changes to the LUP is consistency with the Chapter 3 policies of the Coastal Act, and the standard of review for the proposed IP changes is that they must conform with and be adequate to carry out the LUP. Given that a significant component of the proposed amendment is designed to facilitate the Pebble Beach Company's Concept Plan projects (and the CDP application for these projects is pending at the County level), those projects represent a reasonably foreseeable development outcome if the amendment is approved as submitted. The Concept Plan projects are thus used in the findings below as an example of the type of development that might follow such LCP changes. Because the EIR for the Concept Plan projects was also submitted as support for this LCP amendment, the projects are also directly relevant. That said, the actual projects are not before the Commission at this time. Although it can be used to help understand the implications of the amendment, and it obviously illuminates the coastal resource issues raised, the Commission is charged at this time with reviewing the proposed LCP amendment only. Consideration of the merits of any appeals that may be filed on the County's approval of the projects would follow at a future Commission hearing.

## **D. Analysis of Proposed LUP Amendment**

### **1. Applicable Policies**

In order to approve an LUP amendment, it must be consistent with and adequate to carry out the Coastal Act to the extent necessary to achieve the basic state goals specified in Coastal Act Section 30001.5.

#### **Basic Coastal Zone Goals**

Pursuant to Coastal Act Section 30512.2, LUP conformance is measured against the requirements of Chapter 3 of the Coastal Act only to the extent necessary to achieve the basic state coastal zone goals specified in Coastal Act Section 30001.5, which states:

*Section 30001.5. The Legislature further finds and declares that the basic goals of the state for*



*the coastal zone are to:*

- (a) Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.*
- (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.*
- (c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resource conservation principles and constitutionally protected rights of private property owners.*
- (d) Assure priority for coastal-dependent and coastal-related development over other development on the coast.*
- (e) Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.*

Thus, overall state coastal zone goals include the goal of protecting, maintaining and restoring the overall quality of the coastal zone environment and its resources, and the goal of assuring orderly and balanced use and conservation of such resources (Sections 30001.5(a) and 30001.5(b)). These goals are reflected in and apply to each of the following Chapter 3 policies listed below. In addition, the Section 30001.5(c) goal to maximize public recreational access opportunities consistent with resource protection and constitutional rights applies directly to the public access and recreation policies identified below. Thus, although not re-cited with respect to each listed issue area below (to avoid unnecessary repetition), these coastal zone goals are applicable to each of the issues areas and Chapter 3 policies identified below.

#### **Public Views**

Protection of visual resources is a fundamental Coastal Act objective. Significantly, Coastal Act Section 30001(b) notes that permanent protection of scenic resources is a paramount concern, and Section 30251 requires new development in highly scenic areas to be subordinate to the character of the area:

*Section 30001(b). The Legislature hereby finds and declares that the permanent protection of the state's natural and scenic resources is a paramount concern to present and future residents of the state and nation.*

*Section 30251. The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and,*



*where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.*

When potential development may be sited adjacent to recreation areas, such as many areas within the Del Monte Forest, Section 30240(b) comes into play with respect to the relation of such development to public views. Section 30240(b) states:

*Section 30240(b). Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Finally, the Del Monte Forest area is an extremely popular visitor destination, including for its incredible scenery, and the Section 30253 is also applicable to public view protection. Section 30253(5) states:

*Section 30253. New development shall:*

*(5) Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.*

### **Public Access and Recreation**

Protection of public access and recreation opportunities is also a fundamental Coastal Act objective. The Act speaks to the need to maximize public access to and along the coast, and prohibits development from interfering with the public's rights of access. The Act also protects recreational opportunities and land suitable for recreational use. The Coastal Act states:

*Section 30210. In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*

*Section 30211. Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.*

*Section 30221. Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.*



*Section 30222. The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

*Section 30223. Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.*

Finally, Sections 30240(b) and 30253(5), cited above, are also relevant policies in terms of public access and recreation because they require new development to protect park and recreation areas, like many of the accessway areas in the Del Monte Forest, and to protect the Forest area as a whole (and individual components) as a popular visitor destination.

#### **Habitat/ESHA**

The Coastal Act is very protective of habitat, including environmentally sensitive habitat areas (ESHAs). The Coastal Act references general habitat protection in the provisions of Section 30250(a) with respect to coastal resources in general as follows:

*Section 30250. (a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located ... where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.*

With respect to ESHA, the Coastal Act defines ESHA as follows:

*Section 30107.5. "Environmentally sensitive area" means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.*

Non-resource dependent development within ESHAs is prohibited, and adjacent development must be sited and designed so as to maintain the productivity of these natural systems. In particular, Coastal Act Section 30240 states:

*Section 30240(a). Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*

*Section 30240(b). Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*



The Coastal Act also includes specific protective policies for marine and aquatic environments. Coastal Act Sections 30230 and 30231 provide:

***Section 30230.** Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.*

***Section 30231.** The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

#### **Concentration of Development/Public Services**

General development siting and public service issues are mainly the purview of Coastal Act Sections 30250 and 30254:

##### ***Section 30250.***

- (a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.*
- (b) Where feasible, new hazardous industrial development shall be located away from existing developed areas.*
- (c) Visitor-serving facilities that cannot feasibly be located in existing developed areas shall be located in existing isolated developments or at selected points of attraction for visitors.*

***Section 30254.** New or expanded public works facilities shall be designed and limited to accommodate needs generated by development or uses permitted consistent with the provisions of this division; provided, however, that it is the intent of the Legislature that State Highway*



*Route 1 in rural areas of the coastal zone remain a scenic two-lane road. Special districts shall not be formed or expanded except where assessment for, and provision of, the service would not induce new development inconsistent with this division. Where existing or planned public works facilities can accommodate only a limited amount of new development, services to coastal dependent land use, essential public services and basic industries vital to the economic health of the region, state, or nation, public recreation, commercial recreation, and visitor-serving land uses shall not be precluded by other development.*

### **Coastal Hazards**

Coastal Act Section 30235 addresses the use of shoreline protective devices:

*30235. Revetments, breakwaters, groins, harbor channels, seawalls, cliff retaining walls, and other such construction that alters natural shoreline processes shall be permitted when required to serve coastal-dependent uses or to protect existing structures or public beaches in danger from erosion, and when designed to eliminate or mitigate adverse impacts on local shoreline sand supply. Existing marine structures causing water stagnation contributing to pollution problems and fish kills should be phased out or upgraded where feasible.*

Coastal Act Section 30253 addresses the need to ensure long-term structural integrity, minimize future risk, and to avoid landform altering protective measures in the future. Section 30253 provides, in applicable part:

*Section 30253. New development shall:*

- (1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.*
- (2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.*

### **Archaeological Resources**

Coastal Act Section 30244 addresses archaeological resources:

*Section 30244. Where development would adversely impact archaeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.*

In general, the Coastal Act establishes clear parameters and priorities for the location, intensity, type, and design of new development in the coastal zone as a means of protecting, maintaining, and where feasible, enhancing, and restoring coastal zone resources. These parameters and priorities emanate from both specific Coastal Act policies and requirements, as well as the overlap and interplay between them. At a broad scale and fundamentally, Section 30250(a) requires that most new development be



concentrated in and around existing developed areas with adequate development capacities to serve new development. The Coastal Act also establishes a set of priority uses that operate within the locational and resource constraints for new coastal development. For example, the Coastal Act requires that public recreational uses take precedence over private residential and general industrial or commercial development, but not at the expense of agriculture or coastal-dependent industry (Section 30222).

Within that broader framework, the Coastal Act also provides specific prescriptions for specific resource types. For example, public views are protected as a resource of public importance, and new development in highly scenic areas like the Del Monte Forest must be subordinate to the setting. Public recreational access opportunities are to be maximized, and popular visitor destination points and appropriate upland areas are protected for recreational use. Coastal waters, streams, wetlands, and other wet resources are explicitly to be maintained and enhanced, including through specific siting and design requirements. Likewise, the ESHA protective policies of the Act strictly limit development within ESHA and require that adjacent development not disrupt these resources.

Overall, these Coastal Act requirements reflect and implement the fundamental goals of the Coastal Act to protect, maintain, and if feasible enhance and restore coastal resources, including specifically public recreational access resources, including by limiting new development to existing developed areas able to accommodate it, and protecting less developed/undeveloped and more dispersed areas (including viewshed, public recreational, ESHA, and other habitat/open space areas) from inappropriate development. All of these fundamental Coastal Act tenets are raised by this proposed amendment.

## **2. Consistency Analysis**

### **A. Habitat/ESHA**

The proposed LCP amendment affects both developed areas lacking significant habitat resources (including redevelopment areas at two former quarries) as well as undeveloped areas with more significant resource value. Almost all of the undeveloped areas directly affected by this proposed LCP amendment are occupied by native Monterey pine forest, the dominant Del Monte Forest habitat community, in association with a variety of other habitat types. Thus, this section of the report is prefaced by a general discussion of this special forest habitat in the Del Monte Forest, including its relation to other habitat types and ESHA, as a means of understanding the evaluation of specific LCP amendment components that follow.

#### **1. Native Monterey pine forest**

The Del Monte Forest is a rich and dynamic natural environment. A wide variety of species and their habitats – some of them “rare” and “especially valuable” as those terms are understood in a Coastal Act ESHA context – are found there. Some of these species are endemic and limited almost exclusively to the Monterey Peninsula. Oftentimes, these different species and related habitats are found within the same ecological area in association with one another (e.g., native Monterey pine forest with central



maritime chaparral and Yadon's piperia). Although each habitat type individually has its own distinct status and value that can be described, they also function and exist as ecological units in association together.

Although widely planted as a plantation species, the world's remaining native Monterey pines and their native forests are found in just five locations in the world: three in coastal California (in Año Nuevo, Cambria, and the Monterey peninsula) and two on Mexican islands off the coast of Baja California (the Guadalupe and Cedros Islands) (see distribution in Exhibit K). The Monterey peninsula occurrence has always been and remains the largest of the native Monterey pine forests; it is also the native forest that has suffered the largest reduction over time, primarily due to residential and golf course developments that have cut forest acreage roughly in half over time – a reduction of over 9,000 acres. The loss of forest in the Monterey peninsula stand represents nearly 90% of the overall reduction in native Monterey pine forest acreage worldwide. Monterey pine has not yet been listed formally under the State or Federal Endangered Species Acts, but it has been described and listed by the CDFG's Natural Diversity Database (CNDDDB), the California Native Plant Society (CNPS), and International Union for Conservation of Nature and Natural Resources (IUCN) Red List of Threatened Species.<sup>30</sup> As such, native Monterey pine is a rare and threatened species that has declined significantly from its historic extent.

Native Monterey pine forests also are easily disturbed and degraded by human activities and developments. This is readily apparent when one considers that the acreage of the Monterey peninsula stand is only half what it was historically. In addition, native Monterey pine forests are also especially valuable, both as a genetic repository and because of their relationship with associated species and biological communities. In addition, Monterey pine is the most widely planted pine tree in the world and is of great economic importance as a plantation species, forming the basis for a lumber and paper industry of worldwide importance. Commercial enterprises are dependent on the native Monterey pine forests as a natural genetic repository that can provide genetic variability for the selection of desirable traits, including resistance to disease. Thus, the genetic resources found in the remaining native stands must be maintained if Monterey pine is to remain an important commercial species. In addition, genetic conservation is also critical to the continued existence of the native forests themselves, particularly in the face of stresses such as climate change and pine pitch canker disease. Maintaining genetic diversity within the native population is critical to the ability of the species to withstand environmental challenges. Finally, native Monterey pine forests are especially valuable because of their special role in the overall forest ecosystem in which they are an integral and dominant part. Many of the plants and animals that are part of these native pine forest ecosystems are themselves quite rare, and this habitat

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<sup>30</sup> The CNDDDB classifies Monterey pine as a G1 global rank and an S1.1 state rank, indicating that both globally and within California there are fewer than 6 viable "element occurrences" (G1 and S1) and that the species is considered "very threatened" (S1.1). In addition, the CNDDDB designates Monterey Pine Forest as a rare community type. CNPS classifies Monterey pine as 1B.1. "1B" indicates that the species is considered "rare, threatened, or endangered in California and elsewhere." The "0.1" modifier indicates that it is considered "seriously endangered in California (over 80% of occurrences threatened/high degree and immediacy of threat)." CNPS has no higher threat classification than 1B.1.





association intensifies the degree of sensitivity and value of these forest areas. In addition, some biological communities that are themselves categorically sensitive and/or protected in their own right (e.g., wetlands, central maritime chaparral) also exist in tandem with native Monterey pine forest, further distinguishing certain forest areas.

### **Special Status Species Associations**

At least 81 special-status species (53 plant species and 28 wildlife species) have the potential to occur in the Del Monte Forest and surrounding region.<sup>31</sup> Of these, 20 special-status species (16 plant species and 4 wildlife species) have been recently documented in and around the lands affected by the proposed LCP amendment. A few of the species most important to this review are highlighted below.

#### **Yadon's piperia**

Yadon's piperia (*Piperia yadonii*) is a slender perennial orchid endemic to Monterey County that grows in Monterey pine forest or maritime chaparral at three main areas within about 6 miles of the coast. Yadon's piperia was first collected from Monterey pine forest in Pacific Grove in 1925, but it wasn't until 1990, after certification of the DMF LUP, that it was recognized as a distinct species. The first estimated population size, surveyed in 1995 and 1996, was about 83,000, of which about 70% were found in the Del Monte Forest.<sup>32</sup> A more intensive 2004 census of potential development and mitigation areas in the Del Monte Forest documented the presence of about 130,000 individuals (of which only about 9,000 flowered and produced seed<sup>33</sup>). No other major new habitat areas have been documented to date, underlining the importance of the areas of habitat that remain undeveloped. In fact, work completed for the Measure A project showed that within undeveloped areas of the Forest, Yadon's piperia is almost entirely confined to sandy soils west of Highway 1 with only a single location farther east.<sup>34</sup>

Within the Del Monte Forest area, Yadon's piperia is abundant in portions of the LCP amendment area. About 80% of the total known population of Yadon's piperia is found within the Del Monte Forest.<sup>35</sup> Most of that is in the two largest known piperia populations, one at Areas M, N, O, U, and V, also known as combined area MNOUV (57,150 individuals), and one at Areas P, Q, and R (also known as combined area PQR) along Pescadero Canyon (56,132 individuals). These two sites alone constitute approximately two-thirds of the total known population of the species.<sup>36</sup> Yadon's piperia is even more

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<sup>31</sup> FEIR pages F-27 and F-35.

<sup>32</sup> Pebble Beach Company's Del Monte Forest Preservation and Development Plan EIR Appendix I, page 6. This reference henceforth is cited as the "PDP EIR".

<sup>33</sup> Based on estimates of rates of production of flower spikes (17%), avoidance of herbivory (38%), and proportion of grazed plants that produced seed (11%); in McGraw et al. 2006.

<sup>34</sup> McGraw, J., R. Buck, and W. Davilla. 2006. Habitat characterization for Yadon's Piperia (*Piperia yadonii*) within the forested habitat of the Monterey Peninsula. A report to the County of Monterey.

<sup>35</sup> PDP EIR Table P2-2.

<sup>36</sup> PDP EIR Tables P2-1 and P2-2.



globally restricted and rare than is native Monterey pine. CNPS has classified Yadon's piperia as list 1B.1, and under the prior CNPS classification system with a R-E-D code of 3-3-3. This indicates the highest level of rarity and highest degree of threat in the CNPS ranking system. The CNDDDB classifies Yadon's piperia as a G1 global rank and an S1.1 state rank, indicating that both globally and within California there are fewer than 6 viable "element occurrences" (G1 and S1) and that the species is considered "very threatened" (S1.1). There is no higher degree of rarity (and degree of threat) possible in the CNDDDB global and/or state rankings. Yadon's piperia was federally listed as an endangered species in 1998.<sup>37</sup> In 2007, the U.S. Fish and Wildlife Service (USFWS) designated 2,117 acres as critical habitat for the species.<sup>38</sup>

Yadon's piperia is found almost exclusively in native Monterey pine forest and chaparral, which include its primary constituent habitat elements (including associated soils, climate, pollinators, etc.). Yadon's piperia is rare as that term is understood for purposes of Coastal Act Section 30107.5 and the Del Monte Forest LCP. In addition, the species and its habitat are easily disturbed and degraded by human activities and development (by removal, fragmentation and edge effects, micro-climatic changes, pesticide/herbicide drift, increased trampling, etc.). Thus, the species and its habitat meet the definition of ESHA under the Coastal Act and the LUP (and the LCP), independent of its association with other species and habitats.

#### **California red-legged frog**

The California red-legged frog (*Rana aurora draytonii*) (CRLF) is the largest native frog in the western United States, ranging from 1.5 to 5 inches in length. Once common, CRLF has been eliminated from 70% of its historic range and is now limited primarily to the coastal drainages of central California. CRLF require a variety of habitat elements, including aquatic breeding areas within a larger ecological matrix of riparian and upland dispersal habitats.<sup>39</sup>

Although identified by the USFWS as widespread in Monterey County, prior to 2002 the CNDDDB did not identify any CRLF occurrences on the Monterey peninsula. However, more recent biological review (as part of the previous Measure A/PDP project and for the proposed Concept Plan project and LCP amendment) indicates that there is a CRLF population in the Del Monte Forest that is apparently centered on lower Seal Rock Creek; a creek that flows through the native Monterey pine forest. In addition to the CRLF breeding sites and other occupied sites documented along Seal Rock Creek and its

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<sup>37</sup> See, Endangered and Threatened Wildlife and Plants; Final Rule Listing Five Plants From Monterey County, CA, as Endangered or Threatened, Federal Register: August 12, 1998 (Volume 63, Number 155), pages 43100-43116.

<sup>38</sup> Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for Piperia Yadonii (Yadon's Piperia), Federal Register: October 24, 2007 (Volume 72, Number 205), pages 60410-60450.

<sup>39</sup> Source USFWS: (1) Recovery Plan for the California Red-legged Frog (*Rana aurora draytonii*), U.S. Fish and Wildlife Service, Portland, Oregon, (2002); (2) USFWS California Red-legged Frog (*Rana aurora draytonii*) "Creature Feature" profile (January 2001).



tributaries, CRLF have also been documented in Area N.<sup>40</sup>

This CRLF population is currently the only known population on the Monterey peninsula,<sup>41</sup> which increases its significance. Given that CRLF have been known to make straight line movements between suitable sites and do not necessarily follow riparian corridors or other obvious wetland areas that may connect such areas,<sup>42</sup> and may travel as far as 2 miles or so between suitable locations,<sup>43</sup> the area between occupied habitat sites may serve as dispersal corridors.

CRLF were listed as a threatened species under the Federal Endangered Species Act in 1996,<sup>44</sup> and have been identified by CDFG as a state species of special concern. CRLF are rare as that term is understood for purposes of Coastal Act Section 30107.5 and the DMF LUP (and LCP), and the species and its habitat are easily disturbed and degraded by human activities (including by direct removal of wet habitat areas and dispersal corridors, and also indirectly, including by fragmentation and degradation of these areas and corridors by such things as increased urban runoff, reduction of habitat buffers, removal of hiding locations (and increased predation), impediments to dispersal (fences, buildings, roads, etc.), road and traffic, predation by domestic pets, etc.). Thus, CRLF and its habitat, including identified dispersal corridors, meet the definition of ESHA under the Coastal Act and the LUP (and the LCP).

### **Biological Community Associations**

#### **Wetlands**

Wetlands and associated areas are highly regarded because they perform a variety of habitat and other functions. Wetlands provide important resting, feeding, breeding, refuge and related habitat for migratory, seasonal and resident wildlife, including many birds, amphibians, reptiles, and other animals. Wetlands also provide important hydrological and water-quality functions. One of these is the conveyance of water and the ability to act as collection basins that capture and retain flows, thus helping both to reduce the velocity and the volume downstream and, hence, to reduce the potential for flooding lower in the watershed. The retained water may then contribute to groundwater recharge. Finally, wetlands are well known for their ability to help improve water quality by removing sediment and by enabling the chemical transformation and biological uptake of certain pollutants (e.g., nitrogen, phosphorous, etc.).

More than 90% of California's original wetlands have been lost over time – the largest percentage loss

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<sup>40</sup> FEIR Figure F-7.

<sup>41</sup> PDP EIR page E-27.

<sup>42</sup> Bulger et al. Terrestrial activity and conservation of adult California red-legged frogs *Rana aurora draytonii* in coastal forests and grasslands, *Biological Conservation* 110 (2003) 85-95.

<sup>43</sup> USFWS, 2002. Recovery Plan for the California Red-legged Frog (*Rana aurora draytonii*). U.S. Fish and Wildlife Service, Portland, Oregon. viii + 173 pages.

<sup>44</sup> USFWS listing, May 31, 1996 (61 FR 25813).



of any state in the nation.<sup>45</sup> Although wetlands once occupied about five million acres in California, recent estimates of wetland acreage are about 450,000 acres.<sup>46</sup> In recognition of the rarity of wetlands and their important ecosystem function, the Coastal Act provides wetlands with categorical protection, allowing only a few specific uses (Coastal Act Section 30233 identifies a total of seven permitted uses in open coastal waters or wetlands).

In the LCP amendment area, many wetlands have been modified to some degree by human activities. For example, hydrology within the remaining native Monterey pine forest has been altered by surrounding development, increased runoff from impervious surfaces, fill of natural drainage courses, and creation of new drainages (e.g., downslope from culverts) that concentrate and direct runoff.<sup>47</sup> Most of the wetlands within Monterey pine forest are seasonally inundated or saturated near the ground surface for weeks or months during most years and support mostly herbaceous vegetation dominated by wetland grasses, rushes and sedges. A few areas support emergent marsh that remains inundated for much of the year. These existing wetlands generally provide most of the functions characteristics of wetlands in this region, including aquatic habitat for the California red-legged frog, and most do not appear to be substantially degraded by human activities.

In and around the LCP amendment area wetlands are rare and especially valuable due to their important ecosystem functions as that term is understood in a Coastal Act and LUP (and LCP) context. They are also easily disturbed and degraded by human activities and development (including direct removal and indirectly in terms of removal of and/or degradation to wetland buffers, polluted runoff degradation, predation of wetland species by domestic pets, etc.). Wetlands in the LCP amendment area also meet the definitions of ESHA in the Coastal Act and the LUP (and the LCP).

#### **Coastal Sand Dunes**

Coastal sand dunes constitute one of the most geographically constrained habitats in California. They only form in certain conditions of sand supply and wind energy and direction. Dunes are a dynamic habitat subject to extremes of physical disturbance, drying, and salt spray and support a unique suite of plant and animal species adapted to such harsh conditions. Many characteristic dune species are becoming increasingly uncommon. Even where degraded, the Coastal Commission has found this important and vulnerable habitat to be ESHA due to the rarity of the physical habitat and its important ecosystem functions, including that of supporting sensitive species. In and around the LCP amendment area, such species include Beach layia, Menzies' wallflower, Monterey Indian paintbrush, Monterey spineflower, Sand gilia, and Tidestrom's lupine. In addition, another special status species, native Monterey pine, is also found in areas of coastal dune. The Monterey pine/dune association is obvious at

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<sup>45</sup> Dahl, Thomas E. 1990. Wetlands losses in the United States 1780's to 1980's. U.S. Department of the Interior, Fish and Wildlife Service, Washington, D.C..

<sup>46</sup> Id (Dahl 1990).

<sup>47</sup> These relatively permanent changes, including the new drainage courses, are regarded as the new normal condition (if they were legally authorized) for purposes of LCP amendment review.



the intersection between sandy areas and forest, as at Signal Hill Dunes near Area M. The dune substrate is less apparent where middle-aged and older dunes have been stabilized by native Monterey pine forest (e.g., near Spanish Bay).

Areas of coastal dune vegetation and sandy openings within the Monterey Peninsula are both rare and especially valuable due to their important ecosystem functions as those terms are understood in a Coastal Act and LUP (and LCP overall) context. Dunes are also easily disturbed and degraded by human activities and development (e.g., by conversion to residential use, sand extraction, fragmentation, trampling of dune vegetation, etc.). In conclusion, dune areas meet the definition of ESHA under the Coastal Act and the LUP (and the LCP overall).

### **Maritime Chaparral**

Maritime chaparral habitats occur from San Diego to Sonoma County. The common features of these habitats are well-drained, generally sandy soils within the coastal fog zone, and a suite of shrubs that includes one to several endemic species of the genera *Arctostaphylos* (manzanita), *Ceanothus* (mountain lilac), or *Quercus* (oak). The actual community composition of maritime chaparral changes with latitude, and southern, central, and northern maritime chaparrals are generally recognized. Within a geographical region, community composition is also variable on a smaller spatial scale. These habitats or community types are rare, are generally defined by individual shrub species that are themselves rare, and often support rare herbaceous species.

Central maritime chaparral is patchily distributed from Monterey County to northern Santa Barbara County. Although many species of shrubs are common to most locations, local stands are usually distinguished by the presence of one to several endemic species of *Ceanothus* or *Arctostaphylos*. There are about 60 species of manzanita in the world. All of these species are found in California and most are found nowhere else. Within California, many are endemic to small geographic areas. Similarly, of the 55 species of mountain lilac, about 40 are endemic to California and many of these are also not widely distributed. The central maritime chaparral in the LCP amendment area generally occurs as understory within native Monterey pine forest and is typically characterized by the presence of shaggy-barked manzanita (*Arctostaphylos tomentosa*), huckleberry (*Vaccinium ovatum*), blue blossom (*Ceanothus thrysiflorus*), and Hooker's manzanita (*Arctostaphylos hookeri*). CDFG lists central maritime chaparral as a rare habitat type in the CNDDDB. In terms of its individual species characteristics, Hooker's manzanita is a low growing, mound forming, evergreen shrub endemic primarily to Monterey County. CNPS lists this species as 1B.2 (rare, threatened, or endangered) and considers it "fairly endangered."<sup>48</sup>

Therefore, central maritime chaparral is rare and is also especially valuable due to its important ecosystem function of providing habitat for individual rare species, as those terms are understood in a Coastal Act and LUP (and LCP overall) context. Because it also is easily disturbed and degraded by human activities and developments (e.g., by conversion to residential or recreation use), it meets the

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<sup>48</sup> Where the 0.2 indicates "fairly endangered" status.



definition of ESHA under the Coastal Act and the LUP (and the LCP).<sup>49</sup> Although not explicitly mapped, there is a presumption that central maritime chaparral within the LCP amendment area includes, at a minimum, the mapped areas of Hooker's manzanita.

## **2. Native Monterey Pine Forest as ESHA**

As evidenced by the preceding discussion, not only is native Monterey pine forest itself rare and especially valuable, it also serves as an ecosystem for other rare species and habitats. It is also easily disturbed and degraded by human activities and developments (e.g., by conversion to other uses, as has been seen over time – see Exhibit K). Thus, native Monterey pine forest also meets the definition of ESHA under the Coastal Act and the LUP (and the LCP). In coming to this conclusion, though, it is important to understand the way in which such forest is ESHA. For example, isolated or individual occurrences of Monterey pine may be determined not to be ESHA. It is as native *forest*, not individual trees, that native Monterey pine is rare and especially valuable. Thus, one relevant question in a Monterey pine ESHA determination is to what extent the Monterey pine trees at issue are part of a rare or especially valuable Monterey pine *forest* habitat area.

With respect to Monterey pine forests, there is consensus that larger stands are more likely to maintain their natural ecosystem relationships and functions than small stands. For example, Jones & Stokes<sup>50</sup> assessed the conservation value of various Monterey pine forest stands based on the geomorphic setting (e.g., middle aged dunes), management potential, presence of rare species, and degree of fragmentation. Based on the distribution of stands on the Monterey Peninsula, they considered forest stands greater than 40 acres to be large and continuous. Smaller stands were considered relatively fragmented and isolated, but no data were presented nor recommendations made regarding the relationship of size to ecological value. In contrast, Huffman and Associates<sup>51</sup> defined natural forest stands as those at least 20 acres in size and concluded that such natural forests have significant intrinsic value for genetic conservation and the sustainability of each of the remaining three discrete forests in California (i.e., at Año Nuevo, Cambria, and Monterey Peninsula). Similarly, CNPS<sup>52</sup> indicates that “preservation efforts should be concentrated on stands 20 acres or larger and contiguous stands of smaller acreages that provide wildlife corridors, habitat connectivity, or occupy rare terrace soils.” Wikler et al<sup>53</sup> defined “wildland” as relatively undisturbed stands larger than 16 acres and compared them to stands of pine adjacent to golf

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<sup>49</sup> Both the North Monterey County and Big Sur LCP segments identify maritime chaparral as a sensitive plant community. See also Periodic Review of Monterey County LCP for discussion of maritime chaparral.

<sup>50</sup> Jones & Stokes Associates. December 1996. Monterey pine forest conservation strategy report. A report to the California Native Plant Society and the Natural Heritage Division of the California Department of Fish and Game.

<sup>51</sup> Huffman and Associates. February 1994. An evaluation of California's native Monterey pine populations and the potential for sustainability. A report to the Pebble Beach Company.

<sup>52</sup> CNPS Monterey Pine Forest Policy (March 1995).

<sup>53</sup> Wikler, K., A.J. Storer, W. Newman, T.R. Gordon, and D.L. Wood. 2003. The dynamics of an introduced pathogen in a native Monterey pine (*Pinus radiata*) forest. *Forest Ecology and Management* 179: pages 209-221.



fairways, in small (generally less than about 4 acres) semi-natural open space termed “light urban” areas, and in “heavy urban” areas located on landscaped home sites. Such wildland areas had lower levels of pitch canker disease than the more urbanized plots and the authors suggested that there may be more conservation value in protecting areas at least 16 acres in size rather than smaller fragmented parcels.

Based on these various observations concerning Monterey pine, and general principles of conservation biology, the Coastal Commission found in the Measure A LCP amendment case (LCP amendment number MCO-1-07) that relatively undisturbed stands of native Monterey pine forest that are 20 acres in size or larger are ESHA based on their rarity, their special nature as significant sources of genetic conservation, and their especially valuable ecosystem function of providing the structural basis for a natural Monterey pine forest community (including in relation to other species and habitats like Yadon’s piperia, CRLF, wetlands, chaparral, etc.). As the Commission found in Measure A in 2007, stands of native Monterey pine forest less than 20 acres require additional analysis. Most important in such analysis, perhaps, is whether those smaller stands provide specific documented ecosystem functions, such as the provision of habitat for rare species (e.g., Yadon’s piperia or Hooker’s manzanita) or rare communities (e.g., central maritime chaparral), or if they are very close to or connected to large areas of forest, as these attributes may also qualify them as ESHA because of their especially valuable ecosystem functions.<sup>54</sup> Other factors that might be considered include the relative degradation or health of the understory, association with wetland or riparian resources, or the relative uniqueness of the stand itself. The diversity value of a stand is another factor that needs to be assessed when conducting an ESHA analysis for smaller isolated native Monterey pine stands.

In addition to defining both rare and/or especially valuable species as ESHA, Coastal Act Section 30107.5 and the LUP (and the LCP) also identify the “habitat” for such species as ESHA. In one sense, habitat for such species is clear: at a minimum, it is the area in which they are found. However, there may also be areas suitable for the species (habitat) but where the species is not necessarily present at any particular time. For example, Yadon’s piperia is not uniformly distributed throughout the forest stands that it occupies, but the nearby unoccupied forest areas also constitute appropriate habitat based on the various characteristics of these areas which include its primary constituent habitat elements (including associated soils, climate, pollinators, etc.).

Therefore, the Commission also found in the Measure A LCP amendment that the boundaries of the habitat for a given species are conterminous with the boundaries of the vegetation community or physical habitat that provides the requirements for the species to live and reproduce. For example, the Commission considers the boundaries of Yadon’s piperia habitat to be conterminous with the boundaries of the chaparral and/or Monterey pine forest areas where this orchid has been documented to occur or

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<sup>54</sup> They may also qualify as ESHA independently, whether the native pine forest is considered ESHA or not (because of limited size, fragmentation, isolation, etc.), because of the presence of these other rare species. For example, in the case of Yadon’s piperia, even a relatively small and isolated native forest stand would be considered ESHA independently for piperia given that the area of forest would be considered the area of Yadon’s piperia habitat (see also previous Yadon’s piperia finding).



where scientific studies (e.g., McGraw et al.<sup>55</sup>) demonstrate the presence of the habitat elements that are necessary to support the species.

Since the Commission's 2007 Measure A LCP amendment decision, its findings have provided the framework for understanding and evaluating ESHA in the Del Monte Forest.

### **3. Partial LCP Update Habitat/ESHA Analysis**

The partial update portion of the LCP amendment proposes changes to almost all of the existing habitat/ESHA-related LUP policies and background text (see Exhibit F). Those changes that affect habitat/ESHA, and marine resources, are primarily found in the ESHA, water and marine resources, forest resources, and land use sections of the LUP (see pages 18 through 46 of Exhibit F). In general, the proposed changes update current conditions and reflect current understandings with respect to habitat/ESHA protection, including in relation to the Commission's 2007 Measure A findings. For example, the amendment proposes to delete the existing list of ESHAs that were known to be present in the Del Monte Forest in 1984 (at the time of LUP certification) and replace it with a categorical list of the types of habitats that the Commission has historically considered to be ESHA (including habitat areas that are rare or especially valuable from a local, regional, or statewide basis; habitat areas that support plant or animal species designated or candidates for listing under State or Federal law; etc.) and text that states that determinations of whether ESHA is present must be based on an evaluation of both the resources on the ground and knowledge about the sensitivity of the habitat at the time of development consideration. This change is significant not only because it provides the appropriate analytic context for evaluating ESHA in the LCP, but also because it eliminates LCP language that had been interpreted by some as defining only a static list of ESHA for all time in the Del Monte Forest based on evaluations from the 1980s.

The amendment also proposes new text in the LUP's Forest Resources section that distinguishes between areas of Monterey pine forest that are and are not ESHA (based on size, species composition, habitat connectivity, etc.), again reflecting the Commission's extensive Measure A findings. Similarly, the amendment proposes to amend various policies so as to make them more protective with respect to specific ESHAs based on current knowledge. For example, the LUP policy regarding the rare native Monterey cypress habitat area is proposed to be modified to clearly define where development can occur in cypress habitat (within existing hardscaped areas and outside the dripline of trees), which is the result of County and Commission experience with development in this sensitive habitat area since LCP certification.

The amendment proposes to delete the OSAC plan (Chapter 7 of the LUP). This plan has served as a management document for existing protected habitat areas in the Del Monte Forest, but is out of date in terms of both its identification of protected areas as well as the kinds of management and maintenance activities it prescribes. It also has not been updated to reflect current resources, land use designations and

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<sup>55</sup> Id (McGraw, Buck, Davilla 2006).





existing uses in the over 25 years since it was originally drafted. As a result, there is a disconnect of sorts between the OSAC Plan and the rest of the LUP, including certain policies where the OSAC Plan might be read to allow development contrary to the LUP. In place of the arduous task of completely updating and revising the OSAC Plan to address such issues, it is proposed to be removed from the LCP. It will still provide guidance to open space managers, including the Del Monte Forest Foundation (DMFF), but its relevance will be in terms of past actions that explicitly referenced its parameters (e.g., past CDPs). The proposed new comprehensive management plan for all protected areas in the Del Monte Forest, including the new proposed Concept Plan preservation areas and previous protected areas, will provide the necessary updating of the OSAC Plan in a different form, and sever the LCP tie that leads to potential resource problems currently.

Other proposed habitat/ESHA-related changes that should result in a strengthening of habitat/ESHA protection in the Del Monte Forest include: the addition of new policy language for only resource-dependent development in ESHA (in Policies 9 and 71) instead of just in the ESHA key policy; removal of policies for which the objective has already been achieved (e.g., Spanish Bay development requirements as they relate to existing dunes); relocation of specific biological report requirements to the IP; deletion of references to specific OSAC Plan requirements; deletion of tree removal allowances for individual species and replacement with new policy language that frames tree removal allowances in terms of ESHA (and prohibits tree removal in ESHA unless for restoration); expanded HHNHA boundary (to include Sawmill Gulch, Areas F-1, F-2, and G, and to remove the 1.45-acre area that is actually in PBC's working corporation yard above HHNHA<sup>56</sup>), significantly increasing the acreage of HHNHA from about 350 acres to about 500 acres; and updating of planning area descriptions and deletion of 'Environmental Considerations' figures for each planning area to reflect County and Commission current practice of basing environmental/resource considerations on resources on the ground at the time of a development proposal.

Another notable proposed habitat/ESHA-related change is the deletion of LUP Table A, which prescribes a maximum number of potential residential units in the lettered planning areas. This table is proposed for deletion because it is no longer relevant given the Concept Plan. Most of the still undeveloped planning areas are addressed under the Concept Plan (see below), but other planning areas (Areas X and Y) are privately owned by others (not PBC) and are not part of the current Concept Plan projects. Deletion of Table A is relevant to ESHA because almost all of the undeveloped lettered planning areas are native Monterey pine forest, and its deletion eliminates any potential expectation related to Table A maximums identified for those areas. Overall, the proposed changes to the Land Use section remove the notion of an overall density cap for Del Monte Forest and replace it with language that requires density to be based on zoning and resource considerations.

In summary, the partial update portion of the proposed amendment improves the LCP with respect to

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<sup>56</sup> There is a drafting error in the County's proposed land use map that shows this 1.45-acre OSR area as still within the protected HHNHA that will be corrected in the County's final adoption of the amendment.



habitats and ESHA, wetlands, streams, riparian corridors, dunes, and marine resources. In the over 25 years that has passed since LUP certification, and with no other major updates since then, much has changed with regard to how the County and the Commission view and treat such resources in the Del Monte Forest. Most notable is the shift toward the treatment of the native Monterey pine forest as ESHA, given new science and understandings about the forest and its value and role as a rare and unique natural resource. As build out of the Del Monte Forest has progressed since the 1980s, greater attention and concern has been placed on remaining areas of habitat/ESHA as a result of increased threats of development. The proposed LUP changes provide greater protection for habitats/ESHA and native Monterey pine forest, and eliminates existing ambiguities about what is and is not ESHA in the Del Monte Forest.

Thus, the partial update portion of the proposed amendment is consistent with the Coastal Act's habitat/ESHA policies cited above because it serves to strengthen the LCP's habitat/ESHA protection provisions overall, including by more clearly carrying out Section 30240's directive to protect ESHA from significant disruption of habitat values. The proposed changes also reinforce Section 30240's requirement for resource-dependent use in ESHA in two places in the LUP. The proposed new framework for determining what is ESHA is also consistent with the Coastal Act definition of ESHA in that it eliminates a static list of ESHA examples and determines ESHA based on rarity, State and Federal listed species, current understandings of species or habitat sensitivity, etc.. In sum, the Commission finds that the proposed LUP partial update changes are consistent with the Coastal Act's habitat/ESHA protection provisions.

#### **4. Pebble Beach Company Concept Plan Habitat/ESHA Analysis**

##### **A. Visitor-Serving Areas**

###### **The Inn at Spanish Bay**

The Inn at Spanish Bay site is developed with The Inn, a golf course (The Links at Spanish Bay), tennis courts, parking, the adjacent condominiums, and related development and infrastructure, all approved by the Commission pursuant to the Spanish Bay CDP (CDP 3-84-226) in 1985. A narrow fringe area of pine forest extends between the parking lot and the golf course proper where the new guest cottages are proposed under the Concept Plan (between the existing Inn buildings/parking lot and the golf course). This strip contains a dense area of pine saplings mixed with some larger coast live oaks and a thick understory of duff and woody debris. The site contains some tall pines, and where the dense stands of younger trees are absent, the understory contains ceanothus, currant, blackberry, bracken fern, and poison oak. Other than the Monterey pine forest, no sensitive plant or animal species or rare plant communities were identified in this area in recent surveys.<sup>57</sup>

The western triangular-shaped corner of LUP planning area B (proposed for re-designation and re-

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<sup>57</sup> Zander Associates. Biological Resources Review, Del Monte Forest Plan, Pebble Beach, Monterey County, California. Prepared for the Pebble Beach Company. August 2010.



zoning to allow for a new surface parking lot for The Inn) consists of 4.5 acres of degraded Monterey pine forest. This area is separated from the larger Monterey pine forest stand to the east by a wide fire road that runs north-south between 17-Mile Drive and Congress Road. A small (+-10,000 square foot) clearing, which appears to be a historic fill area of sorts, is located immediately west of the fire road, in the area proposed for Concept Plan parking lot development. In addition to pine, the remainder of the area proposed for Concept Plan development contains various non-native plants including French broom, echium, and acacia. Other than the Monterey pine trees, no sensitive plant or animal species or rare plant communities were identified in recent surveys.<sup>58</sup> Remnants of a former conveyor trench used to transport sand from the Sawmill Quarry during construction of The Inn and Links at Spanish Bay are located along the southwest boundary of the area, parallel to Congress Road. The approximately 6-8 foot-deep trench was left open and has since become a naturalized part of the forest. The side walls of the trench have eroded and sloughed over time, and both the banks and the bottom have been colonized by a variety of native and non-native vegetation. The trench was initially characterized as a man-made wetland area by the Commission as part of the Measure A LCP amendment, but subsequent field work by the Commission's senior staff ecologist, Dr. John Dixon, has determined that the trench does not support a prevalence of hydrophytic vegetation nor does it exhibit hydrologic soil characteristics typically associated with wetlands, and should not be classified as a wetland.

The proposed amendment would designate the majority of the fringe area and the Concept Plan parking lot area Visitor Serving Commercial, with a small area designated for Open Space Recreation between the parking lot area and the adjacent roads where public access trails are planned. The amendment also includes specific allowances under the Concept Plan for the types of development that can occur in these areas, namely new visitor-serving overnight accommodations adjacent to The Inn, and a new surface parking lot with a perimeter trail at the small portion of Area B that would be redesignated. In addition, as described earlier, the area that has been denuded along both sides of Congress Road between 17-Mile Drive and Forest Lodge Road (approximately 0.39 acres) would be required to be restored under the Concept Plan. The projects that would occur at these locations under the Concept Plan would be expected to result in the removal of approximately 3 acres of a Monterey pine stand at The Inn, the removal of approximately 2.8 acres of degraded Monterey pine forest at Area B, and the restoration of approximately 0.39 acres of native Monterey pine forest along Congress Road.

The Concept Plan portion of the proposed amendment affecting The Inn at Spanish Bay is consistent with Coastal Act habitat/ESHA policies. Dr. Dixon has visited the sites, most recently in May 2008, and determined that although pine forest would be impacted, the areas in question do not constitute ESHA as evaluated under the criteria detailed above. The fringe of forest between the golf course fairway and the parking lot at The Inn is not considered ESHA because of its small size, lack of connectivity, and lack of any other special status species other than Monterey pine. In addition, it is highly disturbed and fragmented due to its location surrounded by The Inn, the existing parking lot, and the golf course. The Concept Plan parking lot in the western corner of Area B is not considered ESHA due to existing

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<sup>58</sup> Id (Zander Associates 2010).



disturbances (fire road, fill area, and close proximity to 17-Mile Drive and Congress Road), lack of sensitive species, prevalence of invasive species, and degree of fragmentation from the larger, more intact and sensitive Monterey pine forest to the east and south of which it is not considered to be a functioning part. The non-ESHA tree and forest removal associated with this proposed development is adequately mitigated under the Concept Plan by the restoration commitment along Congress Road, and by the overall commitment to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats. In sum, the proposed components of the amendment related to The Inn at Spanish Bay are consistent with the Coastal Act's habitat/ESHA policies because the habitat at the proposed development sites does not constitute ESHA, and the Concept Plan contains appropriate offsetting mitigation.

**The Lodge at Pebble Beach**

The Lodge at Pebble Beach is an existing developed resort site consisting of The Lodge and overnight visitor accommodations, the Pebble Beach Golf Links, scattered single-family residences, the Beach and Tennis Club, developed parking lots, and related development and infrastructure. Although there remain some small undeveloped and vegetated areas (as well as more ornamentally landscaped areas), the Lodge area is fully developed for the most part. The proposed LUP changes would allow for new visitor-serving accommodations in existing developed areas at The Lodge, and would not result in the removal of native habitats or sensitive species. Because the locations of proposed improvements do not constitute habitat/ESHA, the proposed components of the amendment related to The Lodge at Pebble Beach do not conflict with Coastal Act habitat/ESHA policies.

**Spyglass Hotel**

The 16-acre portion of Area M that is proposed to be designated Visitor Serving Commercial to accommodate a new 100-room hotel under the Concept Plan is located in a disturbed area within the limits of the former Spyglass Quarry atop Spyglass Hill. Much of the site has been excavated and the remaining dunes around the main quarry area are degraded. The most prominent feature on the site is the pit left over from previous sand mining operations, which has since been used for placement of fill from the Casa Palmero project at The Lodge, storage and staging areas for construction projects, and other PBC purposes. The amount of sand surrounding the pit varies from none to at least a few feet deep, and the vegetation ranges in type from ruderal to coastal strand to Monterey pine forest. Plants found in the sand areas include golden wattle, yellow bush lupine, and coyote brush. To the west of the pit area, degraded dunes slope westward toward the more pristine Signal Hill dunes. The vegetation in this degraded dune transition area includes both shrubby and herbaceous native plants, as well as iceplant, pampas grass, and golden wattle. Where there is adequate sand depth, this area supports some special status plant species including Tidestrom's lupine, sand gilia, Monterey spineflower, and dune layia. Portions of this transition zone also contain many clay shards which are the remnants of targets used in a shooting range that used to present on the knoll.

The Commission previously found under the Measure A LCP amendment that the pit area was not



ESHA, and that a variety of potential uses could probably be found appropriate at this location (including an overnight resort facility) provided they accounted for the relation of the fill site to the adjacent dune and forest ESHA areas. In fact, the Measure A findings suggested that a Visitor Serving Commercial designation, to support a small overnight resort facility, could be appropriate at this location. Beyond the pit area, however, the Commission found that the dunes along the western edge as well as the Monterey pine forest within a portion of Area M were ESHA. In order to define the boundary between ESHA and non-ESHA portions of the site more precisely, Dr. Dixon reviewed the relevant background reports and spent several days in the field.<sup>59</sup> The boundary identified in the Concept Plan represents Dr. Dixon's assessment, both in terms of pine forest and dunes, of the demarcation between the ESHA and non-ESHA portions of the site. The Concept Plan shows development only in the non-ESHA portion of the former quarry site, and the amendment requires restoration of degraded dunes outside of this area as well as landscaping with native dune plants inside the non-ESHA development area within 100 feet of the established dune edge (see page 17 of Exhibit D).

The proposed LUP amendment would allow for the development of a 100-room resort hotel and spa and related infrastructure and development at Area M. The FEIR indicates that plant surveys done in May 2011 confirmed that none of the special status dune plant species (Tidestrom's lupine, sand gilia, Monterey spineflower, Menzies wallflower, and dune layia) present in the Signal Hill dune system occur within the proposed development area. In the northern portion of the site, the FEIR indicates that the proposed hotel would result in the direct removal of 5 acres of non-ESHA Monterey pine forest and indirect impacts to 1.5 acres of non-ESHA Monterey pine forest, where Dr. Dixon concurs that these areas do not constitute ESHA. The Concept Plan includes an appropriate restoration component associated with the hotel site, including enhancement of adjacent ESHA areas as well as landscaping within the development footprint to help improve overall habitat connectivity and transition to ESHA areas offsite. The Concept Plan also provides for appropriate buffers (including in relation to the pine forested areas) on the seawardmost portion of the site. The expected direct and indirect impacts to 6.5 acres of non-ESHA Monterey pine forest habitat will be more than adequately mitigated by the requirement to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats, including dune/forest associations. In sum, the proposed components of the amendment related to the Spyglass Hotel are consistent with the Coastal Act's habitat/ESHA policies because the habitat at the proposed development site does not constitute ESHA, adjacent ESHA is appropriately protected and enhanced, and the Concept Plan contains appropriate offsetting mitigation.

#### **Visitor Serving Areas Conclusion**

The Concept Plan elements associated with the visitor-serving areas do not result in removal of ESHA or wetlands; they include appropriate buffers and mitigations for non-ESHA impacts, and are therefore consistent with the Coastal Act's habitat/ESHA policies as sited above. Impacts associated with non-ESHA tree/forest removal are fully mitigated by the Concept Plan commitment to protect, enhance,

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<sup>59</sup> May 2008 site visits.



restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats as part of any such development.

## **B. Recreational Areas**

### **Equestrian Center and Collins Field**

The existing Pebble Beach Equestrian Center and Collins Field are developed and disturbed sites. The Equestrian Center is entirely developed with barns, arenas, parking areas, and associated infrastructure and development. Monterey pine forest is absent within this area, but it is present around the north and west boundaries of the developed area. Similarly, Collins Field, which is utilized for various field events and for special events staging, consists of maintained turf grass with areas of natural grass along the edges and remnant native Monterey pine forest along the eastern and southwestern peripheries. A small patch (about 8,700 square feet) of Pacific Grove clover, a species that is state listed as rare (CNPS 1.B.1) is located near the northwest corner of Collins Field within the managed turf area. This patch of Pacific Grove clover is one of twelve known occurrences on the Monterey Peninsula and vicinity.<sup>60</sup>

The proposed LUP amendment allows for redevelopment of the Equestrian Center to a smaller, more modern equestrian facility, and it also allows for the northern half of the existing Equestrian Center site to become the new special events staging area. The renovation of the Equestrian Center would result in removal of pine trees within a 1.41-acre area, and relocation of the special events staging area would result in removal of pine trees within a 1.77 acre area along the north edge of the site. These areas of pine were determined to be fringe that was not part of the forest based on Dr. Dixon's review and fieldwork. The proposed amendment would also allow for relocation of the Pebble Beach Driving Range from Area V to Collins Field, and a new golf academy on Collins Field as well, including in a 0.61 acre area with scattered pine that was also determined to not be part of the forest. The Pebble Beach Company has confirmed that the Concept Plan driving range will avoid the Pacific Grove clover. As with the former Spyglass Quarry ESHA question, Dr. Dixon reviewed the relevant background reports and did field work at the Equestrian Center site in order to define the boundary between ESHA and non-ESHA portion of the site more precisely. The Concept Plan development is sited in the non-ESHA portions of the site as determined by Dr. Dixon. The expected direct and indirect impacts to 4.45 acres of non-ESHA area with pine trees will be more than adequately mitigated by the requirement to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats.

### **Recreational Areas Conclusion**

The Concept Plan elements associated with the Pebble Beach Equestrian Center and Collins Field areas result in non-ESHA tree removal that is adequately mitigated by the Concept Plan commitment to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats as part of any such development.

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<sup>60</sup> FEIR page 3.3-61.



### **C. Residential Areas**

#### **Residential Area at LUP Planning Area F-2**

The 19.5-acre Area F-2 is comprised of native Monterey pine forest in a roughly rectangular shape that is surrounded by the Poppy Hills Golf Course. Portions of Area F-2 have been cleared and graded along two road alignments extending through the forest, and this cleared and graded area is actively being used by the Pebble Beach Company for storage of materials (e.g., large containers, metal railings, large potted plants, PVC piping, bricks, etc.) and an active plant nursery operation. The cleared and graded areas appear to be functioning as a linear corporation/storage yard of sorts.<sup>61</sup> The remainder of Area F-2 is densely forested by native Monterey pine forest, and the entire understory includes Hooker's manzanita (with sandmat manzanita (CNPS 1B.2) also present). Dr. Dixon also identified significant areas of shaggy-barked manzanita in this area as well.<sup>62</sup> The understory also includes a population of about 500 Yadon's piperia. As such, all of F-2 is considered central maritime chaparral and Yadon's piperia habitat. In addition, other sensitive species are scattered throughout the site, including Gowen cypress (federally threatened, CNPS 1B.2), Bishop pine, and pine rose (CNPS 1.B.2).

In sum, Area F-2 is a good example of a large (almost 20 acres) and especially valuable native Monterey pine forest ecosystem that supports endangered and other sensitive species habitat in association with it, including central maritime chaparral and Yadon's piperia. Area F-2 is a large area of native Monterey pine forest and central maritime chaparral that is rare. It is also especially valuable because of its ecosystem role of providing habitat for rare species, such as the endangered Yadon's piperia and the threatened Gowen cypress. Since it is also easily disturbed or degraded by human activities, Area F-2 is ESHA pursuant to the Coastal Act and the LUP.

The Concept Plan portion of the proposed amendment would allow for disturbance to the entirety of Area F-2 for the development of 16 single-family residential lots and construction of an access road and related infrastructure in support of the new lots.<sup>63</sup> The FEIR indicates that such residential development would result in the direct removal of approximately 7.11 acres of Monterey pine forest and related habitat (including maritime chaparral and Yadon's piperia habitat) and the remainder of F-2 (12.39 acres) would suffer indirect impacts associated with being located in a residential subdivision. The proposed designations and new LUP text and figures allowing for the proposed development in Area F-2 are not consistent with Coastal Act ESHA policies because they would allow non-resource dependent

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<sup>61</sup> The Commission's Poppy Hills CDP did not authorize such development in this area, and was premised on this area being managed as forest pursuant to a forest management plan (CDP 3-84-120 Special Condition 1). The Commission has not to date identified any coastal development permits (by the County or the Commission) authorizing the clearing, grading, and continued use of this linear corporation/storage yard area, and is currently monitoring this development as unpermitted and as a potential violation of the Poppy Hills CDP. For purposes of LCP amendment analysis, the baseline resource setting applied in this sense is that this linear corporation/storage yard does not exist, and rather that the area remains undeveloped and managed according to the Poppy Hills CDP.

<sup>62</sup> During May 2007 site visits.

<sup>63</sup> The LCP amendment does not include specific building envelopes within the proposed residential lots. As such, and to err on the conservative and precautionary side, the ESHA analysis presumes disturbance of the entire lot area. In reality, actual ESHA removal and disturbance would likely be less than the entire lot in most cases.



development in ESHA, and would result in removal of ESHA as well as significant degradation of remaining ESHA.

**Residential Area at LUP Planning Area I-2**

Area I-2 is an 18.7-acre finger of native Monterey pine forest adjacent to Poppy Hills Golf Course to the north and Viscaino Road/Ronda Road to the south that also connects to adjacent pine forest habitat area in and around Area H to the east. The Monterey pine forest on the site is relatively open, and the trees are of mixed ages. A moderate number of coast live oaks are also present on the site. The forest understory is central maritime chaparral, including the rare Hooker's manzanita in association with shaggy-barked manzanita, and includes a small (roughly 200 plants) population of Yadon's piperia. Also present is the pine rose (CNPS 1B.2), and potential habitat exists for nesting raptors and pallid bats as well.

In addition, Dr. Dixon identified two potential wetland areas in Area I-2 during fieldwork in March 2006 for the Measure A amendment proceedings. These areas included a linear watercourse/pond system on the western portion of I-2, extending somewhat parallel to the road nearest the golf course, and a watercourse system that runs roughly parallel and near the road in the eastern portion of the site. This eastern watercourse appears to be a deep erosional feature mostly lacking vegetation that is deeply incised in some places (extending from 5 to 10 feet below grade), but that includes some ponding and other features as part of it and extends offsite to the south. Recent reports provide evidence that these areas do not include wetland vegetation nor do they exhibit wetland characteristics under the other two wetland parameters, and Dr. Dixon has concluded that these areas are not wetlands pursuant to the standards in the Coastal Act and the Commission's regulations. Area I-2 is part of a large area of native Monterey pine with an understory of central maritime chaparral and is therefore rare. In addition, it is especially valuable because of its ecosystem function of providing habitat for rare species such as the endangered Yadon's piperia and the CNPS 1B Hooker's Manzanita, and rare communities such as central maritime chaparral. Since it is also easily disturbed or degraded by human activities, Area I-2 is ESHA pursuant to the Coastal Act and the LUP.

The Concept Plan portion of the proposed amendment would allow for disturbance to the entirety of Area I-2 for the development of 16 single-family residential lots and construction of a small cul-de-sac and related infrastructure in support of the new lots.<sup>64</sup> The FEIR indicates that such residential development would result in the direct removal of 5.74 acres of native Monterey pine forest and related habitat (including maritime chaparral, and Yadon's piperia habitat) and the remainder of I-2 (13 acres) would suffer indirect impacts associated with being located in a residential subdivision. The proposed designations and new LUP text and figures allowing for the proposed development in Area I-2 are not consistent with Coastal Act ESHA policies because they would allow non-resource dependent development in ESHA, would result in removal of ESHA, and significant degradation of remaining ESHA.

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<sup>64</sup> Id (development envelopes would not occupy entire area).





**Residential Area at LUP Planning Area J**

LUP Planning Area J is a 9.38-acre area on both sides of Spyglass Woods Drive that is generally fringed by existing single-family development, roadways, and Spyglass Hills Golf Course. The portion of Area J located most to the north is generally referred to as J-1, while the area more to the south (and directly adjacent to Spyglass) is referred to as J-2. The area consists of relatively intact, dense native Monterey pine forest that includes a number of oaks and dense manzanita in places. Area J supports a population of about 2,500 Yadon's piperia plants. The native Monterey pine forest at Area J is part of a much larger mostly contiguous block of native Monterey pine forest that includes Areas K and L and the existing Indian Village preservation area north of Area L.<sup>65</sup> The site includes two forks of Seal Rock Creek, and the intermittent stream channels provide for riparian and wetland habitat mixed with Monterey pine. The wet areas in Area J are considered wetlands under the Coastal Act. As indicated above, Seal Rock Creek has been identified as the apparent center of the California red-legged frog population in the Del Monte Forest, and the area just downstream of the two tributaries has been identified as "Occupied Breeding and Other presumed CRLF habitat".<sup>66</sup> CRLF have been positively identified in two ponds just south of Area J, with one of the ponds identified as a CRLF breeding location. CRLF have also been observed within the tributary of Seal Rock Creek that passes through the southern portion of Area J.

Area J includes streams and riparian habitat that are rare in the Del Monte Forest, and the area is also especially valuable for its ecosystem role of providing habitat for the endangered Yadon's piperia and for the threatened California red-legged frog. Area J is also part of a large area of Monterey pine forest with a healthy native understory, and, as such, is rare. It is also easily disturbed or degraded by human activities and therefore meets the definition of ESHA pursuant to the Coastal Act and LUP.

The Concept Plan portion of the proposed amendment would allow for disturbance to 3.8 acres of native Monterey pine forest for the development of 5 single-family residential lots.<sup>67</sup> The FEIR indicates that such residential development would result in the direct removal of 1.81 acres of native Monterey pine forest and related habitat (including maritime chaparral and Yadon's piperia habitat) and indirect impacts associated with the Concept Plan residential subdivision to another 1.99 acres of Monterey pine forest habitat. The Concept Plan would not lead to removal or other direct impacts to the intermittent stream channels or riparian and wetland habitat, including CRLF habitat, in Area J. These features are located in the remaining 6 acres of Area J that are proposed for preservation under the amendment.

The proposed residential designation and new LUP text and figures allowing for the proposed residential development in J are not consistent with Coastal Act ESHA policies for similar reasons as apply to Area

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<sup>65</sup> Although roads and a number of public access trails cross the pine forest area, the forest canopy extends over the trails and parts of the roads. Thus, in terms of biological processes, such as providing connected habitat areas and maintaining ecological processes between various sub-areas, it remains intact as a coherent forest unit. The PDP EIR identified such areas to be "undeveloped forest" that is "relatively intact as a forest patch" despite the existing roads and trails.

<sup>66</sup> FEIR page 3.3-69.

<sup>67</sup> Id (development envelopes would not occupy entire area).



F-2 above.

**Residential Area at LUP Planning Area K**

Area K is a 10.62-acre site that is bisected by Stevenson Drive and otherwise framed in by Spyglass Hill Golf Course that is densely forested with native Monterey pine and a variety of understory species. The area shows a fairly high degree of slope on its eastern end, as well as the portion seaward of Stevenson Drive. A high density population of Yadon's piperia occurs in patches in Area K, supporting approximately 5,900 plants. A Seal Rock Creek tributary and its associated riparian corridor cross the east end of the site in a north-south direction. The tributary stream channel is deeply incised; in one section it is approximately 18 feet deep and 30 feet wide. A broad, relatively level area in the northeast area of the site, adjacent to the channel, acts as a floodplain and is seasonally wet and is vegetated by obligate and facultative hydrophytes, comprising approximately one third of an acre of seasonal wetlands. In this wetland, mature pine trees have fallen to produce an open overstory and sunny clearing, and the large amount of downed wood increases the biological value of this area. In addition, a portion of the southwestern side of Area K also consists of saturated conditions, drainages, and ponding as a result of golf course discharges from two culvert outfalls. These wet areas all qualify as wetlands under the Coastal Act and the Commission's regulations, and are also known California red-legged frog habitat. CRLF have been observed along the main Area K drainage, and, as described above under Area J, Seal Rock Creek has been identified as the apparent center of the CRLF population within the Del Monte Forest and the site of "Occupied Breeding and Other presumed CRLF Habitat". Red-legged frog breeding ponds are located just north and east of Area K, and potential dispersal corridors cross this area. Habitat for other sensitive species is also present in Area K, including potential nesting raptor habitat and pallid bat habitat throughout the forest, and ringtail and Monterey shrew habitat in the wetter areas.

The native Monterey pine forest at Area K is part of a much larger mostly contiguous block of native Monterey pine forest that includes Areas K and L and the existing Indian Village preservation area north of Area L. Area K includes a stream and riparian habitat that is rare in the Del Monte Forest, and the area is also especially valuable for its ecosystem role of providing habitat for the endangered Yadon's piperia and for the threatened California red-legged frog. Area K is part of a large area of Monterey pine forest with a healthy native understory, and, as such, is rare. It is also easily disturbed or degraded by human activities and therefore meets the definition of ESHA pursuant to the Coastal Act and LUP.

The Concept Plan portion of the proposed amendment would allow for disturbance to approximately 5 acres of native Monterey pine forest for the development of 8 single-family residential lots.<sup>68</sup> The DEIR indicates that such residential development would result in the direct removal of 3.18 acres of Monterey pine forest and related habitat (including maritime chaparral and Yadon's piperia habitat) and indirect impacts (associated with the residential subdivision) to another 1.55 acres of Monterey pine forest habitat. The Concept Plan would not lead to removal or other direct impacts to the intermittent stream channel or riparian and wetland habitat in Area K. These features are located in the remaining 5.84 acres

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<sup>68</sup> Id (development footprint impact versus overall area impact).



of Area K that are proposed for preservation under the Plan.

The proposed residential designation and new LUP text and figures allowing for the proposed residential development in area K are not consistent with Coastal Act ESHA policies for similar reasons as apply to Area J above.

**Residential Area at LUP Planning Area L**

Area L is a roughly 20-acre site situated adjacent to the northwest corner of Spyglass Hill Golf Course, between the golf course and the Indian Village preserve area. Area L is primarily dense, native Monterey pine forest with a small area of dunes at the western end. This area is part of a larger mostly contiguous block of native Monterey pine forest and related habitat that also includes Areas J and K and the Indian Village preservation area north of Area L. One of the only known extant populations of the state- and federally-listed Hickman's potentilla and a population of the state-listed Pacific Grove clover occur in an open area on the adjacent Indian Village property. In 2004, several individual Yadon's piperia plants were found in a patch at the very eastern end of Area L, but the area is not well suited to support this species because of its dense canopy and understory cover. The dune portion of Area L supports several special status plant species, including Menzies wallflower, Monterey spineflower, and Monterey Indian paintbrush.

Several Seal Rock Creek tributary channels cross the eastern portion of Area L. As described above, Seal Rock Creek has been identified as the apparent center of the CRLF population within Del Monte Forest, and the site of "Occupied Breeding and Other presumed CRLF Habitat", including for Area L where CRLF have been documented in recent surveys. Delineated wetlands are located at a 1-acre section of Area L where the two creek areas from Area J converge. In addition, a culvert outfall at the western end of Area L that discharges runoff from the golf course has resulted in a north-south drainage (parallel to the proposed Concept Plan residential Lot 1) that supports rushes, sedges, and other hydrophytes. This drainage and associated vegetation qualifies as a wetland pursuant to Coastal Act standards.

In addition to CRLF, white tailed kite (a California fully protected species) have been observed nesting in this area, and habitat for other sensitive wildlife species is also present, including suitable Smith's blue butterfly habitat in the dunes area, potential nesting raptor habitat and pallid bat habitat throughout the forest, and ringtail and Monterey shrew habitat in the wetter areas.

The proposed LUP amendment would result in permanent protection of the western and eastern portions (approximately 9.5 acres) of Area L.<sup>69</sup> In Area L, the Concept Plan portion of the proposed amendment would allow for disturbance to approximately 8.9 acres of native Monterey pine forest for the development of 10 single-family residential lots and associated roadway and infrastructure

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<sup>69</sup> The habitat/ESHA consistency analysis for the proposed protected portion of Area L can be found below under the Preservation Areas discussions.



development.<sup>70</sup> The FEIR indicates that such residential development would result in the direct removal of 4.48 acres of native Monterey pine forest and related habitat and indirect impacts associated with being located in a residential subdivision to 4.43 acres of native Monterey pine forest habitat. The amendment does not involve removal or other direct impacts to the Seal Rock Creek tributaries on the eastern half of the site; however, the amendment would result in moving the 0.03-acre of wetland in the drainage course on the western end of the site in the area of the proposed access road. In addition, this drainage and wetland feature would be located immediately adjacent to Lot 1 of the proposed Concept Plan residential subdivision and subject to indirect impacts associated with proximity to development (topographic modification, addition of irrigation flow, use of herbicides and pesticides, etc.). Such proximity issues are at least partially mitigated by the Concept Plan requirement to move and restore this feature 50 feet to the west of its current location. The Monterey pine forest and Seal Rock Creek tributaries on the eastern half of the site (9.25 acres) are proposed for preservation under the amendment.

The proposed residential designation and new LUP text and figures allowing for the proposed residential development in Area L cannot be found consistent with Coastal Act ESHA and wetland policies because they would allow non-resource dependent development in ESHA, would allow a prohibited use (i.e., residential use) in wetlands, would result in removal of ESHA and wetlands, and significant degradation of remaining ESHA and wetlands.

#### **Residential Area at LUP Planning Area M**

As described above, Area M would be re-designated to allow for a proposed resort hotel at the site. The Concept Plan alternatively allows for 10 single-family residential lots in this area if the hotel is not pursued. The habitat resources, including in terms of delineated ESHA at the Area M site, are described above. The residential lots would be located in the same area as the proposed hotel, and subject to the same habitat enhancement/restoration criteria. As such, consistency with Coastal Act ESHA policies is the same as described above, albeit the above consistency determination also factors in that the hotel is a high priority visitor-serving use under the Coastal Act while the residential development is not. As a result, the hotel would be the better Coastal Act outcome for the site. On this point PBC and the Commission are in agreement, and PBC indicates that it fully intends to pursue the hotel at this site. The Concept Plan allowance for residential use is provided as a fallback in the case that circumstances dictate that a hotel is not feasible. Absent such circumstances, the Concept Plan is intended to result in, and the Commission expects it will result in, a hotel at the non-ESHA former Spyglass Quarry area.

#### **Residential Area at LUP Planning Area U**

Area U is a 22.17-acre area adjacent to the Equestrian Center. The majority (16.69 acres) of Area U consists of intact native Monterey pine forest with an understory dominated by grasses (namely bent grass and California oat grass), with some shrub cover (bracken fern, blackberry, and poison oak) and some non-native plant species such as French broom, large periwinkle, and myoporum. The remaining

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<sup>70</sup> Id.



middle portion of Area U (5.48 acres) is generally disturbed and currently used for storage and other activities of the Equestrian Center, and the remaining habitat within the middle portion is comprised of fragmented Monterey pines and grasses. The eastern portion of Area U contains approximately 1,400 Yadon's piperia plants. Wetland areas occur in the western and eastern portions of the site. Near the center of Area U, runoff from the Equestrian Center is directed through a culvert into a roughly 100-foot long drainage ditch that flows a short distance in a northwesterly direction to Drake Road where it is then culverted under the road. As described above, Dr. Dixon reviewed the relevant background reports and did field work at Area U and the Equestrian Center site in order to define the boundary between ESHA and non-ESHA portion of the site more precisely.<sup>71</sup> With respect to the drainage channel, Dr. Dixon determined that the predominant vegetation in and adjacent to the drainage channel was common periwinkle, a non-wetland plant, and although several hydrophytes were identified (including mule fat, Monterey sedge, common rush, and nut sedge), these plants occurred as individuals and were not dominant associations in the vegetation. Dr. Dixon indicates that this wet area is not a wetland or ESHA.

Another location (about 1,300 square feet) in the center of Area U, in an area once used by the Equestrian Center as a corral for horses, consists predominantly of hydrophytes. Although this site has experienced substantial alterations and is highly compacted by horseback riding over the years, it does meet the wetland criteria in the Coastal Act and the Commission's Regulations and has been technically delineated as a wetland by the FEIR. Dr. Dixon concurs with this wetland assessment, but indicates that its resource value is minimal.

The Concept Plan portion of the proposed LCP amendment would result in permanent protection of the western and eastern portions (16.69 acres) of Area U.<sup>72</sup> It would also allow for 7 new single-family residential lots in the middle portion of Area U, in the narrow, disturbed area occupied by some non-ESHA Monterey pine and the non-ESHA non-wetland drainage between Drake Road and the Equestrian Center. The FEIR indicates that such residential development would convert 2.45 acres of this area to residential use, and would result in indirect impacts to 3.14 acres of the area not converted due to proximity to the residential use. The proposed amendment would also result in the removal of 1,300 square feet of minimally functioning wetland in the area proposed for residential development on the site (between proposed lots 3 and 4).

The proposed designations and new LUP text and figures allowing for the Pebble Beach Company's proposed residential development in a portion of Area U are mostly consistent with Coastal Act habitat/ESHA policies. The narrow, disturbed area occupied by some Monterey pine that are not part of the adjacent forest area (where the 7 residential lots are proposed under the Concept Plan) is not considered ESHA because of its small size and the lack of any other special status species other than Monterey pine. In addition, although it is adjacent to larger areas of forest to the northeast and southwest, it is highly disturbed and fragmented due to decades of incursions from the Equestrian

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<sup>71</sup> During field work in 2008.

<sup>72</sup> See Preservation Areas discussion below.



Center, including the presence of structures, a dirt road, and non-native species. However, residential use is not one of the allowed uses in wetlands, and although the 1,300 square-foot area determined to be wetlands in the existing Equestrian Center area is only minimally functioning, it still would be converted as part of the Concept Plan project, and thus is not consistent with the Coastal Act's wetlands policies.

**Residential Area at LUP Planning Area V**

Area V is a 23.07-acre site located between Forest Lake Road and Stevenson Road, and this area is the current home of the Pebble Beach Driving Range. The northern half of Area V consists of intact native Monterey pine forest with an open herbaceous understory, and supports approximately 3,800 Yadon's piperia plants. In addition, one individual Hickman's onion plant and two Hooker's manzanita individuals were identified in the northern portion of Area V in 2008. The southern portion of Area V consists of the existing Driving Range (5 acres) and surrounding pine tree and pine forest areas, as well as wetland areas. The understory along the edge of the driving range has been disturbed over time and consists primarily of open ground colonized by annual, non-native grasses and herbaceous species. Invasive species including kikuyu grass, wattle, pampas grass, and French broom are also common along with some scattered pines. The site area generally drains towards a pronounced low lying wetland area on the western limits of the site between the driving range and Stevenson Drive that is dominated by a dense understory of Pacific reed grass. The area is hydrologically connected via a culvert under the road to an extensive wetland complex across Stevenson Drive (in the northeastern portion of Areas N and U).

The proposed LCP amendment would result in permanent protection of the northern and western portions (12.56 acres) of Area V (again, see further discussion under the Preservation Areas below). The Concept Plan portion of the proposed amendment would also allow for the development of 14 residential lots and new open space recreational areas (for playgrounds, turf areas, and/or other active recreation uses) in the footprint of the existing driving range. As described above, Dr. Dixon reviewed the relevant background reports and did field work at Area V and the Driving Range site in order to define the boundary between forest and non-forest, and ESHA and non-ESHA portions of the site more precisely.<sup>73</sup> The Concept Plan residential development area at Area V is sited in the non-forest non-ESHA portion of the site as determined by Dr. Dixon. Along the margins of the driving range footprint, the amendment would result in the direct removal of 1.19 acres of non-ESHA area that is also not part of the forest and indirect impacts associated with being located in a residential subdivision to 3.7 acres of this same area. The Concept Plan would not result in removal or other direct impacts to the wetland area on the western edge of the site.

The proposed designations and new LUP text and figures allowing for the Pebble Beach Company's proposed residential development and recreational areas at Area V are consistent with the Coastal Act's ESHA and wetland policies. The majority of the Concept Plan residential development at Area V would be located in the footprint of the existing mowed turf area of the driving range. The other areas that would be converted (located in narrow swaths along the eastern and western sides of the driving range,

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<sup>73</sup> During field work in 2008.



between Stevenson Drive and the driving range, and between Forest Lake Road and the driving range) were determined by Dr. Dixon to not be part of the adjacent native Monterey pine forest, but instead to be disturbed areas with some scattered pine. These areas are not considered forest or ESHA because of their small size and the lack of any other special status species other than scattered Monterey pine. In addition, they are highly disturbed and fragmented due to proximity to the driving range and Stevenson Drive and Forest Lake Road. These areas are biologically distinct from the larger, more intact and sensitive Monterey pine forest in the northern portion of Area V and are not considered to be a functioning part of this larger forest stand. In terms of setbacks, the Concept Plan provides explicit direction to maintain the canopy of adjacent protected trees, and should be sufficient for avoiding disturbance to these areas. Non-ESHA tree and forest removal of approximately 4.89 acres is adequately mitigated under the Concept Plan by the restoration commitment to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats. In sum, the proposed components of the amendment related to residential use at this Driving Range portion of Area V are consistent with the Coastal Act's habitat/ESHA policies because the habitat at the proposed development sites does not constitute ESHA, and the Concept Plan contains appropriate mitigation for the non-ESHA vegetation impacts.

**Residential Area at Collins Residence Site**

The Collins Residence site is an existing developed area with two existing single-family residences along with several outbuildings, driveways, and other infrastructure. The site is surrounded by existing development (i.e., the Collins Field turf area, the Equestrian Center, roadways, and other single-family residential development). The site has very little tree canopy and no native habitats. Shrubs and trees on the site are mostly landscape species. No sensitive habitats or species are present on the site. The Concept Plan portion of the proposed amendment would allow for 4 new single-family residences on the site, and would not result in the removal of native habitats or sensitive species. Because the site does not constitute ESHA and includes no other significant resources, the proposed components of the amendment related to the Collins Residence site do not conflict with Coastal Act habitat/ESHA policies.

**Residential Area at corporation yard Site**

The corporation yard site is a developed and disturbed site at the base of the Huckleberry Hill Natural Habitat Area. Approximately half of the site (the southern portion) is occupied by the Pebble Beach Company's offices and related facilities (e.g., vehicle maintenance building, nursery, indoor and outdoor storage areas, etc.). The northern and eastern portions are the site of the former Granite Construction quarry operation that ceased operations a number of years ago, and that now is subject to ongoing reclamation activities. The flatter (northern) portion of the former quarry is a fill area that is essentially devoid of vegetation (and not subject to vegetation reclamation), while the sloped eastern portion has been terraced and is in the midst of Monterey pine forest regeneration as part of the quarry reclamation. A detention pond in the quarry fill area has been deemed to contain suitable habitat for California red-legged frog, but frogs have not been identified there.



The Concept Plan portion of the proposed amendment would allow for the development of 10 single-family residences and an open space recreational area (for playgrounds, turf areas, and/or other active recreation uses) in the northern portion of the former quarry. The eastern portion of the former quarry that is undergoing forest regeneration is not part of the development area, and the area on the western edge of the area would be added to HHNHA. These areas would be protected under the LCP amendment (as Open Space Forest (RC), and subject to preservation area requirements – see also below). A very small area of the corporation yard proper that is located within the boundaries of HHNHA but that does not exhibit any habitat characteristics (i.e., it is a fill area that is heavily disturbed by ongoing corporation yard activities), would be removed from the HHNHA boundary.<sup>74</sup> Overall, because the Concept Plan development area is a disturbed former quarry that lacks vegetation and sensitive species and is not subject to vegetation reclamation, it is not considered ESHA. As such, the proposed amendment would not result in the removal of native habitats or sensitive species, and would result in appropriate designations and protection for habitats that are present in this area, including in terms of HHNHA boundary changes. For these reasons, the proposed components of the amendment related to the corporation yard site do not conflict with Coastal Act habitat/ESHA policies.

#### **Residential Areas Conclusion**

The Concept Plan elements associated with the proposed residential areas lead to the direct removal of ESHA in Area F-2, I-2, J, and K; wetlands in Area U; and ESHA and wetlands in Area L. In addition, the Concept Plan residential areas also lead to indirect impacts from habitat/ESHA/wetland adjacency issues in Areas F-2, I-2 (all but wetland), J, K, and L. The Concept Plan residential areas would not lead to direct or indirect habitat/ESHA/wetland issues in Areas M and V, as well as the Collins Residence and corporation yard sites. For areas without adverse impacts to habitat/ESHA/wetlands, the Concept Plan is consistent with the Coastal Act's habitat/ESHA policies as sited above. Impacts associated with non-ESHA tree/forest removal in these areas are appropriately mitigated by the Concept Plan commitment to protect, enhance, restore, and manage in perpetuity 635 acres of native Monterey pine forest and its associated habitats as part of any such development.

Concept Plan residential areas at Areas F-2, I-2, J-1, J-2, K, L, and U all result in direct removal of ESHA and/or wetlands. These portions of the Concept Plan are inconsistent with the cited Coastal Act habitat/ESHA and wetland policies. Specifically, Coastal Act Section 30240 allows only resource-dependent uses and associated development that will not significantly disrupt habitat values and will not significantly degrade ESHA. Coastal Act Section 30233 allows fill of wetlands for limited purposes, none of which include residential development. Residential development is neither resource-dependent under Section 30240 nor an allowed use under Section 30233, making residential development in these areas inconsistent with the Coastal Act. In particular, and in rough order of descending habitat sensitivity and importance (i.e., from highest sensitivity and degree of habitat/ESHA impact to lowest sensitivity

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<sup>74</sup> It appears that this area was mistakenly made part of HHNHA in the original 1984 LUP, and this modification is best represented as a correction.





and degree of habitat/ESHA impact), Concept Plan residential development in Areas L, K, J-2, J-1, I-2, F-2, and U would lead to significant adverse habitat/ESHA and/or wetland impacts. The only way such impacts can possibly be allowed under the Coastal Act would be that if denial of the proposed LUP amendment would lead to a conflict with one or more policies of the Coastal Act. That question is discussed in the Conflict Resolution section below.

#### **D. Sensitive Habitat Preservation and Enhancement Areas**

The areas proposed for long-term protection, enhancement, restoration, and management under the Concept Plan are all of Areas C, F-1, F-3, G, H, I-1, N, O, P, Q, and R, and portions of Areas B, J, K, L, M, U, and V (i.e., the portions that are not part of Concept Plan development areas). These preservation areas contain high quality native Monterey pine forest, wetland, maritime chaparral, dune and related and associated habitats. A majority of these areas are large (over 20 acres) and contiguous with each other and/or other large areas of existing protected habitat. These areas are some of the largest continuous swaths of undeveloped native Monterey pine forest habitat left in the Del Monte Forest, and they contain a preponderance of special status plant and animal species. In addition, many of the areas proposed for preservation are classic examples of the various habitat associations that are present in healthy, undisturbed Monterey pine forest. The proposed preservation area that is comprised of Areas F-1, F-3, G, and H, for example, which are connected to each other as well as the larger Huckleberry Hill Natural Habitat Area, is an excellent example of intact native Monterey pine forest with extensive central maritime chaparral understory (including the special status plant species Hooker's manzanita, sandmat manzanita, and shaggy-barked manzanita) and wetland areas. This area also contains a mix of other special status species, including Yadon's piperia, pine rose, Hickman's onion, Gowen cypress, and Bishop pine. This area is extremely biologically rich, and it is physically and functionally a part of the larger HHNHA, the largest current area of existing protected native Monterey pine forest in the Del Monte Forest, to which it would be added as part of the proposed amendment.

Similarly, the former proposed Measure A golf course area (at Areas M, N, O, U, and V) contains similar associations and comprises an area of roughly 137 acres, approximately 116 acres of which is native Monterey pine forest in association with scattered Coast live oak and a variety of understory species. The pine forest at this location is one of the largest mostly contiguous and unfragmented portions of the remaining native Monterey pine forest in the Del Monte Forest. This is also one of the largest areas of native pine forest that would be directly affected by the proposed LCP amendment. This area also includes a great variety of plant and wildlife species, including a significant number of special status species, including several CNPS 1B species, such as Hooker's manzanita, shaggy-barked manzanita, Hickman's onion, and pine rose. The forested area also provides suitable habitat for a number of other native animal species, including for several sensitive wildlife species (e.g., Cooper's hawk, ringtail, and pallid bat); although the presence of the latter has not been positively documented.<sup>75</sup> California red-legged frog have also been observed here. And, as described above, this area includes

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<sup>75</sup> PDP EIR Table E-11.



significant occurrences of Yadon's piperia, which is federally endangered and a CNPS 1B species. There are about 57,000 Yadon's piperia in a 54-acre area spread throughout the heart of Areas N, O, U, and V, constituting roughly one-third of the total population of the species worldwide, and the largest occurrence anywhere in the world. The special conservation significance of this population (and the population of similar size in Areas P, Q, and R) is apparent in the fact that this is one or two orders of magnitude larger than any other known occurrences of the species.

And perhaps most critically, the preservation areas associated with Areas P, Q, and R mean that all of the undeveloped and forested Pescadero Canyon area owned by the Pebble Beach Company, some 246 acres in all, will be preserved in perpetuity.<sup>76</sup> The 158 acres of the PQR area (and the forested area of Pescadero Canyon surrounding it) includes one of the largest areas of unfragmented native Monterey pine forest (in association with other sensitive species) within the Del Monte Forest; this area is roughly the same size as the HHNHA. This area also includes wetlands (1.7 acres), tributaries to Pescadero Creek, riparian corridors, and an array of sensitive species including 29 acres of Hooker's manzanita (CNPS 1B.2), almost 6 acres of Hickman's onion (CNPS 1B.2), and sandmat manzanita (CNPS 1B.2).<sup>77</sup> In addition, it includes some 43 acres of the federally endangered (and also CNPS 1B.1) Yadon's piperia and some 56,000 individuals.<sup>78</sup> This PQR-area piperia occurrence is the second largest in the world (second only to that at Areas N, O, U, and V) and constitutes about one-third of the total known worldwide population.<sup>79</sup> Thus, the forested area that includes PQR (and thus all of PQR) is Yadon's piperia habitat. Similarly, the Hooker's manzanita area is central maritime chaparral habitat. This area provides suitable habitat for other sensitive wildlife species, including potential nesting raptor and pallid bat habitat throughout the area, suitable Monterey shrew and ringtail habitat in riparian areas, and six active Monterey dusky-footed woodrat nests;<sup>80</sup> areas containing suitable aquatic and breeding habitat for the federally threatened California red-legged frog are also present.<sup>81</sup> Finally, the Pescadero Canyon/PQR forested area is functionally and physically connected to HHNHA through a forested

<sup>76</sup> LUP Planning Area Y is also part of the Pescadero Canyon area, but this roughly 20-acre property is not owned by the Pebble Beach Company. It appears to include many of the same resource characteristics of the surrounding Pescadero Canyon area, but it has not been proposed for redesignation as part of the proposed amendment (i.e., it too is currently designated for residential use by the LCP, but the proposed amendment does not propose to designate it Open Space Forest (RC) in the same way as is proposed for the surrounding PBC land in this area), and has not been evaluated in the same way biologically by the County, including through the CEQA process. While recognizing its similarities to the other Pescadero Canyon lands, the LCP amendment defers potential redesignation of Area Y to a future time. Given the property owner has inquired of Commission staff as to the potential for residential development of this property (and has been informed it appears significantly low given that available information indicates that Area Y is likely all ESHA), it appears that questions about Area Y disposition may also come to fruition through a CDP process.

<sup>77</sup> PDP EIR Tables, E-21 and E-28. Note that the habitat acreage totals and occurrences are related to planning units P, Q, and R and the immediately surrounding area. This area is a subset of the larger Pescadero Canyon area in DMF, and thus the acreage and occurrence information should be considered minimum amounts/species.

<sup>78</sup> PDP EIR Table P2-1.

<sup>79</sup> PDP EIR Tables P2-1 and P2-2.

<sup>80</sup> All of these species are State and/or Federal Species of Special Concern or Fully Protected Species (i.e., ringtail).

<sup>81</sup> PDP EIR Appendix E, and Tables E-21, E-28, P2-1 and P2-2.



habitat corridor extending to the north and to HHNHA proper. Thus, Pescadero Canyon is perhaps the most obvious example in the LCP amendment area of a very large and intact native Monterey pine forest ecosystem that supports endangered and other sensitive species habitat in association with it and that is functionally and physically part of a much larger forest ecosystem – of which connected portions are biologically significant in their own right (HHNHA). Its preservation as a whole is a significant and very valuable – perhaps the most valuable next to and alongside MNOUV – ecological component of the proposed Concept Plan.

All of the Concept Plan preservation areas (Areas C, F-1, F-3, G, H, I-1, N, O, P, Q, and R and portions of Areas B, J, K, L, M, U, and V) are excellent examples of intact, thriving native Monterey pine forest ecosystem (and in the case of the portions of Areas L and M, dune ecosystems as well) that are rare and especially valuable and that are ESHA pursuant to the Coastal Act. These areas represent some of the best examples of remaining native Monterey pine forest habitat on the Monterey peninsula, and in the world. The proposal to change the LUP designation of these areas, some 435 acres in total, from Residential to Open Space Forest, and to add new LUP text and figures requiring permanent protection, enhancement, restoration, and funded management in perpetuity, is highly consistent with Coastal Act habitat/ESHA and wetland protection policies. The Open Space Forest designation would allow for these areas to remain in their natural state and protects against any significant disruption of habitat values from development or uses otherwise inappropriate in ESHA. This designation reflects the resources on the ground, and is indicative of the appropriate types, scales, and intensities of use allowed there. The additional protections (conservation easements that will remain on title in perpetuity and overall habitat management plans) proposed by the amendment (for both the 435 acres being redesignated as well as the 200 acres already designated Open Space Forest but not covered by easements) ensure the continuance of habitat values through ongoing and active stewardship of these areas and surrounding areas, a total of 635 acres protected in this way. As such, the Commission finds this component of the proposed amendment to be consistent with the Coastal Act habitat/ESHA and wetland protection requirements.

#### **5. Habitat/ESHA Conclusion**

As described above, certain areas proposed for residential development in the proposed Concept Plan are ESHA and/or include wetlands. In terms of the latter, only Area U includes only wetland. All of the other areas are ESHA, and some include wetlands. These ESHA areas consist of Areas F-2, I-2, J-1, J-2, K, and L. These areas are intact native Monterey pine forest habitat that supports various special status plant and animal species (including Yadon's piperia, Hooker's manzanita, and California red-legged frog) and wetlands. Because the Concept Plan portion of the proposed amendment would allow and facilitate residential development in these ESHA and wetland areas (55 new residential lots affecting 56 ESHA acres in total) that would significantly disrupt the habitat values and not be compatible with the continuance of the habitat, this portion of the Concept Plan is inconsistent with Coastal Act Sections 30240 and 30233. The only way such aspects of the proposed LUP amendment could be approved under the Coastal Act would be that if denial of the proposed LUP amendment would lead to a conflict with one or more policies of the Coastal Act. That question is discussed in the Conflict Resolution section



below.

The remaining components of the proposed Concept Plan (visitor-serving components at The Inn at Spanish Bay, The Lodge at Pebble Beach, and the proposed Spyglass hotel site; residential components at Area M (if used for the residential option), at Area V (at the existing Driving Range), at the Collins Residence site, and at the corporation yard site; recreational components at the Equestrian Center and Collins Field; and preservation components of LUP Planning Areas C, F-1, F-3, G, H, I-1, N, O, P, Q, and R, and portions of Areas B, J, K, L, M, U, and V (that are not part of Concept Plan development areas) are all consistent with Coastal Act habitat/ESHA provisions because they do not inappropriately adversely impact habitat/ESHA and wetlands (and result in habitat/ESHA and wetland improvements in the case of preservation areas). In addition, the proposed update changes to the LUP are also consistent with Coastal Act ESHA provisions because they would strengthen existing text, policies, and regulations for protection of habitat/ESHA in the Del Monte Forest as directed by the Coastal Act.

## **B. Public Services**

### **1. Background**

#### **Water Supply**

The Del Monte Forest is within the California American Water Company (Cal-Am) service area. The distribution and use of Cal-Am water is regulated by the Monterey Peninsula Water Management District (MPWMD), which allocates water among various cities and the County, who in turn decide how to distribute their allocations. Cal-Am's water for this purpose is drawn from the Carmel River and the Seaside coastal groundwater basin (Seaside Basin).

At the time of LUP certification, the Commission found that existing Cal-Am water supplies could support only a limited amount of new development in the Del Monte Forest. The LUP thus contains policies that require the reservation of available water for single-family homes on existing vacant legal lots of record and certain uses that were determined to be of higher priority.<sup>82</sup> Any remaining water could be used as a source for new subdivisions.<sup>83</sup> Given the lack of sewage capacity (see below), the LUP also required that all remaining areas that were not then developed and not designated for resource conservation be shown on the LUP's land use map with a Resource Constraint Area (RCA) overlay that prohibited all development other than the first single-family home on existing legal lots of record. The LCP was designed to be self-regulating in that it indicates that the RCA could be removed through an LCP amendment if sufficient water and sewer capacity became available to serve new development, and only if transportation capacity solutions had been adopted.<sup>84</sup> Notably, it was also thought at the time that

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<sup>82</sup> These included the Spanish Bay hotel complex, condominiums, and golf facilities, and the NCGA golf course (Poppy Hills). See existing LUP Policies 109, 112, and 113.

<sup>83</sup> Existing LUP Policy 112.

<sup>84</sup> Existing LUP Policy 113.



Cal-Am would have an “assured” water supply of 22,000 acre-feet per year with full development of the Cal-Am supply. Demand for Cal-Am water on the Monterey Peninsula in 1980 was estimated at 16,000 acre-feet.<sup>85</sup>

Water supply conditions for the Del Monte Forest have changed significantly since LUP certification. Current Cal-Am water withdrawals have documented adverse impacts on the Carmel River.<sup>86</sup> The river, which lies within the approximate 250 square mile Carmel River watershed, flows 35 miles northwest from the Ventana wilderness in Big Sur to the Ocean (see Exhibit L). Surface diversions and withdrawals from the river’s alluvial aquifer have had significant impacts on riparian habitat and associated species, particularly in the lower reaches.<sup>87</sup> This includes adverse impacts to two federally threatened species, CRLF, listed in 1996, and steelhead (*Oncorhynchus mykiss*), listed in 1997. In particular, water diversions and withdrawals reduce the stream flows that support steelhead habitat and the production of juvenile fish, especially during dry seasons.

In 1995 the State Water Resources Control Board (SWRCB) issued Order 95-10, in response to complaints alleging that Cal-Am did not have a legal right to divert water from the river and that the diversions were having an adverse effect on the public trust resources of the river. The Board found that Cal-Am has a legal right only to withdraw about 3,376 acre-feet per year (afy), and that the Cal-Am diversions were having an adverse effect on the lower riparian corridor of the river, the wildlife that depend on this habitat, and the steelhead and other fish inhabiting the river. SWRCB thus ordered Cal-Am to extract no more than 11,285 afy from the River, and to implement measures to minimize harm to public trust resources and to reduce withdrawals. Existing withdrawals continue to have adverse effects on the coastal resources of the river and it has not been determined what the “safe yield” of the Carmel River might be so as to assure protection of the River’s habitat resources.<sup>88</sup>

In October 2009, SWRCB issued Order WR2009-0060, which prescribes a series of additional cutbacks to Cal-Am’s pumping from Carmel River from 2010 through December 2016. Specifically, it includes a schedule for Cal-Am to reduce diversions from the Carmel River, bans new water service connections (with certain exceptions, including for the Pebble Beach Company’s entitlement, described below), bans increased use of water at existing service connections resulting from a change in zoning or use, and establishes a requirement to build smaller near-term water supply projects. If a new water supply does not come on line by the end of 2016, the California Public Utilities Commission (which regulates Cal-Am as a water utility), may require water rationing and/or a moratorium on new water permits for construction and remodels. Various agencies and stakeholders are actively pursuing alternative water

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<sup>85</sup> Existing LUP page 92.

<sup>86</sup> This is recognized by the FEIR that states that “existing groundwater pumping (and prior surface diversions) has adversely affected the biological resources found in the Carmel River” (FEIR pages 3.12-34).

<sup>87</sup> See, for example, Instream Flow Needs for Steelhead in the Carmel River: Bypass flow recommendations for water supply projects using Carmel River Waters, National Marine Fisheries Service, June 3, 2002.

<sup>88</sup> Neither Cal-Am’s legal right (3,376 afy) nor the Order 95-10 maximum (11,285 afy) is meant to imply safe yield.



supply projects, including desalination project options, groundwater recharge, conservation, and other options for the Monterey Peninsula, so that withdrawals from the Carmel River could be reduced or perhaps even be eliminated. However, none of these projects has come to fruition, and there have been significant challenges in identifying an acceptable project for all stakeholders, including one that could be successfully permitted by state and local entities.

Cal-Am water withdrawals are also adversely impacting the Seaside Basin. A recent technical report completed for MPWMD shows consistently declining water levels and deficit water budgets over an 8-year period, indicating that the Basin is in a state of overdraft since groundwater extractions exceed the sustainable yield. Because it is being overdrafted, the Basin is at risk of seawater intrusion, as well as other negative outcomes such as basin subsidence, chronically declining groundwater levels, and water quality degradation.<sup>89</sup> According to the MPWMD-sponsored report, in the event of a prolonged drought, storage in the Seaside Basin could not be relied upon to sustain current levels of production for very many years in a row.<sup>90</sup> Most recently, existing and potential withdrawals from the Basin have been adjudicated in the Superior Court of Monterey County.<sup>91</sup> The adjudication resulted in a court-ordered physical solution to the Basin's groundwater problem. The operating yield for three years beginning in 2007 for the Basin as a whole was defined as 5,600 afy, including both Cal-Am and other users. The Court concluded that the "natural safe yield" of the Seaside Basin is between 2,581 and 2,913 afy. The judgment requires a 10% decrease in operating yield for the coastal subareas every three years beginning in 2010, where the decreases are to continue until production reaches 3,000 afy, as established under the judgment. All things being equal, at this rate of reduction, the Basin would reach equilibrium in approximately 20 years. Cal-Am's current (2011) allocation for the Seaside Basin aquifer is 3,448 afy, and its ultimate adjudicated allocation is 1,474 afy. The Court concludes that while there is some uncertainty, all parties were in agreement that continued production from the Basin beyond the safe yield will ultimately result in seawater intrusion and deleterious effects to the basin in the foreseeable future.

Given the state of both the Carmel River and the Seaside Basin and the current SWRCB Orders, there is little or no water to allocate for new development. Consequently, Monterey County (as well as the cities within the Cal-Am service area) maintains a waiting list for new water hookups. MPWMD and SWRCB recognize an exception, though, for properties in Del Monte Forest either owned by the Pebble Beach Company, or owned by others who may have bought a water allocation from the Pebble Beach Company. MPWMD originally granted this exception to PBC as part of the provisions for a wastewater recycling project constructed in 1994 (with financing mostly from the Pebble Beach Company). Since 1994, the Carmel Area Wastewater District (CAWD) and the Pebble Beach Community Service District (PBCSD) have provided recycled water for use in irrigating golf courses and open spaces in the Del

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<sup>89</sup> Yates, Eugene, Martin Feeney & Lewis Rosenberg, *Seaside Groundwater Basin: Update on Water Resources Conditions* April 2005 for MPWMD. The estimated sustainable yield of the Seaside groundwater basin has been estimated to be about 2,880 afy while average extractions are about 5,600 afy.

<sup>90</sup> Id (Yates et al 2005, page 28).

<sup>91</sup> *California American Water v. City of Seaside*, Monterey County Superior Court Case M66343.



Monte Forest area. Under an agreement with MPWMD, the Pebble Beach Company was granted a water entitlement of 365 acre-feet per year of additional potable water for use on its properties because of its participation in funding the recycled water project.<sup>92</sup> The total projected offset of potable water use with recycled water was intended to be at least 800 afy in a dry year, with at least 400 afy of saved potable water benefiting the public.<sup>93</sup> Between 1995 and 2010, the recycled water project supplied between 550 and 1,000 afy for irrigation of eight golf courses, athletic fields, and other landscaped areas in the Del Monte Forest. During that time, irrigation was supplemented with potable water usage of approximately 110 to 430 afy.<sup>94</sup>

To address the shortcomings in the expected capacity of the original recycled water project, recommended improvements to it were identified, and these were collectively known as the “Phase II” improvements. The purpose of Phase II was to augment the recycled water project so as to achieve its original objectives. Phase II was implemented between 2006 and 2009 and consisted of two elements: 1) the rehabilitation of Forest Lake Reservoir to provide a large recycled water storage facility centrally located in the Del Monte Forest (in the portion of DMF outside the coastal zone), and 2) the installation of an additional microfiltration/reverse osmosis treatment facility at the treatment plant to reduce the salt content of the recycled water being produced. Following Phase II improvements, the recycled water project functioned better than before, including that in 2010 and 2011, no potable water was required to be used as a supplement for irrigation for users of the recycled water, and this water use scenario is expected to continue in the future.<sup>95</sup>

As of 2004, the Pebble Beach Company had applied only approximately 10 afy of its original entitlement to new uses, leaving a balance of 355 afy in the entitlement. Under a 2004 amended agreement with MPWMD, the Pebble Beach Company is allowed to sell up to 175 acre feet of its unused entitlement to residential properties in the DMF that are not owned by the Pebble Beach Company.<sup>96</sup> This provides a mechanism for the Pebble Beach Company to recoup the costs of the Phase II improvements to the recycled water project that it agreed to finance. According to the Pebble Beach Company, since 2004, they have sold approximately 117 afy of their remaining 355 afy water entitlement to Del Monte Forest residents, leaving PBC with approximately 238 afy of unused water entitlement.<sup>97</sup>

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<sup>92</sup> See MPWMD Ordinance 39, February 13, 1989; and Wastewater Reclamation PDP project Fiscal Sponsorship Agreement between the MPWMD and Pebble Beach Company, October 3, 1989. Two other parties participated in the agreement as well: J. Lohr Properties Inc. received 10 afy and the Hester Hyde Griffin Trust received 5 afy for their financing of the project. Thus MPWMD granted a total of 380 afy of entitlements.

<sup>93</sup> That is, 400 afy of entitlements were offered in exchange for funding participation in the recycled water project. If the 400 afy were used, and the 800 afy in potable savings were realized, a net benefit to the public of 400 afy would apply, according to MPWMD.

<sup>94</sup> FEIR page 3.12-7.

<sup>95</sup> FEIR page 3.12-7.

<sup>96</sup> MPWMD Ordinance 109, 2004.

<sup>97</sup> FEIR page 3.12-7.



SWRCB Order WR2009-0060 initially allowed Cal-Am to divert water to supply the Pebble Beach Company's entitlement only until December 31, 2016, at which time PBC would be subject to the same rationing and/or moratorium as the rest of Cal-Am's customers. However, the Pebble Beach Company filed a petition for reconsideration, and upon review, SWRCB reversed its decision and affirmed that Cal-Am could in fact provide water from the Carmel River to supply the PBC's entitlement past 2016, and that when Cal-Am develops a new source of water, the entitlement will apply to that new supply as well.<sup>98</sup>

#### **Wastewater Treatment and Disposal**

Wastewater treatment and disposal for the Del Monte Forest is provided by PBCSD through a contract with CAWD. The CAWD wastewater treatment plant is located south of Carmel adjacent to the Carmel River Lagoon. The plant has a total treatment capacity of approximately 3 million gallons per day (mgd) with existing inflows ranging between approximately 1.5 and 1.9 mgd. Of the total capacity, 1.0 mgd is allocated to the PBCSD for service in the Del Monte Forest. Currently, about 500,000-600,000 gallons per day (gpd), or approximately one half of PBCSD's allotted capacity, is coming from the DMF to the wastewater treatment plant.<sup>99</sup>

The CAWD plant treats wastewater to secondary and tertiary levels. As discussed above, some of the treated water is reclaimed and piped to the Del Monte Forest for irrigation use. The remainder is discharged into Carmel Bay, pursuant to a permit from the Central Coast Regional Water Quality Control Board (RWQCB). As described earlier, Carmel Bay is designated by the state as a State Marine Conservation Area (SMCA), a Water Quality Protection Area (WQPA), and an Area of Special Biological Significance (ASBS).<sup>100</sup> It is also part of the Monterey Bay National Marine Sanctuary (MBNMS). In sum, Carmel Bay is recognized by a series of overlapping state designations that reflect its rich biological resources and overall value.

Although wastewater discharges are prohibited into ASBSs, State law includes a specific exemption for Carmel Bay to continue receiving treated effluent. The RWQCB permit for discharge to Carmel Bay requires annual sampling of Carmel Bay waters and comprehensive reports to the RWQCB at ten-year intervals. The first comprehensive report (2002-2003) showed no evidence of a measurable effect of the treatment plant discharge on the ASBS. The next comprehensive report is due in March 2013.

At the time of LUP certification, the Commission found that existing wastewater capacity was severely limited, and could support only a certain amount of new development in the Del Monte Forest. The LUP thus required that all remaining developable areas be shown on the LUP's land use map with the RCA overlay that prohibited all development other than the first single-family home on existing legal lots of

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<sup>98</sup> FEIR page 3.12-18.

<sup>99</sup> FEIR page 3.10-9.

<sup>100</sup> The Bay was also historically recognized as a state Ecological Preserve, and the LCP includes references to this designation as well, but the Ecological Preserve designation was replaced by the SMCA designation.





record. As described in the preceding section, the RCA could be removed only if sufficient water and sewer capacity became available to serve new development, and if transportation capacity solutions had been adopted.<sup>101</sup>

### **Transportation Facilities**

The Del Monte Forest is served by a private internal road system, including the world-famous 17-Mile Drive. Access to the Forest is provided through five gates: the Pacific Grove and Country Club gates providing access from Pacific Grove, the S.F.B. Morse Gate providing access from Highway 68, the Highway 1 Gate providing access from the Highway 1/68 interchange, and the Carmel Gate providing access from the City of Carmel. Major roads leading to these gates include Highway 1, Highway 68, Sunset Drive and 17-Mile Drive in Pacific Grove, and Ocean Avenue to North San Antonio Avenue/Carmel Way in Carmel-by-the Sea.

Roads within the Forest and the gates all operate at acceptable Levels of Service (“C” or better).<sup>102</sup> Some intersections in the vicinity of the Del Monte Forest (but not in the Del Monte Forest, and some not in the coastal zone) operate at lower levels of service in peak times, most notably the Highways 1/68 southbound off ramp, Highway 68/Skyline Forest Drive, Highway 68/Carmel Hill Professional Center, Highway 1/Carpenter Street, and Highway 1/Ocean Avenue which operate at Levels of Service D and F (over-capacity) at some times. The LUP’s target service level is at least “D.”<sup>103</sup>

At the time of LUP certification, the Commission found that existing transportation facilities could support only a certain amount of new development in Del Monte Forest. The LUP required that all remaining developable areas be shown on the land use map similarly with the same RCA overlay as described above for water and wastewater reasons, prohibiting all development other than the first single-family home on existing legal lots of record. The RCA could be removed only if sufficient water and sewer capacity became available to serve new development, and if transportation capacity solutions had been adopted.<sup>104</sup>

## **2. Public Services Analysis**

The proposed LUP amendment would remove the LUP’s RCA overlay from all of the locations where it is currently applied, and would delete it altogether as a planning mechanism in the LUP. The existing RCA areas include all of the alphabetical areas proposed for development and preservation under the Concept Plan, as well as the Spanish Bay resort area. The RCA overlay would also be removed from two additional areas (Areas X and Y) that are not owned by the Pebble Beach Company and are not part of the Concept Plan. The amendment also deletes LUP Table B, which provides sewer and water

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<sup>101</sup> Existing LUP Policy 113.

<sup>102</sup> Levels of Service, or LOS, are measured from “A” (the best) to “F” (the worst).

<sup>103</sup> Existing LUP Policy 106.

<sup>104</sup> Existing LUP Policy 113.



allocations and ranks the planning areas (as well as existing lots of record) by relative priority for development. The amendment proposes adding text to the LUP explaining the ways in which water supply, wastewater, and transportation affect development consideration under the LUP, including the development that is contemplated by the proposed amendment (see proposed text on page 54 through 61 of Exhibit F).

As discussed above, the existing RCA overlay does not allow intensified development such as residential subdivision or other development that would require additional services, other than development of a single home on an existing legal lot of record. Removal of the RCAs would allow development other than the first home on a legal lot to proceed, assuming other LCP policies could be met. The question for the Commission under Coastal Act 30250 is whether there is sufficient factual and legal basis to support a finding that the amended LUP will sufficiently address water supply, wastewater capacity, and transportation infrastructure adequacy questions.

#### **Water Supply**

The proposed new language in the LUP describes the current status of Cal-Am water on the Monterey Peninsula, including the adverse impacts on resources from Carmel River and Seaside Basin withdrawals and subsequent SWRCB actions to curb such problems. The new language also describes the CAWD Recycled Water Project (RWP) and PBC's MPWMD water entitlement, both new since certification of the LCP. Specifically, the language describes the amount of potable water that has been allowed to be put to other uses because of the RWP (an average of 750 afy between 1994 and 2008), describes the current amount remaining in the PBC's MPWMD water entitlement (225 afy), and describes the expected amount of water to be used by the Concept Plan projects (135 afy). The proposed language acknowledges the resource problems with the Cal-Am water supplies, and includes a new key policy that states:

*Development shall only be approved if it can be served by adequate long-term public water supplies and wastewater treatment capacities. Priority for use of scarce water and wastewater treatment capacity shall be for coastal priority land uses. Wastewater systems which minimize or eliminate ocean pollution, and provide for reclamation of wastewater for reuse, shall be encouraged and supported.*

This proposed new key policy (and the related proposed new water supply text) is a significant improvement over the existing LUP water supply provisions because it introduces explicitly for the first time the concept that not only should scarce water go to priority uses, it should also only come from adequate long-term public sources. Projects cannot rely on unsustainable sources of water that lead to other coastal resource impacts, instead they must demonstrate the availability of adequate long-term supplies for development. The new policy also requires that such sources be public.

Subsequent proposed policies require that water to serve development cannot increase demand on sources that are already degraded, and acknowledge PBC's MPWMD water entitlement. Proposed new



LUP Policy 111 states:

*Development shall only be approved if it is first clearly demonstrated that the development will be served by an adequate, long-term public water supply, and where such development clearly incorporates all necessary measures to assure no net increase in water demand from Cal-Am sources where extraction is leading to resource degradation, other than development that uses the remaining available Pebble Beach Company MPWMD Water Entitlement from the original 365 AFY granted to Pebble Beach Company (pursuant to its Fiscal Sponsorship Agreement with MPWMD, dated October 3, 1989, as amended), consistent with applicable law for such use.*

Thus, the LCP recognizes that the PBC's entitlement is allowed to be used as a water source, even if it doesn't meet the first tests because this entitlement has been identified as a right to water by MPWMD and Cal-Am, and has been recognized by SWRCB notwithstanding SWRCB's Orders (which would normally mean that this water was not available to PBC). The LUP recognizes this status, but also includes the caveat "consistent with applicable law for such use" to account for the possibility that this status may change (e.g., if SWRCB were to change its position and determine that PBC's MPWMD water entitlement does not fall outside of the constraints imposed by SWRCB Orders).

Monterey County, in its approval of the proposed amendment, found that:

*The B-8 (building site) overlay was applied at a time in which water supply and sewer capacity were constraints to development and when highway capacity and circulation solutions had not been agreed upon and adopted. PBC subsequently constructed a water reclamation facility and is currently in possession of a water entitlement.*

The FEIR indicates that the expected water demand from the proposed Concept Plan projects is 135 afy, and that this amount is within the Pebble Beach Company's remaining available entitlement (currently at 238 afy). The originally certified LUP from 1984 estimated more potential build out, and thus more potential water use, than would be the case under this LCP amendment and the Concept Plan. This is because the Concept Plan reduces the maximum potential for development at build out on the affected lands, thus also decreasing maximum potential water use. The proposed LUP would also eliminate the RCA planning tool. As discussed above, there is little dispute that both of the Cal-Am water sources – the Carmel River and the Seaside Coastal groundwater basin – are being adversely affected by current water withdrawals. From a coastal resource protection standpoint, both water sources are overdrafted. Overdrafting causes significant impacts to riparian habitat in the river, especially for sensitive species (like steelhead), and seawater intrusion and continued degradation of the Seaside Basin. Any new water withdrawals from these overdrafted sources can adversely affect coastal resources. Given what is known about conditions in the Carmel River and the Seaside Basin, the water supply situation for the Del Monte Forest is worse than in 1984 when the LUP was certified with the RCAs. Not only should there not be any new withdrawals from these resources, but existing withdrawals should be reduced and new sustainable water sources identified.



In situations where water supplies are limited, or so over-taxed that they are not available for new development, the Commission has adopted LCP policies or recommendations that set clear limits on new development, or that require performance standards to be met before additional water withdrawals can be made from overtapped sources. In the case of the Del Monte Forest, restrictions originally took the form of the RCAs on remaining undeveloped lands that included a development-centered land use designation (primarily residential), although at that time the RCAs were driven more by the lack of wastewater capacity than by limited water supplies. In terms of other Monterey County LCP segments, different approaches were taken. In North Monterey County, where there was an acknowledged overdraft situation at the time of LCP certification (and now), the Commission certified LUP policies that recognized the existing groundwater overdraft situation, put a cap on future development, and required that a long-term sustainable water supply be identified before allowing any development beyond the cap. The overdrafted supply in North Monterey County has also become a much greater concern in recent years as new information has only shown the problem to be getting worse.<sup>105</sup> In Big Sur, where coastal streams provide the main source of water for development, the LUP requires that the County ensure that adequate water is retained in the stream system to provide for the maintenance of the natural community of fish, wildlife, and vegetation during the driest expected year.<sup>106</sup>

Similarly in this case, the amendment proposes new language and policies that acknowledge the water supply situation has gotten worse since LCP certification. It includes new policy language requiring no new increase in water demand from Cal-Am sources (because Cal-Am is the only water supplier in the DMF) where such extraction is leading to resource degradation, similar to the existing LCP language for North Monterey County. This language allows for decision makers to weigh the pros and cons of identified water sources through development review, much as the RCAs allow now. The primary difference is that the proposed new language is explicit about what decision makers must consider (adequate, long term public water supplies that do not harm resources). Another difference is that while the RCAs prohibit subdivision, the new water policies by themselves do not. However, the objective of the new water policies, like the RCA, is to ensure that development, including subdivisions, will only be approved if there is adequate water to serve such development. All other LCP considerations being equal, these new policies will therefore prohibit new subdivisions in the absence of sufficient water to serve more dense/intense development.

As noted, the policy allows users who have access to water through the Pebble Beach Company's MPWMD water entitlement an alternate way of meeting the LUP requirements. The entitlement is a unique arrangement that MPWMD granted to PBC based on the expected potable water savings of the primarily PBC-funded RWP. The Pebble Beach Company functions in many respects like a small municipality that provides the utility services to the entire Del Monte Forest and had (and still has) the

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<sup>105</sup> For example, significant water supply problems have been encountered within the Granite Ridge and Springfield Terrace sub areas, including the failure of existing wells in both of these areas, and the presence of seawater intrusion within the Springfield Terrace sub area.

<sup>106</sup> Big Sur LUP Key Policy 3.4.1 (see also Policy 3.4.2.B.7).



ability to finance and maintain a wastewater recycling system and all of the necessary recycled water infrastructure (pipelines, pump stations, etc.). In exchange for financing this large scale recycled water project, and committing to use the recycled water for landscaping on its properties in lieu of potable water so as to reduce the Del Monte Forest's potable water demand, MPWMD granted PBC an entitlement of 365 afy of potable water from Cal-Am's allotment. By funding the RWP, the Pebble Beach Company allowed for a project that, in 2010, allowed approximately 900 afy of water to be applied elsewhere within the water supply system because that amount of historical water use was replaced by recycled water. Thus, MPWMD allotted 365 afy of Cal-Am water to the Pebble Beach Company. As of 2011, the Pebble Beach Company had used 10 afy of this entitlement (for the Casa Palmero project at The Lodge at Pebble Beach), and had sold approximately 117 afy to other residential users in the Del Monte Forest, for a total of 127 afy (leaving a 225 afy balance per the entitlement). According to the MPWMD, of the 127 afy allotted, the total amount that has actually been used is approximately 40 afy.<sup>107</sup> Thus, as more recycled water has been put to use for irrigation, up to 903 af in 2010, the water system has been receiving a beneficial offset as the RWP has come online, including as it has increased recycled water production and use in more recent years with the Phase II projects.

Thus, the proposed LUP amendment references, and the Concept Plan projects, at least currently, rely on the Pebble Beach Company's MPWMD water entitlement. Given that MPWMD and SWRCB currently recognize this entitlement, the LUP simply recognizes the current status of this entitlement. It was provided to the PBC because of the expected reduction in potable water consumption that could be realized within the peninsula's water supply system (and specifically within the Del Monte Forest) from construction of the RWP, and that has been realized in the system over the 18 years of RWP authorization. As indicated above, the RWP produces approximately 900 afy currently, and has thus allowed for certain demand (such as Pebble Beach Company golf course irrigation demand) to be satisfied by recycled water and not potable water. PBC states that 100% of its golf courses are now irrigated with recycled water. Thus, those water users that can use recycled water have decreased their demand on the potable water system, though the reduction amount is not simple to calculate. MPWMD attempted to address resulting uncertainty in the water supply system when it offered the entitlement in exchange for funding at a 2:1 rate (i.e., based on an expected 800 afy of recycled water production and use, 400 total afy of entitlement was offered), and Pebble Beach funded the RWP based on this understanding. The water entitlement was meant to account and provide for a guaranteed source of potable water because more potable water was being conserved than was being offered in the entitlement (which, as described above, has seen significantly more recycled water production/use than entitlement use to date). There are outside factors that affect MPWMD and Cal-Am decisions on this point as well. If the entitlement's status changes with respect to state law (e.g., SWRCB's Orders), then the proposed LUP text accounts for this possibility. This approach to the entitlement in the LUP is a reasonable way to recognize and understand the effect of the entitlement within the meaning of the LUP. The new sustainable and long-term public water supply requirements ensure that the LUP addresses water supply

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<sup>107</sup> FEIR page 3.12-18.



and the potential for resource impacts associated with such supplies.

In sum, the removal of the RCA overlay and the deletion of the RCA mechanism from the LUP is consistent with the Coastal Act's public services requirements because new policy language ensures that, even without the overlay, development must show that it will be served by an adequate, long-term public water supply before it can be approved. Such new tool appropriately replaces the RCA tool. The LUP also provides for use of the Pebble Beach Company's MPWMD water entitlement consistent with state law for its use. The effect is an LUP that addresses water supply questions, and that should serve to facilitate good CDP decisions in the future.

### **Wastewater Treatment and Disposal**

The amendment includes new language regarding current wastewater capacity, treatment, and Carmel Bay discharges in order to update the LCP on these points, adds explicit policies for demonstrating adequate wastewater services, and, as for water, removes the RCA overlay and its use as an LUP wastewater planning tool. The proposed new language in the LUP describes the CAWD wastewater treatment facility total treatment capacity (3 mgd), and identifies that 2011 flows were 1.5 to 1.6 mgd. It includes language about the capacity allotted by CAWD for the Del Monte Forest (1 mgd) and actual usage (500,000 gpd, in 2011). The proposed new language indicates that future Del Monte Forest wastewater treatment needs are not expected to exceed 700,000 gpd (including an expected 150,000 gpd for full development under the Concept Plan). This amount is within the existing capacity of the CAWD plant for the Del Monte Forest's allocation. The proposed language also includes updated text about the CAWD plant's existing and future discharges to Carmel Bay, and current information regarding water quality of Carmel Bay waters.

This proposed added text provides updated information on a variety of wastewater topics (e.g., CAWD plant, capacities, current use levels, etc.) and thus its inclusion in the LUP is appropriate. It also adds new policy language focused on sustainable wastewater treatment capacities, including in relation to protection of Carmel Bay waters. As described, the amendment includes a new LUP key policy that states:

*Development shall only be approved if it can be served by adequate long-term public water supplies and wastewater treatment capacities. Priority for use of scarce water and wastewater treatment capacity shall be for coastal priority land uses. Wastewater systems which minimize or eliminate ocean pollution, and provide for reclamation of wastewater for reuse, shall be encouraged and supported.*

The amendment also includes the following updated LUP policies specific to wastewater treatment:

*Policy 115: Development shall only be approved if it is first clearly demonstrated that there is adequate, long-term public wastewater treatment capacity to serve such development.*

*Policy 117: Wastewater disposal systems which minimize or eliminate Carmel Bay pollution, and*



*which provide for reclamation of wastewater for reuse, shall be encouraged.*

*Policy 118: Development shall only be approved if it is first clearly demonstrated that the additional wastewater discharge associated with such development will not significantly adversely impact coastal resources, including primarily in terms of Carmel Bay.*

At the time the LUP was certified, CAWD (then the Carmel Sanitary District) had been ordered to stop dry season discharges to Carmel Bay by July 1990. The 1980s era LUP thus stated that a proposed reclaimed water project could help alleviate the problems with Carmel Bay discharges, but that the realization of such a project was doubtful given funding constraints, and therefore the District was exploring other alternatives to resolve the issue of discharge to Carmel Bay. Also, at the time of LUP certification, the treatment plant had less capacity and only 800,000 mgd reserved for the Del Monte Forest, which was not sufficient to serve all the development anticipated at that time by the LCP. As such, the LUP imposed the RCA overlay on all undeveloped areas other than existing legal lots and areas not designated for resource protection.

Since LCP certification, the CAWD plant has increased its capacity and moved to secondary and tertiary treatment of wastewater. The tertiary treated wastewater is returned to the Del Monte Forest for irrigation (described under Water Supply, above) while the secondary treated water is discharged to Carmel Bay. The CAWD plant has a RWQCB National Pollutant Discharge Elimination System (NPDES) permit (RWQCB Order No. R3-2008-0007 and NPDES Permit No. CA0047996) for the discharge that includes stringent discharge prohibitions (including for “point source discharges of sewage that alters conditions from those occurring naturally in the area of the discharge to Carmel Bay...”), specific effluent limitations, and monitoring and reporting requirements, including as required for satisfaction of the State’s ASBS monitoring requirements. The monitoring requirements include annual sampling and ten-year interval comprehensive reports, which is required by the NPDES permit to be accomplished through the Central Coast Long Term Environmental Assessment Network (CCLEAN). According to the NPDES permit, the first comprehensive report of 2002/2003 showed no evidence of a measurable effect of the discharge on the ASBS. The next ten-year comprehensive report work plan is due in September 2012, and the actual report is due in March 2013.

In addition, the Concept Plan leads to reduced wastewater treatment needs than were identified when the LUP was certified in 1984. Specifically, current estimated wastewater treatment need for DMF with the Concept Plan is 700,000 gpd, while this amount was estimated at 1.18 mgd in the original LUP. In short, the proposed LUP amendment, including the Concept Plan, reframes build out in the Forest, reducing expected development as well as its corresponding wastewater treatment need.

The proposal to remove the RCA overlay from the LUP and to delete it altogether as a planning mechanism in the LUP raises questions about whether such changes mean that the new LUP ensures that: marine resources are being maintained, enhanced, and restored in the Carmel Bay ASBS; CAWD discharges are being carried out in a manner that is sustaining the biological productivity of Carmel Bay; and the adverse effects of wastewater discharge are being minimized. Wastewater treatment capabilities



have improved, from secondary to tertiary treatment, since 1984 when the LUP was certified and the RCA overlay imposed. Increased treatment capacity at the CAWD plant has also eliminated concerns about the plant's ability to serve the wastewater needs of development in the Del Monte Forest. As such, the concerns that led to imposition of the RCA overlay have largely been addressed, and will continue to be addressed as required by the NPDES permit. In addition, the proposed amendment includes the new key policy and three policies cited above that require all new development to prove that its wastewater discharge will not significantly adversely impact coastal resources, including Carmel Bay. These policies ensure that regardless of any other regulatory requirements for protection against adverse effects from CAWD discharges (like the NPDES permit), all development must show that its wastewater will not adversely affect Carmel Bay.

In sum, the removal of the RCA overlay and the deletion of the RCA mechanism from the LUP is consistent with Coastal Act's public services requirements because new policy language ensures that, even without the overlay, development must show that it will be served by adequate, long-term public wastewater treatment capacities, including those sensitive to improving the water quality of Carmel Bay, before it can be approved. Such new policies appropriately replace the RCA tool, and the updated text and policies ensure that the LUP reflects current wastewater facts and issues. The effect is an LUP that effectively and appropriately addresses wastewater treatment and Carmel Bay questions, and that should serve to facilitate good CDP decisions in the future.

#### **Transportation Facilities**

The proposed amendment includes an updated description of the circulation system in the Del Monte Forest. This includes a description of improvements that have been implemented since LCP certification, including development of the fifth entry gate (the S.F.B. Morse gate) providing access from Highway 68, which was constructed in 1989. The new proposed text also describes improvements that are still necessary if major new development is to be approved in the Del Monte Forest, such as the Highway 68/1/17-Mile Drive intersection improvements, redevelopment of the Highway 1 gate, regional cumulative traffic projects, traffic demand management requirements, and special event requirements. The amendment includes new and revised policies that guide transportation mitigation not only for the proposed Concept Plan projects but also for all other future development in the Forest.

As with water and wastewater, the proposed LUP amendment also removes the RCA overlay and the use of it as a transportation planning tool in the Forest. As stated above, the existing LUP indicates that the RCA could be removed only if sufficient water and sewer capacity became available to serve new development, and if transportation capacity solutions had been agreed upon and adopted. This latter point is important in terms of transportation because it did not actually require the solutions to be constructed, rather that solutions be agreed upon and adopted; in essence it only required a plan for certain improvements. Since that time, the LUP requirements were satisfied by the County's acceptance in 1984 of the Transportation Engineering Study for the Del Monte Forest, prepared by Burton N. Crowell and the Goodrich Traffic Group (commonly known as the "Crowell Report"), and a number of improvements identified have been completed. Perhaps the most critical was the new fifth entry gate into





the Forest to help alleviate congestion at the four other gates during peak times, and to reserve capacity at the Highway 1 gate on weekends for Forest visitors. The fifth entry gate has generally been successful at improving both resident and visitor circulation within the Del Monte Forest. The Commission's Spanish Bay CDP, which allowed for construction of the fifth gate, also referenced and required some of the other solutions that were outlined in the Crowell Report, including improvements to the Community Hospital intersection and the Sunset Drive/17-Mile Drive intersection.

As described above, there continue to be traffic concerns with respect to visitor and residential traffic, particularly during weekday peak times and weekends, that could worsen as a result of future development within the Forest. The amendment proposes to update the circulation section to be responsive to current facts, and to use enhanced policies to address potential traffic issues. All new development is required to contribute its fair share to offset its traffic impacts on existing visitor and resident circulation, whether through traffic improvement projects or fair share fees, or both, and all new subdivisions and/or hotel development are required to incorporate and/or require as a condition of approval the identified mitigation for circulation improvements.

Finally, as with water and wastewater, the Concept Plan reduces the amount of development at build out that might be expected as compared to what was identified when the LUP was certified in 1984. As a result, demand on the circulation system is also decreased as compared to the existing LUP and its policies, including the RCA. In short, the proposed LUP amendment, including the Concept Plan, reframes build out in the Forest, reducing expected development as well as its corresponding transportation needs.

The majority of the circulation concerns that led to imposition of the RCA overlay have been addressed, and both existing and proposed updated policies will ensure that currently proposed development under the Concept Plan as well as all other future development will not lead to additional circulation impacts or concerns. Therefore, the Commission finds that with respect to traffic and circulation considerations, it is appropriate to remove the RCA overlay for the identified areas as well as to remove it as a planning mechanism from the LUP overall. Absent the RCA overlay, the amended LUP has appropriate policy requirements that will ensure all new development addresses traffic issues, including mitigating for any impacts to the Del Monte Forest circulation system.

### **3. Public Services Conclusion**

In conclusion, the proposed LUP amendment is consistent with the relevant Coastal Act policies related to the provision of public services. The proposed amendment includes a factual update to the current plan and ensures that new development and its attendant service requirements will be consistent with all relevant Coastal Act policies. The current LUP's RCA overlay ensures that no major new development will occur absent adequate services, and the new LUP accomplishes the same goal, just without the RCA overlay tool. The new LUP replaces the RCA construct with policies that ensure that new development will not be approved unless an applicant can demonstrate that there are adequate public services available to serve the development without causing an adverse impact to coastal resources. With regard



to water, the amendment ensures that new development will be consistent with SWRCB-recognized PBC entitlements, or if not served by the PBC entitlements, it will not be allowed if it causes adverse impacts to the Carmel River or Seaside Basin. With regard to wastewater, it ensures that the Carmel Bay ASBS will be protected. And with regard to transportation services, it ensures that all traffic-generating development will be required to adequately address and mitigate traffic impacts. In sum, the proposed LUP changes related to public services are consistent with Coastal Act public services provisions, including because they would strengthen existing text, policies, and regulations related to water, wastewater, and transportation in the Del Monte Forest as directed by the Coastal Act.

## **C. Lower Cost Visitor Serving Facilities**

### **1. Background**

The Coastal Act policy to protect lower cost visitor-serving recreational land uses and facilities has its genesis in the 1975 California Coastal Plan. Based on extensive public input in the early 1970s, the Coastal Plan found that few tourist facilities for persons of low and moderate income were being built in many parts of the coastal zone, and that many such facilities were being replaced by facilities that had higher costs, including particularly in terms of overnight accommodations (i.e., by higher-cost apartments, condominiums, and hotels). The Coastal Act addressed these findings in part by including the specific Section 30213 mandate to protect, encourage, and where feasible provide lower cost visitor and recreational facilities.

Over the years, the low-cost facilities issue has been primarily focused on overnight accommodations, and permit applicants have typically requested that the Coastal Commission and LCP-certified local governments approve higher-end overnight facilities on land zoned for visitor-serving uses, and in some cases on land already containing lower cost accommodations, rather than pursuing lower cost accommodations. Other applicants have proposed non-visitor-serving accommodation uses on sites of existing lower cost accommodations. Additionally, applications for the conversion of hotels and motels to, or the construction of hotels and motels as, time shares, condominium ownership, and similar ownership frameworks and combinations have generally increased. Often such facilities are more akin to residential uses – sometimes they are categorized as “quasi-visitor-serving” or “quasi-residential” or “limited use overnight visitor accommodation” or “visitor serving residential” – and thus these types of developments can reduce opportunities for publicly available overnight accommodations, especially lower cost facilities. Overall, the Commission’s permit experience confirms the need to guard against the loss or preclusion of lower cost overnight accommodations along the coast.

One way that the Commission has implemented Section 30213 is by requiring that lower cost accommodations be provided as part of a project or by requiring funds to be paid for new lower cost accommodations to be constructed elsewhere.

The Commission has also addressed the changing marketplace for visitor-serving and residential land uses. By the 2000s, the concern for the impact of condominium hotels and hotel conversions was



growing. On August 9, 2006 the Commission held a workshop on condo-hotel construction and conversion that encompassed the topic of overnight visitor affordability. Background research for the workshop showed that only 7.9% of the overnight accommodations in nine popular coastal counties were considered lower cost, affirming the ongoing need for more effective implementation of Coastal Act Section 30213. The increased attention on this issue also generated a more detailed examination of the methods for determining when and to what degree the protection or provision of lower cost overnight accommodations was necessary in any specific case. In a July 2008 report on a proposed LCP amendment, the Commission applied a quantitative methodology for determining what is considered “lower cost” in the geographic area in question.

### **Defining Lower Cost**

In a constantly changing market, it can be difficult to define what price point constitutes low-cost and high-cost accommodations for a given area. In its previous actions, the Commission has addressed what are appropriate terms for defining low-cost and high-cost hotels.<sup>108</sup> More recent Commission actions have used a formula to determine low and high-cost overnight accommodations for a specific part of the coast.<sup>109</sup> The formula is based on California hotel and motel accommodations (single room up to double occupancy), and does not incorporate hostels, RV parks, campgrounds or other alternative accommodations into the equation, as these facilities do not typically provide the same level of accommodation as hotels and motels. Rather, hostels, RV parks and campgrounds are generally inherently lower cost, and are the type of facilities that a mitigation charge for the loss of affordable overnight accommodations would generally support.

The formula compares the average daily rate of lower cost hotels and motels in a specific coastal zone area (e.g., a city or defined urban area) with the average daily rates of hotels and motels across the entire State of California. Under this formula, low-cost is defined as the average daily room rate for all hotels within a specific area that have a room rate less than the statewide average daily room rate.

To determine the statewide average daily room rate, Commission staff surveyed average daily room rates for hotels and motels in California. Statewide average daily room rates are collected monthly by Smith Travel Research,<sup>110</sup> and are available on the California Travel and Tourism Commission’s website under the heading “California Lodging Reports”.<sup>111</sup> To be most meaningful, peak season (summer) rates were utilized for the formula. To ensure that the lower cost hotels and motels surveyed meet an acceptable level of quality, including safety and cleanliness, only AAA Auto Club rated properties were included in the survey. According to the AAA website, “to apply for (AAA) evaluation, properties must first meet

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<sup>108</sup> Including CDPs 5-04-291, 5-88-062, 5-84-866, 5-81-554, 5-94-172, 5-06-328, A-253-80, A-69-76, A-6-IMB-07-131, 3-07-002, and 3-07-003.

<sup>109</sup> Including LCP amendment SBV-MAJ-2-08 and CDP amendment 5-98-156-A17.

<sup>110</sup> Smith Travel Research data is widely used by public and private organizations.

<sup>111</sup> See <http://www.visitcalifornia.com>.



27 essential requirements based on member expectations – cleanliness, comfort, security and safety.” AAA assigns hotels ratings of one through five diamonds.

When referring to any overnight visitor accommodations, the Commission has typically defined lower cost overnight facilities as any facility with room rates that are below 75% of the Statewide average room rate, and higher cost facilities as any facility with room rates that are 125% above the Statewide average room rate.<sup>112</sup> The Statewide average daily room rate in California in 2011 for the month of July was \$124.66, and 75% of \$124.66 is \$93.50.

## **2. Lower Cost Visitor-Serving Facilities Analysis**

### **Current and Expected Overnight Rates in the Del Monte Forest**

The Del Monte Forest is generally regarded as a high-end coastal resort destination. The Pebble Beach Company owns and operates the only two hotel facilities in the Forest: The Inn at Spanish Bay and The Lodge at Pebble Beach (which includes the Casa Palmero facility). As of April 1, 2012, nightly room rates ranged from \$615 to \$3,515 at The Inn, from \$715 to \$3,675 at The Lodge, and from \$875 to \$2,800 at Casa Palmero.<sup>113</sup> PBC only operates standard operation hotel facilities, and none of these rooms include time-share, private ownership, or any type of equivalent structure. The surrounding cities of Pacific Grove, Monterey, and Carmel-by-the-Sea support a greater amount of overnight accommodations at a wider price range. The Del Monte Forest LCP does not contain a policy that explicitly implements Coastal Act Section 30213 with respect to requiring lower cost visitor and recreational facilities.

The proposed Concept Plan portion of the amendment includes allowances for a new 100-room resort hotel, 60 new overnight units at The Inn at Spanish Bay, and 80 new overnight units at The Lodge.<sup>114</sup> It is expected that the new overnight units at The Inn and The Lodge that would be facilitated by this amendment would be priced similar to the current rates listed above. Likewise, the Concept Plan and project drawings indicate that the new 100-room hotel at the old Spyglass Quarry would be a high-end resort hotel at least comparable to The Inn and The Lodge. As such, it is expected that room rates at the new hotel would also be comparable to The Inn and The Lodge. As with existing stock, all new rooms would be standard operating hotel rooms, and would not include any time-share, private ownership, or equivalent structure rooms (and for the new Spyglass Quarry hotel, this requirement is explicit in the Concept Plan).

The Del Monte Forest is an area of the world widely visited by persons of all economic backgrounds for its

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<sup>112</sup> Statewide average room rates can be calculated by the Smith Travel Research website ([www.visitcalifornia.com](http://www.visitcalifornia.com)) or other analogous method used to arrive at an average Statewide room rate value.

<sup>113</sup> See [http://media.pebblebeach.com/images/stories/pdf/rates\\_hotel\\_golf\\_fy13.pdf](http://media.pebblebeach.com/images/stories/pdf/rates_hotel_golf_fy13.pdf).

<sup>114</sup> The LCP amendment provides for a total of 60 overnight rooms at Spanish Bay, and 80 at the Lodge, but the Concept Plan projects only currently envision 40 and 55 units, respectively, at this time. The additional 20 units at Spanish Bay and 25 units at the Lodge could be pursued by PBC in the future.



beauty and spectacular coastline. Because no lower cost or even moderate cost overnight accommodations exist in the Del Monte Forest, the sites of the proposed new hotel and the additional rooms at The Inn and The Lodge are locations near the coast that could be used to provide more affordable accommodations available to a wider ranger of the public. These are (or, in the case of Spyglass Quarry, will become) the only areas designated for such overnight visitor-serving use in the Forest. Thus, the amendment raises the issue of whether it adequately protects, encourages, and feasibly provides lower cost overnight visitor accommodations in the Del Monte Forest.

### **Analysis**

As stated above, Section 30213 of the Coastal Act provides for the protection and provision of lower cost visitor and recreational facilities. Section 30222 of the Coastal Act states that the use of private lands suitable for visitor-serving commercial recreational facilities shall have priority over private residential or general commercial development. Visitor-serving commercial development is considered a priority use under the Coastal Act. The public access policies of the Coastal Act require that a range of affordable facilities, including overnight accommodations, be provided in new development along the coast.

Generally, the few remaining low to moderately priced hotel and motel accommodations in the coastal zone tend to be older structures that become less economically viable as time passes. As more recycling occurs, the stock of low-cost overnight accommodations tends to be reduced, since it is generally not economically feasible to replace these structures with accommodations that will maintain the same lower rates. As a result, the Commission sees more proposals for higher-cost accommodations, including limited-use overnight accommodations. If this development trend continues, the stock of affordable overnight accommodations will eventually be depleted.

The loss of affordable overnight accommodations within the coastal zone is also an important issue for the Commission because lodging opportunities for more budget-conscious visitors to the coast are increasingly limited. As the trend to demolish or convert low-cost hotels/motels continues, and primarily new first-class luxury hotels are being built, persons of low and moderate incomes will make up fewer and fewer of the guests staying overnight in the coastal zone. Without low-cost lodging facilities, a large segment of the population will be excluded from overnight stays at the coast. By forcing this economic group to lodge elsewhere (or to stay at home), there will be an adverse impact on the public's ability to access beach and coastal recreational areas. Therefore, by protecting and providing lower cost lodging, a larger segment of the population will have the opportunity to visit the coast. Access to coastal recreational facilities, such as the beaches, harbor, piers, and other coastal points of interest, is enhanced when affordable overnight lodging facilities exist to serve a broad segment of the population.

Historically, the Commission has approved new hotel developments along the coastline because they are visitor-serving facilities. These hotels, however, are often exclusive because of their high room rates, particularly in recent years. Typically, the Commission has also secured public amenities when approving these hotels (e.g., public accessways, public parking, open space dedications, etc.) to address



Coastal Act priorities for public access and visitor support facilities. The Commission has also required mitigation for the use of land that would have been available for lower cost and visitor serving facilities (e.g., see LCP amendment NPB-MAJ-1-06A). The expectation of the Commission, based upon several recent decisions, is that developers of sites suitable for overnight accommodations will provide facilities which serve the public with a range of incomes.<sup>115</sup> If the development cannot provide for a range of affordability on-site, the Commission has required off-site mitigation, such as payment of funds, to construct lower cost overnight accommodations, such as hostels and campgrounds.

Although the actual provision of lower cost accommodations in conjunction with a specific project is preferable, in past action the Commission has also found that when this approach is infeasible, the requirement to provide funds to construct new lower cost accommodations constitutes adequate mitigation for the loss, reduction, and/or lack of provision of affordable overnight accommodations. Recent Commission decisions for individual development projects have required the payment of \$30,000 for each required replacement room as a part of the mitigation package.<sup>116</sup> In other cases, the Commission has required smaller amounts of mitigation payments based on the particular fact set, including the type of lower cost facilities to be provided by the mitigation payment.<sup>117</sup> For high-cost overnight visitor accommodations where low-cost alternatives are not included onsite, a mitigation charge of \$30,000 per room has typically been required for twenty-five percent (25%) of the high-cost rooms constructed.<sup>118</sup>

The \$30,000 per room amount was established based on figures provided by Hostelling International in a letter to the Commission dated October 26, 2007. The figures provided are based on two models for a 100-bed, 15,000-square-foot hostel facility in the coastal zone, and utilize experience from the existing 153-bed Hostelling International San Diego Downtown Hostel. Both models include construction costs for the rehabilitation of an existing structure and factor in both “hard” and “soft” construction and start up costs, but do not include costs associated with ongoing operations.<sup>119</sup> Based on these figures, the total cost per bed ranged from \$18,300 for a leased facility to \$44,989 for a facility on purchased land. This

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<sup>115</sup> See, for example, LCP amendments HNB-MAJ-2-06 (Huntington Beach Timeshares), SBV-MAJ-2-08 (Ventura), RDB-MAJ-2-08 (Redondo Beach), and LOB-MAJ-1-10 (Downtown Shoreline), and CDPs A-6-PSD-8-004/101 (Lane Field), A-5-RPV-2-324 (Long Point), and 5-98-156-A17 (Long Beach Pike).

<sup>116</sup> See, for example, CDPs 6-92-203-A4 and A-6-ENC-07-51, and LCP amendments Oceanside 1-07 and Redondo Beach 2-08.

<sup>117</sup> For example, in 2007 in Pismo Beach and Morro Bay, the Commission required a mitigation fee based on applying \$13,860 to 25% of the new rooms in Morro Bay and to 10% of the new rooms in Pismo Beach (see CDPs 3-07-002, 3-07-003, and A-3-PSB-06-001), where the \$13,860 was based on the projected costs of constructing new campground facilities (at the Harbor Terrace site in Port San Luis) including the extension of necessary utilities and the construction of restrooms and other campground amenities. The Port estimated the cost of each new tent campsite at roughly \$13,860 per site in 2002 (San Luis Obispo County LCP Amendment 1-05 (Part 1)).

<sup>118</sup> See, for example, CDP amendment 5-98-156-A17 and LCP amendment LOB-MAJ-1-10.

<sup>119</sup> Where “hard” costs include, among other things, the costs of purchasing the building and land and construction costs, and “soft” costs include closing costs, architectural and engineering contracts, construction management, permitting fees, legal fees, furniture and other equipment costs.



model is not based on an actual project, and therefore the actual cost of the land/building could vary significantly, and therefore the higher-cost scenario could represent an inflated estimate. In order to take this into account, the Commission has found that a cost per bed located between the two model results is most supportable and conservative, and has consistently used the \$30,000 per room estimate for this purpose.

In light of the above-described trends in the marketplace and along the coast, the Commission is faced with increasing responsibility to protect and to provide lower cost overnight accommodations as required by Section 30213 of the Coastal Act. Although statewide demand for lower cost accommodations in the coastal zone is difficult to quantify, there is no question that camping and hostel opportunities are in high demand in coastal areas, and that there is an ongoing need to provide more lower cost opportunities along California's coast. For example, the Santa Monica hostel occupancy rate was 96% in 2005, with the hostel being full more than half of the year, and California State Parks estimates that demand for camping increased 13% between 2000 and 2005 with nine of the ten most popular State Park campgrounds being on the coast.<sup>120</sup> In addition, many coastal State Park campsites are slated to be closed starting in July 2012, so the supply of lower cost accommodations in the coastal zone will be smaller in the near future.

The Del Monte Forest LCP does not explicitly track or provide for the types of mitigation more recently made part of approval packages in relation to this issue statewide. As such, the existing LCP is not well positioned to address the hotel projects that are part of the Concept Plan portion of this LCP amendment. In acknowledgement that lower cost accommodations could be precluded as a result of the proposed amendment, the amendment includes a requirement to mitigate for the loss of the opportunity to provide lower cost overnight accommodations in the Forest. The proposed policy language in the Concept Plan states as follows:

*Lower-cost overnight visitor-serving accommodations shall be provided for as a condition of approval of the first development in the concept plan that provides for additional overnight visitor-serving accommodations. The condition should be satisfied by payment of a fee to an organization acceptable to the County and the Coastal Commission's Executive Director to provide for lower-cost overnight visitor accommodations in the coastal zone.*

The inclusion of this policy language into the LCP ensures that the Pebble Beach Company is responsible for mitigating for the loss of low-cost visitor-serving accommodation opportunities resulting from the Concept Plan hotel projects. This approach is consistent with the Coastal Act inasmuch as it applies the concept of a mitigation fee as has been applied by the Commission in the past for this issue, and because it can ensure that adequate lower cost overnight accommodations are accounted for. In tandem with the ways that the proposed amendment and Concept Plan facilitate and enhance other lower cost public recreational access facilities (including additional trails, accessway improvements, overall

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<sup>120</sup> See City of Long Beach LCP Amendment LOB-MAJ-1-10.



funding and management in perpetuity, CCT designations, clarified public access parameters for DMF, etc.), the proposed amendment protects and provides lower cost visitor and recreational facilities consistent with the policies of Section 30213.

It is important to note that the proposed LCP amendment does not specify the actual overnight accommodation mitigation fee amount that might be applied in a CDP application to implement the Concept Plan. Thus, the actual Concept Plan mitigation fee will depend on the methodology and assumptions applied in that context. At the May 9, 2012 Coastal Commission hearing on this amendment, the Pebble Beach Company agreed to implement this provision by paying \$1.8 million to an organization acceptable to the County and the Executive Director to provide lower cost overnight accommodations in the coastal zone, and they have proposed paying this amount in terms of the CDP application for the Concept Plan projects that is pending at the County level. The \$1.8 million mitigation payment would be the amount that would be required if a payment of \$30,000 for 25% of the rooms were applied, per the Commission's recent history and methodology.<sup>121</sup> As discussed and agreed upon by Monterey County at the May 9, 2012 Coastal Commission hearing, the County will require the \$1.8 million from the Pebble Beach Company on a pro rata basis as each of the overnight visitor-serving units allowed by this amendment receive building permits from the County.<sup>122</sup>

In addition, the proposed amendment includes significant new language and requirements for new and enhanced public access features in the Del Monte Forest. These include allowances for new trail segments; permanent protection of existing trails, including in the new proposed open space protection areas; new access areas that will be developed during the CDP approval stage for the Concept Plan projects; a requirement in the Concept Plan for the Pebble Beach Company to prepare and implement a new guidance and management document for all public access in the Del Monte Forest; acknowledgement of the Del Monte Forest trail system as part of the CCT, and a commitment by PBC to fund and manage all such public access areas for the general public in perpetuity (all as described in more detail in the public access section of this report). The public access component of the proposed amendment would facilitate significant new and enhanced lower cost public recreational access facilities and opportunities, and protection of such amenities in perpetuity. These public access amenities in the forest are not only lower cost but they are actually free to use, and are required to stay that way (other than the gate fee for vehicles, as detailed previously). To have such public access amenities for free in the middle of what is otherwise an expensive area to recreate is of significant value to the visiting public, and it increases the ability of lower income visitors to also enjoy the beauty and facilities of the Del Monte Forest. These visitors can walk or bike into the Forest and have a completely free experience

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<sup>121</sup> That is,  $25\% \times 240$  units (100 units at the new Spyglass hotel, 80 units at the Lodge, and 60 units at Spanish Bay) = 60 units; 60 units x \$30,000 per unit = \$1,800,000.

<sup>122</sup> In other words, the Pebble Beach Company will be required to pay \$1.8 million in total under the CDP, and it will pay the fee on a per unit basis as building permits are issued for the units. For the 240 units in question, that equates to a fee of \$7,500 per unit (i.e.,  $\$1,800,000/240$  units = \$7,500/unit), required prior to issuance of building permits for the unit. (As a practical example, the County building permit for the 100-unit hotel at Spyglass would require a \$750,000 fee be paid prior to issuance of the building permit (i.e.,  $\$7,500 \times 100 = \$750,000$ .)





making use of the dedicated public accessways and facilities, or they can pay the vehicular fee (if they want the use of a vehicle in the Forest) for about the price of a single admission to a movie. In short, although these facilities are not overnight accommodations, they provide for and protect lower cost visitor recreational facilities in this heavily visited area, and augment the \$1.8 million lower cost accommodation fee consistent with the objectives of Section 30213.

In addition, the proposed amendment will not result in the physical loss of any visitor-serving uses or facilities (low-cost or otherwise), but instead will increase the number of visitor-serving hotel rooms in the Del Monte Forest and Monterey County. These visitor-serving hotel rooms are a high Coastal Act priority, albeit at a higher end in terms of cost. As indicated, these new rooms and all existing Company rooms in the DMF are (and new rooms will also be) standard operation hotel rooms, and not any type of quasi-residential structure that would lead to additional impacts.

Thus the \$1.8 million mitigation fee for lower cost overnight accommodations is consistent with what the Commission has typically required in past recent cases, and such payment is appropriate in this case. In addition, the proposed amendment will facilitate the development of new publicly available standard operation accommodations at two existing visitor-serving sites (The Inn and The Lodge) and another site that is proposed for re-designation from residential use to visitor-serving use, consistent with the Coastal Act's use priorities. The amendment also facilitates substantial new and enhanced low-cost (actually free) public access and recreation facilities and opportunities for coastal visitors. The proposed LUP amendment therefore meets the requirements of Section 30213.

#### **D. Public Access and Recreation**

Public recreational access is a prominent component and an important part of the fabric of the Del Monte Forest. Most visitors are well aware of world famous 17-Mile Drive, and many of the DMF's developed accessways (as well as the most visited public access use areas) are located along its winding extent, including a series of primary access points and trails along the shoreline. DMF is also home to a series of access attractions that are located away from the immediate shoreline and 17-Mile Drive, including an extensive collection of inland public trails throughout DMF, as well as a vibrant commercial core near The Lodge at Pebble Beach. In addition, the Del Monte Forest is a significant visitor-serving destination, anchored by the Pebble Beach Company's major resort operations at Spanish Bay and The Lodge, and by the five golf courses available for public play (Pebble Beach Company's Pebble Beach Golf Links, Spyglass Hill Golf Course, the Links at Spanish Bay, and Peter Hay (9-hole) Golf Course, and the Northern California Golf Association's Poppy Hills Golf Course). Thus, the Del Monte Forest provides a vast range of public recreational access opportunities, including those that are free up to those that are higher cost, where almost all of the free access facilities are provided and maintained by the Pebble Beach Company. The range of facilities that have been provided is primarily due to certified LUP provisions that explicitly identified public access parameters, including requirements for new accessways, in 1984, and by virtue of the Commission's Spanish Bay CDP in 1985 that required the majority of such accessways to be developed and provided for general public use. Overall, the Del



Monte Forest provides a significant public recreational access system and is a prime visitor destination, not only for visitors from the Monterey Peninsula, the greater Monterey Bay area and the State, but also worldwide.

The Concept Plan portion of the LCP amendment identifies new trail segments on existing dirt roads in Areas P, Q, and R and along the existing Haul Road (extending from the corporation yard area to Highway 68) and relocated trail segments in Areas F-2, I-2, J, and K (see page 25 of Exhibit J). The Concept Plan, through the permanent open space protection of all or portions of Areas C, B, F-1, F-3, G, H, I-1, J, K, L, M, N, O, U, V, P, Q, and R, will also permanently protect existing trails within these areas. The proposed amendment also includes a requirement in the Concept Plan for the Pebble Beach Company to prepare and implement a Del Monte Forest Public Access Management Plan (AMP) as part of any approved development under the Concept Plan (see pages 49 through 53 of Exhibit F for a detailed AMP description). The amendment proposes that the AMP would be required to be approved by the County and the Commission's Executive Director, that it act as an overall guidance and management document for all public access in the Del Monte Forest, and that it include thorough descriptions of all existing public access areas and amenities, new access areas to be developed in the DMF, how all of these areas are to be maintained, required public access signs and materials, use hours, and fees, where fees would be limited to vehicular access (as previously described) and specific commercial facilities (e.g., golf courses). The proposed requirements for the AMP also include a restriction against public access disruptions and closures, acknowledgment that access in DMF is provided during daylight hours, provision for updated signs and access materials (improved trail signs and directions, way-finding kiosks, new gate brochures, etc.), acknowledgement of the Del Monte Forest trail system as part of the California Coastal Trail, and maintenance of all access areas by PBC or its successors in perpetuity. The Concept Plan introductory text states:

*The Plan shall clearly describe the manner in which general public access in the Del Monte Forest is to be managed and provided (including through improvements to existing access areas and development of new access areas, as appropriate), with the objective of maximizing public access to all major access points (e.g., all shoreline access locations, trails, parking areas, destinations, facilities, etc.) and all related public access areas, and maximizing utility and enjoyment of all such public access features through siting and design premised on seamlessly integrating them into the built and natural environment, and through provision of appropriate public access amenities (i.e., landscaping, irrigation, restrooms, overlooks, interpretive signs and facilities, bench seating, trash and recycling, bike racks, etc.) and signage/information.*

In short, the Concept Plan provides a mechanism for clearly updating public use parameters and requirements for the Del Monte Forest in a single AMP document. This is particularly important because the current parameters and requirements are somewhat difficult to pinpoint clearly and easily because they are found in multiple locations, including the LCP itself but also the Spanish Bay CDP (including its conditions and materials submitted as part of condition compliance), other CDPs (e.g., for Casa Palmero, the Beach Club, the Pebble Beach Golf Links 5th hole, etc.), various use agreements (like the



17-Mile Drive Public Use Agreement), and other similar documents and reports (e.g., PBC Tent Plan for special events, Crowell Report, etc.). In addition, there is an entire implementation layer based on County, Commission, and Company experience and interpretation of the public use parameters and requirements as they have played out over the past 40 years of coastal planning and regulation (from Proposition 20 (the Coastal Initiative of 1972), through the Coastal Act in 1976, LUP certification in 1984, the Spanish Bay CDP in 1985, IP certification in 1988, and various CDPs, LCP amendments, and other factors since) that also has relevance to such parameters and requirements. Because it is such a disparate, long, and involved record, it has proven challenging to provide clarity to the public in some cases, particularly with respect to detailed requirements for use at specific locations. The AMP is a means of wrapping all of that into a clear package for reference and future management of public access in the Forest that is much needed. Beyond the proposed AMP, the amendment also updates the Public Access chapter of the LUP overall by deleting requirements that have already been fulfilled, deleting site-specific access recommendations and design criteria because the accessways have all been developed (and the AMP is intended to provide clarity for future usage), strengthening the key policy (including changing from public access shall be “encouraged” to public access shall be “maximized” consistent with the Coastal Act language), and overall strengthening policies and text to make the LUP more consistent with current County and Commission practices regarding public access.

The amendment would facilitate some relocated and some new trail segments in the Del Monte Forest, and permanent protection of many existing trails in proposed preservation areas, as well as new access areas and amenities that will be determined through Concept Plan CDPs and memorialized in the proposed AMP. The proposed AMP itself would provide an updated inventory of all Del Monte Forest public access points and prescribe the appropriate maintenance, management, and overall use of each site. The Del Monte Forest currently offers a rather substantial amount of public visitor destination points along 17-Mile Drive and the shoreline. These points are clearly identified for visitors to find, and are generally well-maintained by the Pebble Beach Company. Similarly, the existing trail system is extensive and winds through much of the undeveloped forest, providing a natural trail experience away from roads and development. The new and relocated trail segments, permanent protection of many existing trail segments, new access points, and the AMP are all consistent with Coastal Act public recreational access provisions because they ensure continued and enhanced public access in the Del Monte Forest, both to and along the shoreline as well as within the more inland trail system. The Concept Plan parameters for trail segments (new and relocated) ensure maximum trail access in the areas of the forest available for such use. And because so many shoreline access points already exist in the Del Monte Forest, any new shoreline access included in the AMP will only further enhance existing opportunities for public access and use. Similarly, the other proposed (non-Concept Plan related) changes to the LUP are consistent with Coastal Act access and recreation requirements because they would enhance and strengthen the existing policy and regulatory base to ensure continued protection, provision, and availability of public access amenities. The amendment is therefore consistent with Coastal Act public access requirements.



## **E. Public Views**

The Del Monte Forest represents an important scenic resource for the Monterey Peninsula that is enjoyed by residents and visitors alike. As previously identified, the LUP describes this setting as a “spectacular meeting of forest, land, and sea” that is “an important scenic attraction of the Monterey Peninsula, for both residents and visitors” where the fact that “so much of the Forest’s natural and scenic resources remain unspoiled is also significant,” and only serves to further emphasize the value of protecting, preserving, and enhancing visual resources in DMF.<sup>123</sup> The LUP specifically encourages improvements that complement the natural scenic attributes of the area and enhance the public’s enjoyment of them.

As with the preceding resource areas discussed, the update portion of the proposed amendment will result in more clarity and better viewshed protection. This is perhaps best articulated by the updated key policies for forest resources and for scenic and visual resources:

*Forest Resources. The natural beauty of the Del Monte Forest is one of its chief assets, and forest resources, in addition to their fundamental role in supporting the area’s natural environment, are a principal constituent of the scenic attractiveness of the area that must be preserved for the benefit of both residents and visitors alike....*

*Scenic and Visual Resources. The Del Monte Forest and 17-Mile Drive are significant and important visitor destinations. It is the objective of this LUP to protect the area’s magnificent scenic and visual resources, to avoid incompatible development, and to encourage improvements and facilities that complement the Forest’s natural scenic assets and enhance the public’s enjoyment of them. To protect the scenic and visual resources of the Del Monte Forest area, only development that does not block significant public views and does not significantly adversely impact public views and scenic character, including with specific attention to the 17-Mile Drive corridor and designated public accessways/vista points, shall be allowed.*

These key policies call out natural scenic values as one of DMF’s chief assets, and explicitly make it a prime objective of the LCP to protect such values. Importantly, the updated key policy text makes it clear that development will not be allowed to block significant public views, and will not be allowed to otherwise significantly adversely impact public views and scenic character. The highly scenic 17-Mile Drive corridor and public access areas are explicitly called out in this regard, which is critical given that these are the primary public access destinations in the Forest. These are important updated standards for development in DMF, and should serve to appropriately protect the very special scenic resources there. Similarly, the updated introductory text for the LUP’s scenic and visual resources section provides additional important context on this point, stating:

*The remarkable mingling of ocean, land, and forest found in the Del Monte Forest Area provides scenic resources for the entire Monterey Peninsula. Ridgeline vistas, coastline panoramas, tree-*

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<sup>123</sup> LUP page 11.



*lined corridors, and unique tree and rock formations are all appreciated by the region's many residents and visitors alike. Placement and design of new development must not injure the visual integrity of the area. The Coastal Act calls for protection of views to and along the ocean, preservation of natural landforms, protection of special communities, and visually compatible development which is sensitive to the character and scenic assets of the area.*

*Considering the high visibility of the Del Monte Forest, including the coastline and wooded ridges as seen from more distant vista points, LUP scenic and visual policies must take into account not only views from within the Forest but also significant views of the Forest area from outside its boundaries. Preservation and enhancement of scenic resources within the Del Monte Forest Area is thus a significant component of maintaining scenic and visual character of the greater Monterey Peninsula and the Monterey County coastline as a whole. Protection of significant public views is most critical in this context. Well known important visual resources are shown on Figure 3. Extended use of scenic easements, public open space, design control, site control, and responsive planning and zoning are methods that will be useful in attaining Coastal Act objectives.*

This proposed updated LUP text frames the viewshed issues, including correctly identifying the Del Monte Forest for visual importance from both within and from outside the forest. An updated LUP Figure 3 provides illustrative detail on some of the views that need to be considered in this context (e.g., from Point Lobos, Highway 68, 17-Mile Drive, accessways, etc.), and its relationship to policy requirements has been carefully crafted so that the views shown on the figure are not determinative of all public views to be protected, rather they provide a starting point for considering certain visual impacts. This is important so that the LUP is not seen as protecting only views illustrated on Figure 3, rather that the figure is provided as another tool for helping to understand certain known viewshed concerns. Updated LUP Policy 47 appropriately sums up the increased sensitivity of the updated LUP as regards public view protection, stating:

*47. Views from designated public accessways and vista points, from Highway 68 and 17-Mile Drive corridors, and of ridgelines as seen from the public viewing areas identified on LUP Figure 3, shall be protected as resources of public importance, and development that could adversely impact such views shall only be allowed where it protects, preserves, and if feasible enhances, such scenic resources. Conservation and scenic easements shall be required as one means of protecting such views in perpetuity.*

Similarly, updated siting and design policies provide better specificity on the actual standards and requirements for development. For example, updated LUP Policies 53 and 54 state:

*53. Design and siting of structures in public views of scenic areas should not detract from scenic values of the forest, stream courses, ridgelines, or shoreline. Structures, including fences, shall be subordinate to and blended into the environment, including by using appropriate materials that will achieve that effect. Where necessary, modifications shall be required for siting,*



*structural design, shape, lighting, color, texture, building materials, access, and screening to protect such public views.*

*54. Structures in public view in scenic areas shall utilize non-invasive native vegetation and topography to help provide visual compatibility and, when such structures cannot be sited outside of public view, to provide screening from public viewing areas. In such instances, the least visible portion of the property should be considered the most desirable building site location, subject to consistency with other siting criteria (e.g., proximity to environmentally sensitive habitat areas and safe access).*

In short, the updated LUP policies and text provide enhanced framing and direction on the importance of public view protection in the Del Monte Forest, and provide new standards that should serve to better protect and enhance public views in the future.

At the same time, the proposed Concept Plan portion of the amendment has the potential to lead to some public view impacts. Specifically, the proposed residential and visitor-serving development that would be facilitated by the amendment would require tree and forest removal, and some new development in the public view at sites that are currently undeveloped and part of the forested backdrop of the Del Monte Forest. However, all of the sites proposed for development under the Concept Plan are all currently designated and zoned for residential, visitor-serving commercial, or open space recreational use and development, and the amendment will not lead to different types of development at the basic land use and zoning level. That being said, the amendment would allow for a very specific development plan that could result in visual and public view impacts if not appropriately addressed.

The new updated visual resource policies described above will apply to any such development, and these should be able to ensure that development is sensitive to its viewshed setting. The updated LUP visual resource protection policies strengthen existing policies and add new requirements. This includes new requirements for siting lots, access roads, and buildings to maximize screening vegetation and new key policy language that allows development only when it does not block significant public views and does not significantly adversely impact public view and scenic character. Although the existing LUP includes substantial visual resource protection policies and would likely be adequate to ensure protection of visual and scenic resources as required by the Coastal Act, these additional new policy changes add an additional layer of policy protection. When the County considers the coastal development permit for the Concept Plan projects, it will use these updated policies and requirements as the standard of review for the projects. And these updated provisions, as discussed above, will ensure that such new development is appropriately sited and designed to protect public views consistent with the sensitivity of such views in the Forest. The amendment is therefore consistent with Coastal Act public view requirements.

## **F. Other Coastal Act Issues**

### **1. Water Quality**



The proposed Concept Plan portion of the amendment would result in significant construction, grading, and development in undeveloped natural areas of DMF, as well as within some disturbed and currently used areas that are being redeveloped (e.g., the turfed area at the existing Driving Range, the existing Equestrian Center area being converted to other uses, Collins Field, the corporation yard area, etc.). Construction activities would involve initial clearing of vegetation and grading, construction of building foundations and structures, grading and paving of roadway and parking lot surfaces, and installation of landscape features. These activities would occur over a number of years.<sup>124</sup> Construction activities could impair water quality temporarily because disturbed and eroded soil, petroleum products from construction equipment, and miscellaneous waste could be discharged into receiving waters. Soil and associated contaminants entering stream channels, such as those in the Seal Rock watershed, Sawmill Gulch watershed, Fanshell Beach watershed, and smaller unnamed drainage basins, can increase turbidity, stimulate algae growth, increase sedimentation of aquatic habitat and introduce toxic materials to aquatic organisms and ultimately, to the Carmel Bay and the Monterey Bay National Marine Sanctuary.

Full build out of the Concept Plan could lead to water quality impacts by contributing additional urban contaminants to streams, wetlands, and coastal waters. Such increased polluted runoff can result in significant adverse impacts to aquatic ecosystems, public use, and human health including ground and surface water contamination, damage to and destruction of wildlife habitat, decline in fisheries, and loss of recreational opportunities. Urban runoff is known to carry a wide range of pollutants including nutrients, sediments, trash and debris, heavy metals, pathogens, petroleum hydrocarbons, and synthetic organics such as pesticides. Urban runoff can also alter the physical, chemical, and biological characteristics of water bodies to the detriment of aquatic and terrestrial organisms.<sup>125</sup>

The LUP amendment would facilitate this increase in development, and therefore an increase in nonpoint source runoff and pollution. However, all of the sites proposed for development under the Concept Plan are currently designated and zoned for residential, visitor-serving commercial, or open space recreational use and development, and the amendment will not lead to different types of development at the basic land use and zoning level. That being said, the amendment would allow for a very specific development plan with an intensive construction schedule and a significant amount of new impervious surface coverage that could result in water quality impacts if not appropriately addressed.

The level of development proposed by the amendment has the potential for inconsistencies with Coastal Act Sections 30230, 30231, and 30232 because it could result in construction-related and long-term non-point source inputs of sediment and hazardous materials and could otherwise affect the biological

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<sup>124</sup> The Pebble Beach Company's anticipated construction schedule indicates that full build out of the Concept Plan projects would take approximately 10 years from start to finish.

<sup>125</sup> Pollutants of concern found in urban runoff include, but are not limited to: sediments; nutrients (nitrogen, phosphorous, etc.); pathogens (bacteria, viruses, etc.); oxygen demanding substances (plant debris, animal wastes, etc.); petroleum hydrocarbons (oil, grease, solvents, etc.); heavy metals (lead, zinc, cadmium, copper, etc.); toxic pollutants; floatables (litter, yard wastes, etc.); synthetic organics (pesticides, herbicides, PCBs, etc.); and physical changed parameters (freshwater, salinity, temperature, dissolved oxygen).



productivity of area coastal waters. However, the amendment also includes updated LUP water quality protection policies that strengthen the existing policies and add new requirements (e.g., for construction best management practices, specific water quality treatments such as the use of permeable pavers, filtration strips, and engineered stormwater treatment units, etc.). Absent these new and updated policies, the Concept Plan component of the proposed amendment could have greater potential for impacts since the existing LUP water quality policies do not have that level of detailed requirements. Without that level of policy detail, the possibility exists that the more general policies would not prove adequate to ensure that adequate water quality measures are made part of the development projects. When the County considers the CDP for the Concept Plan projects, it will use these updated policies and requirements as the standard of review for the project. And these updated provisions will be adequate to ensure that such new development is appropriately sited and designed to protect water quality. The amendment is therefore consistent with Coastal Act water quality requirements.

## **2. Cultural Resources**

The Del Monte Forest area is located within the territory of the Ohlone Indians (also known as Costanoan Indians). The Ohlone are believed to have inhabited the Del Monte Forest area since A.D. 500 or earlier, and specifically, the Rumsen group of the Ohlone inhabited the LCP amendment area. The Rumsen were hunter-gathers who relied heavily on the native flora and fauna for survival. Some forms of resource management akin to agriculture were used by the Ohlone, including pruning and re-seeding plants. Controlled burns were also carried out to promote seed growth and to increase grazing area for deer, elk, and antelope.

Monterey Bay was also the focus of several Spanish expeditions after it was first identified by Juan Cabrillo in 1542. The Franciscans founded three missions in Monterey County that became the hub of local activity, as did the Presidio when it was established in the late 1700s. By the early 1800s, an agrarian economy had emerged in Monterey County, with Monterey as a central focus of trade and commerce. This was further emphasized by the California gold rush of the 1850s. By the late nineteenth century, Monterey County had become a tourist area, and by the early 1900s, the Pebble Beach area had become a popular resort destination. Residential and resort development soon followed and during the 1910s and 1920s the Del Monte Lodge (now known as The Lodge at Pebble Beach), the Pebble Beach Golf Links, and a series of luxury residences had been developed, setting the stage for the current Del Monte Forest built environment.

All of the proposed Concept Plan project areas were investigated for the presence of archeological resources and these investigations found that although there are numerous recorded sites in the Del Monte Forest, none are found in the affected area.<sup>126</sup> Potential historic resources present in the Concept Plan project area are limited to the Equestrian Center and Pebble Beach Lodge area. With respect to the Equestrian Center, there are three buildings in excess of 50 years old (the Collins Cottage, the Collins

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<sup>126</sup> FEIR page 3.5-9.





Studio, and Building Number 9), but none of these have been deemed to be historically significant by the FEIR. Likewise at the Lodge, the Fairway One House and the Lodge Annex are over 50 years old, but they too are not considered historically significant by the FEIR.<sup>127</sup> It does not appear that the proposed Concept Plan component of the amendment raises Coastal Act concerns relative to cultural resources.

The other proposed non-Concept Plan changes to the LUP include minor updates to the existing cultural resources policies that generally strengthen and update existing policies, including to allow mitigation for impacts to cultural resources, consistent with Coastal Act Section 30244.

## **G. Conflict Resolution**

### **1. Background**

As discussed in the “Analysis of Proposed LUP Amendment” section above, the proposed LUP amendment is consistent with most Coastal Act Chapter 3 policies, but the portions of the Concept Plan that allow residential development in ESHA and wetlands or within applicable buffers are inconsistent with Sections 30230, 30231, 30233 and 30240. These inconsistencies would typically require denial of the LUP amendment as submitted. The proposed LCP amendment may still be approvable, however, if there is a conflict between Chapter 3 policies that must be resolved. Section 30007.5 of the Coastal Act states:

*The Legislature further finds and recognizes that conflicts may occur between one or more policies of the division. The Legislature therefore declares that in carrying out the provisions of this division such conflicts be resolved in a manner which on balance is the most protective of significant coastal resources. In this context, the Legislature declares that broader policies which, for example, serve to concentrate development in close proximity to urban and employment centers may be more protective, overall, than specific wildlife habitat and other similar resource policies.*

And Coastal Act Section 30200(b) (in Chapter 3) states:

*Where the commission or any local government in implementing the provisions of this division identifies a conflict between the policies of this chapter, Section 30007.5 shall be utilized to resolve the conflict and the resolution of such conflicts shall be supported by appropriate findings setting forth the basis for the resolution of identified policy conflicts.*

To be certified by the Commission, the proposed LCP amendment must fulfill the requirements of, and be in conformity with the policies of Coastal Act Chapter 3 (Sections 30200 through 30265.5). In general, an LCP amendment must be consistent with all relevant Coastal Act policies in order to be approved. Thus, if a proposal is inconsistent with one or more policies, it must normally be denied, or

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<sup>127</sup> FEIR page 3.5-9.



suggested modifications must be included to make it consistent with all relevant policies.

However, the Legislature also recognized that conflicts can occur among applicable Coastal Act policies. It therefore declared that when the Commission identifies a conflict between one or more policies in Chapter 3, such conflicts are to be resolved “in a manner which on balance is the most protective of significant coastal resources” (Sections 30007.5 and 30200(b)). The Legislature also recognized that when a conflict exists, broader policies such as the policy to concentrate development in close proximity to urban and employment centers may be more protective, overall, than specific wildlife habitat and other similar resource policies (Section 30007.5). The first step is to establish that the proposal presents a conflict between one or more statutory directives contained in Chapter 3 of the Coastal Act. The fact that a proposal is consistent with one directive of Chapter 3 and inconsistent with another directive does not necessarily result in a conflict. Rather, the Commission must find that to deny the proposal based on the inconsistency with one directive will result in coastal zone effects that are themselves inconsistent with another Chapter 3 directive.

## **2. Concept Plan Conflict**

As described above under the habitat/ESHA section, the LUP amendment is clearly inconsistent with the ESHA and related wetland and other habitat protection policies in Sections 30230, 30231, 30233, and 30240 of the Coastal Act. The LCP amendment includes a Concept Plan that would allow subdivision of land and the construction of single-family residences on 55 lots representing approximately 56 acres of native Monterey pine forest and related habitat<sup>128</sup> in Areas F-2, I-2, J-1, J-2, K, and L that qualify as ESHA and some that include wetlands, and in Area U that contains wetlands only. This Concept Plan residential development would significantly disrupt the habitat values of native Monterey pine forest and wetlands, and would not constitute uses dependent on the resource as required by Section 30240 or uses allowed in wetlands under Section 30233. In addition, the proposed Concept Plan portion of the amendment would locate residential lots and subsequent residential development in areas where development setbacks would be less than the currently required LCP setbacks for ESHA and wetlands (i.e., at least 100 feet), which is also inconsistent with Sections 30230, 30231, 30233, and 30240.

These Coastal Act inconsistencies would ordinarily require the Commission to deny the proposed amendment. However, as detailed below, denial would result in adverse impacts from future development that the County and/or the Commission would have to approve, at least in part, that would be inconsistent with Coastal Act Sections 30250 (and ultimately 30240). Specifically, relative to the existing certified LCP the proposed LCP amendment and its Concept Plan would better concentrate

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<sup>128</sup> As previously indicated, the lots would not be completely stripped of all such ESHA to allow for normal and typical residential development. Thus the actual amount of direct loss would be less than 56 acres. However, development footprints within these lots would effectively fragment the forest resource and diminish the value of the remaining areas significantly. At the edges of such subdivisions where the remaining areas provide functional connectivity with off-lot habitat areas, this impact would be reduced, but even these areas would still be within private residential lots where other manipulation could occur, and could even be expected to a certain degree. As a result, these indirect impacts are quantified as direct impacts (i.e., the entire lot is considered habitat conversion) to most conservatively estimate potential impacts.



future development in or immediately adjacent to existing developed areas in the Del Monte Forest, consistent with Section 30250. Such concentrated future development would also avoid extensive ESHA in the DMF that was not specifically identified when the more dispersed development pattern contemplated by the existing LUP land use designations was originally certified, thus better addressing Section 30240 requirements.

Under the current LCP, the Pebble Beach Company, or subsequent owners, could seek to develop the dispersed and more remote lots currently owned by the Pebble Beach Company, thereby failing to site new development contiguous with existing developed areas. Development in these more dispersed areas would not only result in development that would be separated from existing development nodes but it would also have significant adverse effects individually and cumulatively on coastal resources, including on the most sensitive habitat areas in the Del Monte Forest. (The risk for development of these sensitive areas, that are subject to ESHA protections, arises from constitutional limitations on depriving a property owner of all viable use of property without payment of just compensation.) Specifically, if the amendment is denied, the Pebble Beach Company, or subsequent owners of the property, could seek to develop in Areas C, F-1, F-3, G, H, I-1, N, O, P, Q, and R, and the remaining areas of B, J, K, L, M, U, and V, which together comprise a total of approximately 635 acres of high quality, contiguous Monterey pine forest habitat that is only contiguous with existing development nodes on certain parts of its periphery. While the Commission has taken the position that much of these areas could not be developed consistent with the LCP, given existing LCP ESHA protection policies, some level of development in the 635 acres comprising the most sensitive remaining areas of DMF would likely need to be approved to avoid an unconstitutional taking. Any such development would fragment DMF habitat associated with both the 635 acres as well as the areas adjacent and connected to it (e.g., the manner in which the 27 acres associated with Areas F-1 and F-3 are functionally a part of and indistinguishable from the HHNHA habitat area). Thus, if the amendment protecting these areas in perpetuity is not approved development could occur in these more remote areas that are crucial to preserving this unique habitat intact. This outcome would be inconsistent with Section 30250 and Section 30240.

In contrast, the proposed Concept Plan portion of the proposed amendment clusters development adjacent to existing developed areas and existing infrastructure (including in existing already disturbed areas), while preserving larger and more contiguous areas of ESHA on C, F-1, F-3, G, H, I-1, N, O, P, Q, and R, and the remaining areas of B, J, K, L, M, U, and V that are not identified for Concept Plan development, thereby preserving significant coastal resources. These areas account for the largest remaining undeveloped forest areas in the Del Monte Forest that are not already protected via conservation easement or similar instruments. These areas are also currently designated for residential development under the existing LCP, including most significantly the 159-acre Area PQR in Pescadero Canyon (that when added to surrounding preservation areas makes up a contiguous 246-acre habitat area) and the 99.5-acre Area MNOUV located in the heart of the DMF (that when added to surrounding preservation areas makes up a contiguous 188-acre habitat area) and only adjacent to existing development nodes on certain peripheries.



Thus, if the LCP amendment is denied, it will lead to a dispersed development pattern inconsistent with Section 30250 that will lead to habitat/ESHA impacts under the existing LCP that are inconsistent with Section 30240, including in terms of habitat fragmentation due to the dispersed development pattern. If the LCP amendment is approved, it will lead to inconsistencies with the ESHA and resource protection policies of the Coastal Act (Sections 30230, 30231, 30233, and 30240) but a more concentrated development pattern consistent with Section 30250. Therefore, there is a conflict between Section 30250 and Sections 30230, 30231, 30233, and 30240. This conflict is precisely the type of conflict contemplated by Coastal Act section 30007.5, which states:

*...the Legislature declares that broader policies which, for example, serve to concentrate development in close proximity to urban and employment centers may be more protective, overall, than specific wildlife habitat and other similar resource policies.*

### **3. Conflict Resolution**

After establishing a conflict among Coastal Act policies, Section 30007.5 mandates that the Commission resolve the conflict in a manner that is on balance most protective of significant coastal resources. To do this, it is essential to understand the nature of the areas subject to the LCP amendment, the existence of undeveloped legal lots, existing land use and zoning designations, existing development patterns in the Del Monte Forest, and the alternative proposals and possibilities for development of the Pebble Beach Company's remaining undeveloped lots.

For the areas affected by the LCP amendment, the primary connecting biological thread is the native Monterey pine forest. The native Monterey pine mantling the Monterey Peninsula is the defining characteristic of the Del Monte Forest. The Del Monte Forest is now a mix of suburban and more fragmented forest areas and some large remaining swaths of undeveloped native Monterey pine forest habitat/ESHA. Areas C, F-1, F-3, G, H, I-1, N, O, P, Q, and R, and the remaining areas of B, J, K, L, M, U, and V that are not proposed for development under the Concept Plan (and that would instead be preserved and managed for habitat purposes in perpetuity under the Concept Plan) comprise a large amount of the remaining areas – including the remaining largest areas – of undeveloped native Monterey pine forest, and are examples of healthy, functioning Monterey pine forest with a wide array of special status species. Areas L and M also include dune habitat ESHA. The portions of Areas F-2, I-2, J-1, J-2, K, and L that would be subject to development under the Concept Plan are also functioning Monterey pine forest and related ESHA habitat; however, these areas are located closer to development areas/golf courses (like Areas J-1, J-2, and L), hemmed in by the same (like Area I-2) or relatively small compared to the preservation areas (like Areas J and K), or disconnected from these and/or other significant preservation areas (like Area F-2). The Area U wetland is in an existing developed Equestrian Center area.

In this current Concept Plan proposal, the Pebble Beach Company indicates that 90 residential lots represent the minimum number of units needed to make the overall project feasible, including in terms of funding and implementing the preservation and public recreational access components of the Plan in



perpetuity. While PBC's economic feasibility analysis is not the standard of review, it is important to assess feasibility as it relates to outcomes and alternatives for the Company's final build out in the Forest (see also below). In addition, it is important in such assessment to recognize that some amount of development would be required to be accommodated on PBC's remaining undeveloped landholdings affected by this LCP amendment<sup>129</sup> to avoid an unconstitutional taking of private property. Although it is unclear at this point what a formal takings analysis might conclude, even if residences were not allowed on all of PBC's lots, development on PBC's undeveloped lands subject to the current lot configurations would result in more scattered development with likely greater resource impacts than those caused by the proposed LCP amendment.

#### **4. Concept Plan Alternatives**

In order to fully assess whether approval of the LCP amendment including the Concept Plan is, on balance, most protective of significant coastal resources, the Commission must consider alternatives to the outcome anticipated with the proposed LCP amendment. The following alternatives are development plans that have either already been previously proposed by PBC as build out plans or have been analyzed in the context of the proposed Concept Plan.

##### **LUP Table A Build Out Concept**

The development potential of the lands affected by this LCP amendment has been the subject of considerable debate over the years. In the most recent iterations of potential build out projects related to DMF (i.e., for the Lot Program and Measure A projects, see also below), the County and the Pebble Beach Company have concluded that the LCP provides for a development potential of 1,067 residential units for undeveloped residentially designated properties for the Del Monte Forest as a whole, and 849 units for PBC's undeveloped residentially designated lands, all through subdivision. These residential lot numbers were derived from LUP Table A, which shows the maximum number of potential residential dwellings allowed in each of the unsubdivided alphabetical planning areas in the Del Monte Forest.<sup>130</sup> The 849 and 1,067 units most recently identified were the latest in a series of residential development potential numbers that had been used by the County and the Pebble Beach Company for purposes of comparing potential build out projects to existing conditions over time.<sup>131</sup>

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<sup>129</sup> PBC identifies some 83 lots and 1,349 total acres in this respect (see Exhibit M). Approximately 1,200 of these acres are undeveloped. Although portions of that 1,200-acre area are already permanently protected (like HHNHA), most of it is not, including the 435 acres of residentially designated land and the 200 acres of Open Space Forest land in the LCP amendment area that is not encumbered by conservation easements or similar restrictions, both of which would be preserved in perpetuity by the proposed amendment. When combined with the 80 acres that is proposed to be retained in residential designations under the proposed amendment, the area in question in this respect totals 715 acres of undeveloped land (435 acres plus 200 acres plus 80 acres).

<sup>130</sup> Except for Area A (Spanish Bay), which has since been subdivided and developed, and the Poppy Hills Golf Course development (that included subdivision), both of which were permitted by the Commission, all of the affected areas remain unsubdivided since the time LUP Table A was certified.

<sup>131</sup> The numbers presented have ranged from 849 to 1,067 residential units. These differences appear to be related to the way in which residential potential for areas outside of lettered areas (and outside of the area directly affected by the proposed amendment) are



The Pebble Beach Company historically maintained that the 1,067 units identified in Table A were the allowed build out for the residentially-designated properties under the LUP, translating to 849 units for PBC's undeveloped residentially-designated lands at question in this LCP amendment. This assertion was premised on an argument that extends back to before the time that the LUP was certified. At that time, the pre-LCP zoning that applied to the Forest allowed for a much greater number of units (in terms of theoretical maximum density calculated by taking the acreage of the undeveloped lands and multiplying that by the maximum density that that zoning would allow). During the development of the LCP in the late 1970s and early 1980s (ultimately leading to LUP certification in 1984), that pre-LCP maximum unit number was reduced to what was finally reflected in the certified LUP, with a maximum density established in LUP Table A. Some argue that this reduction in density (down to 1,067 units, and 849 units for PBC) reflected in the LUP was part of an overall compromise that took the HHNHA area off the table for development, and instead committed this HHNHA area to long-term preservation, including via designating it at that time as Open Space Forest and Resource Conservation. In short, this argument posits that the LUP already contemplated and allowed an agreed upon build out for PBC's lands (and a few other property owners' lands) based on HHNHA providing offsetting mitigation for development of the 1,067 total units.

It is clear that maximum densities were reduced as part of the LUP certification process; however, the LUP does not actually identify that this reduction was in exchange for preserving HHNHA. In addition, the certified LUP was clear that the Table A unit counts were maximum densities that had to be implemented consistent with LUP resource protection policies. The LUP states:

*The number of residential and visitor-serving units shown on Table A and the densities shown on Figure 5 and on the following land use plan maps for the various planning areas are maximum figures. The exact density is contingent upon natural resource constraints present and availability of public services as determined through project review.<sup>132</sup>*

In short, LUP Table A presents a maximum theoretical build out number for various areas of Del Monte Forest that were not subdivided at the time of certification, derived from multiplying plan densities by area acreage. The numbers assume that there would be no significant resource constraints identified at the time of proposed subdivision that would dictate a lower density (e.g., significant ESHA and wetland areas that could not be developed). The converse follows, namely, that actual development potential is contingent on natural resource constraints and the availability of public services (e.g., water).<sup>133</sup>

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accounted for (e.g., within the existing equestrian center), and the way in which Table A residential numbers for each alphabetical area are either included or excluded from the Table A total because (a) they are already developed with residences, and/or (b) they are deemed to not be directly affected by the proposed build out projects.

<sup>132</sup> LUP page 48.

<sup>133</sup> The history of the LUP makes clear the intention of the County in proposing LUP Table A. For example, during the LUP review process, County staff recommended to the Board of Supervisors that this point be made clear (see Report to Monterey County Board of Supervisors, Agenda Number 16, February 2, 1982, page 16): "In considering the appropriate build-out for Del Monte Forest, the



Notwithstanding, the Pebble Beach Company and the County countenanced this larger unit count as the potential build out against which to compare the Measure A project, and characterized Measure A as a downzoning (see Measure A description below) that would reduce allowed development in the Forest as a result. Although the Measure A LCP amendment was denied by the Commission in 2007, including because the Commission did not agree with the Table A build out concept identified by the County and PBC, it is reasonable to presume that if this current LCP amendment is denied, there could be litigation over the Commission's Measure A decision,<sup>134</sup> and it is also reasonable to presume that the County and Company analysis supporting 1,067 and 849 residential units as a development entitlement under the existing LCP would be central to any such lawsuit. Although the Commission does not agree with this view, and believes the LUP is clear that the contemplated build out is a maximum subject to resource constraints, it is acknowledged that the litigation process could conclude otherwise. There is some inherent uncertainty, therefore, in development potential under the certified LCP. An adverse litigation outcome would not only lead to significant adverse impacts in the Del Monte Forest, but it could also affect other similar questions statewide in terms of how maximum densities are to be understood in a planning and regulatory context.

Thus, one possible alternative build out scenario is the one against which Measure A was measured by the County and the Pebble Beach Company leading to the Commission's 2007 denial of the Measure A LCP amendment. These 1,067 units (or 849 units on Company lands) would completely remove and destroy hundreds to thousands of acres of ESHA in the Del Monte Forest, including not only the Concept Plan preservation areas that would be developed with extensive residential development, but also the Concept Plan development areas that would be developed at higher densities than proposed now in the Concept Plan. Such an outcome would be inconsistent with the Coastal Act's habitat/ESHA policies, and would be significantly worse than the expected outcome under this proposed LCP amendment and its Concept Plan. Thus, this build out alternative is orders of magnitude worse than the proposed LCP amendment, and would lead to habitat/ESHA destruction in the hundreds to thousands of acres.

#### **The Pebble Beach Lot Program**

As detailed earlier, in the 1990s PBC's predecessor in interest developed the Pebble Beach Lot Program, which proposed a 400-lot subdivision, an 18-hole golf course at Pescadero Canyon (including Area PQR), and extensive related development throughout the Forest on almost 700 acres. The number of residential units proposed was subsequently reduced to 364 units, and the proposed golf course location was subsequently moved to the area roughly between Cypress Point Golf Club and Spyglass Hill Golf

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Board should bear in mind that ultimate build-out is always an unknown that depends on the availability of public services and on-site constraints identified at the time of the actual development proposal and review. In Del Monte Forest, it seems that undue emphasis has been placed upon specific build-out numbers for the various subareas rather than allowing the appropriate build-out to be determined at the time of project application and review. The plan ultimately adopted by the Board should clearly state that permitted densities are maximum numbers and in no way represent a guaranteed build-out."

<sup>134</sup> As described earlier, the statute of limitations to challenge the Commission's 2007 Measure A decision has been tolled, and litigation could be filed soon after any denial of this current LCP amendment.



Course (i.e., at Area MNOUV) as a result of CEQA analysis and mitigation measures. Taken together, this development would have adversely impacted some 700 acres of land in DMF, including all of the MNOUV area and its significant native Monterey pine forest area, including the largest occurrence of the endangered Yadon's piperia in the world. This build out plan too was described as a downzoning and reduction in development intensity as compared to the 1,067 unit maximum identified in LUP Table A per the same argument described above. Although the County completed substantial CEQA and other analytic work on the Lot Program project during the 1990s, the project was never approved. Ultimately, PBC was acquired in 1999 by the current owners who withdrew the Lot Program project from further consideration, including based on concerns being raised by the Commission and others that the project was inconsistent with numerous Coastal Act and LCP policies, primarily related to habitat/ESHA protection, including hundreds of acres of potential ESHA loss.

In contrast, the proposed LCP amendment including the Concept Plan would permanently preserve 635 acres of ESHA and concentrate development around existing developed areas, with approximately 56 acres of ESHA impacts. Thus, the Lot Program build out alternative is better than the Table A build out concept described above (1,067 and 849 units) in terms of habitat/ESHA protection, but it is significantly worse than the expected outcome under this proposed LCP amendment and its Concept Plan.

#### **Measure A**

The development proposed under Measure A included a new 18 hole golf course (at Area MNOUV), a new driving range (at Area C), a relocated equestrian center (moved to the Sawmill Gulch/HHNHA preservation area), resort facility expansions at The Inn at Spanish Bay and The Lodge at Pebble Beach (160 overnight units, 215,000 new square feet, and underground parking structures), almost 100 residential units (60 multi-family employee units and subdivision for 33 residential lots (and 36 residential units)), Highway 1/68 interchange redevelopment, as well as conservation easements for approximately 450 acres of undeveloped land in the coastal zone. This proposal would have led to significant habitat/ESHA destruction, including the loss of approximately 150 acres of native Monterey pine forest (including approximately 15,000 individual pine trees), over 36,000 individual Yadon's piperia plants, and at least 45 acres of maritime chaparral. It also included the loss of 42 acres of ESHA at Sawmill Gulch which are protected by conservation easements required by the Commission as mitigation for the Spanish Bay Resort development approved in 1985.

As with the Lot Program, Measure A was also explicitly presented by the County and PBC as a downzoning that would reduce development intensity in the Forest against the Table A maximum of 1,067 units (and 849 PBC units). As described earlier, in 2007 the Commission denied the Measure A LCP amendment, based primarily on the proposal's inconsistencies with the Coastal Act's ESHA, wetlands and other biological resource protection policies as well as its inconsistency with existing CDPs.

In contrast to Measure A, the current LCP amendment and Concept Plan project proposal eliminates the





most problematic components previously proposed in Measure A (a new 18-hole golf course, a new driving range, and development at Sawmill Gulch), and clusters proposed residential and other development in and adjacent to existing developed and disturbed areas of the Forest. By doing so, the Concept Plan provides permanent protection to 635 acres of significant native Monterey pine forest and related habitat, including the two largest occurrences of Yadon's piperia in the world (and two thirds of the know population worldwide at Areas MNOUV and PQR/Pescadero Canyon). And whereas Measure A would have impacted some 200 ESHA acres, including significant contiguous and unfragmented large habitat/ESHA areas, the Concept Plan will impact only 56 ESHA acres, and it will protect and preserve in perpetuity 185 more acres of ESHA than would have been protected under Measure A. Thus, the Measure A build out alternative is better than the Table A (1,067 and 849 units) and Lot Program build out concepts described above in terms of habitat/ESHA protection, but it is significantly worse than the expected outcome under this proposed LCP amendment and its Concept Plan.

#### **Refined Concept Plan Alternatives**

The County's FEIR submitted in support of the LCP amendment considered several build out alternatives to the proposed Concept Plan, including alternatives that reduced habitat/ESHA impacts as compared to the Concept Plan. In addition, the County submitted a Concept Plan alternative for the LCP amendment based on avoiding all ESHA impacts. These refined Concept Plan alternatives are discussed below.

**Avoid Areas J, K, and L Alternative (FEIR Alternatives 1A/B).** This alternative would be the same as the Concept Plan described above, but it would relocate residential development from the most sensitive ESHA areas slated for residential development (at Areas J, K, and L) and move it to less sensitive (but still ESHA) areas (at Areas F-2 and I-2). Under this alternative, ESHA impacts would be reduced (and preservation would be correspondingly increased) by approximately 18 acres because Areas J, K, and L would not be developed. Areas F-2 and I-2 would be more densely developed, leading to localized impacts at those sites, but there would be no change in the overall degree of ESHA acreage impact at these areas (because the acreage impact at these areas is counted as fully impacted in both FEIR Alternative 1A/B and Concept Plan scenarios). In addition, the degree of any other incremental ESHA impact at Areas F-2 and I-2 is reduced by the fact that these areas are the least sensitive of the ESHA areas that would be impacted under the proposed LCP amendment. PBC would still be able to achieve the same number of residential units as under the Concept Plan, but they would be more densely developed and less desirable than under the Concept Plan for Areas F-2 and I-2, leading to income from the overall project (including the units) being insufficient to fund the other components of the Concept Plan, including long-term habitat and public access enhancement and preservation, according to PBC.

**Avoid Yadon's Piperia Alternative (FEIR Alternative 2C).** This alternative would be the same as the Concept Plan described above, but it would reconfigure the 55 proposed lots in Areas F-2, I-2, J, K, and L to avoid Yadon's piperia. Under this alternative, ESHA impacts would be reduced (and preservation would be correspondingly increased) because only 64 lots in the least sensitive areas of F-2, I-2, J, and L would be developed, and all the lots in Area K would be eliminated. PBC would not be able to achieve



the same number of residential units as under the Concept Plan, because overall units would be reduced by 26. This reduction in units would lead to income from the overall project (including the units) being insufficient to fund the other components of the Concept Plan, including long-term habitat and public access enhancement and preservation, according to PBC.

**Avoid All Habitat/ESHA Alternative.** This alternative would be the same as the Concept Plan described above, but it would eliminate development in Areas F-2, I-2, J-1, J-2, K, and L, and would modify 2 lots at Area U to avoid the wetland located there. As a result, this alternative would mean that development at each of these locations would not result in direct removal of ESHA and/or wetlands. If these developments were eliminated from the Concept Plan, then there would not be an ESHA inconsistency with the proposed LUP amendment. In this alternative, the Pebble Beach Company would be authorized to develop 33 residential lots in non-ESHA and non-wetland areas. Under this alternative, ESHA impacts would be eliminated, and PBC would not be able to achieve the same number of residential units as under the Concept Plan, because overall units would be reduced by 57. This reduction in units would lead to income from the overall project (including the units) being insufficient to fund the other components of the Concept Plan, including long-term habitat and public access enhancement and preservation, according to PBC.

**Refined Concept Plan Alternatives Conclusion.** There are clearly a range of potential refined Concept Plan alternatives that can reduce habitat/ESHA impacts as compared to the Concept Plan. Three are explicitly discussed in the preceding text. In addition, there are also a series of possible permutations of such alternatives based on avoiding development of varying subsets of lots. Because the sensitivity of each area varies,<sup>135</sup> and because the number of Concept Plan lots per area and lot size (and thus ESHA impact) varies,<sup>136</sup> the degree of reduced impact for such permutations would likewise vary considerably depending on the subset in question, and would not be equal for the same number of lots/acres (e.g., the loss of ten acres of ESHA at Area L is a more significant ESHA impact than is the loss of 10 acres at Area F-2). These permutations would also reduce habitat/ESHA impacts, with the degree of reduced impact ranging between the level of impact of the Concept Plan itself and the refined Concept Plan alternative discussed above that would avoid all habitat/ESHA areas. All of these refined Concept Plan alternatives are better (some more than others) than the Table A, Lot Program, and Measure A build out concepts described above in terms of habitat/ESHA protection. All of these alternatives are also better than the Concept Plan in this respect as well, but would according to PBC mean that the Concept Plan, including long-term habitat and public access enhancement and preservation components, could not be feasibly pursued for financial reasons. Although financial feasibility and risk is difficult to assess for the overall Concept Plan in terms of these reduced residential project options, PBC has clearly stated their

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<sup>135</sup> The relative habitat values of these areas range from extremely sensitive (Area L), to fairly sensitive (Areas K and J-2), to somewhat less sensitive (Area J-1), to least sensitive (Areas I-2 and F-2, in order), to essentially not sensitive at all (the Area U wetland area).

<sup>136</sup> A total of 55 ESHA lots leading to 56 ESHA acres impacted that break down, in order of ESHA sensitivity (from highest to lowest) as follows: L (10 lots and 8.85 acres), K (8 lots and 5.02 acres), J-2 (3 lots and 2.7 acres), J-1 (2 lots and 1.1 acres), I-2 (16 lots and 18.75 acres), and F-2 (16 lots and 19.5 acres).



position on this matter that this is not feasible. Given this stance, it is reasonable to presume that at least one possible outcome of approval of a reduced project alternative is litigation on Measure A, or simply long-term on-going conflict about future development proposals in DMF, with potential outcomes as described above that are demonstrably worse than is being proposed now.

#### **5. Concept Plan Most Protective of Significant Coastal Resources**

Of the Concept Plan 90 lots, 55 lots slated for development (affecting 56 acres in total) are located in ESHA, and 2 lots are affected by a minimally functioning wetland. The remainder of the lots subject to the Concept Plan are either designated for protection in perpetuity or the proposed development is not in ESHA. The 55 lots/56 acres represents a significantly lower level of disturbance than the various theoretical maximum densities that have been argued over time, and represents a significantly lower level of disturbance by several levels of magnitude than proposed in the Table A, Lot Program, and Measure A build out scenarios described above. Part of the reason for this is that the overall Concept Plan project has been adjusted from these earlier build out proposals to site significant portions of the allowed development on existing disturbed areas, and it has been adjusted so that it no longer includes a golf course, golf driving range, and other related development in ESHA. In the current Concept Plan, only the residential lots are located in ESHA whereas past iterations of build out projects included substantial other development in ESHA as well, and significantly greater impacts overall.

Thus, the proposed Concept Plan for 90 residential lots at locations that are concentrated along existing golf courses, roads, and existing residential neighborhoods will concentrate development as directed by Section 30250. Although 55 of the lots (56 acres), in Areas F-2, I-2, J-1, J-2, K, and L, would be located in Monterey pine forest and related habitat ESHA (and would include a wetland area at Area U), they would be located in less sensitive areas overall than where build out development has been pursued before, and less sensitive areas than might be disturbed with a dispersed development pattern that could occur based on constitutional takings considerations. These areas would also have a B-6 zoning overlay under the proposed LCP amendment that would prohibit future subdivision. The areas proposed for residential development were carefully selected based on their locations adjacent to roads and areas of heavy use (golf courses and neighborhoods), and the fact that they are less sensitive, relatively speaking, than the identified preservation areas. Given that some level of development will be allowed on the undeveloped property owned by the PBC and affected by this LCP amendment, Section 30250 dictates that it be developed in a manner that clusters and concentrates development and protects the larger pieces of land with greater habitat value.

As shown in Exhibit M, the PBC's identified 83 lots are generally spread over approximately one third of the entire Del Monte Forest.<sup>137</sup> Absent the careful clustering of residential development facilitated by the Concept Plan, under the current LCP, PBC (and/or subsequent owners) could pursue development on

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<sup>137</sup> PBC has developed information identifying 83 lots that it states are legal lots. As part of the Measure A LCP amendment and project, the County acknowledged 41 unconditional certificates of compliance (COCs) for 41 lots. Therefore, 42 of the PBC's claimed lots have yet to be recognized by COCs (see Exhibit M). The Commission has not evaluated the legality of any of these 83 lots.



its lots in places such as the Pescadero Canyon, with the potential for them to seek approval of up to 13 single-family residences spread out in the canyon, within the middle of one of the largest areas of unfragmented native Monterey pine forest in the DMF, and the second largest Yadon's piperia area in the world. Similarly, PBC could pursue residential development on its 10 or so lots in the vicinity of the Signal Hill dunes (adjacent to Area M), resulting in degradation and fragmentation of this large sensitive dune area. As shown in Exhibit M, these two hypothetical development scenarios would result in extension of urban development into large areas of forest and dune habitat.

In contrast, the development pattern proposed in the Concept Plan concentrates development potential in smaller, narrow areas along roadways and golf courses, avoiding the largest pieces of undeveloped habitat. In general, if PBC were to develop each of its 83 lots shown in Exhibit M, the result would be permanent fragmentation and loss of some of the largest and most sensitive areas of the DMF. This is evident when comparing the existing PBC lot locations (Exhibit M) to Exhibit I, which illustrates PBC's proposed residential and preservation areas. Overall impacts to ESHA from existing development potential can be significantly reduced by transferring development to or concentrating development in the less sensitive habitat areas.

In addition to the LCP amendment redesignating these areas from Residential to Open Space Forest and Resource Conservation, the Concept Plan includes a requirement for conservation easements to be recorded over the 635 acres of protected ESHA to ensure that they are preserved and protected in perpetuity. The Concept Plan also requires an extensive management and maintenance plan for these areas, as well as funding for plan implementation in perpetuity. The lots that comprise these areas contain some of the best examples of healthy, intact native Monterey Pine forest in the Del Monte Forest (see previous Preservation Areas discussion). These areas also are or are a part of large intact forest areas that, in some cases, are connected to similarly large, already protected Monterey pine forest habitat (e.g., at Huckleberry Hill Natural Habitat Area, Pescadero Canyon, etc.). The Commission has previously found, and upholds in this approval, that relatively undisturbed stands of Monterey pine forest that are 20 acres or larger are categorically considered ESHA based on their rarity, their special nature as significant sources of genetic conservation, and on their especially valuable ecosystem function of providing the structural basis for a natural Monterey pine forest community. All of these preservation areas either alone or in tandem with connected habitat areas exceed 20 acres. Through concentration of development in existing developed areas, the Concept Plan allows the protection of these large areas containing ESHA.

The reconfiguration of land uses as proposed in this LCP amendment would retire the development potential on the lots in the most sensitive areas of the DMF, ensuring that there is no potential for a future, more dispersed build out of the DMF. Instead of retaining the uncertainty inherent in the existing lot configurations and potential residential development into the heart of large untouched Monterey pine forest, the LCP amendment would bring certainty to the protection of the most sensitive ESHA areas.

Further, by siting new development contiguous with roads and utilities in Areas F-2, I-2, J-1, J-2, K, and



L (and U), residential uses are clustered around existing developed areas. This approach meets Section 30250's requirement to locate new residential development within, contiguous with, or in close proximity to existing developed areas able to accommodate it.

**6. Conflict Resolution Conclusion**

Concept Plan residential development in Areas F-2, I-2, J-1, J-2, K, L, and part of U would be inconsistent with Coastal Act Sections 30230, 30231, 30233, and 30240 because it would lead to non-resource dependent development in ESHA, prohibited uses in wetlands, and development within typically required setback areas. There are also significant benefits to the Concept Plan, however, because it sites new development contiguous with existing developed areas, consistent with Section 30250, rather than allowing a dispersed pattern of development.

In addition, there are no feasible alternatives that would achieve all of the goals of the proposal without violating a Chapter 3 policy. At least four of the alternatives listed above would reduce ESHA and wetland impacts below the level proposed in the Concept Plan, but none of these alternatives is likely to be implemented. FEIR Alternative 1AB would move residential development to less sensitive ESHA areas, and FEIR Alternative 2C would avoid residential development in the most sensitive sites, and protect all areas in which Yadon's piperia is found. The no ESHA impact alternative and the various refined Concept Plan permutations would also reduce or eliminate ESHA inconsistencies through a modified Concept Plan focusing on changes to the ESHA lots. While each of these alternatives would reduce ESHA impacts, they would also significantly reduce the number of residential units that could be developed by the Pebble Beach Company or its successors, and PBC has indicated that such reductions would make the project infeasible.

The Pebble Beach Company states that they could not pursue such projects or pay for the restoration and forest preservation and public access components of the Concept Plan without significantly more residential development than would be allowed under the reduced project alternatives. Moreover, the Concept Plan proposes significantly less development and significantly more habitat protection than the Pebble Beach Company's previous build out proposal, Measure A, which itself was significantly less development and significantly more habitat protection than the Lot Program, all of which is considerably less development and significantly more habitat protection than the Table A maximum build out scenario. Thus, approval of one of these reduced alternatives would likely mean that the Concept Plan itself would fail, including its forest preservation, public access components, and certain retirement of development potential on 635 acres of ESHA. Litigation on the Commission's 2007 Measure A decision would be a possibility at that point, with all of the potential for adverse outcomes as discussed above. Failure of the Concept Plan could also lead PBC or its successors to seek to develop its existing lots in their current configuration, leading to more dispersed and fragmented development patterns, inconsistent with Section 30250.

The Concept Plan proposes to preserve the largest, contiguous blocks of habitat with the highest natural resource value, and to generally locate development away from these areas. In order to protect viable,



connected habitat area, it is appropriate in this case to take a regional approach to the preservation of ESHA. Instead of preserving all ESHA in place where it is found, which could result in excessive fragmentation and placement of development in violation of the requirements of Section 30250 (and 30240), it is more protective of coastal resources in this case to focus on a broader regional conservation approach that concentrates development near existing developed areas and away from the habitat of greatest overall value. Such an approach should ensure the health and viability of larger, connected sensitive Monterey pine forest communities in perpetuity.

The Concept Plan also allows for a decades old discussion and debate over the appropriate level of build out in the Forest to be brought to an end in the least amount of time and with the greatest degree of certainty in outcome. All of the other build out options are much less certain, including in terms of potential litigation outcomes, and all would take many more years – potentially decades again – for the planning and permitting necessary to allow for such projects to be completed, with more potential for litigation on these processes as well. In short, it is advantageous to make a decision now that assures protection of all but 56 acres of ESHA in the Del Monte Forest through the LCP as opposed to pursuing other Concept Plan alternatives that might identify less impacts in the approved LCP amendment, but that could also lead to considerably more impacts in their implementation, as detailed above. And to pursue such other alternatives would also require a tremendous expenditure of time and resources by the Commission, the County, PBC, and interested parties. In short, the Concept Plan represents an appropriate build out plan for the Del Monte Forest taking into account all of the considerations detailed above in this finding, including the long history of contentious discussion and debate, and it represents a good public policy outcome focused on what is most protective overall of what are tremendously significant resources of state, nation, and worldwide importance.

As proposed, the LCP amendment appropriately concentrates development in more urban and disturbed areas, while preserving larger and more contiguous areas of habitat. Therefore, despite the potential for impacts to 56 acres of ESHA (and 1,300 square feet of wetland) under the proposed amendment, as a whole it is still, on balance, the most protective of coastal resources, namely the native Monterey pine forest and related habitats, as required by Coastal Act Sections 30240 and 30250. This conclusion is supported by the language of Section 30007.5, in which the legislature recognized that a plan to concentrate development near urban and employment centers would likely be more protective of coastal resources overall, even if it adversely impacted habitat, than a dispersed pattern of development.

## **H. Comment Letter Response**

The Commission has received several comment letters on the proposed LCP amendment (see staff report Exhibit N and the Deputy Director's report for May 9, 2012 (Hearing Item W24)). Significant points raised are addressed as follows: [xxx ARE WE ADDING THE LETTERS TO EXHIBIT N?]

One letter writer alleges that that the re-designation of a lot near the Pebble Beach Lodge from residential to visitor serving commercial would commit such lot to commercial uses, inconsistent with a



private contract between the Pebble Beach Company and the adjacent landowner (letter from Mark Blum representing Mr. and Mrs. Donald Scifres dated March 28, 2012, see Exhibit N). The issues raised by Mr. Blum were addressed by the County in a May 1, 2012 letter from Mike Novo, Director of the Monterey County Planning Department (see Deputy Director's report). In sum, the issues raised by Mr. Blum amount to identification of a contractual dispute between the Pebble Beach Company and Mr. Blum's clients. The Commission is not a party to the relevant contract, and approval of this LCP amendment will not require development of any type on the subject parcel. Thus, approval of the LCP amendment would not impact in any way Mr. Blum's clients' rights under their contract with the Pebble Beach Company. Mr. Blum also contends that the County should have prepared an EIR for the proposed LCP amendment. Although local governments are not required under CEQA to prepare EIRs for LCP amendments, the County did submit the EIR prepared for the Pebble Beach Company Concept Plan project as supporting documentation for the proposed amendment. Mr. Novo addresses this issue as well, and the Commission has complied with its legal obligations under CEQA as a certified regulatory agency (see also CEQA section that follows).

A second letter writer primarily raises affordable housing concerns (letter from LandWatch Monterey County dated May 7, 2012, see Deputy Director's report) which are no longer addressed in Chapter 3 of the Coastal Act. In addition, Coastal Act Section 30500.1 prohibits the Commission from requiring an LCP to include housing policies and programs. LandWatch also claims that the Commission's recommendation does not comply with the EIR prepared by the County. On this point it is again noted that LCP amendments are not subject to the local government CEQA process, and that the EIR to which LandWatch refers is yet to be certified by the County (again, see also CEQA section that follows).

Other letter writers, including LandWatch and Sierra Club (letter dated May 4, 2012, see Deputy Director's report), urge the Commission to consider adopting alternative land use designations that would reduce development in the more sensitive areas of the Del Monte Forest on which development would be allowed under the Pebble Beach Company Concept Plan. As discussed on pages 99-112 of this report, although alternative Pebble Beach Company build out options, such as those identified by LandWatch and the Sierra Club, could result in fewer environmental impacts, such alternative build out options are unlikely to be implemented by the Pebble Beach Company. If the proposed amendment is not approved and the Concept Plan is not implemented, as discussed in greater detail in the preceding section of this report, then there will be significant uncertainty as to future development in the Del Monte Forest. The Pebble Beach Company could pursue litigation over the Commission's denial of Measure A, it could seek individual CDPs for development of its existing parcels in dispersed areas of the Del Monte Forest, and the public access amenities and ESHA protection/preservation provisions of the Concept Plan likely would not be implemented. For these, and the additional reasons sited elsewhere in the report, the Commission finds that the proposed LCP amendment is, on balance, the most protective of coastal resources.

The letter from Helping our Peninsula's Environment (HOPE) dated January 3, 2011 (see Exhibit N) also identifies issues associated with the Pebble Beach Company's Monterey Peninsula Water



Management District (MPWMD) water entitlement, traffic, lots of record, and endangered species. In terms of water, the letter claims that the MPWMD does not have a legal right to give water away. As described in this report, the MPWMD is the entity that regulates the distribution and use of Cal-Am water and allocates that water among the cities and the County, and as such, does have the legal right to allocate water. Also, the letter states that the Pebble Beach golf courses are ignoring water conservation methods that would reduce water use, but provides no evidence of this. Further, as discussed in the water supply section of this report, a fundamental water conservation practice being employed is the use of recycled wastewater as opposed to potable water on all such golf courses (see above Public Services findings). In terms of traffic, HOPE further indicates that event traffic in the Del Monte Forest primarily uses the Highway 1 gate, resulting in congestion and detours within the Forest. This report describes how the amendment accounts for traffic and circulation improvements, including to the Highway 1 gate, and also includes new policy language requiring all new development to offset its traffic impacts (again, see above Public Services findings). HOPE's letter also states that the Pebble Beach Company has only provided evidence of 43 lots of record, but they now claim they have 90. As described in this report, it is true that the Company has received certificates of compliance from the County for 41 lots, and the remaining 42 claimed lots have not been recognized by County COCs. The analysis in this report is not based on an assumption that all of these lots are necessarily legal lots, rather it reflects where lots have been identified and it looks at the development potential for the remaining undeveloped areas as a whole, including relative to uncertainty associated with development potential under various scenarios and potential takings. Finally, the letter states that the Pebble Beach Company must avoid harm to Monterey pine forest, as required by the Coastal Act. As detailed in this report, the Coastal Act does require avoidance of ESHA, including Monterey pine forest and associated species, but the Coastal Act also includes a provision that allows the Commission to approve the amendment despite ESHA impacts by using conflict resolution, as described in detail in the preceding section of this report.

Letters from other individuals generally indicate opinions that the Pebble Beach Company should not be allowed to develop any more of the Del Monte Forest. As stated elsewhere in this report in more detail, a large proportion of the development that would be accommodated by the Concept Plan is consistent with Chapter 3, once conditioned to mitigate for any adverse environmental effects, so the LCP policies that allow for this development can be approved, even without using conflict resolution. In addition, although the full development potential for the Pebble Beach Company's lands is not clear, it is unlikely that the Commission could deny all future development on the Pebble Beach Company's remaining undeveloped lands without this being considered a taking of private property without just compensation.

Other letters recommend that the LCP amendment not require construction of low-cost housing (it does not), and one letter of support from the Monterey Pine Forest Watch (letter dated May 2, 2012, see Deputy Director's report) states that the current proposal is a vast improvement over previous project proposals, and is a significant improvement for the native Monterey pine forest. With respect to this last letter, the Commission concurs for the reasons articulated in this report.





## **E. Analysis of Proposed IP Amendment**

The Commission may only reject a proposed IP amendment if it does not conform with or is inadequate to carry out the Land Use Plan (Section 30513). When the Commission is considering both an LUP and an IP amendment at the same hearing, and the Commission approves the LUP amendment, the standard of review is whether the IP conforms with and is adequate to carry out the newly certified LUP. In this case, the proposed IP changes are essentially identical to the proposed LUP changes, with the exception of several implementing standards that are not in the LUP. For the Concept Plan portion of the amendment, the same new section (akin to a specific plan) describing and allowing for the Concept Plan projects that is proposed to be added to the LUP is also being added to the IP verbatim. In addition, all of the same general policy updates that are proposed to the LUP are also proposed to the IP. The foregoing Coastal Act analyses in this report have addressed the LUP amendment's consistency with the applicable ESHA, public services, public recreational access, visual resources, visitor-serving, water quality, and cultural resources policies of the Coastal Act. The portions of the IP that are identical to the proposed LUP policies are obviously in conformance with them and are adequate to carry them out, consistent with the requirement in Section 30513.

The only remaining issue is the adequacy of the additional implementing details in the IP. These include requiring applicants to include specific reports when applying for a CDP (for ESHA, forest management plans, hazards, public viewshed identification, archaeological resources, and public access management), wastewater discharge review requirements, updated tree removal standards, and criteria for the Spanish Bay golf course. These new and updated implementing details originate from the new LUP policies and provide additional detail to support those policies. For example, LUP Policy 12 requires biological surveys and reports to be completed for any potential development in or near ESHA. The corresponding IP Section 20.147.040.B lists the specific things that are required of such reports, including preparation by a qualified biologist, field surveys during times when documented or expected habitat evidence is most likely to be detected, and a map that depicts any sensitive species or habitats, the development footprint, fuel management area, setbacks, and landscape areas. Similarly, the forest resources section of the LUP includes general policies related to the protection of the forest and the need to minimize tree removal generally. The corresponding IP section specifies what types of trees cannot be removed without a CDP (including sensitive tree species, landmark trees, trees located in ESHA, trees within 100 feet of ESHA that would degrade such ESHA, etc.) and provides details for forest management plans, including when they are required (for all projects located in a forested area that require a discretionary permit) and what they must include (plot plan showing all site trees, a narrative describing connectivity with surrounding forest resources, a review of forest plant associations, tree health, etc., and a long-term monitoring and maintenance plan). In each of these cases, the additional specificity included in the IP ensures proper implementation of the policies found in both the LUP and IP.

Because the proposed IP changes are mostly the same or derived from the proposed amended LUP, they do not raise issues of consistency with the new LUP. The additional standards included in the IP are intended to add detail and specificity that will guide implementation of the policies in the LUP. In other



words, the proposed IP changes do not introduce any standards or requirements that are different and/or that did not emanate from the new LUP. As such, the proposed IP amendment is in conformance with and adequate to carry out the new LUP.

## **F. California Environmental Quality Act (CEQA)**

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

Monterey County, acting as lead CEQA agency, evaluated the project that is driving this LCP amendment under CEQA, and submitted an EIR document in support of the proposed LCP amendment. This staff report has discussed the relevant coastal resource issues with the proposal. All public comments received to date have been addressed in the findings above. All above Coastal Act findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment would have on the environment within the meaning of CEQA. Thus, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

