

CALIFORNIA COASTAL COMMISSION

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Th16a



Prepared March 22, 2012 (for April 12, 2012 Hearing)

To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Director
Rick Hyman, Senior Planner, Statewide Planning Unit

Subject: A-3-MCO-98-083 Condition Compliance (Highlands Inn Mitigation Fund)

Summary of Staff Recommendation

Staff is recommending that the Commission determine that a hostel at Piedras Blancas, a campground at Point Lobos Ranch, and a hostel in the vicinity of Pfeiffer Big Sur State Park are all projects that are eligible for use of the mitigation funds associated with the terms and conditions of the Commission's Highlands Inn coastal development permit (CDP). The motion and resolution are found directly below.

Staff Recommendation – Motion and Resolution

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in finding that the identified projects comply with Special Condition 4 of CDP A-3-MCO-98-083 and adoption of the following resolution and the findings in this staff report. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion. I move that the Commission determine that a hostel at Piedras Blancas, a campground at Point Lobos Ranch, and a hostel in the vicinity of Pfeiffer Big Sur State Park are all acceptable projects on which to spend mitigation funds pursuant to Special Condition Number 4 of CDP A-3-MCO-98-083. I recommend a yes vote.

Resolution. The Commission hereby finds that a hostel at Piedras Blancas, a campground at Point Lobos Ranch, and a hostel in the vicinity of Pfeiffer Big Sur State Park are all projects that are eligible for use of the mitigation funds associated with the terms and conditions of the Coastal Commission's Highlands Inn coastal development permit (CDP A-3-MCO-98-083).

Findings and Declarations

The Commission finds and declares as follows:

Background

On December 9, 1998 the Coastal Commission heard an appeal and subsequently conditionally approved a CDP for the Highlands Inn, located off Highway 1 in the Carmel Highlands area of Monterey County. The appealed project consisted of: conversion of 143 standard hotel units to condominium hotel units; allowing timeshare use of 107 of the condominium hotel units; realigning



parking spaces and adding 15 new spaces; installing new underground water tanks; upgrading the on-site sewage plant from secondary to tertiary treatment, and allowing use of a portion of the tertiary effluent for landscaping and irrigation; and installing a recycling system in the on-site laundry (CDP A-3-MCO-98-083). To offset the impacts to visitor-serving overnight opportunities associated with the project, the Commission required that a mitigation fund be established to fund the development of lower-cost overnight accommodations on the Monterey Peninsula or the Big Sur coast. The parameters for the fund, including potential disbursement, were identified in Special Condition 4 of the CDP.

The first part of Special Condition 4 states:

Prior to the issuance of the coastal development permit, the applicants shall provide evidence that a deed restriction covering each subject parcel, has been recorded, in a form and content approved by the Executive Director, committing the applicant to the following fund. Upon the first sale or lease of each approved condominium/timeshare unit, the applicant shall deposit \$8,000 into an interest bearing account or other account designated by the Executive Director in conjunction with the State Treasurer for lower-cost recreational purposes, as described below. This deposit shall occur no later than 30 days after the close of escrow or the effective date of the lease. The required annual condition compliance monitoring report (see Condition #1.50 above) shall include transaction information from the Assessors' Office to enable verification that this condition is being fulfilled. These deposits shall continue until \$696,000 (for the first 87 units) has been contributed. The California Coastal Commission or other entity designated by the Executive Director shall be named as trustee of this account, with all interest earned payable to the account for the purposes stated below.

The Permittee fully complied with its responsibilities under the terms of this special condition. A total of \$696,000 was deposited with the Commission in an interest bearing mitigation fund account maintained by the State Department of Finance. There is now over \$800,000 in the mitigation fund account, due to accrued interest, and none of the fund has been disbursed to date. The second part of Special Condition 4 directs how the money should be spent:

The purpose of the account shall be to fund the development of lower-cost overnight accommodations on the Monterey Peninsula or Big Sur coast. The Executive Director may disburse the fund, up to the following amounts, to Hostelling International and/or California Department of Parks and Recreation, upon presentation of evidence of valid permits for (including any necessary coastal permits) and commitment to develop:

- *\$696,000 plus interest for a hostel on public land at Point Lobos Ranch and/or Pfeiffer Big Sur State Park;*
- *\$200,000 for a hostel at Carpenters' Hall in Monterey and/or at Ford Ord or more money for these hostels, if the money is in the form of a short-term loan or if there are already hostels at Point Lobos Ranch and Pfeiffer Big Sur.*



Any other request for the use of these funds shall be presented to the Coastal Commission for a determination as to whether the request meets the intent of this condition, as described in the accompanying findings. Any project so funded through this condition shall include a dedication or other attribution at the facility indicating the significant contribution by the Highlands Inn ownership.

Thus, the Commission identified certain specific sites/projects and potential funding amounts and types for those sites and projects, and also provided for the possibility that there may be other sites/projects that could be deserving of use of the fund. For those not explicitly identified, the condition identified a process for the Commission to consider other requests for the funds. The Commission has received such requests (see Exhibits 3 and 4). These requests ask the Commission to find that a hostel at Piedras Blancas, a campground (as opposed to a hostel) at Point Lobos Ranch, and a hostel in the vicinity of (but not necessarily in) Pfeiffer Big Sur State Park are all projects that are eligible for use of the mitigation funds. This report and matter is before the Commission for deliberation and conclusion on those requests.

Alternative Sites Warrant Consideration Due To Constraints at Named Sites

Over the years, Commission staff has participated in many discussions with the parties named in the condition, as well as with others, about the specific projects listed in the condition. Although one of the listed projects has been completed and one is in the permitting stage, the others have not proven timely or feasible to date.

Hostels at Fort Ord and Carpenters' Hall in Monterey

In terms of the Fort Ord hostel identified, Hostelling International (HI) has submitted an application to the City of Seaside for its development (see Exhibit 5). Once all necessary permits are in place and there is a commitment to develop this project, \$200,000 can be disbursed to HI for this project under the terms of Special Condition 4. It is also possible under the terms of the condition that, if needed, additional funds can be loaned to HI for this project.

The Carpenters' Hall hostel identified in Special Condition 4 is complete. It was funded by other sources and does not require any additional funding.

Hostel at Point Lobos Ranch

In terms of a hostel at Point Lobos Ranch, the Commission's adopted Highlands Inn findings (see Exhibit 1) state:

Before any overnight use could be made of the area, a General Plan (or amendment to the Point Lobos State Reserve General Plan) would be required. It would be through that process that determination of whether a hostel is appropriate and desired would be made; thus, the decision is several years off.



The general plan process has just commenced and is scheduled for completion in March 2014. Thus, it is at least two years before any detailed planning and permitting for a hostel could occur if it is endorsed in the General Plan.

Hostel at Pfeiffer Big Sur State Park

In terms of a hostel at Pfeiffer Big Sur State Park, the Commission's adopted findings also noted that a general plan process was underway for Pfeiffer Big Sur State Park. Indeed, the completed *Pfeiffer Big Sur State Park General Plan* (1999) states, "consider utilizing a Skunk Hollow-CCC [California Conservation Corps, not Coastal Commission] era building or another appropriate structure for a hostel." However, the use of the Skunk Hollow buildings has proven problematic for several reasons, including:

- The buildings are still being used for staff housing and alternative staff housing sites have neither been identified nor funded and permitted.
- The State Park facilities have experienced wastewater treatment problems which will require improvements before State Parks can consider developing any new overnight accommodations.
- The buildings are located too far away from Highway One and the main bus stop to expect people with backpacks and luggage to access this facility by foot.
- The buildings themselves would have to be rebuilt completely from the ground up to meet HI standards.
- The buildings are too small for an economically viable hostel, meaning they would have to be enlarged or additional structures would have to be built. Such additional construction is not envisioned in the Pfeiffer Big Sur State Park General Plan and could run into various constraints.
- While acknowledging the need to address infrastructure and staff housing issues, State Parks' current priorities are to keep state parks open and maintained before initiating new projects.

Other locations within and nearby the State Park have been discussed over the years. Unfortunately, to date, all identified options share constraints similar to those outlined above. Suitable sites are limited by topography, utility availability, ownership, existing uses and many other factors. Although interest has been expressed, no parties with available time and resources have yet committed to a project.

Alternative Uses of the Fund Meet the Intent of the Condition

Special Condition 4 allows for the Commission to authorize spending the mitigation funds on projects other than those specifically named if the intent of the condition is met, including as described in more detail in the CDP findings. The findings state, in part:

Of course, other opportunities to use the money may emerge, such as in other locations, on



private property (which may have to be acquired), or for other types of lower-cost facilities. In this case, the Commission reserves the option of determining whether the money should be so allocated.

Given the constraints noted above with the named projects, Commission staff has been in discussions with the Coastal Conservancy, State Parks, Hostelling International, the Point Lobos Foundation and others about alternative uses of the funds. The following three potential projects appear to offer the most potential for realizing the mitigation value that was required by the Commission when the CDP was approved in 1998.

Hostel at Piedras Blancas

The currently shuttered and unused 11-unit Piedras Blancas Motel was acquired for State Parks by a consortium in partnership with the Coastal Conservancy in 2007 as an addition to San Simeon State Park (see photos of the Motel site in Exhibit 3). The subsequent *Piedras Blancas Motel Feasibility Study and Reuse Alternative* (2010) recommends:

Operate as a hostel. After the initial improvements are performed, it will be possible to operate the Motel as a hostel to provide low-cost lodging. This lodging model is consistent with the objective of State Parks and the Coastal Conservancy to provide a low-cost lodging alternative to tent or RV camping.

State Parks, the Coastal Conservancy and Hostelling International are now actively pursuing refurbishment of the motel into a hostel of around 60 beds (see Exhibit 3). This project is being fast-tracked and is almost ready to proceed, at an estimated cost of approximately \$750,000. Confirmation that this hostel would be eligible for using a portion of the Highland Inn mitigation fund is timely and could significantly help to bring a hostel to fruition. A tentative proposal under discussion is for the Commission to share in the cost of this project along with the Coastal Conservancy and State Parks (again, see Exhibit 3).

The use of the funds at Piedras Blancas raises a question of whether that geographic location meets the intent of the Commission's action on the CDP. In terms of where to allocate the funds geographically, the Commission's Highland Inn findings state in part:

The California State Park System Coast Hostel Facilities Plan (1978) envisions a string of hostels along the California Coast roughly 30 to 40 miles apart. In the central coast, the nearest hostel to the Highlands Inn is located in Santa Cruz, approximately 50 miles to the north. The next hostel to the south is in San Luis Obispo, about 130 miles away. Thus, there is a 180 mile gap, which could thus use five or six hostels.

Since this finding was written, a hostel in Monterey was completed, and a small hostel opened in Cambria. Thus, the "gap" has decreased to 104 miles (see Exhibit 2).

The CDP singled out Point Lobos Ranch and Pfeiffer Big Sur State Park as appropriate hostel sites to



fund because the former was close to Highlands Inn and the latter was undergoing a planning process. Ideally, the mitigation occurs as close to the impact as possible, in this case in or near the Carmel Highlands area. As described above, though, both explicitly identified sites have proven problematic to pursue for a variety of reasons. The Piedras Blancas site is also located along the stretch of coast identified in the Commission's findings where there are no hostels. It is about 50 miles north of the San Luis Obispo hostel and about 17 miles north of the small (10 bed) Bridge Street Inn hostel in Cambria. Although Piedras Blancas is not located in the Big Sur Coast segment of Monterey County, it is generally considered within, or at the gateway of, the Big Sur area at its southern end (see maps in Exhibits 2 and 3). A hostel at Piedras Blancas would serve those travelling along Highway One between the Monterey Peninsula and San Luis Obispo on the Big Sur coast where there is a scarcity of hostel facilities. The new hostel facility will also fall along the alignment of the California Coastal Trail that is currently being planned for construction within San Simeon State Park. Since making an allocation to the Piedras Blancas hostel presents an opportunity to clearly and quickly meet lower-cost-visitor-serving needs along the stretch of coastline originally identified in the CDP, the Commission finds that it meets the intended use of the Highlands Inn mitigation funds under CDP A-3-MCO-98-083 Special Condition 4.

Locating a hostel at Piedras Blancas does not obviate the need and desirability of a hostel in Big Sur village. Rather, it would complement an eventual hostel there, assuming someday the various constraints identified above can be overcome. HI is interested in continuing to pursue a hostel in Big Sur and has projected that profits from operating Piedras Blancas could be used as seed money for a future Big Sur hostel.

Campground at Point Lobos Ranch

As noted, a general plan process is just commencing for the State's Point Lobos Ranch property across Highway One from Point Lobos State Reserve. The Point Lobos Foundation – the non-profit cooperating association that supports Point Lobos State Reserve – is looking to take a more active role in assisting State Parks, especially given State Parks' ongoing budget constraints. One of the Foundation's priorities for the Ranch property is to establish camping, including potentially some type of science camp for students (see Exhibit 4).

The Commission's adopted findings state in part:

Development of hostels represents the best potential use of this funding since they are by definition lower-cost facilities, yet offer indoor accommodations.

The nearest campgrounds of any type to Point Lobos are 8 miles to the north in Monterey and 21 miles to the south at Andrew Molera State Park in Big Sur. Because the Fort Ord and Monterey hostel sites are both within 15 miles of Point Lobos Ranch, providing a campground at the Ranch available to the general public would broaden the range of available lower-cost accommodation types in the area and meets the intent of Special Condition 4. Furthermore, the type of camping that is being contemplated at Point Lobos Ranch would utilize indoor or semi-indoor (e.g., yurts or tents on platforms) facilities, thus



rendering it more akin to a hostel. If such campground at Point Lobos Ranch is also used to accommodate some type of science camp for students, as has preliminarily been identified as an option by the Point Lobos Foundation, then such use would need to be secondary to the primary general campground use for such a project to meet the intent of the mitigation fund. These types of issues can be worked out as plans for such a campground develop. The more important consideration at this time is whether a campground at the Ranch meets the intent of Special Condition 4. The Commission finds that because of its proximity to the Highlands Inn, the lack of sufficient camping opportunities in the area, and the indoor or semi-indoor camping contemplated here, providing funds for a campground at the Ranch would meet the intent of Special Condition 4.

Hostel in the Vicinity of Pfeiffer Big Sur State Park

Although there is not a specific request at this time, the Commission has received inquiries about using the Highlands Inn fund for a hostel in Big Sur, but outside of Pfeiffer Big Sur State Park. The park was specifically named in the permit condition for the hostel site because it is public, of sufficient size and had a planning process underway at the time the permit was issued. However, given the constraints since encountered at the State Park, it may be more feasible to locate a hostel nearby instead. The goal of a providing a hostel in Big Sur valley remains a high priority for the Coastal Commission and for Hostelling International. A hostel located in the vicinity of Pfeiffer Big Sur State Park meets the intent of Special Condition 4 and thus would also be eligible for funding.

Thus, in summary, the Commission finds that a hostel at Piedras Blancas, a campground at Point Lobos Ranch, and a hostel in the vicinity of Pfeiffer Big Sur State Park are all projects that are eligible for use of the mitigation funds associated with the terms and conditions of the Coastal Commission's Highlands Inn coastal development permit (CDP A-3-MCO-98-083), subject to receiving all necessary permits (including CDPs) and a commitment to develop such facilities.

Exhibits

Exhibit 1: Excerpt of Commission findings for A-3-MCO-98-083

Exhibit 2: Location map

Exhibit 3: Narrative for and schematic of Piedras Blancas hostel

Exhibit 4: Narrative for campground at Point Lobos Ranch

Exhibit 5: Status of Fort Ord hostel



- In the event the time-share project is not completed pursuant to the approved...permit, no use other than visitor serving accommodations shall be made of the property (#1.37).
- Covenants, Conditions & Restrictions (CC&R's) must be recorded (#1.48).
- All condition compliance submittals shall be clear as to the responsibilities of the condominium/timeshare owners vis-à-vis the common owner(s) of the remainder of the facilities on all of subject parcels, and all documents to be recorded shall be recorded for each separate parcel comprising the current Highlands Inn.
- The applicant shall record and implement an operational plan which indicates how the hotel operator will maximize rental to the general public when units are not occupied by timeshare owners or members (#1.39)
- The applicant shall submit County-approved annual reports to the Coastal Commission on compliance with all on-going permit conditions and detailing any necessary adjustments to the various operational and management plans required by the conditions. (#1.50)

These measures help ensure that the timeshare conversion does not further erode the public availability of visitor-serving amenities at the Highlands Inn. However, additional mitigation for the loss of available overnight opportunities is needed.

Lower-cost recreational opportunities: If the applicant were to fund a lower-cost recreational facility that would result in roughly the same amount of visitor-serving availability that the Highlands Inn timeshare would remove, then the project would address the relevant policies in two ways. First, the impact on overnight accommodations would be reduced (*Code Section 20.64.110G2e, H5j*) and, second, the impact on lower-cost facilities would be positive (*Code Section 20.64.110G2d, H5i*). The Commission notes that the County timeshare ordinance does not explicitly provide for this type of mitigation. However, when these provisions are read in combination with the other cited County policies and objectives, the approach can be found consistent. The Commission took this approach in a permit to convert the San Clemente Inn to timeshares where the applicant was required to provide a hostel as a replacement for lost public units (coastal permit 5-92-81), one of only three such known conversions that the Commission has approved (see Exhibit 6). This compensatory mitigation approach also responds to the subject, unique local situation, but is not necessarily a precedent for timeshare conversion proposals elsewhere in the coastal zone, Monterey County or beyond.

The Commission accepts information that a certain percentage of timeshare units, in the range of 18% according to figures that the County accepted, are on the average generally available to the public. This translates into an average of 20 available units out of the 107 allowed to convert to timeshare. Subtracting these 20 from the 107 leaves 87 unavailable units for which to provide mitigation. In 1983 and 1988 the Commission required \$5,155 per unit for the lost of low-cost motel units in Santa Monica (5-83-560, 5-88-62). Subsequently, the City of Santa Monica performed a study

showing that it would cost \$8,000 (in 1990 \$) to replicate low cost economy hotel/motel rooms. This became the mitigation fee included in a City ordinance, to be adjusted for inflation. Although that would mean the fee is now over \$10,000 per unit, hostel units should cost less than motel units. Therefore, the Commission finds that \$8,000 per unit is an appropriate mitigation fee for the subject timeshare conversion. As noted, the applicant proposes to divide 107 units into condominiums and then sell (or actually lease for the long-term) these in increments. Thus, at the time of the first sale (or lease) of a unit (for whatever period), the applicant should pay \$8,000 into an account that the Commission will establish for the noted purpose (see condition # 4).

Development of hostels represents the best potential use of this funding since they are by definition lower-cost facilities, yet offer indoor accommodations. The *California State Park System Coast Hostel Facilities Plan* (1978) envisions a string of hostels along the California Coast roughly 30 to 40 miles apart. In the central coast, the nearest hostel to the Highlands Inn is located in Santa Cruz, approximately 50 miles to the north. The next hostel to the south is in San Luis Obispo, about 130 miles away. Thus, there is a 180 mile gap, which could thus use five or six hostels.

To the north of the Carmel Area, a 45-bed hostel is currently being planned for Carpenters' Hall in Monterey (about 40 miles from Santa Cruz, 10 miles from the Highlands Inn). Hostelling International (HI) is in the process of developing cost estimates and securing loans and grants to cover the purchase price and renovation costs. About \$90,000 in estimated needed funds is not yet committed. In the future, adding more hostel beds may be an option. Farther north, in Fort Ord (about four miles from Monterey) State Parks and Recreation Department is sponsoring a Hostelling International application to acquire surplus property for a 50 to 70 bed hostel. No funding is yet committed to remodeling and opening the buildings, which would require an estimated \$430,000.

A very promising candidate location for a new hostel is at Point Lobos Ranch, which is within a mile of the Highlands Inn. Although only about ten miles from Monterey, this site provides a rural, natural setting as opposed to Monterey's urban setting. The *Carmel Area Land Use Plan* provides various options for Point Lobos Ranch. One allows up to two 120 unit hotels. If the hotels are average or high-cost, then lower cost visitor-serving facilities shall be provided in the ratio of at least one unit (e.g., hostel bed, campground space) for every five higher cost units. There is a cap of 276 visitor units, which means the maximum higher cost units could be 230 units (230 high-cost plus 46 (which is one-sixth of 230) low cost = 276). However, most of this property is being purchased by the Big Sur Land Trust for an addition to Point Lobos State Reserve. Therefore, hotels will not likely not be built and hence the source of funding for the lower-cost facilities envisioned in the *Land Use Plan* will not be available. Up to 276 hostel beds could be constructed under the *Land Use Plan*. The land, including some buildings, is being acquired by the State Department of Parks and Recreation in three stages; final acquisition is not until 2002. Before any overnight use could be made of

the area, a General Plan (or amendment to the Point Lobos State Reserve General Plan) would be required. It would be through that process that determination of whether a hostel is appropriate and desired would be made; thus, the decision is several years off.

The territory south of the Carmel Area is governed by the *Big Sur Coast Land Use Plan*. "The establishment of low-cost hostels in Big Sur is encouraged as part of a comprehensive hostel system for the California coast" (policy 5.4.3.C.8). A maximum of 50 beds is allowed. Most parcels greater than 10 acres in size are eligible, provided they meet several specified criteria (policies 5.3.1.2, 5.3.3 Table 1). The most promising candidate site is at Pfeiffer Big Sur State Park. A general plan is currently being prepared for the park. Within the park are some employee housing units that may be suitable for conversion into a hostel. There is no current source of funding for such a development.

This status suggests a priority scheme in which first claim on the money should go to a hostel at Point Lobos Ranch or Pfeiffer Big Sur State Park. While Point Lobos is attractive because it is in close proximity to the Highlands Inn facility being converted, the planning process is not as far along as it is for Pfeiffer and Pfeiffer is more distant from the planned hostel in Monterey. Both sites are (or will be) public which means that the funds could be used for hostel buildings rather than land acquisition. It may be possible to build hostels at both locations with the \$696,000 plus interest, especially if existing structures are renovated.

Spending all the money for a hostel in Monterey or Fort Ord would be lower priority because one is already at least partially funded and there are many more accommodations available there. However, using a portion of the funds (e.g., up to \$200,000) early on to be able to complete the planned Carpenters' Hall or Fort Ord hostels would be beneficial and still preserve options at Point Lobos or Big Sur. If facilities are constructed at both these latter locations and money remains in the fund, then Monterey or Fort Ord would be the next logical location in which to use the money, if it were still needed.

Of course, other opportunities to use the money may emerge, such as in other locations, on private property (which may have to be acquired), or for other types of lower-cost facilities. In this case, the Commission reserves the option of determining whether the money should be so allocated.

In conclusion, the trade off embodied in this "compensatory" approach is that while the number of potential visitors would be vastly greater, because of the lower-cost, the number of people that could be served on a nightly basis would likely be less (by equating for example one hostel bed which sleeps one overnight visitor with one hotel room that could sleep three). Therefore, this mitigation alone is not sufficient to find complete consistency with all of the relevant policies.



Fort Ord Hostel (future)

Monterey Hostel

Highlands Inn

Pfeiffer Big Sur State Park

Piedras Blancas Hostel (future)

Bridge Street Hostel, Cambria

San Luis Obispo Hostel

A-3-MCO-98-083 condition 4
Exhibit 2 location map
Page 1 of 1



HOSTELLING INTERNATIONAL USA

HIUSA.ORG

Central California Council PO Box 2538 Monterey CA 93942 T 831.899.1252 F 831.649.0375 CentralCalHostels.org

Dr. Charles Lester, Executive Director
California Coastal Commission
725 Front Street, Suite 300
Santa Cruz, CA 95060

March 20, 2012

Dear Dr. Lester,

We are requesting that the Coastal Commission fund up to \$300,000 to match committed funds for the renovation of the former Piedras Blancas motel into a 60 bed HI-USA Hostel.

We believe this is an appropriate use of funds from the Highlands Inn mitigation account since a hostel at this site would offer lower cost overnight accommodations than are available at the southern end of the Big Sur coast. An HI-Piedras Blancas Hostel would provide travelers in both directions the opportunity to extend their recreational experience of the Big Sur coast in a cost effective way. The distance between the HI Monterey Hostel and the proposed HI-Piedras Blancas Hostel is less than 90 miles which would allow a traveler the time to explore the Big Sur coast from either hostel in a leisurely way during daylight hours without the concern of not finding low cost accommodations at the other end.

A hostel at Piedras Blancas would also be a recreational destination by itself with the Coastal Trail passing through the site and a popular elephant seal habitat and historic lighthouse less than a mile away, as well as Hearst Castle being within 10 miles of the hostel.

This is an exciting project that we believe can be accomplished by fall of this year with sufficient funding. The Coastal Conservancy has agreed to a grant of \$250,000; State Parks can contribute up to \$150,000; and we have obtained a grant of \$30,000 to develop plans and construction documents for an HI-Piedras Blancas Hostel. We now have draft floorplans based on the motel footprint and anticipate having construction drawings in April. This would allow State Parks to issue a building permit as early as June and construction could start shortly afterwards. Considering the sound condition of the buildings, our contractor and architect estimate renovation costs should not exceed \$750,000. Support from the Coastal Commission with matching funds would help ensure success.

We are in the process of developing an operating budget for the HI-Piedras Blancas Hostel, however, based on occupancy statistics from HI-Monterey and HI-Pigeon Point Hostels, we are certain the HI-Piedras Blancas Hostel will generate excess income and we could commit a percentage of it towards a fund for additional hostels along the Big Sur coast between Monterey and Piedras Blancas.

We would appreciate the Coastal Commission's kind consideration of our request to help fund a Hostel at Piedras Blancas. Please review the attached material and feel free to contact me if you have any questions.

Regards,

Peter C. Kambas
president@centralcalhostels.org
cell: 831.325.3853

A-3-MCO-98-083 condition 4
Exhibit 3 HI letter
Page 1 of 6

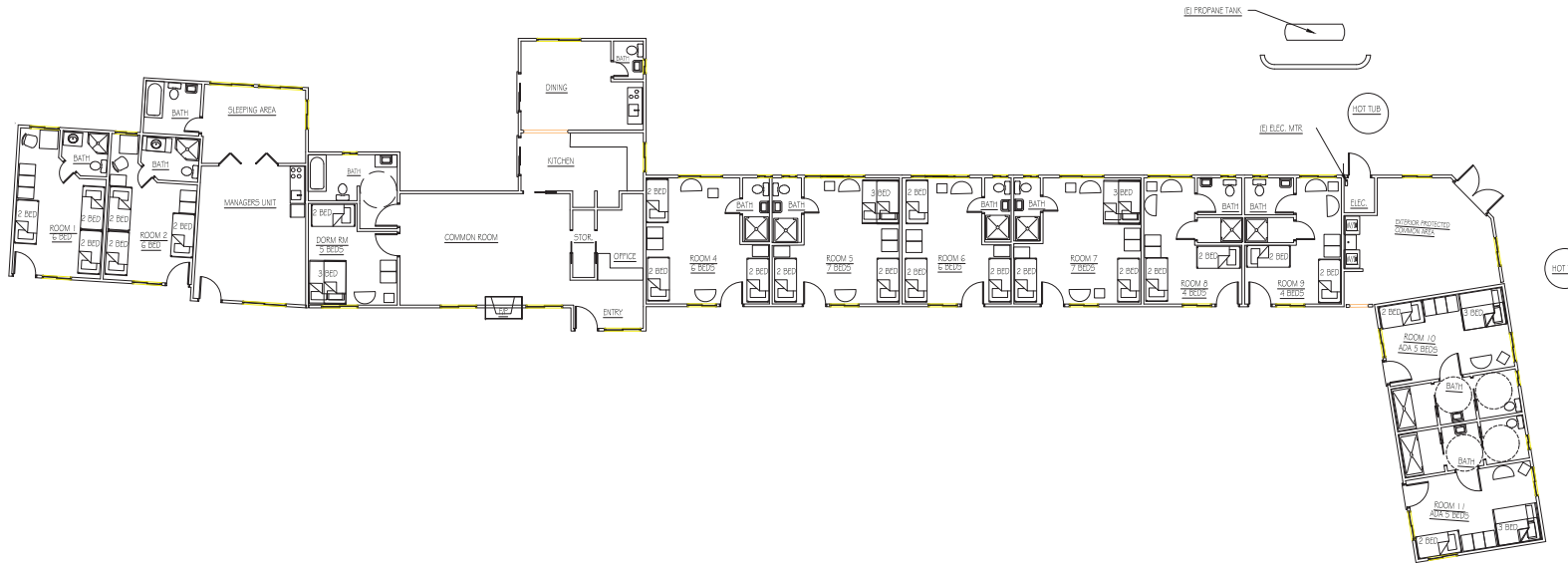
Approximately 75 miles of coastline between Cambria and Andrew Molera SP



PIEDRAS BLANCAS MOTEL, LIGHTHOUSE, & ELEPHANT SEAL

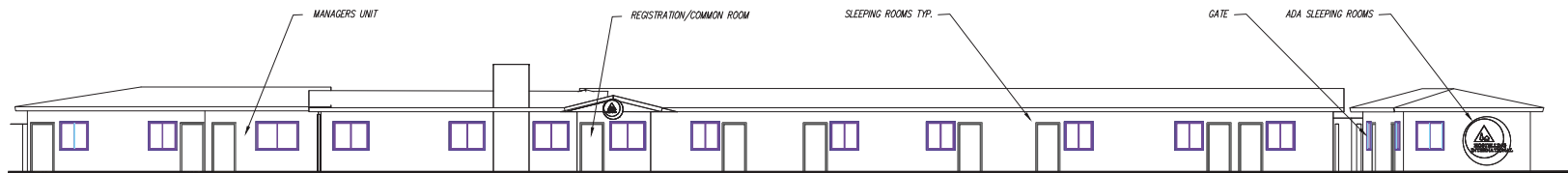


60 Bed Hostel [5 Family Rooms (2 ADA) + 6 Dorm Rooms (2 ADA) +1 Staff Apt; Self-Serve Kitchen, Dining, 2 Common Rooms]



**PROPOSED PHASE 1A FLOOR PLAN
PIEDRAS BLANCAS HOSTEL**

SCALE: 1/8" = 1'-0"



EAST ELEVATION

SCALE: 1/8" = 1'-0"

PROPOSED PEIDRAS BLANCAS HOSTEL 3-19-2012

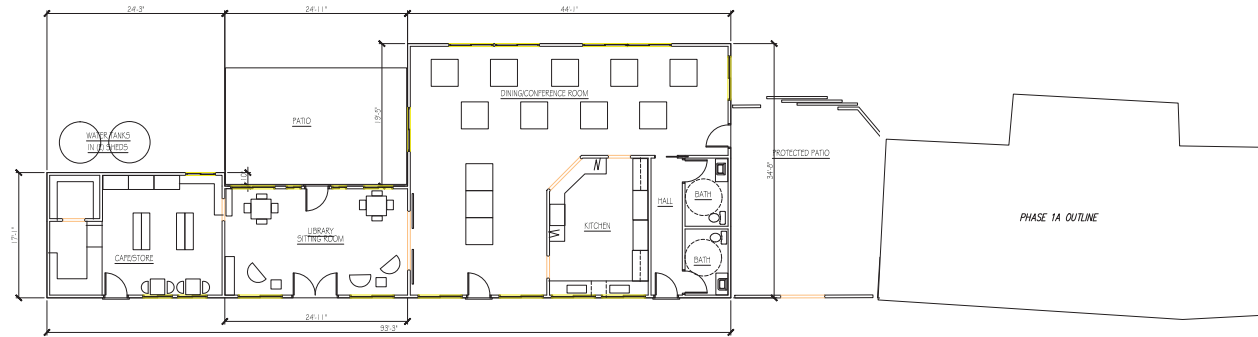
REVISIONS	BY

TERRI L.N. FISHER
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PIEDRAS BLANCAS HOSTEL
 HEARST SAN SIMEON STATE PARK
 SAN LUIS OBISPO COUNTY, CA
 PROPOSED 1A FLOOR PLAN

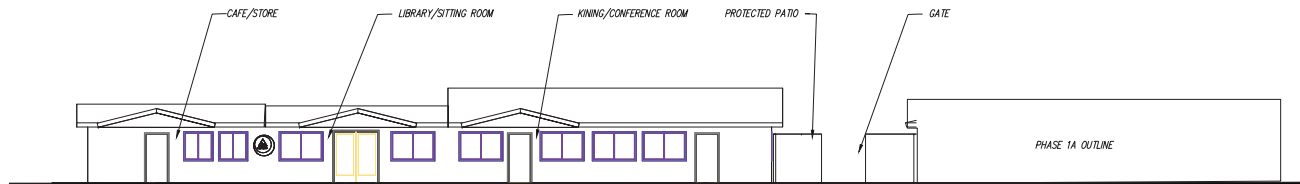
Drawn GCC
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Date 3-19-2012
Scale AS NOTED
Job No. PIEDRAS BLANCAS
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Of
Sheets

Cafe-Store; Library+Meeting Space; Group Dining/Conference Room; Group Self-Serve Kitchen; 2 ADA Bathrooms



**PROPOSED PHASE 1B FLOOR PLAN
PIEDRAS BLANCAS HOSTEL**

SCALE: 1/8" = 1'-0"



EAST ELEVATION

SCALE: 1/8" = 1'-0"

REVISIONS	BY

TERRI L.N. FISHER

ARCHITECT
LICENSE NO. C14039
SANTA CRUZ, CA 95060

OWNER:
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PIEDRAS BLANCAS HOSTEL

HEARST SAN SIMEON STATE PARK
SAN LUIS OBISPO COUNTY, CA
PROPOSED PHASE 1B FLOOR PLAN

Drawn	GCC
Checked	
Date	1-21-2012
Scale	AS NOTED
Job No.	PIEDRAS BLANCAS
Sheet	2a2
Of	Sheets

PROPOSED PHASE 1A FLOOR PLAN DRAWING 1-21-2012

Mr. Rick Hyman
Statewide Planning
California Coastal Commission
725 Front Street Suite 300
Santa Cruz, CA 95060

March 21, 2012

Dear Rick,

The Point Lobos Foundation respectfully requests that a family camp/science camp located in what is popularly known as Point Lobos Ranch satisfy the intent of the coastal development permit for a hostel, and that the Coastal Commission indicate in writing to the Point Lobos Foundation that a family camp/science camp would qualify to receive the Highlands Inn mitigation funds.

The Point Lobos Foundation (PLF), founded in 1978 as a 501(c) (3) non-profit corporation and chartered as a Cooperating Association to California State Parks, recently committed \$250,000, approximately half the cost, of the development of a new General Plan for the Carmel State Beaches area of Point Lobos Reserve, Point Lobos Ranch, Carmel State Beach and Hatton Canyon. State Parks regulations require the completion of a General Plan to guide the future development of these properties. Currently the Ranch has not been named, classified or opened to the general public, and wonderful opportunities exist for ways in which the public may be able to experience and enjoy this beautiful property.

At a PLF Board retreat in January, our directors agreed that, along with conservation, access and public safety, we have as a priority the development of a family camp/science camp. This facility would meet the criteria of our mission in several ways. It would invite the public, at a reasonable cost, to experience our beautiful central California coast. With the added financial support of the PLF, it would enable underserved student populations to camp here for a multiday environmental education experience that would awaken them to the complexity and fragility of our coastal ecology and its adjacent marine sanctuary, as well as to its unique multicultural history. For many students, including those who live inland in our own Monterey County, it would be their first time to see the ocean.

Just last year our docents led over 2,100 elementary students on guided walks within Point Lobos Reserve, including over 600 as part of the Foundation-supported outreach program where we pay transportation costs for economically disadvantaged schools. Imagine the impact we could have if our outreach included subsidies and/or scholarships for a residential camp experience at the Ranch! We are financially strong with over a million dollars in reserve, an ongoing development program, visionary leadership and a passionate commitment to offering more opportunities for families and

students to experience our coastal environment. If you would like to review any of our financial statements, we would be pleased to provide them.

The General Plan process is already underway and should be completed by the end of the first quarter of 2014. The process requires a series of meetings with agencies, stakeholders and the general public who have an interest in its outcome. Based just on the first of these, designed to learn interests and concerns of agencies and stakeholders, we already know that there is strong community support for a residential camp for students such as we envision. This support was initially noted in 2005 when the Big Sur Land Trust drafted its Carmel River Parkway Vision Plan and it seems only to have grown stronger in the intervening years. We include as attachments relevant pages from their Vision Plan because we anticipate that the community meetings scheduled by the General Plan team will elicit similar responses. An example from the Vision Plan of one response: *create residential center for schools throughout Monterey County – there is currently no outdoor education center for schools in Pacific Grove/Pebble Beach/Carmel/Monterey/Salinas/Seaside/Big Sur. This is a huge market.* Also included are their suggestions for locating a science camp on the Ranch property.

With the written commitment from the Coastal Commission that a family camp/science camp at Point Lobos Ranch would qualify for the Highlands Inn mitigation funds, the Point Lobos Foundation is prepared to start exploring designs and develop the economic model to ensure the facility would be self sustaining.

Please contact any of the undersigned if you would like to discuss this in more detail or request additional information.

Sincerely,
Point Lobos Foundation

Sandy Hale, Board President
831 622-7025
hopesandy@sbcglobal.net

Lynne Miles, Board Vice President
831 626-7056
write2edit@aol.com

Steve Dennis, Chair Finance Committee
831 620-0232
oceansteward@sbcglobal.net

Attachments:

General Plan Priorities of the Point Lobos Foundation
Current Maps and Photographs of Point Lobos Ranch
Copies of Maps, Sketches and Public Comments related to a science camp
reproduced from the Big Sur Land Trust's Carmel River Parkway Vision Plan

Memo from: Point Lobos Foundation

To: State Parks Planning Department and AECOM Carmel Area General Plan Team

February 8, 2012

The following Principles and Priorities are the result of considerable discussion by the Board of Directors of the Point Lobos Foundation, who have collectively agreed that these statements represent our concerns and interests in the development of a new General Plan.

Principles

Maintain PLSNR as a Reserve

For all properties considered within the GP, we support a focus on nature and cultural history.

We support the development of the Ranch in ways that have some consistency with the Reserve. Classification of the Ranch should take into account their proximity and likely shared parking, as well as visitors' ease of understanding different rules and restrictions that could apply.

We support the preservation of areas of natural and/or cultural significance (e.g. Gowan cypress, Ohlone artifacts).

We support solutions for parking entirely off Route 1, with access to both the Reserve and new park in ways that foster and preserve the natural characteristics of the properties and enhance the visitor experience.

We support solutions for safe pedestrian and wildlife crossing of Route 1.

We support the integration of trails and wildlife corridors connecting to adjacent properties.

We will support those proposals which offer a long-range vision for the preservation and enjoyment of the unique natural features and cultural history of the Monterey County central coast for generations to come.

We support efforts by State Parks to improve the financial sustainability of the Reserve by instituting or expanding revenue generating programs that are consistent with the foregoing principals.

Priorities

At an all-day Board Retreat on January 14, 2012, we voted on those items we consider priorities for the General Plan to address:

- 1: Maintaining the Reserve as a reserve;
2. Solving the parking off Route 1 and safe access puzzle, including reduction of the speed limit.
3. Opening the Ranch to the public via trails, non-motorized recreation areas, family camping, science camp for upper elementary and middle school students focused on coastal and marine ecology, restoration of old buildings.
4. Supporting regional connectivity and solutions for trails, parking, etc.
5. Planning for concessions, special events facilities (amphitheater, Hudson House) to support sustainability.

We would also like the General Plan to address the following:

Solutions to transportation in/ out and within the Reserve to prevent the back-up onto the southbound traffic lane of Highway 1.

Parking at the Ranch to accommodate the 150 – 200 cars that now frequently park on busy holidays and weekends along Highway 1 just to access the Reserve. Additional parking will be required for visitors to the Ranch.

Determining a location for a Point Lobos Foundation Headquarters at the Ranch.

Determining a location for a regional Visitor Center.

Determining a location for a residential science camp at the Ranch.

Identifying a location for an amphitheater to accommodate large groups.

Restricting activity at the Ranch to non-motorized recreation.

Within the Reserve:

Developing Hudson House for revenue-generating special events.

Redesigning the present Information Station and surrounding parking lot to create a larger, permanent structure with enlarged retail sales capacity, some interior shelter from inclement weather and increased storage capacity. The parking lot surface needs to be repaired where tree roots now make it an uneven safety hazard.

Redesigning the present parking and picnic areas at Bird Island to locate handicap parking closer to trail head; perhaps move other parking in wooded area just to the north thus allowing for an expanded picnic area as well as a second, permanent Information Station.

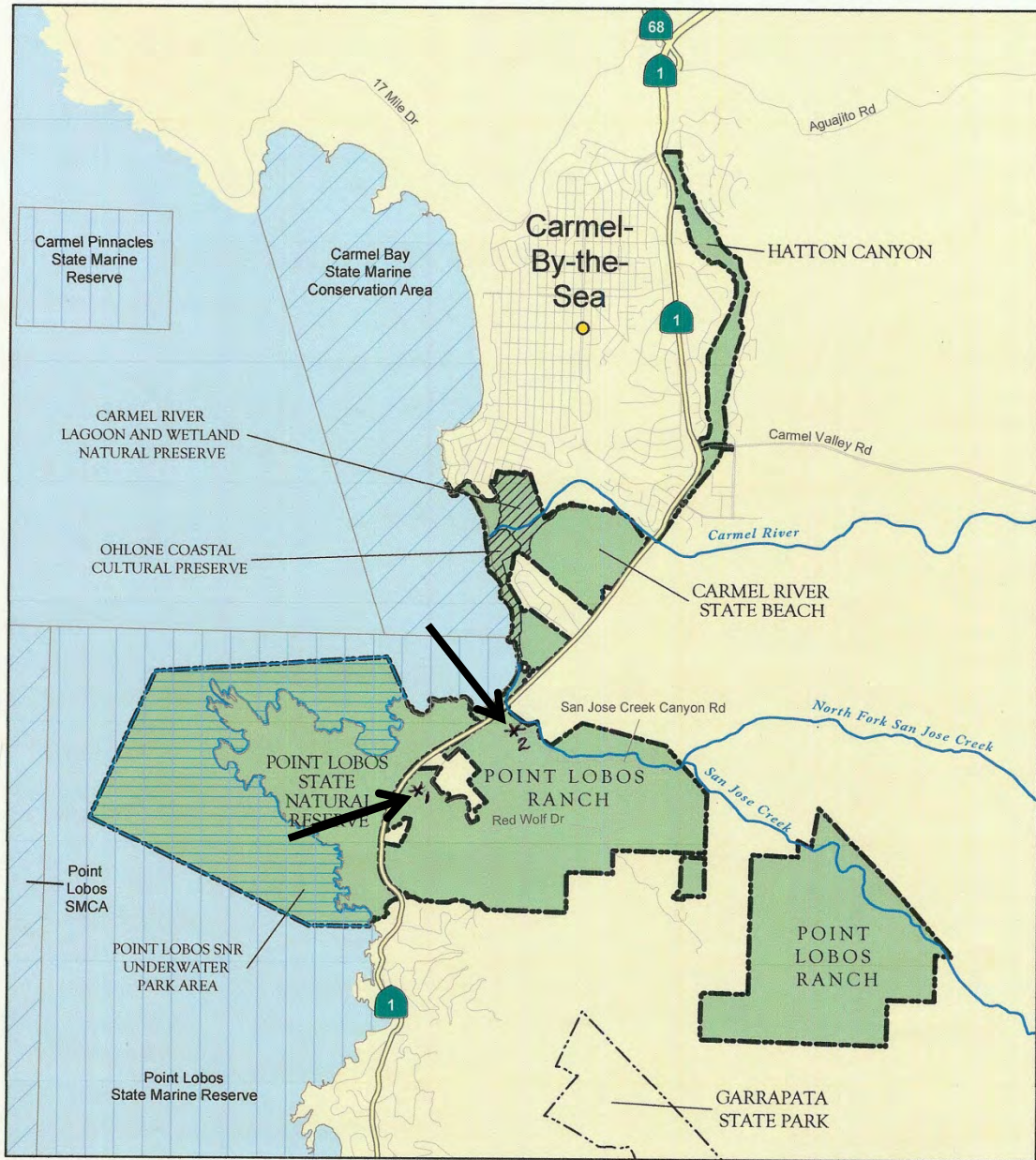
Examining safety issues on the Sea Lion Point trail and recommending corrections.

Considering the question of how to move visitors from one area of the Reserve to another, such as using a tram or electric cart.

Locating potential areas for the development of revenue generating activities and/or concessions.

*Prepared by the Ad Hoc General Plan Committee of the Point Lobos Foundation, January 8, 2012,
Lynne Miles, Chair.*

Point Lobos State Natural Reserve, Point Lobos Ranch, Carmel River State Beach and Hatton Canyon



- | | |
|--|----------------------------|
| State Park Boundaries in General Plan | — Stream |
| Park Unit or Property | — Highway |
| Natural & Cultural Preserves | — Local Roads |
| Underwater Park Area | State Marine Conserv. Area |
| State Park Boundaries Not in General Plan | State Marine Reserve |

Map Prepared by
Calif State Parks
Planning Division
General Plan Section
Sept 20, 2011



Potential Site #1 (see map for location)



Potential Site #2 (see map for location)

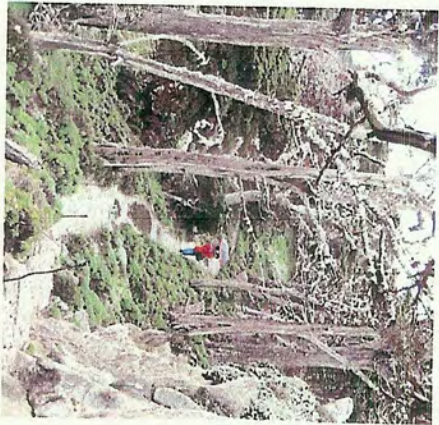


Point Lobos Ranch and Reserve

Introduction

Point Lobos has been treasured for generations. In recent years, an adjacent piece of property east of the highway, called Point Lobos Ranch, was acquired. This stunning property offers dramatic topography and rich biodiversity. From the Native American presence through recent decades, traces of every era of local human history exist at Point Lobos Ranch. This property offers numerous opportunities for preservation, restoration, education and recreation.

Numerous trail possibilities were initially studied within Point Lobos Ranch. Five trails eventually received priority designation. The priority trails within Point Lobos Ranch will circle the property with various potential loops. Most trails in Point Lobos Ranch will be challenging hikes.



Previous Page Top Left: Existing trail in Point Lobos Reserve
 Previous Page Top Right: Aerial view of Point Lobos, photo by Douglas Smedley
 Previous Page Bottom: Ocean view from Point Lobos Reserve

- Point Lobos Ranch & Reserve Sub-region**
- Discovery Points
 - Education Sites
 - Potential Parking
 - Revegetation Areas
 - Stream Restoration
 - Viewpoints
 - Wildlife Pinch Points
 - Key Connections
 - Bikeways
 - Priority Trails
 - Secondary Trails
 - Existing Trails

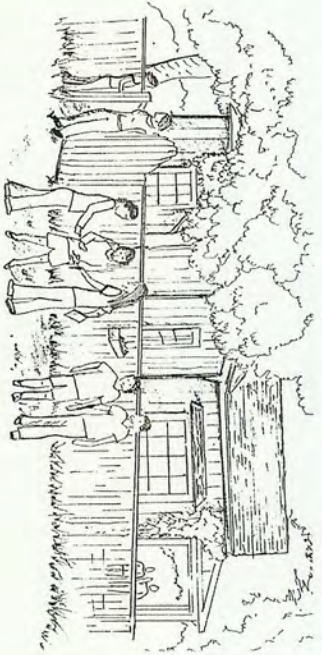


- Viewpoints**
1. Coastal Terrace Vista (elevation 100ft.)
 2. Gibson Creek View (elevation 600ft.)
 3. West View Ridge (elevation 700ft.)
 4. Bay View (elevation 760ft.)
 5. Huckleberry Hill (elevation 930ft.)
 6. Over San Jose Creek (elevation 820ft.)
 7. South View (elevation 1,000ft.)
 8. East Ridge View (elevation 960ft.)
 9. Chaparral Point (elevation 840ft.)

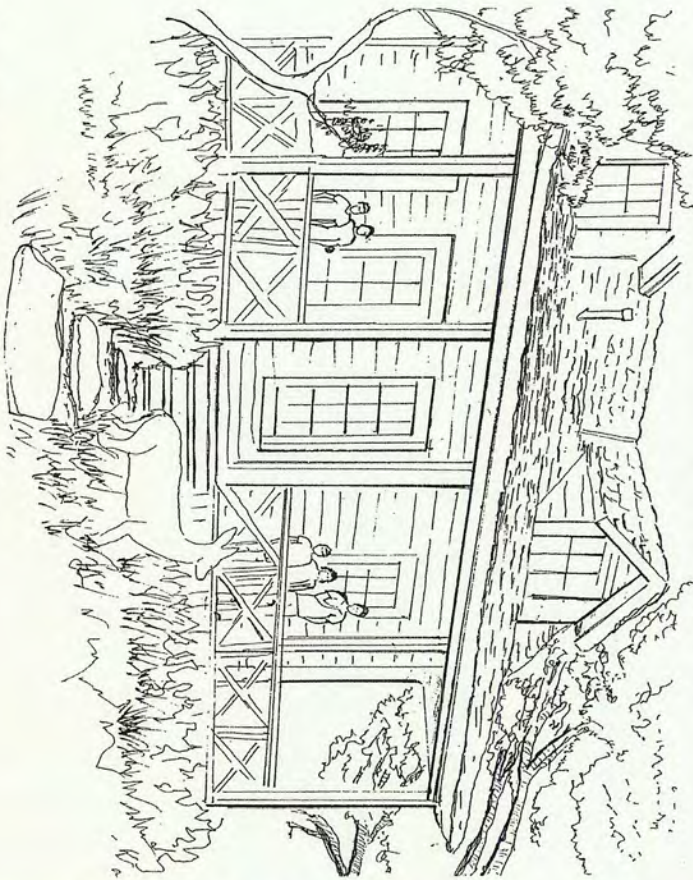
- Discovery**
- A. Polo Field Trailhead
 - B. Whaler Creek Trailhead
 - C. Gowen Cypress Groves
 - D. Tree Lupine Canyon
 - E. San Jose Creek Meadow
 - F. Redwood Junction

Point Lobos Ranch & Reserve Sub-region
 605 Studio, Landscape Architecture
 California State Polytechnic University, Pomona

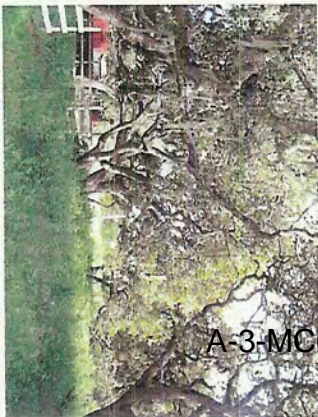
Top: Barn at Point Lobos Ranch
 Center: View of oak grove near proposed
 educational site
 Bottom: Barn at Point Lobos Ranch



Science and Discovery Camp at Whistler Cabins



Campers discovering Point Lobos Ranch



Education

The Historic Whistler cabins along the Old Highway Trail offer an exciting opportunity for an overnight science camp facility. The property has a series of charming old cottages, which would make a great location to provide fun and educational experiences for children in nature. The interplay of rare conifers, the rich marine coastal habitats, coastal streams, canyons, and ridgetops promise an unparalleled venue for environmental science studies. The well-established docents program at Point Lobos State Reserve also presents the opportunity for intergenerational learning and stewardship programs.

The facility can maintain a secluded, fenced off area separated from the main part of the park, but remain connected to the trail systems. The existing cabins and barns offer a rustic camp atmosphere with enough infrastructure and access to operate a camp facility. At the same time, history of the ranch and local region is embodied in the old buildings, adding to the richness of this educational opportunity.

"All children deserve contact with nature as part of their heritage. The more our children see and know of the natural world around them, the better equipped they will be to face the basic realities of life and realize the noble potential of existence this planet has to offer."

Ansel Adams



Top: Proposed parking and barn at Point Lobos Ranch
 Center: Oak tree on Whistler cabins
 Bottom: View of entry road to proposed educational site at Whistler cabins



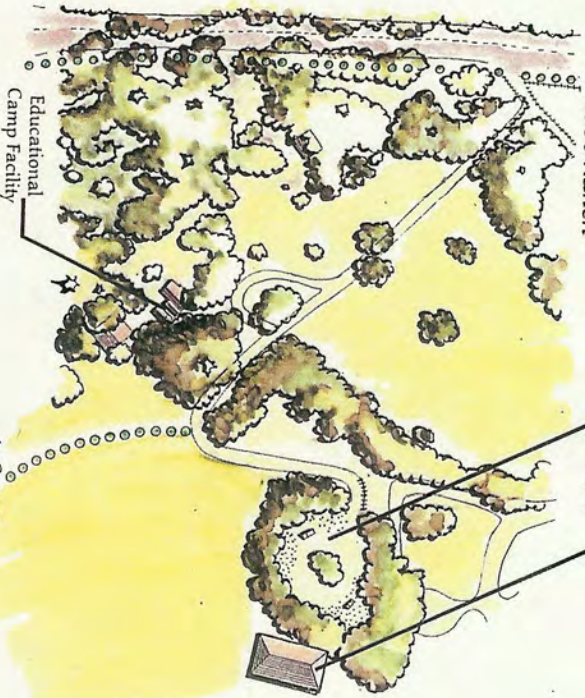
Whistler Cabins

Camp Site

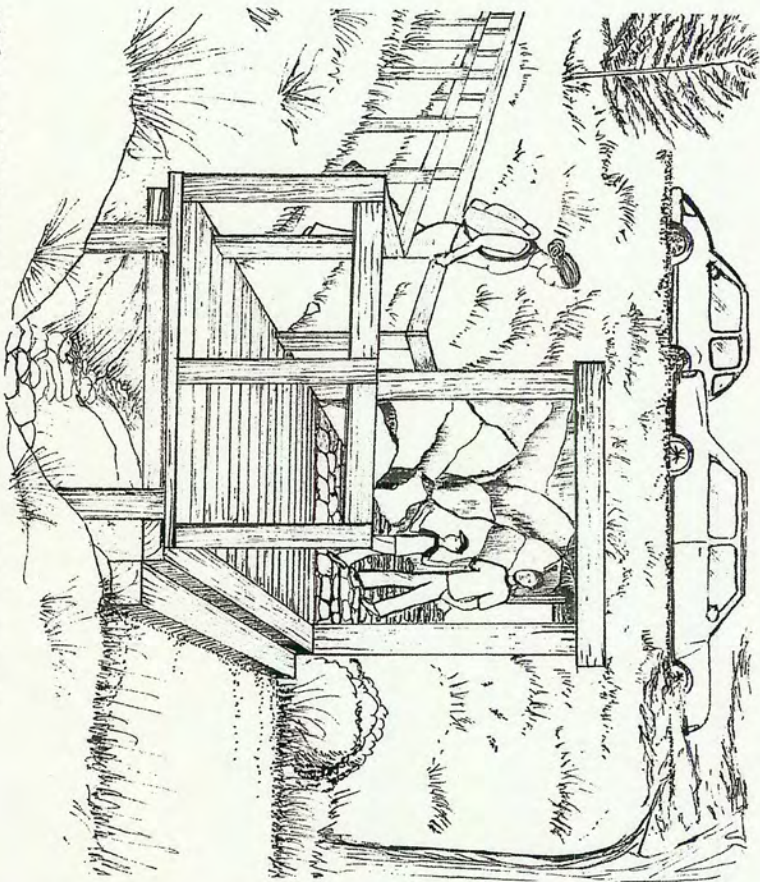
Point Lobos Ranch

Bus Turning Area

Outdoor Education Barn



Top Right: Parking on Highway 1 near
Point Lobos Ranch and Reserve
Bottom Right: Mountain Back



Highway 1 Undercrossing at Point Lobos Ranch & Reserve





HOSTELLING INTERNATIONAL USA

HIUSA.ORG
Central California Council PO Box 2538 Monterey CA 93942 T 831.899.1252 F 831.649.0375 CentralCalHostels.org

Dr. Charles Lester, Executive Director
California Coastal Commission
725 Front Street, Suite 300
Santa Cruz, CA 95060

March 21, 2012

Dear Dr. Lester,

I am writing to give the Coastal Commission an update on our progress with the Monterey Bay Eco-Hostel project at Fort Ord. This project was delayed at the request of the city of Seaside when they asked us to consider an alternate site for a Seaside hostel. After completing a feasibility study of the alternate site, we found it was not comparable to our Fort Ord site and decided to continue with the Fort Ord site – that was in August 2011.

Since last August, we completed our 5 phase master plan for a 120 bed Monterey Bay Eco-Hostel at the Fort Ord site. We submitted it in January 2012 for approval by the Seaside Planning Commission. It is a complex project and is moving slowly through the Seaside planning process. We anticipate approval of the master plan in June 2012 and should receive a permit for starting construction on Phase 2 - Building B (for a 30 to 36 bed hostel annex) by this coming August or September.

There is some overlap with the Piedras Blancas hostel project, but the HI-USA National office has assigned two experienced hostel development staff members to help us manage the Piedras Blancas project so the team in Monterey can concentrate on the Fort Ord project this summer.

I've attached a map locating the Eco-Hostel at Fort Ord, also a fundraising sign that includes a schematic drawing of what the Eco-Hostel project should look like when completed, as well as schematics and floor plans for Phase II – Building B. This is a longer term project than Piedras Blancas because it involves the adaptive reuse of military buildings, whereas there is virtually no adaptive reuse work to convert the Piedras Blancas motel into a hostel.

We are very excited at the possibility of completing both hostel projects this year, and hope the Coastal Commission will be able to support them both with funding as needed.

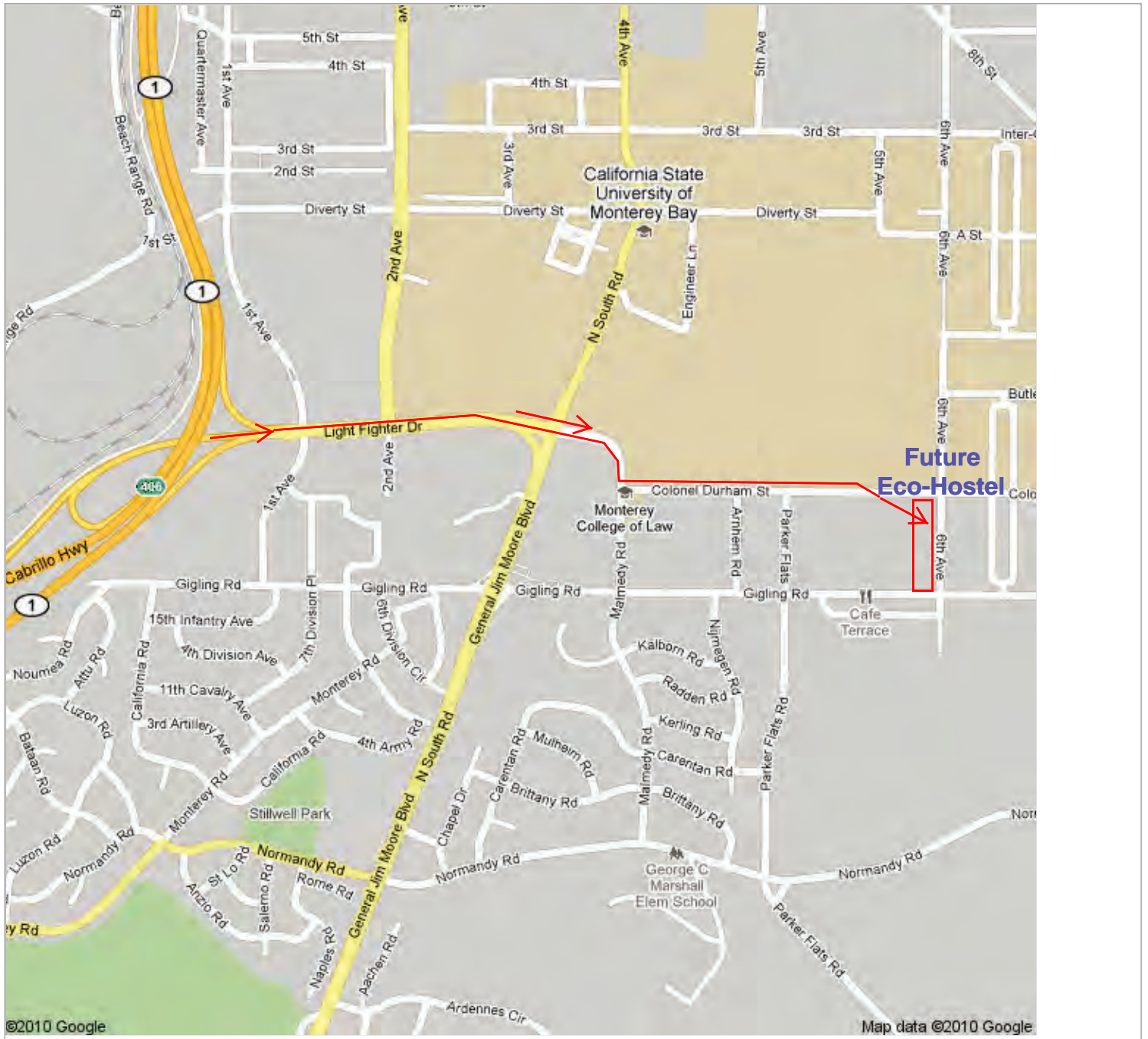
Please review the attached material and contact me if you have any questions.

Regards,

Peter C. Kambas
president@centralcalhostels.org
cell: 831.325.3853

Notes HI-USA Future Fort Ord Hostel
4420 6th Ave,
between Giggling Rd and Col. Durham
St.
Seaside, CA

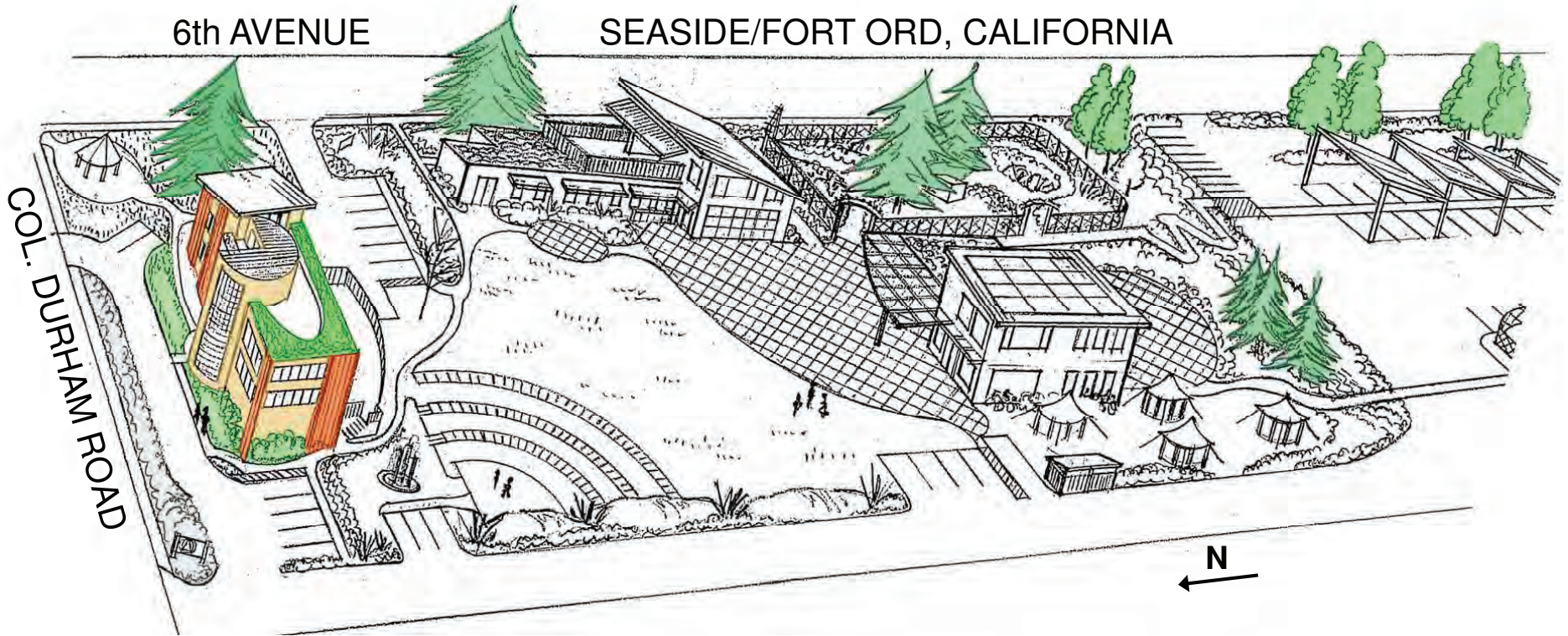
To Santa Cruz



To Monterey

6th AVENUE

SEASIDE/FORT ORD, CALIFORNIA



Monterey Bay Eco-Hostel

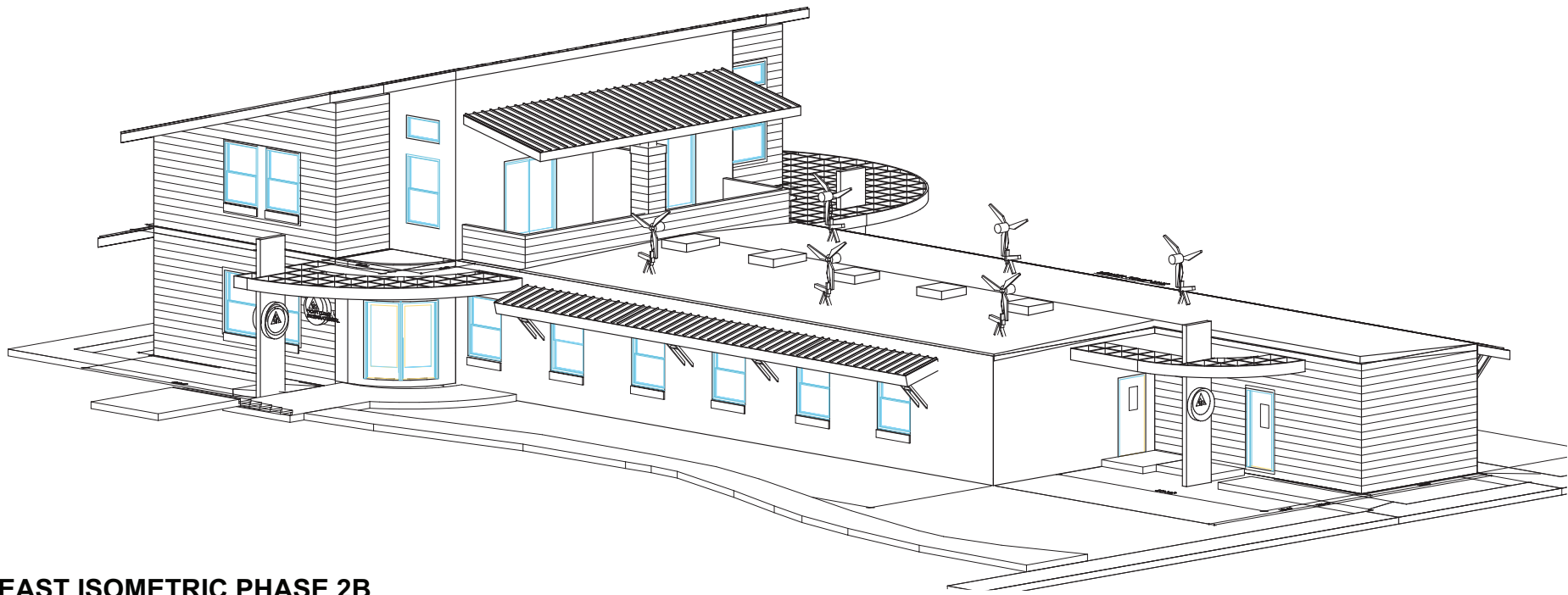
Future Environmental Learning Center Hostel

For Information Contact
HI-USA Central California Council
P.O. Box 2538, Monterey CA 93942
www.FortOrdHostel.org

**Volunteers
& Donations
Needed
Call
831.899.1252**

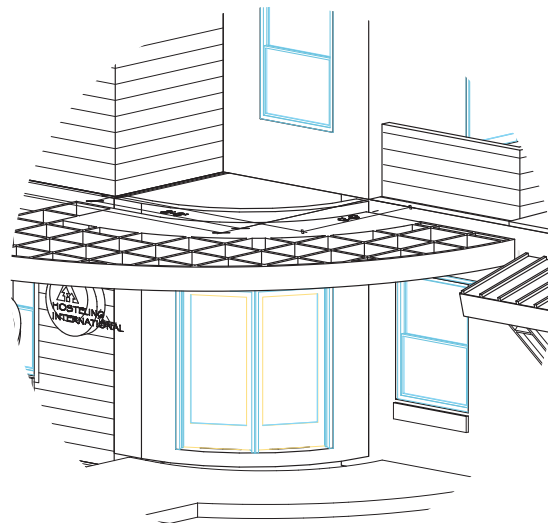
MONTEREY BAY ECHO-HOSTEL PHASE 2 A+B
Building B-4420 6th Ave, Seaside CA





EAST ISOMETRIC PHASE 2B

SCALE: NTS



EAST ENTRANCE PHASE 2B

SCALE: NTS

A-3-MCO-98-083 condition 4
 Exhibit 5 Ft Ord hostel
 Page 5 of 7

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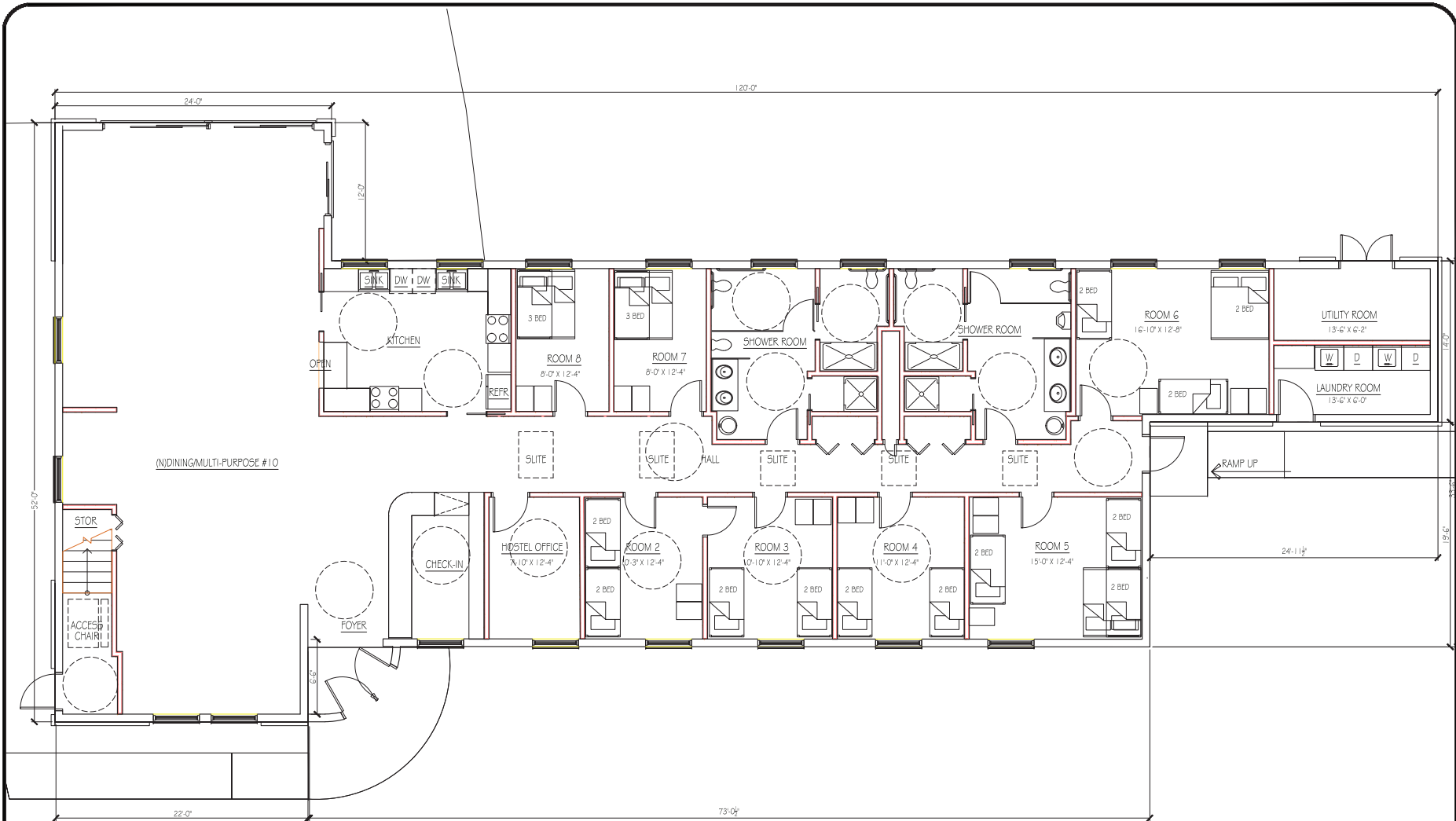
TERRI L.N. FISHER

ARCHITECT
 LICENSE NO. C14039
 SANTA CRUZ, CA 95060
 EMAIL: terrich@aol.com

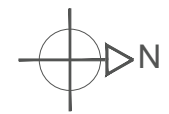
HOSTELLING INTERNATIONAL - USA
HI - MONTEREY BAY ECO HOSTEL

OWNER:
 CENTRAL CALIFORNIA
 COUNCIL OF AYH
 P.O. BOX 2539
 MONTEREY, CA 93942
 APN (031-151-018)

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GCC
Checked
Date
5-2-2011
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Sheet
Of
Sheets



BLDG. B - LOWER FLOOR PLAN



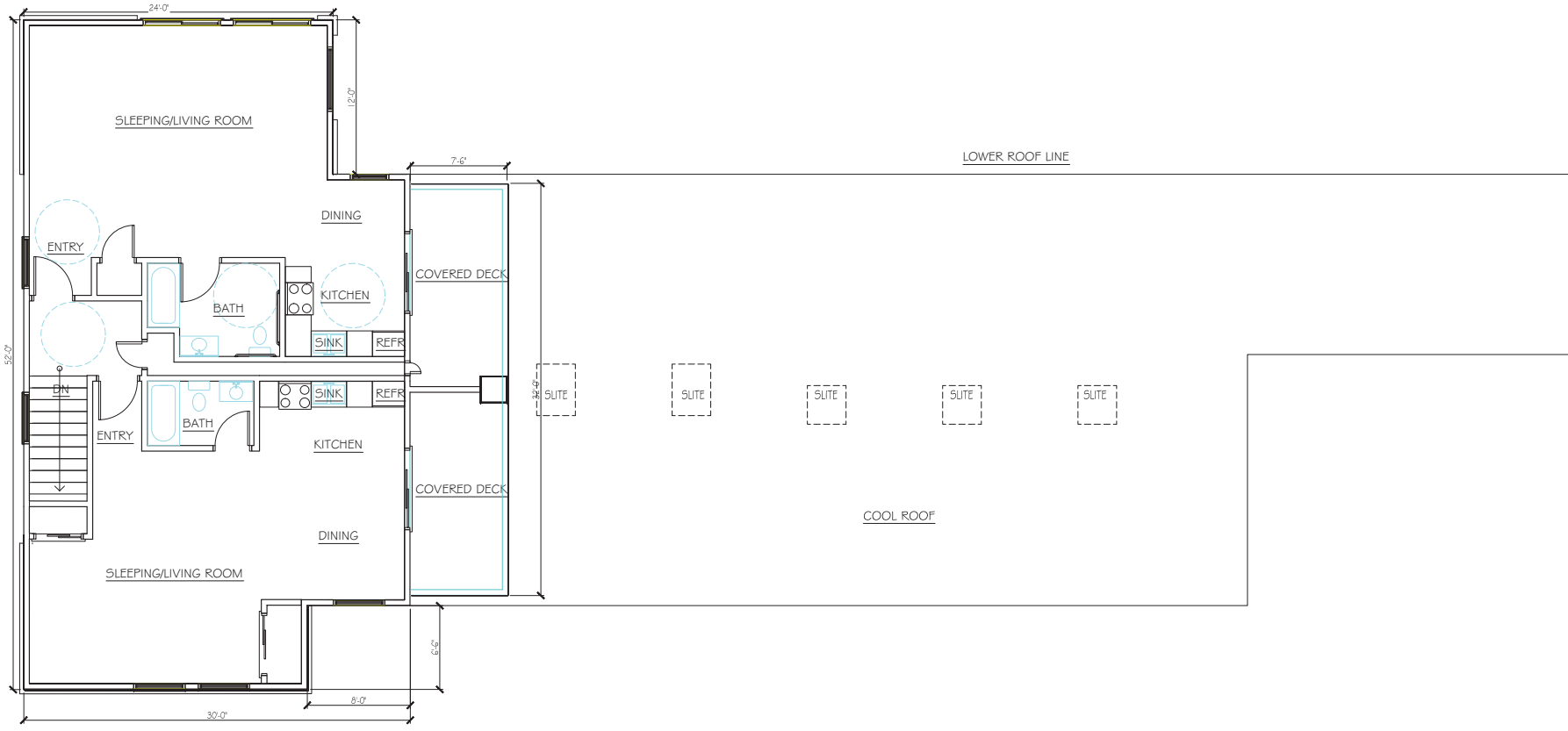
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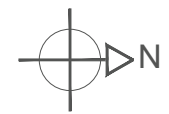
TERRI L.N. FISHER
 ARCHITECT
 LICENSE NO. C14039
 SANTA CRUZ, CA 95060
 (831) 424-5105
 283 MIRACLE LN.
 EMAIL: terrifish@aol.com

HOSTELLING INTERNATIONAL - USA
 OWNER: CALIFORNIA
 HI - MONTEREY, FORT ORD HOSTEL
 CARETAKER UNIT BUILDING 4420
 6TH AVE. SEASIDE, CA APN (031-151-018)
 MONTEREY, CA 93942

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BLDG. B - UPPER FLOOR PLAN



SCALE: 1/4" = 1'-0"

REVISIONS	BY

HOSTELLING INTERNATIONAL - USA
HI - MONTEREY, FORT ORD HOSTEL
 CARETAKER UNIT BUILDING 4420
 6TH AVE. SEASIDE, CA APN (031-151-018)

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