

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST AREA OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
(408) 427-4863
HEARING IMPAIRED: (415) 904-5200

F5a

**STAFF REPORT: APPEAL
DE NOVO HEARING**

Filed: 5/6/97
49th day: 6/24/97 (Waived)
180th day: 11/2/97
Staff: DC-SC
Staff report: 9/18/97
Hearing date: 10/10/97
Note: The Coastal Commission previously found a substantial issue on July 9, 1997.

Appeal number..... A-3-MCO-97-037, Casa Palmero Inn, Spa, and Parking Facility
Applicant..... Pebble Beach Company
Appellants..... James Miller, Carl Nielsen, Jody Bunn, Nathalie Bunn, Ted Hunter, and Paul Byrne
Local government..... Monterey County
Local decision..... Approved with conditions
Project location..... 1518 Cypress Drive near the intersection of Cypress Drive with Palmero Way in Pebble Beach; Del Monte Forest area of Monterey County (APNs: 008-423-32, 008-423-35, 008-423-36).
Project description..... Partial demolition, reconstruction, and addition to an existing single family dwelling to create a 24 unit inn and 24 room spa ("Casa Palmero"). Project includes a lot recombination and the replacement of an existing parking area with a parking garage with one level at grade and two levels below grade requiring 31,000 cubic yards of excavation.
File documents..... Monterey County Permit File PC96024 (Casa Palmero); Monterey County Local Coastal Program (Del Monte Forest Area Land Use Plan and LCP Implementation Plan); Monterey County Local Coastal Program Major Amendment 2-94; 3-84-226 (Spanish Bay).
Staff recommendation.... Approval with conditions

Staff Summary: Staff recommends approval with conditions. As conditioned, the proposed project provides a net public access enhancement in the Stillwater Cove area. As discussed in the summary chart following, all impacts of the project are mitigated. Project benefits include (1) a comprehensive, well signed, public pedestrian accessway through the Pebble Beach Lodge area and to the beach at Stillwater Cove, (2) well signed public parking areas for visitor access, and (3) traffic reduction within the Lodge area on 17 Mile Drive. The recommended conditions maximize coastal public access in this special visitor destination and, as discussed in this report, the proposed project is consistent with the

access and recreation policies of Chapter 3 of the Coastal Act and the policies of the certified Monterey County LCP.

The primary LCP and Coastal Act public access issues for this project can be summarized as follows:

Issue	Impacts	Mitigation/Conditions
Pedestrian/ shoreline access	Localized increased traffic on designated Stillwater Cove public access route. Increased conflict with pedestrians who currently have to walk in Cypress Way roadway.	Implementation of Pedestrian Access Enhancement Program, to provide complete, off-street pedestrian circulation system for the Pebble Beach Lodge area. Signs to direct visitors to the beach, trails and other points of interest.
Parking	Loss of LUP-designated unreserved 130 space parking area for Stillwater Cove public access.	Preservation and enhancement of visitor parking capacity within the new parking facility and in nearby existing parking areas.
Traffic	Incremental traffic increase on 17 Mile Drive and localized impacts on Palmero Way.	Localized traffic circulation enhancement on 17 Mile Drive by shifting employee parking away from Lodge and encouraging more pedestrian trips by developing a safe trail system. Trip reduction program consistent with LCP requirement. Left turn lane on 17 Mile Drive and fair share contribution to Highway 1/68 intersection improvements (per County conditions).

STAFF REPORT CONTENTS

1. Staff Recommendation on Coastal Development Permit	3
2. Conditions of Approval.....	3
A. Standard Conditions	3
B. Special Conditions.....	3
3. Previous Action	6
A. Monterey County local government action	6
B. California Coastal Commission action.....	6
4. Recommended Findings and Declarations.....	7
A. Project Location.....	7
B. Project Description	7
C. Issue Discussion.....	8
1. Public Pedestrian Access and Recreation.....	8
2. Public Access Parking	11
3. Circulation and Traffic	15
4. Development/Land Use	22
5. Water and Sewer	24
6. Tree Removal	25
7. Scenic resources.....	27

8. Marine resources.....	29
9. Archaeological resources	32
10. Geology.....	32
11. California Environmental Quality Act (CEQA).....	33
5. Exhibits	
Exhibit A: Standard Conditions	
Exhibit B: Monterey County's Conditions of Approval	
Exhibit C: Casa Palmero Location Maps and Project Plans	
Exhibit D: Pebble Beach Company's Proposed Public Access Enhancement Program	
Exhibit E: Stillwater Cove Beach Access Management Plan, Figure 12 (DMF LUP, Appendix B)	
Exhibit F: Casa Palmero Traffic and Parking Study (Summary Version), September 15, 1997	
Exhibit G: California Health and Safety Code Section 40929	
Exhibit H: Representative Examples of Correspondence Received Since Substantial Issue Hearing (7/9/97)	

1. STAFF RECOMMENDATION ON COASTAL DEVELOPMENT PERMIT

The staff recommends that the Commission, after public hearing, adopt the following resolution:

Approval with Conditions. The Commission hereby grants a permit for the proposed development, as modified by the conditions below, on the grounds that the modified development will be in conformance with the provisions of the Monterey County certified Local Coastal Program (LCP), the public access and recreation policies of the California Coastal Act of 1976 (Coastal Act), and will not have any significant adverse impact on the environment within the meaning of the California Environmental Quality Act (CEQA).

2. CONDITIONS OF APPROVAL

A. Standard Conditions (see Appendix A)

B. Special Conditions

- 1. Pedestrian Access.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a pedestrian access plan for the development of pedestrian access improvements as part of a mitigation program for the Casa Palmero development. Except as modified by this condition, such access mitigation plan provides for the pedestrian access improvements listed by the applicant in correspondence dated September 10, 1997 (attached as Exhibit D). Such improvements shall provide for a continuous, pedestrian, off-road (sidewalk or footpath, minimum 4 feet in width) wheelchair compatible route extending from Peter Hay Golf Course through to the Stillwater Cove beach area (from the visitor parking areas along 17 Mile Drive on Peter Hay hill to the Pebble Beach Lodge, from the Pebble Beach Lodge to Casa Palmero, and from Casa Palmero to the shoreline at Stillwater Cove). The pathway system shall include all routes marked as "Pedestrian Access" on the drawing labeled "Preliminary Pedestrian Access Plan/The Lodge at Pebble Beach," dated September 1997 (reduced copy attached as Page 4 of Exhibit D). These routes include the existing path to the Pebble Beach shoreline at the Sloat Building, and alternate paths from Casa Palmero through the Tennis Center to the Stillwater Cove pier.

The Executive Director may approve minor adjustments in these route alignments and/or deletion of duplicative parallel trail segments, as long as the continuity of the pathway system from the visitor parking areas (as described in Special Condition Two (2) below) to the shoreline at Pebble Beach and Stillwater Cove is maintained. The required improvements shall be provided in accordance with all measures in Monterey County Local Coastal Program Implementation Plan Section 20.147.130 (Public Access Development Standards). The pathway system shall also include a connecting hiking trail segment from the Peter Hay Golf Course to the nearest portion of the Del Monte Forest equestrian and hiking trail system (Figure 15, Del Monte Forest Area Land Use Plan). The construction standards for this particular segment of the pathway system may, but are not required to, accommodate wheelchair and equestrian users. The entire pathway system shall be open to the general public.

The required pedestrian access improvements shall be installed and ready for use PRIOR TO occupancy of the Casa Palmero project; provided that the Executive Director may extend the deadline for completion of any particular trail segment up to one year for good cause (such as the need to coordinate with other construction projects or signage programs).

2. **Parking Plan.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a parking plan whereby it can be assured that:

Peter Hay Hill Parking: The ninety-nine (99) parking spaces at Peter Hay hill along 17 Mile Drive shall be exclusively available for Pebble Beach visitor parking. No employees will be allowed to park in any of the ninety-nine (99) parking spaces along 17 Mile Drive at Peter Hay hill.

Casa Palmero Parking Facility: The eighty-five (85) parking spaces on the first level of the parking facility (at grade) shall be exclusively for visitor parking. No more than forty-eight (48) of these first level parking spaces will be specifically reserved for use by Casa Palmero Inn and Spa guests. No employees will be allowed to park in any of the first level parking spaces in the facility. The two-hundred-thirty (230) parking spaces on the lower two levels of the parking structure (below grade) will be available for visitors, spa and inn guests, or employee parking on a first-come, first-serve (unreserved) basis. These parking facility requirements can be temporarily suspended during special event periods (not to exceed four (4) events per year and a maximum of twenty-eight (28) days annually).

Stillwater Cove Parking: Ten (10) unreserved visitor parking spaces shall be available and marked specifically for beach access to Stillwater Cove, either (1) in the Tennis Center parking lot in the location nearest to the beach or (2) along the hedge adjacent to the 17th tee box next to the existing six (6) reservable Stillwater Cove parking spaces. These ten (10) parking spaces shall be available to Stillwater Cove beach users at all times, on a first-come, first-served basis, without any requirement for advance reservations. Clear directional signage shall be provided at Palmero Way. The employee exclusion and special event provisions applicable to the first level of the Casa Palmero Parking Facility, above, shall apply here as well.

These parking requirements shall be installed, adequately signed and ready for use PRIOR TO occupancy of the Casa Palmero project.

3. **Transportation Demand Management.** PRIOR TO OCCUPANCY of the Casa Palmero project, the permittee shall submit to the Executive Director for review and approval a trip reduction checklist which describes the proposed design elements or facilities, such as described in Monterey County Local Coastal Program Implementation Plan Section 20.64.250(D)(2) parts (a) through (u), that encourage alternative transportation usage by employees and users of the Casa Palmero development.

4. **Sign Plan:** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a final signing plan in conformance with Monterey County Local Coastal Program Implementation Plan Sections 20.147.130 (Public Access Development Standards) and 20.60.070 (Design Control District Sign Regulations) which identifies all signs that will be used for the Casa Palmero complex, and that will be used to clearly identify the pedestrian pathway system and public parking described in Special Conditions One (1) and Two (2) of this approval as being for general visitor (i.e., public) use. This signing plan shall include information and direction as to the location and availability of Stillwater Cove beach for public use, including adequate signs at the Palmero Way/17 Mile Drive intersection. The required signing improvements shall be installed and ready for use PRIOR TO occupancy of the Casa Palmero project, subject to any extensions approved by the Executive Director in accordance with the procedures specified in Special Condition One (1) above. All signs shall be maintained consistent with the approved sign plan.

5. **Final Landscape Plan:** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval the final landscape plan prepared for conformance with the County's permit conditions. Such plan shall indicate the location, size and species of the proposed plantings, including the mix of Monterey cypress, Coast live oak, and Monterey pine to be used for native tree replantings on the Casa Palmero site, and shall provide for use of other native plants as feasible. The landscape plan shall provide for adequate screening of the parking facility ventilation towers.

In addition, the permittee shall evaluate the native tree replantings at least once every five years for the life of the project. Any trees that have died, or have been otherwise removed, shall be replaced with a native tree (either Monterey cypress, Coast live oak, or Monterey Pine); at no time shall the number of such native trees be allowed to fall below twenty-one (21). Unless a satisfactory pitch canker resistant strain of Monterey pine becomes available, any dead and/or removed Monterey pine on the site shall be replaced by either a Monterey cypress or a Coast live oak.

6. **Erosion Control and Drainage Plan:** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a final erosion control and drainage plan which takes into account the final landscape plan (as required by Special Condition Five (5) of this approval) and includes provisions for sediment, grease, and oil-traps in the parking area or similar measures to prevent non-point source pollutants (surface contaminants) from entering Carmel Bay. The Plan shall also identify permanent measures for the maintenance and operation of all non-point source controls and these measures shall be recorded on a deed restriction in a form and content acceptable to the Executive Director. This document shall be recorded free of prior liens and any other encumbrances except for tax liens and shall run with the land, binding all successors and assignees of the landowner.

7. **RWQCB Approval:** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval either:

- a. Evidence that collected groundwater at the site will be used for irrigation or reclamation purposes; or
- b. In the event that the collected groundwater will be filtered through the Casa Palmero drainage system and into the Carmel Bay, a waste discharge permit or a waiver of waste discharge requirements or other evidence of the review and approval by the Regional Water Quality Control Board of the discharge generated by the Casa Palmero project. All Regional Water

Quality Control Board monitoring requirements and/or programs shall be submitted to the Executive Director at the same time they are submitted to the Regional Water Quality Control Board.

8. **Previous Conditions:** All previous conditions of approval from Monterey County remain in effect (Permit File PC96024, Monterey County Board of Supervisors Resolution 97-138) with the exception of Condition Forty (40) which is replaced by Special Condition Two (2) of this approval (see Exhibit B of this report for a copy of the local conditions of approval). PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval evidence that those conditions requiring action prior to the commencement of any work have been signed-off by the appropriate Monterey County official. Evidence of subsequent condition compliance must also be submitted to the Executive Director at the required stage. In the event that Monterey County officials do not exercise such authority, permittee shall submit condition compliance materials to the Executive Director for review and approval.

3. PREVIOUS ACTION

A. Monterey County local government action

The Pebble Beach Company applied to the Monterey County Planning and Building Inspection Department for a combined development permit (coastal development permit, general development plan, major lot line adjustment, and design approval) for the "Casa Palmero" project on April 15, 1996. Pursuant to the California Environmental Quality Act (CEQA), an initial study conducted by Monterey County determined that the proposed project, with the addition of mitigation measures, would not have a significant effect on the environment and a negative declaration with mitigation measures was filed for public review on October 17, 1996. The proposed project was analyzed by the Del Monte Forest Land Use Advisory Committee on December 5, 1996. This non-binding review board deadlocked on the proposed project and therefore no official recommendation came from this advisory panel. The lot line adjustment portion of the proposed project was then considered by the Monterey County Minor Subdivision Committee on December 12, 1996 which unanimously recommended approval. The Monterey County Planning Commission conducted a site visit on December 4, 1996 and considered the project at two public hearings on January 8, 1997 and January 29, 1997. On January 29, 1997 the Planning Commission adopted the mitigated negative declaration and approved the proposed project by a vote of 7-3. On February 24, 1997, the Planning Commission's approval was appealed to the Monterey County Board of Supervisors. The Board of Supervisors voted 4-1 on April 15, 1997 to approve the proposed project and mitigated negative declaration. The final local action notice for the project was received in the Coastal Commission's Central Coast office on May 5, 1997 and three appeals were filed during the 10 working day appeal period running from May 6, 1997 through 5 PM on May 19, 1997.

B. California Coastal Commission action

The California Coastal Commission determined on July 9, 1997 that this appeal raised a substantial issue regarding project conformance with the certified Monterey County LCP. The de novo hearing was continued until such time as a staff report could be prepared that addressed the project's conformance with the certified LCP and the public access and recreation policies of the Coastal Act.

Completion of the de novo hearing on this project, and action on the coastal development permit for the proposed development, is currently before the Commission.

4. RECOMMENDED FINDINGS AND DECLARATIONS

A. Project Location

The proposed project is located in Pebble Beach within the southern portion of the Del Monte Forest area of Monterey County. The Del Monte Forest contains all Monterey County coastal zone lands between the cities of Pacific Grove and Monterey to the north and the City of Carmel to the south. The subject site is bordered to the west by the Pebble Beach Lodge ("the Lodge"), to the north and east by the Pebble Beach Golf Course, and to the south by Palmero Way and Cypress Drive, connecting through at both ends to 17 Mile Drive. The Pebble Beach Tennis Center is located directly across the street to the south with the Pebble Beach Beach Club and Stillwater Cove directly down Palmero Way at the shoreline; offshore is the protected habitat of the Carmel Bay, including the Carmel Bay Area of Scientific and Biological Significance, Carmel Bay State Ecological Preserve, and the Monterey Bay National Marine Sanctuary (see Exhibit C).

B. Project Description

The Pebble Beach Company proposes to develop a 24 unit inn and a 24 room treatment spa at the site of the existing Casa Palmero mansion as an extension of the facilities currently available at the Lodge. The Casa Palmero mansion site was the subject of a previous Commission action which redesignated the parcel from "Low Density Residential" to "Visitor Serving Commercial" (Monterey County LCP Major Amendment 2-94 adopted January 11, 1995). The Casa Palmero mansion is currently used by the applicant for meetings, private parties, and some private accommodations. The development of the proposed new facilities would require partial demolition, extensive reconstruction, and new additions to the existing structures at the site. The structural footprint at the site is proposed to increase from 8,649 square feet (existing Casa Palmero mansion) to 31,212 square feet for the inn and spa; total inn and spa square footage are proposed at 50,360 square feet (see Exhibit C).

The project also proposes the development of a 315 space parking garage with one level at grade and two levels below grade. This parking garage would be constructed on the site of an existing 130 space parking lot that is directly to the east of the Casa Palmero mansion. The parking structure would provide for 230 Lodge area employee parking spaces (130 spaces to account for the existing on-site spaces and 100 spaces for employees currently parking along 17 Mile Drive), 72 parking spaces to accommodate new Casa Palmero guests and employees, and 13 overlap spaces to provide for parking area circulation. The construction of the underground parking facility would require approximately 31,000 cubic yards of soil excavation. Of the 31,000 cubic yards, approximately 5,000 cubic yards is proposed to be placed along the second and third fairways of the Pebble Beach Golf Course with the remainder proposed to be deposited in the old spyglass quarry pit, also owned by the applicant, located approximately 1.75 miles northwest of the Casa Palmero site. The proposed structural footprint of the parking garage is 41,527 square feet (see Exhibit C).

The project also proposes a parcel line adjustment and recombination to create a 5.1 acre parcel consisting of the 1.98 acre parcel (Casa Palmero mansion), the 1.99 acre parcel (Pebble Beach Company parking lot), and the addition of a 1.13 acre section of the adjoining property east of the parking lot site (currently a part of the Pebble Beach Golf Course). The Casa Palmero complex (inn,

spa, and parking facility) would be constructed on this new 5.1 acre parcel. Construction of the inn, spa, and parking facility would require the removal of 106 trees within the proposed building envelope.

C. Issue Discussion

1. Public Pedestrian Access and Recreation

a) Applicable policies

Coastal Act Section 30210: requires the provision of maximum public access, conspicuously posted, and recreational opportunities.

Coastal Act Section 30211: requires that development not interfere with existing public access.

Coastal Act Section 30213: protects, encourages, and, where feasible, requires the provision of lower cost visitor and recreational facilities.

Coastal Act Section 30222: assigns priority to visitor serving commercial facilities designed to enhance public coastal recreational opportunities.

LUP Access Policy Guidance: encourages the provision of physical public access to the shoreline consistent with the basic purpose of the Coastal Act.

LUP Policy 89: "New visitor serving and commercial recreation facilities shall be designed to maximize opportunities for public use and offer a range of visitor serving facilities. Low, no, and moderate cost facilities shall be provided as feasible (e.g., trails, picnic facilities, moderately priced food and beverage service, viewing areas, etc.)."

LUP Policy 140: requires a uniform system of signs identifying public accessways.

LUP Stillwater Cove Beach Access Management Plan: describes the provision of public access at Stillwater Cove.

IP Section 20.147.090(A)(5): requires new visitor serving and commercial recreational development to provide free, low, and/or moderate cost facilities as part of the development.

b) Facts of this case

The Del Monte Forest is a popular visitor attraction with world class golfing facilities, the world famous 17 Mile Drive, beautiful coastal and forest vistas, and diverse sensitive habitats. A variety of public access facilities are provided along the approximately 8 miles of Del Monte Forest shoreline including public viewpoints, parking lots, restrooms, and trails (equestrian, hiking, walking, jogging, etc.). Most of the public access facilities are located in the northern portion of the Del Monte Forest and were developed as a condition of the Commission's approval of the Spanish Bay resort complex in 1985 (coastal development permit 3-84-226). These access improvements were made possible by the unique ownership characteristics of the forest; other than private residential parcels, all Forest lands, including all roads, are owned by the Pebble Beach Company. Nearly all of the Del Monte Forest is located between the first through public road and the sea (Highways 1 and 68) and visitor automobiles are charged an entrance fee at the five gates demarcating the beginning of the private roadway system.

Within the forest, the Casa Palmero area is a primary visitor destination; the Lodge, Lodge area shops and services, the Pebble Beach Golf Course, and Stillwater Cove are all located in the same general

vicinity. The Lodge area is the only commercial enclave in the Forest. A variety of small scale shops and services are readily available to public coastal visitors and it is a popular stopping location for snacks, sundries, and for viewing the general lodge environs.

Stillwater Cove, immediately south of the project location, represents a very important public access site. Other than the northern end of Carmel Beach, it is the only sizable beach in the southern portion of the Del Monte Forest. This crescent shaped beach is 1400 feet in length and varies in width from 50 to 80 feet. Downcoast of the pier (towards Carmel) the main beach area (about 1200 feet in length) is backed by low bluffs varying in height from 20 to 35 feet with the smaller portion upcoast of the pier backed by a low bluff and the Beach Club facilities. This protected beach is ideal for families with small children with the calm offshore waters providing a diving sanctuary. Stillwater Cove is part of the Carmel Bay where a rich variety of marine life and well-known diving attractions are protected by the Carmel Bay Area of Scientific and Biological Significance (ASBS), the Carmel Bay State Ecological Preserve, and the Monterey Bay National Marine Sanctuary (MBNMS). In order to protect the sensitive resources offshore, the Stillwater Cove LUP beach access management plan limits the amount of beach use and diving.

The public pedestrian access and public recreational components of the proposed project include the visitor serving facilities of Casa Palmero (24 rooms for overnight accommodations and 24 spa treatment rooms for public use) and the pedestrian and parking improvements along 17 Mile Drive at Peter Hay Golf Course (Monterey County Condition 24; see Exhibit B). In addition, the general development plan (GDP) for Casa Palmero describes the development of pathways from the Lodge to Casa Palmero as well as plans for future improvements that would provide a pedestrian pathway from Peter Hay Golf Course through to the Lodge. These potential improvements have been clarified by the applicant through the development of a preliminary pedestrian access plan for the Lodge area. While not submitted as a component of the Casa Palmero project, this preliminary plan describes a pathway system connecting from inland parking areas to the beach at Stillwater Cove (see Exhibit D).

c) Analysis

Though public access and recreation in the vicinity of Casa Palmero, particularly at Stillwater Cove, was a major focus during the development of the Del Monte Forest LUP, opportunities to explore this coastal setting remain extremely limited. Visual and physical access to the shoreline in this part of the Forest is much more limited than in the northern portion due to intervening residential and golf course development. The one beach location that is available for public use in the Casa Palmero vicinity is at Stillwater Cove. Unfortunately, the combination of confusing street patterns from the Lodge area to the Cove, narrow roadways (Palmero Way) leading to the Cove, and poor signage limit the public's ability to get to the beach at Stillwater. Coupled with the fact that beach parking at Stillwater is by advance reservation only and that additional parking nearby is not signed for beach use, few casual visitors find their way from the Lodge area to the beach even though it is within reasonable walking distance and, for those who wish to drive, parking is available (for more parking detail, see parking section beginning on page 11).

In addition, the lack of separated, off-street pedestrian pathways with which to navigate around the Lodge and to the beach at Stillwater Cove represents a large impediment to coastal access. Without such signed trails, pedestrians must independently find their way around, sharing the narrow roadways with automobiles. Not only is this confusing, and dangerous for those wishing to use the coast, but it contributes to the impression that the public may be unwelcome. While full implementation of the LUP's Stillwater Cove beach access management plan (required as a condition of approval of the Spanish Bay development in 1985) would help the situation, many of the most important signs (such as at the intersection of Cypress Drive and Palmero Way, signs marking the

pedestrian route to the Cove, and information for unreserved parking) are still missing (see Exhibit E for the LUP's map of Stillwater Cove access).

Given this context, the proposed development must be analyzed in light of its potential to cumulatively worsen the current pedestrian access situation. As described below, although the proposed Casa Palmero project will be a visitor serving facility – a high priority use under Section 30222 of the Coastal Act – the project as proposed is not entirely consistent with the public access and recreation policies of the Coastal Act and the LCP.

The primary impact of the Casa Palmero project on existing pedestrian access will be the incremental addition of traffic on Palmero Way. This new traffic will intensify the competition between pedestrians who have no choice but to walk in the street to the beach and guests and employees driving to the Casa Palmero complex. This traffic increase is due to both new Casa Palmero Inn and Spa operations as well as non-Casa Palmero employee traffic being shifted from 17 Mile Drive to Palmero Way. The applicant's traffic study estimates that this new traffic on Palmero Way would add up to 94 vehicle trips during the peak traffic hour of the day – a 26% increase in traffic during the peak PM hour. Over the course of a day, the Casa Palmero project would add as many as 580 new vehicle trips, a 15% increase, to the 3,800 existing vehicle trips on Palmero Way (see pages 17/35 and 18/35 of Exhibit F, Summary Traffic Study by Fehr and Peers Associates Inc., 9/15/97; see also traffic discussion beginning on page 15 for more detail). Although the applicant's traffic analysis estimates that these additional trips will not change the level of service (LOS) on Palmero Way, the addition of 580 trips per day can be expected to discourage pedestrians already wary of sharing the narrow roads in their efforts to find the beach. The proposed development is, therefore, inconsistent with Coastal Act Section 30211 which requires that new development shall not interfere with existing access. In this case, where access is already constrained, the incremental traffic associated with the Casa Palmero project will worsen the current situation and adversely affect the public's ability to get to the shoreline.

A secondary characteristic of the proposed project is that the Casa Palmero Inn and Spa is not being developed as a low cost facility. Coastal Act Section 30213 and LUP Policy 89 specifically encourage lower cost visitor serving access, and IP Section 20.147.090(A)(5) specifically requires the provision of low and moderate cost facilities and services with visitor serving commercial developments. The primary way in which the Casa Palmero project will contribute the provision of lower cost access is through the provision of pedestrian and parking improvements along 17 Mile Drive at Peter Hay Golf Course (as required by Monterey County conditions 24 and 25; see Exhibit B). These parking spaces, as conditioned elsewhere in this approval, and new pedestrian facilities will provide enhanced no-cost access to the no/low-cost visitor serving facilities in the Lodge area (e.g., food services, picnic areas, etc.) consistent with IP Section 20.147.090(A)(5). However, lacking signage for these new facilities, these improvements are inconsistent with LUP Policy 140. Furthermore, lacking a connection between these improvements and the beach access at Stillwater Cove means that the current difficulty in getting from the Lodge area through to the coast at Stillwater Cove will continue.

To mitigate for these inconsistencies, this approval requires the applicant to provide a well-signed, off-street pedestrian circulation system within the Lodge area and down to the beach at Stillwater Cove (see Special Conditions 1 and 4 of this approval). The genesis for this pathway system is found in the Casa Palmero general development plan which describes the development of pathways from Peter Hay Golf Course to the Lodge and from the Lodge to Casa Palmero. The natural extension of this pathway system to Stillwater Cove, along with an explicit sign program for public access, will allow visitors who park inland to navigate to the shoreline without the inherent danger of sharing the roadways with automobiles. Providing the separated pathways is particularly appropriate in light of the increase in traffic due to the proposed project, particularly on Palmero Way, that would otherwise

make the trip to the shoreline more difficult and dangerous than exists today. Adequate public access signs will ensure that the public is aware that the access provided in the LUP is available to them.

d) Conclusion

These conditions for signed pedestrian accessways, which have been discussed with the applicant and are acceptable to them (see Exhibit D), will mitigate the adverse impacts to pedestrian beach access of the traffic generated by the project and bring that portion of the project into conformance with the Coastal Act and LCP access policies discussed above. A more 'pedestrian friendly' Lodge area will provide a major low cost public access and recreation enhancement that will be enjoyed by Pebble Beach Company guests, local residents, as well as other day-use visitors to the area. Furthermore, these new, signed pedestrian accessways to the beach have the added benefit of completing implementation, and enhancing, the LUP's Stillwater Cove Beach Access Management Plan.

2. Public Access Parking

Staff note: This parking section focuses primarily on issues regarding the *number* of parking spaces associated with the proposed Casa Palmero project and not specifically on related traffic issues. For a full discussion of traffic issues, please consult the traffic discussion beginning on page 15.

a) Applicable policies

Coastal Act Section 30210: requires the provision of maximum public access, conspicuously posted, and recreational opportunities.

Coastal Act Section 30211: requires that development not interfere with existing public access.

Coastal Act Section 30252: requires new development to maintain and enhance public access to the coast by, among other things, providing adequate parking.

LUP Policy 71: requires expanded or new commercial facilities to provide for adequate parking (also reflected in IP Section 20.147.090(A)(4)).

LUP Policy 120: requires the permanent protection of existing access areas for public use.

LUP Stillwater Cove Beach Access Management Plan: describes the provision of public access parking at Stillwater Cove.

IP Section 20.58.040: defines the required number of parking spaces for development.

IP Section 20.58.050(C): allows reduction in the required number of parking spaces (as required by IP Section 20.58.040) where the reduced parking can be determined to be adequate to accommodate all parking needs.

b) Facts of this case

The applicant proposes to replace the existing 130 space parking lot adjacent to the Casa Palmero mansion with a 315 space parking garage with one level at grade and two levels below grade. As proposed, this parking garage would contain 72 Casa Palmero parking spaces, 230 general employee parking spaces, and 13 circulation/overlap (i.e., to minimize congestion at peak periods) parking spaces. The 230 employee parking spaces consist of 130 spaces to replace the existing on-site spaces (to be removed in order to construct the parking facility) and 100 spaces to account for

employees currently parking along 17 Mile Drive adjacent to Peter Hay Golf Course (see page C-2 of Exhibit C).

The applicant's traffic and parking study estimated that the proposed Casa Palmero Inn and Spa would require 72 parking spaces (24 for the inn units, 24 for the spa rooms, and 24 for spa and inn employees). Monterey County conditioned this project to provide parking improvements along 17 Mile Drive at Peter Hay Golf Course (Monterey County Conditions 24 and 25). The County also required two-thirds of the proposed parking facility to be set aside exclusively for Lodge or Casa Palmero employee parking as well as for limited special events (Monterey County Condition 40). (See Exhibit B for Monterey County Conditions).

c) Analysis

The goal of the Coastal Act and the Monterey County LCP vis-à-vis parking is to preserve existing public parking and to provide for adequate parking for new or expanded facilities. There are five issues related to the parking component of the Casa Palmero project to consider: (1) parking for new Casa Palmero operations, (2) parking for other employees in the general lodge area, (3) parking for general coastal visitors to the Lodge area and Stillwater Cove; (4) parking supply and demand in the Lodge area; and (5) parking allocations in the proposed parking facility.

Parking for new Casa Palmero Inn and Spa operations

First, the applicant proposes to provide 72 spaces for new Casa Palmero Inn and Spa operations: 48 spaces for guests and 24 spaces for new employees. Strictly read, the County parking regulations found in IP Section 20.58.040 require the new inn and spa operations to provide 228 parking spaces (32 for the inn and 196 for the spa). The applicant proposes to reduce this parking requirement by 156 parking spaces due to the particular use characteristics of the spa. In this case, IP Section 20.58.050(C) allows for a parking reduction if it is determined by the approving body that the proposed site and use characteristics do not require the 228 parking spaces. [Staff Note: Page 23/35 of the applicant's summary traffic and parking study represented by Exhibit F incorrectly cites Commission staff regarding the LCP required number of parking spaces. In terms of inn employees, the correct cite is 8 spaces required by the LCP (i.e., 12 employees requiring 2 spaces per 3 employees). In terms of spa employees, Commission staff did not make this assertion.]

This reduction in spa parking spaces is appropriate given the characteristics of the proposed spa use. The spa would concentrate on personal pampering (i.e., skin care, massage, sauna, etc.) as opposed to typical spa facilities which can accommodate more users at a given time and provide exercise classes, weight machines, and free weights. While typical exercise facilities may generate intensive use (approximately 30-60 minutes per user per visit), it is anticipated that the Casa Palmero spa user would typically stay for 2-3 hours of treatments, each occupying one of the treatment rooms. Accordingly, approximately 125 clients would typically use the spa daily. In addition, the majority of the spa users would likely be guests of Pebble Beach resorts who have either walked to the spa (from the Lodge or the new Casa Palmero Inn) or arrived by shuttle (from the Inn at Spanish Bay). As a result of these considerations, 72 parking spaces to serve the proposed Casa Palmero complex represents 'adequate' parking as described by the LCP.

Parking for Lodge area employees

The second component of the proposed Casa Palmero parking facility involves the plan to supply 230 spaces for other Pebble Beach Company employees not associated with new Casa Palmero operations. The 230 space number was calculated based on the applicant's perception that there are 130 employees parking in the existing lot adjacent to the Casa Palmero mansion, and 100 employees

parking in the diagonal parking spaces on either side of 17 Mile Drive adjacent to Peter Hay Golf Course. The applicant's perception of these counts is bolstered by the fact that they direct their employees to park in these locations. However, these parking areas are not signed for 'employee parking only' and are in fact available to all comers on a first-come, first-serve basis. Furthermore, there have been no systematic studies done which estimate parking demand and usage by particular user groups.

While it is conceivable that there are 230 employees parking in these two locations, particularly in light of the fact that employees will generally arrive early in the morning prior to other visitors who may be seeking parking, it is equally conceivable that these two parking areas are not exclusively used by employees. In fact, it is quite likely that the 230 space number overstates the number of employees who are using these two areas. In the case of the 130 space parking lot, it is likely that at least some of the parking spaces are occupied by Stillwater Cove visitors and tennis court users. In the case of the spaces adjacent to Peter Hay Golf Course, there are actually 99 parking spaces. Moreover, employees currently are specifically discouraged by the applicant from parking in the 28 spaces nearest to the Lodge area. It is highly likely that the 28 spaces are occupied primarily by non-employee automobiles and at least conceivable that some portion of the remaining 71 spaces are also occupied by non-employee automobiles. As a result, the number of non-Casa Palmero employees included in this project by design (i.e., those who would shift from parking at Peter Hay Hill) or necessity (i.e., those being pushed out of the existing parking lot adjacent to Casa Palmero) that need to be accounted for is more likely in the neighborhood of 175-200 employees rather than 230 (the implication of this reduced number is discussed below).

Parking for coastal visitors

The third issue associated with the parking facility concerns visitor serving parking. The existing 130 space parking lot adjacent to the Casa Palmero mansion is currently identified in the LUP's Stillwater Cove access management plan as an "unreserved visitor parking area" for Stillwater Cove access (see Exhibit E). Although the applicant has described this existing parking lot as primarily serving employees, no studies have been completed to document this use. These unreserved spaces are very important given that there are only 6 reserved visitor parking spaces adjacent to the beach club parking lot nearer to the beach itself. In order to use any of the 6 reserved spaces, visitors to Stillwater Cove must call and reserve the spaces in advance; visitors without advance reservation will be towed away. According to the certified LUP, the "unreserved visitor parking areas," made up of the existing 130-space parking lot adjacent to the Casa Palmero mansion and the 88-space tennis club parking lot immediately east of the tennis courts, are to be used by visitors without advance parking reservation. The unreserved spaces in the 130 space parking lot are the only option for visitors without a reservation, and the only option for all visitors when the 6 reserved spaces are all reserved or temporarily unavailable, as is currently the case, due to construction activities.

The issue of maintaining this parking location for visitors has not been addressed in the proposed project. In fact, the project as proposed will result in a loss of existing coastal access parking spaces, especially if the project is conditioned to require that two-thirds of the structure be set aside for employee parking as Monterey County has done (Monterey County condition 40; see Exhibit B). This is contrary to Coastal Act and LCP access policies including Coastal Act Section 30211, LUP Policy 120, and the LUP's Stillwater Cove Beach Access Management Plan (the implications are discussed in the parking allocation section below).

Parking supply and demand in the Lodge area

Overall, there are currently 826 parking spaces to be found in the various parking areas in the general Lodge environs. Based upon a calculation of LCP parking requirements by existing land uses in the

Lodge area, the estimated demand for parking is approximately 842 parking spaces; leaving an estimated deficit of 16 parking spaces. This estimated demand *does not* account for the parking spaces necessary for beach users. Moreover, these LCP parking requirements are general county-wide requirements that do not account for the fact that the Del Monte Forest in general, and the Lodge area in particular, are special communities that attract many more visitors than other areas within the coastal zone. In addition, the applicant is considering removing some parking spaces along Cypress Drive immediately adjacent to the Lodge as part of an effort to make Cypress Drive a pedestrian-oriented thoroughfare. These additional special case visitor demands, beach user demands, and potential Cypress Drive reorientation support a conclusion that the estimated parking deficit in the Lodge area overall is much greater than the conservative estimate of 16 spaces.

The applicant, though, proposes to add 185 new parking spaces to the existing supply of parking in the Lodge area thus boosting the total to 1,011 spaces. After the parking necessary to satisfy new Casa Palmero operations is subtracted (72 parking spaces), the increased parking supply calculates to 113 new parking spaces in the Lodge area. These 113 new spaces will be allocated to Lodge area visitors. Given (1) the existing parking deficit in the Lodge area, (2) the potential reorganization of Cypress Drive, and (3) the special visitor nature of the Pebble Beach Lodge area, these 113 new parking spaces, would likely provide adequate additional spaces to address parking concerns in the Lodge area.

Parking allocations in the proposed parking facility

As discussed, the total number of employee parking spaces to be accommodated through the proposed project is somewhere in the neighborhood of 200 to 225 spaces. If these employee spaces are provided in the proposed parking facility, they will essentially take up the bottom two floors of the structure. If these employee spaces are provided for through some type of off-site satellite parking facility, as has been proposed by project opponents, the underground two floors of the parking structure would be unnecessary. Either of these two versions of a Casa Palmero parking facility would leave approximately 85 non-employee parking spaces at grade. [Staff note: Since the appropriateness of these two methods for addressing employee parking (off-site versus on-site) is based primarily on traffic issues, the discussion is deferred to the traffic section beginning on page 15. For the purposes of the remaining parking supply discussion, the assumption is that employees are accounted for either off-site or on-site and that the 85 spaces at grade are what remain.]

Of the 85 spaces left at-grade in the parking facility, Casa Palmero guests would account for 48 spaces leaving approximately 37 spaces available for all other user groups. Given that the existing 130 space lot is specifically identified in the LUP as an "unreserved visitor parking area," this would translate into a loss of 93 first-come, first-serve unreserved visitor parking spaces, assuming that the 230 spaces below grade are occupied by employees. Furthermore, lacking clear signage for the remaining 37 general visitor spaces, it is not clear that these spaces would remain part of the unreserved parking supply either. The next generally accessible public parking spaces are near the Lodge shops; walking distance from these lots is an additional ± 650 yards away from Casa Palmero. The proposed allotment of parking spaces within the parking facility reduces the absolute number of parking spaces available for the casual beach visitor. This aspect of the project is therefore inconsistent with Coastal Access Section 30210 which requires new developments to maximize public access, and Section 30211 and LUP Policy 120 which prohibit interference with existing access. It is also inconsistent with LUP provisions which call for parking areas for access to be located at the existing parking lot adjacent to Casa Palmero and with the conditions of the Spanish Bay permit which implement this policy.

Two relatively simple revisions to the project will, however, fully mitigate these inconsistencies. The first revision requires that the spaces in the proposed Casa Palmero parking facility, other than those specifically for Casa Palmero guests, be made available on a first-come, first-serve basis with employees specifically excluded from parking at grade. In this way, the 37 remaining at grade spaces can be protected as general visitor spaces. The second revision requires the applicant to provide 10 spaces specifically prescribed for Stillwater Cove beach use, either in the tennis center parking lot or adjacent to the current reserved spaces near the 17th tee box (see Exhibit E). By reserving these spaces for visitor beach use only, but not requiring an advance reservation to use them, any visitors without reservations who come to Stillwater Cove can be assured parking access to the beach. While the 10 spaces are a smaller number than the 93 unreserved potentially lost spaces, the fact that they are to be set aside *exclusively* for Stillwater Cove access makes these spaces more valuable for coastal access. As conditioned (see Special Conditions 2 and 4 of this approval) to retain an adequate number of parking spaces to accommodate the beach use permitted in the LUP at or near Stillwater Cove, this portion of the project is thus consistent with the applicable Coastal Act and LUP policies as discussed above.

Finally, Monterey County's condition of approval requiring that at least two-thirds of the proposed parking facility be designated for employee parking (Condition 40) is contrary to the first-come, first-serve nature of the parking spaces that exist today. As discussed above, though the applicant currently directs its employees to park in these locations, there is no 'employee parking only' designation such as required by the Condition 40 of the County's approval (see Exhibit B). Were this condition to remain, the loss of first-come, first-serve parking would be contrary to Coastal Act Section 30211 and LUP Policy 120 which protect existing access. While the presumption is that the applicant will direct employees to this location, as is currently the case with parking areas in use by employees, there is no good reason for requiring that these spaces be set aside exclusively for employees. In fact, requiring two-thirds of the spaces in the proposed parking facility to be set aside exclusively for employee parking would prejudice any future traffic demand management initiatives in the Lodge area (including the increased use of the Pebble Beach Company's employee shuttle program). By conditioning this project to remove this two-thirds restriction, the existing first-come, first-serve nature of the existing parking areas can be maintained (see Special Condition 8 of this approval); and any potential future shifting of employee parking (e.g., park and ride facilities) is not precluded.

d) Conclusion

The proposed project, as conditioned, will provide adequate parking for new Casa Palmero Inn and Spa operations as well as non-Casa Palmero employees included in this project. Furthermore, by providing 10 parking spaces exclusively for Stillwater Cove parking access in the tennis center parking lot or adjacent to the current advanced reservation parking spaces near the 17th tee box, the proposed project adequately mitigates for any loss of unreserved parking as identified in the LUP's Stillwater Cove Beach Access Management Plan. The applicant has explicitly expressed their willingness to accept these types of conditions (see Exhibit D). As conditioned, this portion of project can be brought into conformance with the Coastal Act and LCP parking access policies discussed above (see Special Conditions 2 and 4).

3. Circulation and Traffic

a) Applicable policies

Coastal Act Section 30252: requires new development to maintain and enhance public access to the coast by, among other things, providing transit, adequate parking (or substitute means such as transit), and minimizing the use of coastal access roads.

LUP Policy 72: provides that new commercial recreation and visitor serving land uses have priority over other uses where public service capacity is limited (also reflected in IP Section 20.147.090(A)(5)).

LUP Policy 98: requires a fair share contribution to Highway 68/Highway 1 improvements as a result of traffic generated by the development (also reflected in IP Section 20.147.100(A)(1)).

LUP Policy 101: "In order to preserve both visual and physical access to the coast, the impacts on the road system of the Forest and on Highways 68 and One from incremental development of the Forest shall be mitigated in conjunction with or as a function of new development" (also reflected in IP Section 20.147.100(A)(3)).

LUP Policy 105: "Development or expansion of visitor-serving facilities should be planned to maximize opportunities for use of public transportation systems."

LUP Policy 142: encourages public transit to concentrated visitor-serving facilities to reduce congestion on shoreline access roads.

IP Section 20.64.250(D): addresses trip reduction measures such as transit, ridesharing, and park and ride facilities as a function of new commercial development.

b) Facts of this case

All roads within the Del Monte Forest are privately owned and maintained by the Pebble Beach Company with five 5 toll-gates controlling access into the forest. Other than those users who reside in the Del Monte Forest, the Highway 1 gate would be the primary access point for traffic associated with the Casa Palmero complex. This gate, at the intersection of Highway 1 and Highway 68, is the most heavily used access gate into the forest, particularly by coastal visitors. It is currently operating at level of service (LOS) F in the peak PM traffic hour of the day. LOS is a qualitative measure used by traffic analysts for describing speed, travel time, freedom to maneuver, traffic interruptions, comfort, convenience, and safety. LOS range from A through F, best to worst, in relation to the peak direction, peak hour of traffic during the day (PM peak hour). For the specific traffic and roadway characteristics within the Del Monte Forest, LOS D has been estimated as the lowest level of service that provides for acceptable traffic flow (translating into a peak directional volume between 480 and 650 vehicles per hour) (see pages 20/35 and 35/35 of Exhibit F).

The applicant has provided a traffic and parking analysis (by Fehr and Peers Associates Inc.) consisting of an initial report (10/5/96), a report clarification (4/15/97), and memos regarding this appeal (6/12/97). These documents, along with additional information regarding Casa Palmero traffic impacts contained in the negative declaration for the project, have been consolidated into a summary final traffic report dated 9/15/97 (see Exhibit F). This analysis estimates that the Casa Palmero project could potentially generate up to an additional 580 vehicle trips per day (a 15% increase) and an additional 94 PM peak hour trips (a 26% increase) on Palmero Way. These new operations would add an estimated 8 PM peak hour trips to the Highway 1/Highway 68 interchange, an increase of less than a quarter of one percent. The proposed project would also remove some existing employee traffic on 17 Mile Drive west of the Palmero Way intersection. Employees and others who are currently using the existing parking lot at the Casa Palmero site would continue to do so. The traffic study estimates that LOS ratings would not change due to the proposed project for the Highway 1 gate (LOS F), 17

Mile Drive (LOS C west of the Lodge, LOS D east of the Lodge), the Palmero Way/17 Mile Drive intersection (LOS C), and Palmero Way (LOS A/B).

Traffic in the Del Monte Forest has historically been an important issue. The basic concept of the LUP's circulation element is "preserving 17 Mile Drive for shoreline visitor access." The LCP acknowledges that additional development would burden the existing road network and that that new development would have to provide for mitigating measures. Recognizing the potential traffic impacts associated with the proposed project, Monterey County conditions of approval required several traffic mitigations: a fair share contribution to Highway 1/Highway 68 interchange improvements (condition 26) (pursuant to LUP Policy 98 and IP Section 20.147.100(A)(1)); the construction of a left turn lane from 17 Mile Drive onto Palmero Way (condition 21); a construction traffic management plan including a shuttle service for employees (conditions 22 and 23); and parking and pedestrian improvements along 17 Mile Drive at Peter Hay Golf Course (conditions 24 and 25). (See Exhibit B for Monterey County Conditions).

c) Analysis

Although there is no question that the proposed Casa Palmero project will generate additional traffic on 17 Mile Drive and Palmero Way, the applicant's traffic study estimates that LOS ratings do not change on any Forest roads as a result of the Casa Palmero project. The adequacy of the applicant's traffic and parking study prepared for this project has been the subject of some debate. However, this study appears to be based upon a reasonable factual foundation that has resulted in reasonable conclusions. Furthermore, not only are Fehr and Peers experts in the field of transportation, but, according to the Casa Palmero Negative Declaration, "the traffic study was reviewed by the Public Works Department staff, as well as the Monterey County Transportation Agency staff, and was deemed acceptable." While it is certainly possible to arrive at different conclusions than Fehr & Peers using the same figures, there is nothing in the record that would suggest that this traffic and parking analysis is inadequate of itself (see Exhibit F for the final summary traffic analysis). [Staff note: Since Monterey County Transportation Agency staff have been unable to locate any written comment for this project, Commission staff has asked Caltrans traffic engineers to peer review the final summary report (dated 9/15/97, see Exhibit F). As of the date of this staff report, Caltrans' conclusion had not been received. Every effort will be made to include this independent evaluation in the Central Coast District Director's packet for distribution at the October hearing in Del Mar.]

There are five traffic issues associated with the proposed Casa Palmero project: (1) traffic attributable to new inn and spa operations; (2) traffic associated with other Pebble Beach Company employees using the Casa Palmero parking facility; (3) vehicle trip reduction requirements; (4) cumulative traffic impacts; and (5) construction traffic impacts.

Traffic associated with new Casa Palmero Inn and Spa operations

The new traffic attributable to new inn and spa operations will add vehicles to the current traffic flow in the Forest, especially to 17 Mile Drive and Palmero Way. While the traffic study estimates that the level of service ratings will not change at the Highway 1 gate, along 17 Mile Drive, at the Palmero Way/17 Mile Drive intersection, or on Palmero Way, there will be up to 24 new trips during the peak PM traffic hour attributable to these new Casa Palmero operations. As a means of illustrating these potential LOS ratings when Casa Palmero traffic is added to existing traffic, even if the 24 peak hour trips were to be added to peak hour, peak direction traffic at locations fanning out from Casa Palmero, a physical impossibility, the LOS ratings do not change at any of these locations (see page 15/35 of Exhibit F).

Though the qualitative traffic analysis (based upon LOS estimates) concludes that there is no change in traffic congestion with these new trips, these new trips will incrementally add to the use of Forest roads. Monterey County thus required adequate mitigation for these impacts at the Highway 1 gate (fair share contribution to improvements) and the Palmero Way/17 Mile Drive intersection (installation of a left turn pocket). Nonetheless, the effects of new traffic on 17 Mile Drive and Palmero Way have not been adequately addressed.

17 Mile Drive represents a special traffic case because it is both the main thoroughfare in the Forest and a primary visitor attraction in and of itself. Visitors are attracted to the area by the scenic attributes, and other characteristics, of the drive along "world famous 17 Mile Drive." At least part of the allure of 17 Mile Drive as a visitor destination is its meandering route through the Del Monte Forest. Visitors are enjoying the sights as much as getting from one place to another. Adding anywhere from 8 to 12 new Casa Palmero vehicle trips during the peak time of the day on any one segment of 17 Mile Drive (see page 15/35 of Exhibit F) will incrementally diminish visitor enjoyment of the Del Monte Forest coastal experience. Similarly, the only vehicular entrance to Stillwater Cove and the beach - Palmero Way - will endure the addition of an estimated 24 new vehicle trips during the peak traffic time of the day, and 280 new trips over the course of a day, due to new Casa Palmero operations.

Overall, the new Casa Palmero trips may not change any LOS designation, but they will contribute incrementally to increased traffic which in turn will diminish visitor enjoyment of 17 Mile Drive and limit visitor access through to the coast along Palmero Way (i.e., Stillwater Cove). Lacking adequate mitigation, these new trips are inconsistent with LUP Policies 101 and IP Section 20.147.100(A)(3) which require mitigation for incremental impacts on Forest roads. However, these inconsistencies can be mitigated by: (1) the net traffic reduction in the Lodge area on 17 Mile Drive due to shifting employee parkers (as discussed below), (2) requiring the applicant to provide a trip reduction checklist which describes the project's design elements encouraging alternative transportation (see discussion below and Special Condition 3), and (3) the mitigations previously required by Monterey County (fair share contribution to Highway 1/Highway 68 interchange improvements, construction of a left turn lane from 17 Mile Drive onto Palmero Way, construction traffic management plan including a shuttle service for employees). By conditioning the proposed project in this way, these inconsistencies can be fully mitigated and this portion of the proposed project can be brought into conformance with the LCP policies discussed above.

Traffic associated with non-Casa Palmero Employees

Traffic associated with other Pebble Beach Company employees is included in the proposed project either by project design (i.e., those who would shift from parking along 17 Mile Drive) or because of the parking lot area reconstruction (i.e., those being pushed out of the existing parking lot adjacent to Casa Palmero).

The traffic associated with those who park in the existing parking lot next to Casa Palmero is existing traffic. Other than its cumulative relation (see below) to other traffic in the Del Monte Forest, this traffic of itself does not contribute to additional traffic congestion in the Forest or through to the coast at Stillwater Cove specifically because of the development of Casa Palmero.

The other non-Casa Palmero employees planned to use the proposed parking facility are those shifted from parking areas along 17 Mile Drive at Peter Hay Golf Course. This traffic is also existing traffic to the general Lodge area, but any traffic impacts associated with the shift need to be accounted for. Moving employee parking spaces into the Casa Palmero parking facility from 17 Mile Drive should have the effect of reducing traffic on 17 Mile Drive between Palmero Way and the Lodge

at the expense of increasing traffic on Palmero Way. It has been estimated by the applicant's traffic study that approximately 80% of this employee traffic arrives and departs via the Highway 1 and Carmel Gates, traveling along 17 Mile Drive through the Palmero Way intersection. The primary effect of directing these employees to park at Casa Palmero will be to intercept these employee trips at Palmero Way. As a result, a net traffic *benefit* should be realized on 17 Mile Drive between Palmero Way and the Lodge. In addition, by freeing up parking spaces for visitors to the Lodge area, parking opportunities should increase. The increase in visitor parking will decrease traffic generated by those seeking parking who must cycle through the Lodge area looking for scarce parking spaces. The trade-off associated with this shift is that an additional 70 PM peak hour (a 19% increase) and up to 300 daily (an 8% increase) vehicle trips would be added to Palmero Way. The applicant's traffic study estimates that these new trips would not change the LOS on Palmero Way which would remain at LOS A/B (i.e., nearly the best level of service rating).

The trade off of more traffic on Palmero Way in return for less traffic on 17 Mile Drive is appropriate because 17 Mile Drive is a primary visitor attraction. Preserving 17 Mile Drive for shoreline visitor access is the underlying concept of the LUP's circulation element. Nonetheless, in order for the traffic benefit on 17 Mile Drive to be realized, the spaces vacated by employees at Peter Hay Golf Course must be specifically set aside for non-employee parking. Currently, the applicant proposes moving these employees into the Casa Palmero parking facility but there is no assurance that the "freed" 17 Mile Drive spaces would be used solely for visitor serving parking. In addition, though the LOS would not change on Palmero Way, existing traffic through to the coast along Palmero Way will be incrementally impacted by the additional employee trips. Lacking a clear visitor serving designation for the 'freed' 17 Mile Drive parking spaces, and lacking adequate mitigation for incremental traffic impacts to Palmero Way, these new trips are inconsistent with LUP Policies 101 and IP Section 20.147.100(A)(3) requiring mitigation for incremental impacts on Forest roads. However, by specifically signing the spaces along 17 Mile Drive at Peter Hay Golf Course for visitor parking only (see Special Condition 2 of this approval), and with the traffic mitigations proffered above, this portion of the proposed project can be brought into conformance with the LCP policies discussed in this finding.

Transportation demand management

The Coastal Act and LCP support visitor serving development, but require adequate parking for new development, and encourage the reduction of vehicle trips through alternative transportation planning. Such planning is particularly important in a case like Pebble Beach where most visitor serving development in the Del Monte Forest is concentrated in one specific area.

Most relevant to the Casa Palmero case is IP Section 20.64.250 which lists a number of trip reduction measures (such as park and ride, ridesharing, transit, etc.) that may be required of developments in order to reduce vehicle trips and to encourage alternative modes of travel. The definition for applicable development under IP Section 20.64.250(C)(2)(c) includes any new development project that proposes:

A new or expanded commercial, industrial or tourist oriented development of 25,000 gross square feet or more.

The total square footage of the proposed inn and spa is in excess of 50,000 square feet and the project proposes to develop a new visitor serving commercial facility for public use. IP Section 20.64.250(C)(2)(c) thus applies to the Casa Palmero development. Approving bodies can consider some form of transportation demand management (TDM) pursuant to this ordinance but there is no LCP requirement that TDM programs must be imposed on developments.

In the case of the proposed Casa Palmero project, there has been substantial debate as to the appropriateness of concentrating 230 employee parking spaces at this location over and above the necessary parking to satisfy new Casa Palmero Inn and Spa operations. As discussed above, the only way this project alters existing employee trips into the Lodge area is to shift some employee parkers from 17 Mile Drive to Palmero Way. This shift should lead to a reduction of traffic congestion on 17 Mile Drive in the Lodge area and as such is consistent with Coastal Act requirements for minimizing the use of coastal access roads. While there would be additional traffic impacts on Palmero Way that would require the project modifications previously discussed, the benefit of preserving 17 Mile Drive for visitors, consistent with the basic concept of the LUP's circulation element, supports maintaining this portion of the proposed project.

The trip reduction policies of IP Section 20.64.250 are still applicable to the new Casa Palmero development and there are numerous TDM techniques that can be explored. However, Commission legal staff has advised that the Commission cannot require the applicant to implement an employee trip reduction program as part of the Casa Palmero project due to a new California law that specifically precludes public agencies from requiring mandatory employee trip reduction programs (see Exhibit G). Employees, though, are just one component of the traffic associated with the proposed project. In fact, it is estimated that employee traffic east of Casa Palmero on 17 Mile Drive only represents, at the most, 12% to 15% of the overall traffic volume (see pages 28/35 and 30/35 of Exhibit F).

The applicant's traffic study already includes a TDM component which describes the applicant's intention to include the proposed Casa Palmero complex in its shuttle program. The Pebble Beach Company's existing program for its Pebble Beach Lodge and Spanish Bay resorts involves a shuttle operation which: 1) transports guests between the airport and the resorts; 2) transports guests between the resorts and other Pebble Beach Company facilities (i.e., golf, equestrian, and meeting facilities) within the Forest; and 3) transports Pebble Beach Company employees between the Lodge area and the remote employee parking lot near the Highway 1 gate. The Pebble Beach Company also has in place an incentive-based employee ridesharing program and is nearing completion of another employee park and ride parking lot in Pacific Grove to shuttle Spanish Bay employees (i.e., 97 space parking lot near the Pacific Grove gate).

However, while the applicant has indicated its willingness to include the proposed project in the Pebble Beach Company's existing trip reduction programs, it is unclear from the initial description in the traffic study how such reductions will be achieved. For example, if the existing shuttle programs are already operating at full capacity, the effect on trip reduction of also adding Casa Palmero to these programs would be nil. If this was the case, the proposed project would be contrary to the intent of IP Section 20.64.250. However, by requiring the applicant to submit a trip reduction checklist, as required by 20.64.250(D)(1), which describes the project's design elements encouraging alternative transportation, this portion of the proposed project can be brought into conformance with IP Section 20.64.250 (see Special Condition 3 of this approval).

There is nothing to preclude the applicant from pursuing satellite employee parking alternatives independent of this project. In fact, a concerned residents group has identified potential satellite locations in and outside of the Forest that could be used by the applicant in this capacity. Nonetheless, though the applicant could pursue, and future projects may necessitate, the removal of existing employee traffic (e.g., to compensate for the addition of non-priority residential traffic), the proposed project, as conditioned does not require the removal of existing employee traffic in order to be found in conformance with the applicable Coastal Act and LCP policies.

Cumulative traffic impacts

Concern has been raised about the traffic impacts of the Casa Palmero project when looked at in tandem with any potential traffic impacts of the proposed Pebble Beach Lot Program and other future development in Pebble Beach. Although not currently in front of the Commission, the Lot Program consists of several applications that would create 364 residential lots and a golf course on the remainder of the Pebble Beach Company's major holdings within the Del Monte Forest. The Lot Program has been going through planning and revision since the late 1980s. Though the final environmental impact report (EIR) of the Lot Program was recently released, the project has not received any local government approvals and therefore no assumptions can be made as to its final composition. Nevertheless, the underlying studies completed for the Lot Program are available to analyze the potential traffic impacts in light of the proposed Casa Palmero project.

Both the Lot Program EIR and the Casa Palmero summary traffic study analyzed overall traffic impacts in light of (1) each other, (2) Lodge area general development plan build out, and (3) development in surrounding communities. Both reports estimate that all LOS ratings will remain the same at all locations within the Forest except for 17 Mile Drive just east of Carmel Way where LOS was estimated to change from LOS D to LOS E in the overall cumulative scenario. The Lot Program EIR intends to mitigate for this potential significant cumulative impact by developing the park and ride lot just south of the Highway 1 gate which, when fully implemented, has the potential to remove 53 peak hour trips between the Highway 1 gate and the Lodge area. Because the park and ride is already operational, this potential cumulative impact is already being addressed even should the Lot program not be approved as currently constituted (i.e., refined alternative 2). In terms of the potential cumulative traffic impact on the Highway 1 gate, which is itself operating at LOS F during the PM peak hour, both the Casa Palmero project and the Lot Program contain appropriate mitigations for fair share contributions to intersection improvements at the Highway 1/68 intersection. In essence, in tandem with these Highway 1/68 improvement requirements, the park and ride lot pre-mitigates any potential cumulative traffic impacts associated with Casa Palmero consistent with applicable LCP traffic policies discussed above.

Thus, in addition to the additional Forest traffic attributable to Casa Palmero, there are some potential cumulative traffic impacts when Casa Palmero traffic is analyzed in tandem with the Lot Program. However, again although the Lot Program is not currently under review by the Commission, the potential cumulative impacts appear to have been adequately defined and mitigations prescribed through the Casa Palmero project (fair share contribution to Highway 1/68 intersection improvements) and through the Lot Program EIR (development of the employee park and ride, fair share contribution to Highway 1/68 intersection improvements). Furthermore, when prioritized, there is an important distinction between Lot Program traffic and Casa Palmero traffic: the visitor serving traffic associated with Casa Palmero represents a Coastal Act and LCP priority, but the primarily residential traffic associated with the Lot Program does not have this priority status.

Construction traffic impacts

There have been additional concerns raised regarding potential construction traffic impacts associated with Casa Palmero. The impacts from construction were specifically addressed by the conditions of approval adopted by Monterey County which: (1) required a construction traffic management plan (condition 23) to detail truck and traffic control procedures during construction; (2) limited truck and construction equipment operation to Monday through Saturday from the hours of 8 AM to 6 PM with no operations on Sunday or Holidays and a maximum allowable truck speed of 15 miles per hour (conditions 29 and 32); (3) required an employee parking shuttle (condition 22) from the Pebble Beach Lodge area to a remote parking lot along Portola Road at the Equestrian Center and Collins field frontage with overflow parking provided at the adjacent Pebble Beach Driving Range; and (4) required residential mufflers on all construction equipment with excessively noisy equipment specifically

disallowed (condition 30). Potential construction traffic impacts should not be any greater than the anticipated as-built traffic impacts associated with the proposed project (see page 26/35 of Exhibit F). Given that there are already specific construction traffic mitigations, and further given that any as-built mitigations, as appropriate, will be pursued, any potential construction traffic impacts have been adequately mitigated and this portion of the project is consistent with LCP traffic policies.

d) Conclusion

The Casa Palmero project will result in additional traffic, particularly on 17 Mile Drive and Palmero Way, that will incrementally impact users of these primary coastal access routes. As discussed in this finding, these incremental impacts have been addressed through: (1) the net traffic reduction in the Lodge area on 17 Mile Drive due to shifting employee parkers, (2) requiring the applicant to provide a trip reduction checklist which describes the project's design elements encouraging alternative transportation (see Special Condition 3), and (3) the mitigations previously required by Monterey County (fair share contribution to Highway 1/Highway 68 interchange improvements, construction of a left turn lane from 17 Mile Drive onto Palmero Way, construction traffic management plan including a shuttle service for employees). Furthermore, in light of the comprehensive parking and pedestrian access system previously required, there will be a net access benefit in and around the Lodge area and to the beach at Stillwater Cove through the development of Casa Palmero. By conditioning the proposed project in this way, this portion of project can be brought into conforming with the Coastal Act and LCP traffic policies discussed above.

4. Development/Land Use

a) Applicable policies

LUP Land Use Policy Guidance: requires development consistent with the use priorities of the Coastal Act (i.e., priority to visitor serving commercial recreational facilities).

LUP Policy 83: encourages the clustering of land uses.

LUP Policy 87: allows new commercial development only when integrated with the resort hotels, community hospital, or commercial center at Huckleberry Hill quarry.

IP Section 20.22.070: describes site development standards in the VSC(CZ) zoning district: (A)(1) maximum height of 35 feet; (B) maximum building site coverage of 50%, excluding parking and landscaping, (D) minimum 10% of site landscaped.

IP Section 20.62.030(C): allows for height limit exceptions in commercial projects.

b) Facts of this case

The proposed Casa Palmero site is located immediately east of the Lodge at Pebble Beach. The Lodge area represents the only commercial enclave in the Del Monte Forest and as such acts as the primary commercial center (i.e., banking, post office, deli, etc.) within the forest for visitors, employees, and Pebble Beach residents. While there are residential uses located in the immediate project vicinity, the Casa Palmero site is primarily in an area of visitor serving recreational uses (i.e., golf course, Lodge, shops, beach and tennis club, and Stillwater Cove) and, other than its street frontage along Cypress Drive and Palmero Way, is surrounded on three sides by the Lodge and golf course (see Exhibit C-3).

The zoning for all existing parcels comprising the subject site (the Casa Palmero mansion site, the existing parking lot site, and the segment of the golf course) is visitor serving commercial 'VSC(CZ)' (see Exhibit C-4). The principal use in the visitor serving commercial land use category is defined as hotels, inns, and support commercial facilities by LUP land use designations and IP Section 20.147.020(N)(2)(a). The Casa Palmero mansion site was the subject of a previous Commission action which redesignated the parcel from "Low Density Residential" to "Visitor Serving Commercial" (Monterey County LCP Major Amendment 2-94 adopted January 11, 1995).

The proposed Casa Palmero site plan shows that the new lot, comprising approximately 222,200 square feet, will be covered with approximately 72,739 square feet of structural coverage (31,212 square feet for the spa and inn, 41,527 square feet for the parking facility). An additional approximately 43,700 square feet is proposed to be occupied by paved driveways, paths, patios, etc.; pursuant to IP Section 20.06.250, this 43,700 square feet of additional impervious surface is not included in site coverage calculations. As a result, the building site coverage calculates to 32.7% for the inn, spa, and parking structure. The landscaped portion of Casa Palmero represents approximately 105,761 square feet, or 47.6% of the 5.1 acre site. The maximum structural height of the buildings is 35 feet at the tower structure; with the addition of a decorative finial, this height becomes 36.5 feet.

The Pebble Beach Company has developed a general development plan (GDP) for Casa Palmero which describes the overall project and Monterey County has conditioned any future development to be consistent with this plan (Monterey County condition 38; see Exhibit B).

c) Analysis

This proposed project is 100% visitor serving, consistent with the underlying zoning designation, and represents a Coastal Act and the LCP priority use. The site was rezoned in 1995 to accommodate the proposed type of use. Accordingly, this category of development is clearly appropriate for this location.

The LUP describes the Pebble Beach area as mostly built out with the exception of a "few lots... and some remaining potential for expansion of the Lodge and related facilities." This project, as described in the GDP, is "an extension of resort facilities currently available at The Lodge." As such, this is a type of project described by the LUP for the Pebble Beach planning area. The proposed project extends the resort facilities available directly to the west at the Lodge pursuant to LUP Policies 83 and 87 encouraging a clustering of land uses and requiring any new commercial development to be integrated with the resort hotels. In addition, the proposed inn, spa, and support facilities are the LUP's principal permitted use for the visitor serving commercial designation and represent priority visitor serving land uses.

The proposed project represents commercial in-fill in conformance with LCP development requirements. The proposed site coverage of 32.7% for the inn, spa, and parking facility is within the maximum site coverage of 50% in a VSC(CZ) zoning area. It is appropriate in this case for the site coverage figure to include the parking facility as an accessory structure (though the LCP excludes parking from structural coverage calculations pursuant to IP Section 20.22.070) because the magnitude of the proposed structure is similar to that of an accessory structure (e.g., IP Section 20.06.580 describes such a parking garage as an accessory structure). The proposed landscape coverage of 47.6% is higher than the minimum 10% coverage required. The proposed height of the development at its highest point is 36.5 feet, of which the last 1.5 feet is a decorative finial, is within the allowable height limits for commercial development per IP Sections 20.22.070(A)(1) and 20.62.030(C).

d) Conclusion

The proposed Casa Palmero project is appropriate for the site location in the Lodge area and is consistent with the land use policies and development standards of the LCP. Visitor serving facilities such as the proposed project are specifically preferred by the Coastal Act and the LCP. As an extension of the facilities to be found at the adjacent Lodge, this project specifically clusters visitor serving facilities as required by LUP Policies 83 and 87 and represents a public recreation enhancement in the prime visitor area of the Lodge and Stillwater Cove. As such, this portion of the proposed project is in conformance with the policies discussed in this finding.

5. Water and Sewer

a) Applicable policies

LUP Land Use Policy Guidance: requires development consistent with the use priorities of the Coastal Act (i.e., priority to visitor serving commercial recreational facilities).

LUP Water Policy Guidance: reserves water from existing supply to accommodate LUP coastal priority uses.

LUP Policy 72: provides that new commercial recreation and visitor serving land uses have priority over other uses where public service capacity is limited (also reflected in IP Section 20.147.090(A)(5)).

LUP Policy 111: requires Monterey Peninsula Water Management District determine water supply availability for development.

LUP Policy 114: requires new development to employ water conservation techniques (also reflected in IP Section 20.147.110(A)(2)).

b) Facts of this case

Development in the Del Monte Forest depends in large part on the availability of water. The California-American Water Company (Cal-Am) supplies water to the Del Monte Forest while the Monterey Peninsula Water Management District (MPWMD) allocates water within Cal-Am's service area.

The Del Monte Forest is home to the CAWD/PBCSD Wastewater Reclamation Project. This reclamation operation commenced in 1994 and supplies tertiary treated reclaimed water for use in irrigating Pebble Beach golf courses. While all of these golf courses had previously been irrigated with potable water, the majority of golf course irrigation water currently in use is reclaimed water from the Reclamation Project. This reclamation operation was built without the use of any public taxpayer dollars based upon financial guarantees provided by the Pebble Beach Company. In exchange for its financial backing of this \$34 million project, the Pebble Beach Company receives a dedicated water entitlement from the MPWMD for 365 acre-feet per year (AFY) of potable water (see also 5th and 6th sheets of Exhibit H for more information on this program)

The Pebble Beach Company's water entitlement can be used for "benefited properties" of the Wastewater Reclamation Project. Each of the three parcels involved in the proposed Casa Palmero complex is a "benefited property" which can draw upon the applicant's water entitlement. Given this fact, the MPWMD has estimated that the water currently supplied to the Casa Palmero mansion (1.45 AFY) together with 3.59 AFY from the applicant's reclamation project allocation are sufficient to meet

the estimated water demands for the proposed Casa Palmero project (5.04 AFY). Any demand in excess of 5.04 AFY could also be accommodated by the water allotment.

The MPWMD has acknowledged water availability for the proposed project (pursuant to LUP Policy 111) and the Pebble Beach Community Services District, the local wastewater collection and treatment entity for Pebble Beach, has confirmed that there is available sewage capacity to serve the project. Monterey County conditions of approval require proof of water availability (Monterey County condition 5) and the implementation of water conservation measures pursuant to LUP Policy 114 and IP Section 20.147.110(A)(2) (Monterey County condition 6). (See Exhibit B for Monterey County Conditions).

c) Analysis/Conclusion

The proposed commercial recreation and visitor serving project represents a priority use under Coastal Act Sections 30222 and 30254. The LUP's policy guidance statement for land use specifically requires consistency with these use priorities of the Coastal Act. In addition, where public service capacities are limited, visitor serving commercial projects are given priority by the LUP's water policy guidance statement (consistent with Coastal Act priorities) and LUP Policy 72. On top of its priority status for water supplies, the applicant will commit water from its dedicated water allotment to make up for any demand over the amount of water currently supplied to the site. The Casa Palmero project represents a Coastal Act and LCP priority use for which there is an adequate water supply and the local water and wastewater agencies have agreed to provide service. As such, the proposed project is consistent with Coastal Act and LCP water supply and wastewater service requirements.

6. Tree Removal

a) Applicable policies

LUP Forest Resource Policy Guidance: natural scenic beauty of forest resource is one of the Del Monte Forest's chief assets.

LUP Policy 32: describes tree removal criteria for Monterey cypress, Monterey pine, and Coast live oak and requires removal in accordance with the forest management plan for the site (also reflected in IP Section 20.147.050(D)(7)).

LUP Policy 33: requires preservation of scenic resources as a primary objective when trees are removed.

LUP Policy 34: requires protection of trees during construction (also reflected in IP Section 20.147.050(D)(3)).

IP Section 20.147 Attachment 1: details forest management plan requirements and requires native trees removed to be replaced on a like for like basis.

b) Facts of this case

The Del Monte Forest is home to significant forest resources. As the LUP states, "the forest resource, in addition to its role in the areas natural environment, is a principal constituent of the scenic attractiveness of the area which should be preserved for the benefit of both residents and visitors." Among other species, the Forest is home to the Monterey cypress, Gowen "Pygmy" cypress, Monterey

pine, Bishop pine, and Coast live oak. Monterey cypress in their indigenous habitat are very rare with only two indigenous habitat areas in the world (60 acres in the Del Monte Forest and 40 acres at Point Lobos). As mapped in the LUP, the Casa Palmero site is not located within the indigenous range of the Monterey cypress.

The proposed project would result in the removal of 105 trees located in the proposed building footprint (i.e., buildings, driveways, or parking areas) and one diseased Monterey pine. Of these 106 trees slated for removal, there are 51 non-indigenous Monterey cypress, 33 Monterey pine, 19 Coast live oak, and three exotic species; all of these trees were previously planted for landscaping purposes and do not represent indigenous habitat.

The LUP allows the removal of the cypress, pine, and live oaks in accordance with the site's forest management plan (as prepared by Hugh Smith of Urban Forestry Consulting, 4/12/96) while the removal of the exotics are at the owner's sole discretion. The LUP's minimum standard requires replacement of native trees removed in excess of 12 inches in diameter: the subject site contains 21 of these trees (13 pine, 6 oak, and 2 cypress). The remainder of the native trees slated for removal (82 trees) are less than 12 inches in diameter and the LUP's replacement policy does not apply.

The applicant proposes to plant 212 new trees on the site consisting of 58 Monterey pine, 3 Coast live oak, 47 Japanese maple, 2 Purple leaf plum, and 102 of an unknown variety. Monterey County conditions of approval (Monterey County Conditions 16, 17, and 18) require tree protection during construction (pursuant to LUP Policy 34 and IP Section 20.147.050(D)(3)) and all landscaping and development in accordance with the forest management plan (pursuant to LUP Policy 32 and IP Section 20.147.050(D)(7)). (See Exhibit B for Monterey County Conditions).

c) Analysis

The removal of trees at the Casa Palmero site is primarily a scenic resource issue. The subject site is not located within an environmentally sensitive habitat area, is not located within the indigenous range of the Monterey cypress, is surrounded by the open space of the Pebble Beach Golf Course, and all of the trees were previously planted for landscaping purposes. The forest management plan for the subject site specifically identifies the only significant resource value, or potential resource value, as a visual resource value.

Applicant proposes to replace all trees to be removed on site at an overall 2:1 ratio (212 new trees to replace the 106 trees to be removed). Furthermore, the applicant's proposal to replace the 21 significant natives to be removed with 61 new native tree plantings (nearly a 3:1 native tree replacement ratio), represents a strong commitment to retain the look of the Del Monte Forest at the subject site. While the potential for overcrowded plantings is a concern, the deviation from a 'like for like' replacement package (as detailed in Attachment 1 of IP Section 20.147) is appropriate in this case because: (1) dense plantings at this location are needed to provide a visual screen; and (2) applicant's proposed 3:1 native replacement ratio (which will provide for more native tree replacements than required by the LUP) will help to reforest the property.

However, the proposed number of each type of native tree to be replaced is a potential problem due to the nature of the pine pitch canker epidemic on the Monterey Peninsula. Of the 61 native trees proposed for replanting, 58 of these are Monterey pine. Because there is currently no treatment, other than removal, when pine trees are infected with the pine pitch canker, it is not inconceivable that all of the replanted pine could potentially die and be removed. Were this worst-case scenario to occur, the forest visual resource at this site would be significantly altered and the proposed project would be in inconsistent with LUP Policy 33.

d) Conclusion

The Casa Palmero project proposes adequate native tree replanting to maintain and enhance the forest visual resource at the subject site. However, unless a satisfactory pitch canker resistant strain of Monterey pine becomes available, the 58 Monterey pine proposed for replanting might not prove to be a satisfactory choice of native tree for replacement. Given that the forest resource at this location is a visual resource and not a habitat resource, then replanting with either Coast live oak and/or Monterey cypress would retain the native forest canopy while reducing exposure to the pitch canker disease. That is not to say that Monterey pine should not be replanted at this location, but rather that the trade-offs must be explicitly acknowledged and addressed. Therefore this approval requires final landscape plans which address the pitch canker issue by specifying some mix of native tree replacement with a reevaluation component to allow for additional tree replacement should any of the replanted native trees die and be removed (see Special Condition 5 of this approval). In tandem with the overall 2:1 tree replanting program proposed for the subject site (replanting 212 trees to replace the 106 to be removed), the proposed project preserves the scenic forest resource on the subject site and, as conditioned, can be found consistent with LCP native tree replacement requirements and LUP Policy 33.

7. Scenic resources

a) Applicable policies

LUP Scenic and Visual Policy Guidance: complement natural scenic assets and enhance the public's enjoyment of them.

LUP Policy 15: requires the use of non-invasive and native species in landscape materials.

LUP Policy 53: requires the undergrounding of utilities (also reflected in IP Section 20.147.070(B))

LUP Policy 56: requires development be designed not to detract from the scenic values of the Del Monte Forest (also reflected in IP Section 20.147.070(C)(2))

IP Section 20.22.070: describes site development standards in the VSC(CZ) zoning district: (A)(1) maximum height of 35 feet; (B) maximum building site coverage of 50%, excluding parking and landscaping, (D) requires, at minimum, 10% of site landscaped, (E) requires lighting plan..

IP Section 20.62.030(C): allows for height limit exceptions in commercial projects.

IP Section 20.147.070(C)(2): requires the use of endemic species and other appropriate native landscaping materials (from "The Look of the Monterey Peninsula").

IP Section 20.44: requires the protection of the public viewshed through a review of size, configuration, materials, and colors associated with proposed structural development in a 'D' Design District.

b) Facts of this case

The Del Monte Forest represents an important scenic resource for the Monterey Peninsula. As described in the LUP, "ridgeline vistas, coastline panoramas, tree-lined corridors, and unique trees and rock formations are all appreciated by the regions many visitors." The LUP specifically encourages improvements which complement the natural scenic attributes of the area and enhance the public's enjoyment of them.

The proposed Casa Palmero project is located in the general public viewshed surrounding the Pebble Beach Lodge area as defined by LUP visual resource maps and IP Section 20.147.070(A). The subject site is viewable from the Pebble Beach Golf Course, Cypress Drive/Palmero Way, and (very distantly) from Point Lobos. As with all parcels in the Del Monte Forest, the Casa Palmero site is located in a 'D' Design district requiring design review to assure protection of the public viewshed.

Casa Palmero has been designed to maintain the Mediterranean villa style of the existing Casa Palmero mansion on site. Additional proposed structural development is generally of the same bulk and style associated with the existing structures. Older and/or used materials are being sought by the applicant to create a mature look for the Casa Palmero complex. The project plans show that the subject site will be extensively landscaped (covering nearly one-half of the subject site) and that the 106 trees to be removed to make way for structural development will be replaced by 212 new trees (see previous tree removal discussion)

Monterey County conditions of approval require a lighting plan pursuant to IP Section 20.22.070(E) (Monterey County Condition 3), and require the undergrounding of utilities (as per LUP Policy 53 and IP Section 20.147.070(B) (Monterey County Condition 4). (See Exhibit B for Monterey County Conditions).

c) Analysis

The overall project design builds upon the existing visual attributes of the Casa Palmero mansion and is sensitive to the need to protect the special visual resource of the Del Monte Forest. The project maintains the existing architectural style of the Casa Palmero mansion with elevations of the finished project showing an enhancement of the public visual resources existing at the site (see Exhibit C-7). The proposed height of the Casa Palmero project at its highest point of 36.5 feet, of which the last 1.5 feet is a decorative finial, is within the allowable height limits for commercial development per IP Sections 20.22.070(A)(1) and 20.62.030(C).

Casa Palmero has been designed with extensive landscaping which will cover nearly one-half of the site (nearly 5 times the LCP coverage requirement). The applicant proposes to plant 212 trees on site to replace the 106 trees to be removed which should result in an enhancement of the scenic forest resources on site (LUP Policy 33) as enjoyed by the public from the adjacent golf course and Cypress Drive/Palmero Way. However, while Monterey County conditions of approval required a final landscaping plan, and though the applicant's drainage and erosion control plan specifies permanent planting with native plants, the landscape plan was not conditioned to use any specific types of plants. Given that the LCP specifically refers to revegetation with native species, the proposed project is inconsistent on this point with LUP Policy 15 and IP Section 20.147.070(C)(2).

The proposed parking facility, the focus of much of the opposition to this project, has been designed to provide approximately 85 parking spaces at grade with the remainder under ground. Given that the existing parking lot provides for 130 at grade parking spaces, the new structure would reduce the number of cars in the public viewshed. In addition, the existing parking lot has little scenic value and the extensive landscaping associated with the proposed new structure should substantially enhance the visual attributes of parking lot site (see Exhibits C-8 and C-9).

The ventilation shafts associated with the proposed parking facility would be 12'9" (intake) and 22'6" (exhaust), both within the 35 foot structural height limitation for the subject site. However, while the intake shaft will be near the proposed new spa wing and partially obstructed, the exhaust shaft is proposed for the north-east corner of the parking facility (nearest the golf course) where there is no other structural development. Lacking adequate landscape screening, this exhaust tower could

potentially have a negative impact on the public scenic resources of the site contrary to LUP Policy 56 and the LUP's scenic and visual resource policy guidance statement.

d) Conclusion

While the overall Casa Palmero project has been sensitively designed to enhance the scenic attributes of the subject site, there are two scenic issues associated with the proposed project that remain to be addressed: (1) the lack of specificity regarding native plant species in the County's landscaping condition; and (2) the visual impact of the exhaust tower portion of the parking facility. The intent of the LCP with regards to native planting and preserving scenic attributes can both be dealt with by requiring native plants in a final landscape plan that specifically identifies an appropriate means for screening of the exhaust tower with landscaping (see Special Condition 5 of this approval). In this way any potential scenic resource impacts can be addressed and public views from the Pebble Beach Golf Course, Cypress Drive/Palmero Way, and from Point Lobos in the distance, can be maintained and enhanced consistent with the LCP.

The Casa Palmero project should preserve and enhance the visual attributes of the coastal zone consistent with LUP Policy 56, the LUP's visual resource policy guidance, and IP Section 20.44. The new facility will continue the architectural tradition of the Casa Palmero mansion and will remodel and improve the scenic corridor associated with the existing parking lot area consistent with development in a design control district. With extensive landscaping, conditioned to provide for Del Monte Forest native plantings (see Special Condition 5 of this approval), the proposed project can be expected to result in an overall enhancement of the public viewshed and the public's enjoyment of the scenic attributes of this important visitor destination. Accordingly, as conditioned, this portion of the project is consistent with LCP visual resource requirements.

8. Marine resources

a) Applicable policies

LUP Marine Resources Guidance: requires that the water quality of the Carmel Bay State Ecological Preserve and the Carmel Bay Area of Special Biological Significance be protected and maintained.

LUP Policy 1: requires development in the Pescadero watershed to minimize runoff, site disturbance, erosion, and sedimentation through erosion control and runoff plans (also reflected in IP Section 20.147.070(A)(3)).

LUP Policy 2: requires non-point source pollution to the Carmel Bay Area of Special Biological Significance to be minimized through drainage and runoff control systems.

LUP Policies 4, 5, and 35: require construction measures to control runoff and erosion.

LUP Policy 6: requires adequate drainage design to prevent erosion and to accommodate increased runoff due to development; onsite retention may be considered.

LUP Policy 70: requires new development to incorporate mitigation measures to minimize potential adverse environmental impacts.

b) Facts of this case

The Casa Palmero site is located within an unnamed sub-watershed to the north of the Pescadero Canyon watershed. These areas all drain to Carmel Bay, south of the project site. The area offshore at Stillwater Cove is well noted for its rich variety of marine life (e.g., southern sea otter habitat, endemic algae and kelp, etc.) and it is well protected, simultaneously being part of the Carmel Bay Area of Scientific and Biological Significance (ASBS), the Carmel Bay State Ecological Preserve, and the Monterey Bay National Marine Sanctuary (MBNMS).

Runoff from impervious surfaces is recognized as a major source of water quality degradation in the Carmel Bay ASBS and MBNMS. The Casa Palmero project would increase impervious surfacing on the proposed 5.1 acre parcel from 34% (75,649 sq.ft.) to 52.4% (116,439 sq.ft.) of the subject site; an increase of 40,790 square feet of impervious surface coverage at the site. In addition, the geotechnical investigation of the subject site (as clarified by a January 28, 1997 letter from Sampson Engineering Inc.) concluded that the area surrounding the proposed parking structure would likely receive about 10 gallons per minute of groundwater flow (with a worst case scenario of 25 gallons per minute) into the area under the garage floor slab, both during and after construction.

The applicant has developed a drainage and erosion control plan addressing both construction and post construction drainage and erosion issues. The drainage infrastructure for the Casa Palmero complex would be tied into the existing stormdrain which traverses the golf course and empties into Carmel Bay. The drainage plan includes the provision of two high velocity stormwater interceptors between the parking structure and the stormdrain main in order to capture parking structure pollutants. Construction measures are required to prevent the escape of sediment from the site. The drainage and erosion control plan was reviewed by the Monterey County Water Resources Agency and deemed adequate to mitigate for grading impacts and deemed acceptable to mitigate any water quality impacts to the Carmel Bay. As described by the drainage and erosion control plan, final erosion and sediment control plans will be provided in tandem with final landscaping plans.

Monterey County conditions of approval require all development in accordance with the drainage and erosion control plan (Monterey County Condition 12), require final grading plans in conformance with the drainage and erosion control plan (Monterey County Condition 13), and require all stormwater drainage improvements to be constructed in accordance with the drainage and erosion control plan (Monterey County Condition 15). Monterey County condition 37 requires the applicant to apply for a National Pollutant Discharge Elimination System (NPDES) permit from the Regional Water Quality Control Board (RWQCB) which may require a stormwater pollution control plan. (See Exhibit B for Monterey County Conditions). Applicant has indicated that the existing stormwater outfall for this site has been subject to a comprehensive testing program, and that these surface water flows are demonstrably free of contaminants.

c) Analysis

Coastal polluted runoff is runoff from atmospheric precipitation and/or irrigation that picks up and transports sediments and contaminants from land surfaces and carries the pollutants into coastal surface and/or groundwater, and eventually to the ocean. This polluted runoff can result in significant adverse impacts to coastal ecosystems, public use, and human health including, among other problems, ground and surface water contamination, damage and destruction of wildlife habitat, and the loss of coastal recreational opportunities.

The proposed Casa Palmero project has the potential to increase polluted runoff into the environmentally sensitive areas offshore in the Carmel Bay. On-site impervious surfacing, which contributes to increased potential for runoff, will be increased by 40,790 square feet over existing levels. Furthermore, the proposed project will collect a substantial amount of groundwater flow under

the garage floor slab: the geotechnical engineer's estimate of 10 gallons per minute translates into 600 gallons per hour and 14,400 gallons per day; the worst case scenario (25 gallons per minute), translates into 36,000 gallons per day. All of this collected groundwater will be put through the project's interceptors (i.e., filtration system) and then it will flow into the Carmel Bay. The potential for pollutant loading is all the more relevant given the immediate upland proximity of the Pebble Beach Golf Course (see Exhibit C-3).

While it is true that all of this groundwater runoff would eventually find its way (through underground seepage and flows) to the Bay on its own, the proposed project replaces the natural filtration system (i.e., soil) with a mechanical system. By hastening the transport of this groundwater to the Bay, any potential pollutants being carried by this groundwater (e.g., pesticides, herbicides, nitrates, etc.) that are not filtered by the stormdrain interceptors at the subject site will be deposited into the bay at a single stormdrain discharge point. Although the Monterey County Water Resources Agency concluded that the applicant's drainage and erosion control plan was acceptable to mitigate for any water quality impacts to the Monterey Bay, it is not clear if these additional groundwater concerns were understood at the time of this review.

While the project's drainage and erosion control plan is sufficient to minimize and contain polluted runoff from on-site impervious surfacing, the collection and transport of large quantities of shallow-horizon groundwater flows is potentially detrimental to the health of the Carmel Bay. In particular, the long-term protection of the environmentally sensitive resources offshore requires a long-term solution. In addressing this long-term need, Monterey County required the applicant to apply for a NPDES permit which could potentially include the requirement that a stormwater pollution control plan be developed (Monterey County condition 37). However, because the NPDES permit and the development of a pollution control plan are not required (only the application), it is possible that the long term impacts could be neglected. In addition, while the applicant's drainage and erosion control plan contains a note that final erosion and sediment control will be provided for through the final landscaping plans, it is not clear that a final drainage and erosion control plan will be developed that provides for long term maintenance and operations of all on-site controls. As such, this portion of the proposed project is inconsistent with the LUP's Marine Resource Policy Guidance Statement, and LUP Policies 1, 2, and 6 which specifically require the long term protection of Carmel Bay resources offshore (i.e., Carmel Bay ASBS, Carmel Bay Ecological Preserve, MBNMS) and LUP Policy 70 which requires mitigation for any potential adverse environmental impacts.

The County's approval did not include a requirement for a long-term drainage and erosion control plan with maintenance provisions. Such mitigation would appear necessary to conform with LCP marine resource policies relative to the environmentally sensitive area where the runoff from the proposed project will drain (i.e., Carmel Bay ASBS, the Carmel Bay State Ecological Preserve, and the MBNMS). In order to protect this special resource, it is essential that the proposed project explicitly define a long term plan for controlling runoff from the site and minimizing the introduction of pollutants into Carmel Bay. This can be feasibly achieved in several ways, including recycling the excess water through the existing water reclamation system, using it for supplementary irrigation on golf courses and/or landscaping, or – after intercepting contaminants – discharging it via the existing stormwater drains subject to RWQCB discharge requirements. Given the scarcity of potable water on the Monterey Peninsula, it seems inappropriate to discharge anywhere from 14,400 to 36,000 gallons of groundwater per day into the Bay when this water could be recycled (and filtered) through irrigation of golf courses.

There are two revisions to the project that can fully mitigate for these marine resource policy inconsistencies. The first revision requires final erosion control and drainage plans which specifically

provide for long-term maintenance and operation of pollution control systems (see Special Condition 6 of this approval). Furthermore, to ensure that the groundwater that will be pumped into the Carmel Bay will not impact this environmentally sensitive area, the project must provide evidence that the groundwater will be otherwise used (i.e., for irrigation or reclamation purposes) or that the RWQCB has acknowledged that this discharge will not affect the resources offshore (see Special Condition 7 of this approval). In this way, it can be assured that the project will not unnecessarily waste groundwater that could otherwise be used in the water-scarce Monterey Peninsula, and that the project will not negatively impact the Carmel Bay ASBS, the Carmel Bay State Ecological Preserve, or the MBNMS. These conditions will fully mitigate any potential adverse marine resource impacts and bring this portion of the project into conformance with LCP policies discussed above.

d) Conclusion

As conditioned, the Casa Palmero project will provide long-term protection for the very important marine resource offshore (Carmel Bay ASBS, Carmel Bay Ecological Preserve, and MBNMS). By requiring a comprehensive final drainage and erosion control plan for the site, and assurance that groundwater being pumped from the site will not impact this environmentally sensitive habitat area offshore, the project is consistent with the LCP marine resource policies discussed above.

9. Archaeological resources

a) Applicable policies

LUP Archeological Policy Guidance: requires development to avoid impacts to archeological resources.

LUP Policies 60 and 61: requires archeological survey to evaluate the site and make appropriate recommendations to protect any archeological resources (also reflected in IP Section 20.147.080).

b) Facts of this case

The Del Monte Forest contains numerous archeological sites with the general Casa Palmero area, having been home at one time to the Costanoan (Ohlone) people (and later, a 19th Century fishing village). According to LCP resource maps, the subject Casa Palmero site is in a high archaeological sensitivity zone. However, although there are numerous archeological sites recorded on the coast in the nearby vicinity, the archeological study done for the Casa Palmero site (by Archaeological Consulting, 9/1/95) found no evidence of prehistoric cultural resources on the Casa Palmero properties. Monterey County condition number 7 requires that work be halted and a qualified archaeologist be consulted if any cultural, archeological, historic, or paleontological resources are uncovered (pursuant to LUP Policies 60 and 61). (See Exhibit B for Monterey County Conditions).

c) Analysis/Conclusion

There is no evidence of archeological resources on the subject Casa Palmero site. Further, Monterey County Condition 7 will ensure mitigation of any impacts to archeological resources (see Exhibit B). As such, the proposed project is consistent with LCP archeological policies.

10. Geology

a) Applicable policies

LUP Policy 43: requires that development be designed to conform to site topography and minimize grading and that it be reviewed for geologic and seismic hazards with appropriate mitigation measures required.

b) Facts of this case

Although the Del Monte Forest area is located in an active seismic region, according to LUP resource maps the Casa Palmero site is in area of low seismic hazard. The geologic report (by Foxx, Nielsen and Associates, 3/22/96) and the geotechnical report (by Sampson Engineering Inc., 3/8/96 & 12/22/94) for the proposed project examined the subject site in great detail and found no geologic or seismic hazards that would preclude the proposed development from a geologic standpoint provided the structure is built in accordance with the Uniform Building Code and accepted engineering practices. Monterey County conditions of approval require all development in accordance with the geological report (Monterey County Condition 8) and the geotechnical report (Monterey County Condition 9), and further require the presence of a qualified geotechnical engineer to advise contractors during construction operations (Monterey County Condition 10) as well as to certify that all development was done in accordance with the geotechnical requirements (Monterey County Condition 11). (See Exhibit B for Monterey County Conditions).

d) Analysis/Conclusion

The Casa Palmero site shows no evidence of geologic instability and there appears to be no natural hazard that would preclude development at this location. The proposed project would be constructed in accordance with the geologic and geotechnical reports prepared for the subject site and appropriate mitigations have been required by Monterey County. Given that there is no evidence of geologic hazard on the subject Casa Palmero site, and further given Monterey County Conditions 8, 9, 10, and 11, the proposed project is consistent with LCP geologic hazard policies.

11. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This report has examined a variety of issues in connection with the environmental impacts of this proposal. The Commission finds that only as modified and conditioned by this permit will the proposed project not have any significant adverse impacts on the environment within the meaning of CEQA.

CALIFORNIA COASTAL COMMISSION

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Compliance. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
7. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

EXHIBIT NO. A
APPLICATION NO. A-3-MCO-97-037
STANDARD
CONDITIONS

Department, and Water Resources Agency. The project has also been reviewed by the Pebble Beach Community Services District. There has been no indication from these agencies that the site is not suitable for the proposed development. See also the Negative Declaration, plans, and materials submitted for the proposed development and contained in File No. PC96024.

20. **FINDING:** The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of Title 20 and any zoning violation abatement costs have been paid.
EVIDENCE: No violations for the subject property have been filed. See also plans and materials in File No. PC96024.
21. **FINDING:** The project is in conformity with public access and public recreation polices of Chapter 3 of the Coastal Act of 1976 (commencing with Section 30200 of the Public Resources Code). The project will not adversely effect any historic access and/or public trust interest or right.
EVIDENCE: See the plans and materials in File NO. PC96024. Also, the public access provisions of the Del Monte Forest Area Land Use Plan have already been fully implemented.

CONDITIONS OF APPROVAL

1. This permit allows a Combined Development Permit consisting of a Coastal Development Permit for the partial demolition, reconstruction, and addition to an existing single family dwelling to create a 24 unit inn, 24 treatment room spa, and a 315 space three level parking structure with two levels below grade; a Coastal Development Permit to allow a reduction in parking standards; General Development Plan for a commercial development in a "VSC(CZ)" Zone; Major Lot Line Adjustment; and Design Approval. The Combined Development Permit is allowed in accordance with County ordinances and land use regulations subject to the following terms and conditions. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of Planning and Building Inspection. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. (Planning and Building Inspection)
2. Food preparation shall not occur on site except for the assembly of food that has been prepared off site and shall be limited to the use of a pantry kitchen for: banquets, cocktail parties, continental breakfasts, board meetings, and similar events that do not require food preparation as defined by the California Uniform Food Facilities Law (CUFFL). (Environmental Health)
3. That all exterior lighting shall be unobtrusive, harmonious with the local area, and constructed or located so that only the intended area is illuminated and off-site glare is fully controlled. That the applicant shall submit 3 copies of an exterior lighting plan which shall indicate the location, type, and wattage of all light fixtures and include catalog sheets for each fixture. The exterior lighting plan shall be subject to approval by the Director of Planning and Building Inspection, prior to the issuance of building permits. (Planning and Building Inspection)

4. That new utility and distribution lines shall be placed underground. (Planning and Building Inspection; Public Works)
5. Prior to the issuance of a building permit, the applicant shall obtain from the Monterey County Water Resources Agency (MCWRA), proof of water availability on the property, in the form of a water availability certificate; and then shall present to the MCWRA a copy of the water use permit from the Monterey Peninsula Water Management District. (Water Resources Agency)
6. The applicant shall comply with Ordinance No. 3539 of the Monterey County Water Resources Agency pertaining to mandatory water conservation regulations, as administered by a Monterey County plan check engineer, during building permit review. The regulations for new construction require, but are not limited to:
 - a. All toilets shall be ultra-low flush toilets with a maximum tank size or flush capacity of 1.5 gallons, all shower heads shall have a maximum flow capacity of 2.5 gallons per minute, and all hot water faucets that have more than ten feet of pipe between the faucet and the hot water heater serving such faucet shall be equipped with a hot water recirculating system.
 - b. Landscape plans shall apply xeriscape principles, including such techniques and materials as native or low water use plants and low precipitation sprinkler heads, bubblers, drip irrigation systems and timing devices. (Water Resources Agency; Planning and Building Inspection)
7. If, during the course of construction, cultural, archaeological, historical or paleontological resources are uncovered at the site (surface or subsurface resources) work shall be halted immediately within 50 meters (150 feet) of the find until it can be evaluated by a qualified professional archaeologist. The Monterey County Planning and Building Inspection Department and a qualified archaeologist (i.e., an archaeologist registered with the Society of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery. (Planning and Building Inspection)
8. That prior to issuance of building or grading permits, a notice shall be recorded with the Monterey County Recorder which states: "A geological report has been prepared for this parcel by Foxx, Nielsen and Associates, dated March 22, 1996, and is on record in the Monterey County Planning Department Library No. PC96024. All development shall be in accordance with this report." (Planning and Building Inspection)
9. That prior to issuance of building or grading permits a notice shall be recorded with the Monterey County Recorder which states: "A geotechnical report has been prepared for this parcel by Sampson Engineering Co., dated March 8, 1996, and is on record in the Monterey County Planning Department Library No. PC96024. All development shall be in accordance with this report." (Planning and Building Inspection)
10. Prior to issuance of grading permits, the applicant shall provide the Director of Planning and Building inspection proof that a qualified geotechnical engineer has been retained to:
 1. Review grading and foundation plans during project design for compliance with recommendation contained within the geotechnical report.
 2. Review contractor shoring and de-watering plans a minimum of three weeks prior

- to construction.
3. Observe, test and advise contractor during site preparation, grading and compaction.
 4. Observe de-watering of excavations.
 5. Observe shoring placement, including drilling of pier holes for soldier piles, wood lagging placement and tieback anchor or soil nail installation.
 6. Observe foundation excavations and slab preparation.
 7. Observe, test and advise during backfilling and compaction of on-site utility trenches and retaining walls.
 8. Observe, test and advise during pavement construction.
- (Planning and Building Inspection - Mitigation 5.1.a)

11. Prior to final inspection of building permits, the geotechnical consultant shall provide certification that all development has been in accordance with the geotechnical report prepared by Sampson Engineering Inc., dated March 8, 1996. (Planning and Building Inspection - Mitigation 5.1.b)
12. That prior to issuance of building or grading permits a notice shall be recorded with the Monterey County Recorder which states: "A drainage and erosion control plan has been prepared for this parcel by Mark Thomas and Co., dated August 20, 1996, and is on record in the Monterey County Planning Department Library No. PC96024. All development shall be in accordance with this report." (Planning and Building Inspection)
13. The final grading plans shall include measures contained in the erosion control plan prepared by Mark Thomas & Co., as approved by the Monterey County grading engineer and the Monterey County Water Resources Agency. Any changes to that plan shall be approved by staff of both agencies. Measures shall be in place prior to issuance of grading permits. (Water Resources Agency/Planning and Building Inspection - Mitigation 5.5)
14. A note shall be placed on the grading plans for both the excavation and stockpiling component of the project which include the following particulate emission reduction measures:
 - a. Exposed earth surfaces shall be watered during clearing, excavation, grading, and construction activities. Watering shall be done in late morning and at the end of each day. The frequency of watering shall increase if wind speeds exceed 15 miles per hour.
 - b. Grading activities shall be prohibited during periods of high winds (i.e. greater than 30 miles per hour).
 - c. Throughout excavation activities, material placed in haul trucks shall be watered, and tarpaulins or other effective covers shall be used at all times. Haul trucks shall maintain at least two feet of freeboard.
 - d. All construction equipment related to hauling activities shall be limited to a speed limit of 15 miles per hour.
 - e. Roads adjacent to the excavation and stockpiling sites shall be swept, as needed, to remove accumulated silt. (Planning and Building Inspection - Mitigation 6.1)
15. Certification that the stormwater drainage improvements have been constructed in accordance with the drainage plans prepared by Mark Thomas and Company, dated July 15, 1996, shall be provided to the Planning and Building Inspection Department by a registered civil engineer or licensed contractor who constructed the facility shall be

provided prior to final inspection of the building permits. (Planning and Building Inspection - Mitigation 7.2)

16. That prior to issuance of building or grading permits a notice shall be recorded with the Monterey County Recorder which states: "Two forest management plans have been prepared for this parcel by Hugh Smith, dated April 12, 1996, and October 4, 1996, and are on record in the Monterey County Planning Department Library No. PC96024. All development shall be in accordance with this report." (Planning and Building Inspection)
17. The site shall be landscaped. At least three weeks prior to occupancy, three copies of a landscaping plan shall be submitted to the Director of Planning and Building Inspection for approval. The landscaping plan shall be in sufficient detail to identify the location, specie, and size of the proposed landscaping materials and shall be accompanied by a nursery or contractor's estimate of the cost of installation of the plan. Landscape plans prepared for the project shall incorporate tree replacement recommendations (type, number, and location), contained in the Forest Management Plan prepared by Hugh Smith dated April 12, 1996. Before occupancy, landscaping shall be either installed or a certificate of deposit or other form of surety made payable to Monterey County for that cost estimate shall be submitted to the Monterey County Planning and Building Inspection Department. Tree replacement shall occur prior to final inspection of the facility. (Planning and Building Inspection - Mitigation 8.1.a)
18. The trees located close to the construction site shall be protected from inadvertent damage from construction equipment by wrapping trunks with protective materials, avoiding fill of any type against the base of the trunks and avoiding an increase in soil depth at the feeding zone of the retained trees. Said protection shall occur in accordance with recommendations contained in correspondence from Hugh Smith to the Pebble Beach Company, dated October 4, 1995, and shall be installed prior to issuance of grading permits for the facility. Written verification that the protection has been installed shall be provided by a forester from the County's list of approved foresters. (Planning and Building Inspection - Mitigation 8.1.b)
19. Prior to issuance of a grading permit for the stockpiling portion of the project, a construction fence shall be erected which restricts access to the dune remnant sand dunes. The fence location and alignment shall be approved by a biologist from the County's list of biologists. The applicant shall provide written confirmation from the biologist that the construction fence has been erected in a manner sufficient to protect the remnant sand dunes on site. (Planning and Building Inspection - Mitigation 8.2.a)
20. Prior to issuance of a grading permit for the stockpiling portion of the project an erosion control plan shall be prepared which prevents the stockpiled soils from eroding into the remnant sand dunes. The erosion control plan shall incorporate "best management practices," and shall be approved by Monterey County grading engineer, as well as staff from the Monterey County Water Resources Agency. (Water Resources Agency/Planning and Building Inspection - Mitigation 8.2.b)
21. Prior to occupying the parking facility, improve the intersection of 17 Mile Drive and Palmero Way by installing a left turn lane at Palmero Way. If delay is excessive on Palmero Way at the time of project occupancy, then two approach lanes shall be installed on Palmero Way. Excessive delay to be defined as more than four vehicle hours of delay, as determined by Public Works. Special events are to be excluded. Submit appropriate engineered improvement plans to Public Works for approval based on a 35 m.p.h. design. Also submit it to the Del Monte Forest Property Owners' Association and

their Traffic Committee for review. (Public Works)

22. A shuttle service between the temporary parking on Portola Road and the Lodge area shall be in place during construction of the facility. All Lodge area employees shall use the temporary parking and shuttle service during construction of the facility. (Planning and Building Inspection - Mitigation 15.2)
23. Prior to issuance of building or grading permits, the applicant shall prepare a traffic management plan detailing truck routing patterns and temporary traffic control procedures, including left turn movements from Palmero Way to 17 Mile Drive. The traffic management plan shall be subject to approval of the Public Works and Planning and Building Inspection Departments. (Public Works/Planning and Building Inspection - Mitigation 15.3)
24. Prior to issuance of building or grading permits, the applicant shall prepare a pedestrian improvement and parking plan for 17 Mile Drive adjacent to Peter Hay Golf Course. The plan shall include provisions to define angle parking spaces to improve accessibility. The plan shall be approved by the Public Works and Planning and Building Inspection Departments. (Public Works/Planning and Building Inspection - Mitigation 15.6.a)
25. Prior to final inspection of building permits for the facility, all parking and pedestrian amenity improvements included in the parking and pedestrian plan for 17 Mile Drive adjacent to Peter Hay Golf Course shall be constructed. (Public Works/Planning and Building Inspection - Mitigation 15.6.b)
26. Prior to issuance of building or grading permits, the applicant shall provide the County with a fair share contribution toward the upgrade of the Highway 1/Highway 68 interchange. The fair share contribution shall be calculated by the Public Works Department and based on additional peak hour trips generated by the development. (Public Works - Mitigation 22.1)
27. The project shall comply with the Noise Element of the Monterey County General Plan and Chapter 10.60 (Noise Control) of the Monterey County Code, and the acoustical analysis report prepared by Brown-Buntin Associates, dated August 26, 1996. (Environmental Health)
28. A follow-up noise analysis shall be conducted for the mechanical ventilation system on the parking structure. The noise analysis shall utilize a noise level performance standard of 45 dBA from the closest residential receivers to the mechanical ventilation system, in accordance with the acoustical analysis prepared for the project by Brown-Buntin Associates dated August 26, 1996. Results of the noise analysis shall be provided to the departments of Environmental Health and Planning and Building Inspection prior to final inspection of the parking structure. If results of the noise analysis conclude that the system does not meet the 45 dBA standard, then additional noise mitigating measures (i.e. acoustical louvers or ductwork lining) shall be incorporated into the final design. (Environmental Health/Planning and Building Inspection - Mitigation 18.1)
29. Hours of operation or movement of heavy construction equipment shall be limited to between 8:00 a.m. and 6:00 p.m. Monday through Saturday. Such operations shall not occur on Sundays or holidays. (Planning and Building Inspection - Mitigation 18.2.a.1)
30. All equipment that will operate for extended periods of time within the project site shall be equipped with residential type mufflers. Excessively noisy equipment (due to design

or state of repair) shall not be allowed on-site. A note shall be placed on the building and grading plans outlining this requirement. (Planning and Building Inspection - Mitigation 18.2.a.2)

31. During excavation of the parking structure, temporary berms from stockpiled soil shall be created to the maximum extent feasible to reduce noise-sensitive uses. Construction equipment shall work on the backside of the berms while excavating additional materials and loading trucks. Other temporary noise barriers between noise sources and receivers shall be constructed in accordance with the acoustical analysis prepared for the project by Brown-Buntin Associates dated August 26, 1996. A construction management plan shall be prepared, submitted and approved by the Director(s) of Environmental Health and Planning and Building Inspection, prior to issuance of building permits for the parking structure, showing berm location and equipment staging areas. (Environmental Health/Planning and Building Inspection - Mitigation 18.2.a.3)
32. The truck haul operation to remove earth excavated for the parking structure shall be restricted to the hours of between 8:00 a.m. and 6:00 p.m. Monday through Saturday, with no operations on Sundays or holidays. Truck haul speed shall be restricted to a maximum of 15 miles per hour to minimize tire and engine noise, as well as the impact sounds created when trucks pass over rough sections of roadway. (Planning and Building Inspection - Mitigation 18.2.b.2)
33. Applicant shall enter into an agreement with the County to implement a Mitigation Monitoring Plan. The Plan shall include, at a minimum, the following elements:
 - a. A listing of every mitigation measure approved by the decision-making body which certifies the subject environmental document;
 - b. An identification of the date or other appropriate time period expected for implementation of each mitigation measure;
 - c. If the date of the implementation of mitigation measure is uncertain, an estimate shall be provided;
 - d. If a mitigation measure requires continuous or frequent (e.g. daily) monitoring, the frequency and duration of required monitoring shall be specified;
 - e. If unclear on the faces of each measure, the standard for determining successful implementation of each measure shall be clearly identified;
 - f. Individuals of organizations responsible for monitoring and/or reporting shall be clearly identified;
 - g. The responsibilities under the plan for the applicant, County staff, and if necessary, consultants shall be identified; and
 - h. Relevant reporting procedures and forms shall be included;
 - i. Applicant agreement to pay consultant and staff to monitor long term measures beyond the final project inspection by the Planning and Building Inspection Department. (Planning and Building Inspection)
34. Obtain a survey of the new lot line(s) and have the line(s) monumented. (Public Works)
35. File a Record of Survey of the new lot line(s) and have the line(s) monumented. (Public Works)
36. Pursuant to the State Public Resources Code and the State Fish and Game Code, the applicant shall pay a fee to be collected by the County of Monterey in the amount of \$1,275. This fee shall be paid prior to filing of the Notice of Determination. Proof of payment shall be furnished by the applicant to the Director of Planning and Building

Inspection prior to commencement of use or the issuance of building and/or grading permits. The project shall not be operative, vested, or final until the filing fees are paid. (Planning and Building Inspection)

37. The applicant shall apply for an NPDES permit from the State Regional Water Quality Control Board, to contain the requirement of a storm water pollution control plan, if applicable. (Water Resources Agency)
38. Prior to issuance of building or grading permits, the applicant shall record a deed restriction which states: "A General Development Plan has been prepared for this development in accordance with County Ordinances. No new development, change or expansion of use, or physical improvements may be approved unless such development, use or expansion is found to be in conformance with the approved General Development Plan, or amendments thereto." (Planning and Building Inspection)
39. Prior to commencement of grading for the parking structure, the grading contractor shall be notified of the required disposal route as delineated in Figure 2 of the acoustical analysis prepared for the project by Brown-Buntin Associates dated August 26, 1996. A note shall be placed on the grading plans describing the required disposal route. (Planning and Building Inspection - Mit. 18.2.b.1)
40. Prior to final inspection of the parking structure, the applicant shall provide signage which designates at least two-thirds (2/3) of the parking spaces for use by lodge complex or Casa Palmero employees. As an exception, these spaces may be used by the Pebble Beach Company for special event parking once a quarter for no more than five (5) days. Prior to issuance of building or grading permits for the parking structure, the applicant shall record a deed restriction, enforceable by the County and approved as to form by County Counsel, stating the above parking requirements. (Planning and Building Inspection)
41. Prior to issuance of building or grading permits for the inn and spa, the applicant shall record a deed restriction, enforceable by the County and approved as to form by County Counsel, which states, "No special events shall take place at the Casa Palmero inn or spa." (Planning and Building Inspection)
42. The property owner agrees as a condition of the approval of this permit to defend at his sole expense any action brought against the County because of the approval of this permit. The property owner will reimburse the County for any court costs and attorneys' fees which the County may be required by a court to pay as a result of such action. County may, at its sole discretion, participate in the defense of any such action; but such participation shall not relieve applicant of his obligations under this condition. Said indemnification agreement shall be recorded upon demand of County Counsel or prior to the issuance of building permits or use of the property, whichever occurs first. (Planning and Building Inspection)
43. The applicant shall record a notice which states: "A permit (Resolution No. 97009) was approved by the Board of Supervisors for Assessor's Parcel Number(s) 008-423-035-000, 008-423-032-000, 008-423-036-000 and 008-401-020-000 on January 29, 1997. The permit was granted subject to 43 conditions of approval which run with the land. A copy of the permit is on file with the Monterey County Planning and Building Inspection Department." Proof of recordation of this notice shall be furnished to the Director of Planning and Building Inspection prior to issuance of building permits or commencement of the use. (Planning and Building Inspection)

PASSED AND ADOPTED on this 15th day of April, 1997, upon motion of Supervisor Johnsen, seconded by Supervisor Perkins by the following vote, to-wit:

AYES: Supervisors Salinas, Pennycook, Perkins and Johnsen.
NOES: Supervisor Potter.
ABSENT: None.

A COPY OF THIS DECISION MAILED TO THE APPLICANT AND APPELLANT ON May 2, 1997

This is notice to you that the time within which judicial review of this decision must be sought is governed by Code of Civil Procedure Section 1094.6.

I, ERNEST K. MORISHITA, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board Supervisors duly made and entered in the minutes thereof at page ___ of Minute Book 69 on April 15, 1997

Dated: April 15, 1997

ERNEST K. MORISHITA, Clerk of the Board of Supervisors, County of Monterey, State of California.

By Nancy Lukens

Deputy

CasaPalmero.Res/Eric BdReports

Monterey

PROJECT LOCATION

SAND CITY

Fort Ord Village

PACIFIC GROVE

SEASIDE

MILITARY

RESERVATION

Del Monte Park

MONTEREY COASTAL

DEL REY OAKS

CASA PAMBAO

CARMEL BY THE SEA

POINT LOBOS
RESERVE
STATE PARK

Bird Island

Carmel Highlands

EL POBENO DE
SAN CARLOS

EXHIBIT NO. **C**
APPLICATION NO.
A-3-MCO-93-082
GENERAL
LOCATION MAP

LOCATION MAP

1 0 1 2
miles



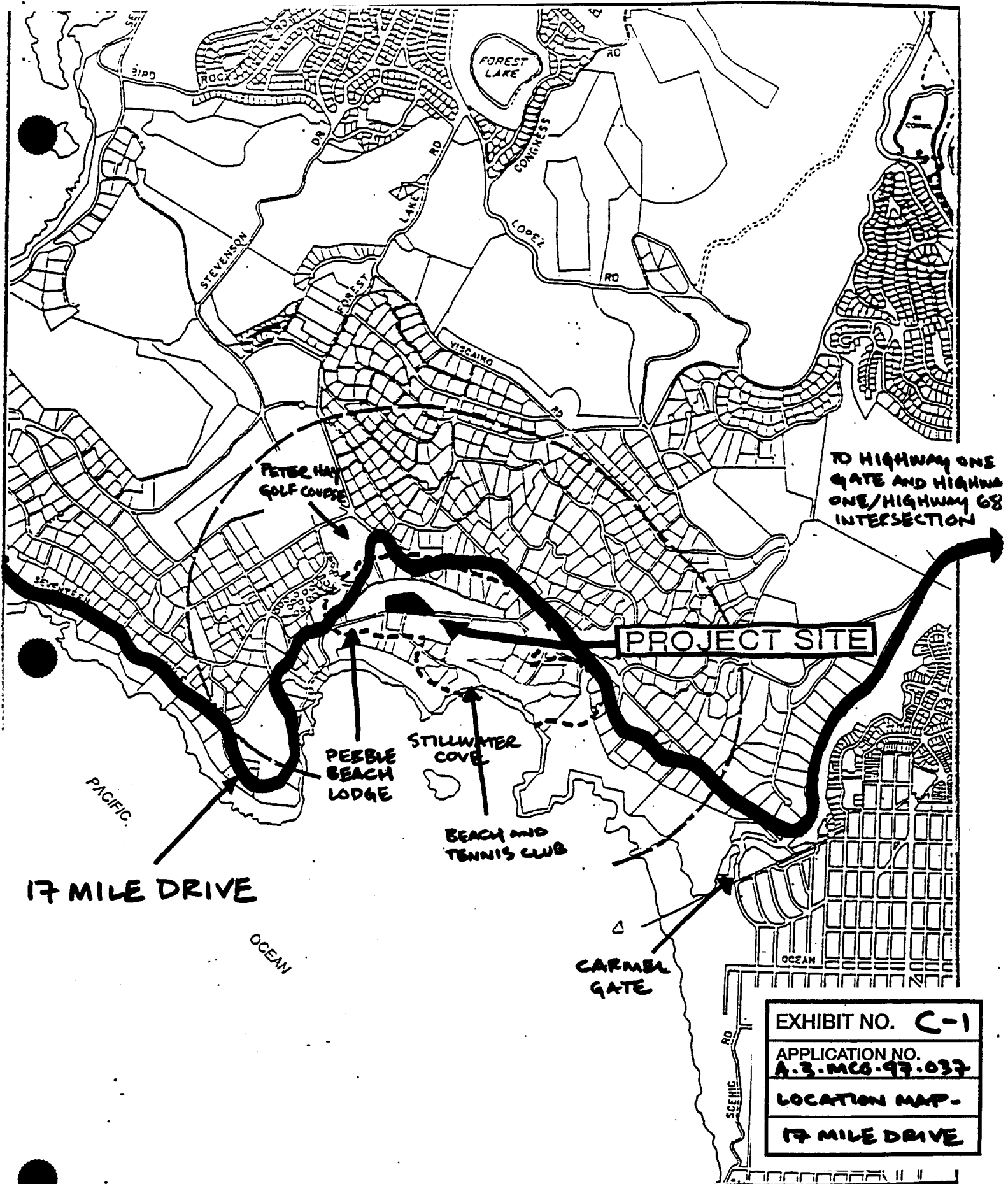


EXHIBIT NO. C-1

APPLICATION NO.
A.B.MC6.97.037

LOCATION MAP.

17 MILE DRIVE

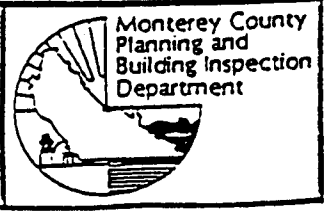
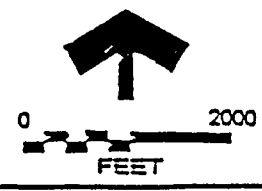
APPLICANT: CASA PALMERO

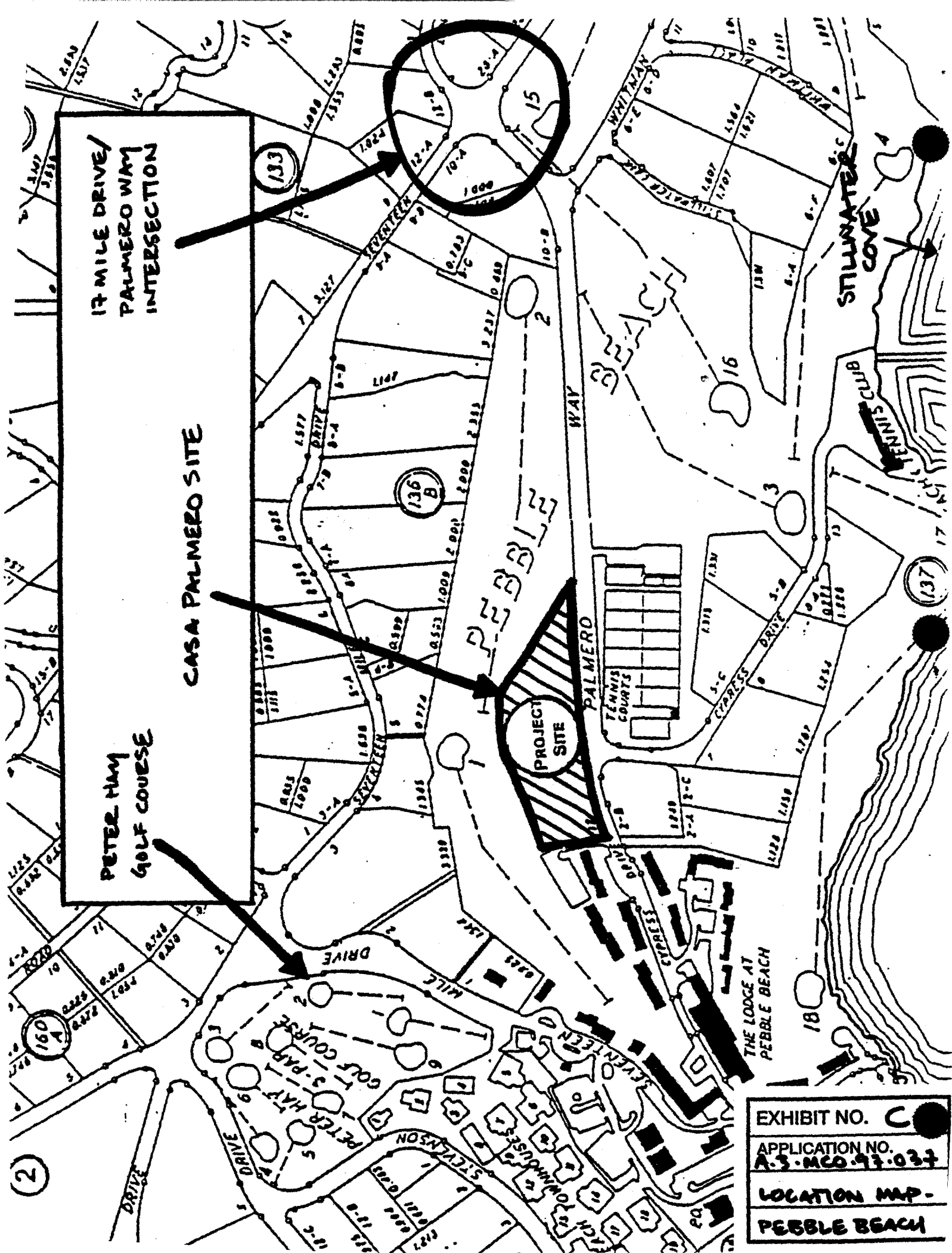
APN: 008-423-035-000M

P.C. = 96024

300' LIMIT -----

2,500' LIMIT -----





17 MILE DRIVE/
PALMERO WAY
INTERSECTION

CASA PALMERO SITE

PETER HAY
GOLF COURSE

PROJECT
SITE

PALMERO
WAY

PEBBLE
BEACH

STILLWATER
COVE

TENNIS CLUB

THE LODGE AT
PEBBLE BEACH

EXHIBIT NO. C
APPLICATION NO.
A.S.MCO.97.037
LOCATION MAP -
PEBBLE BEACH

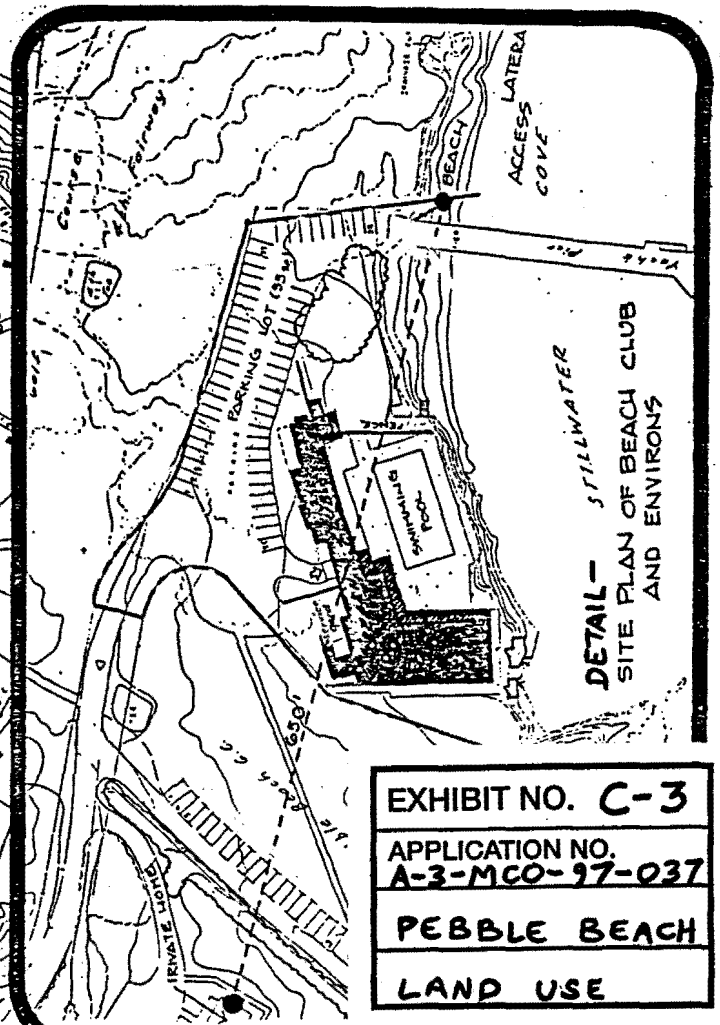
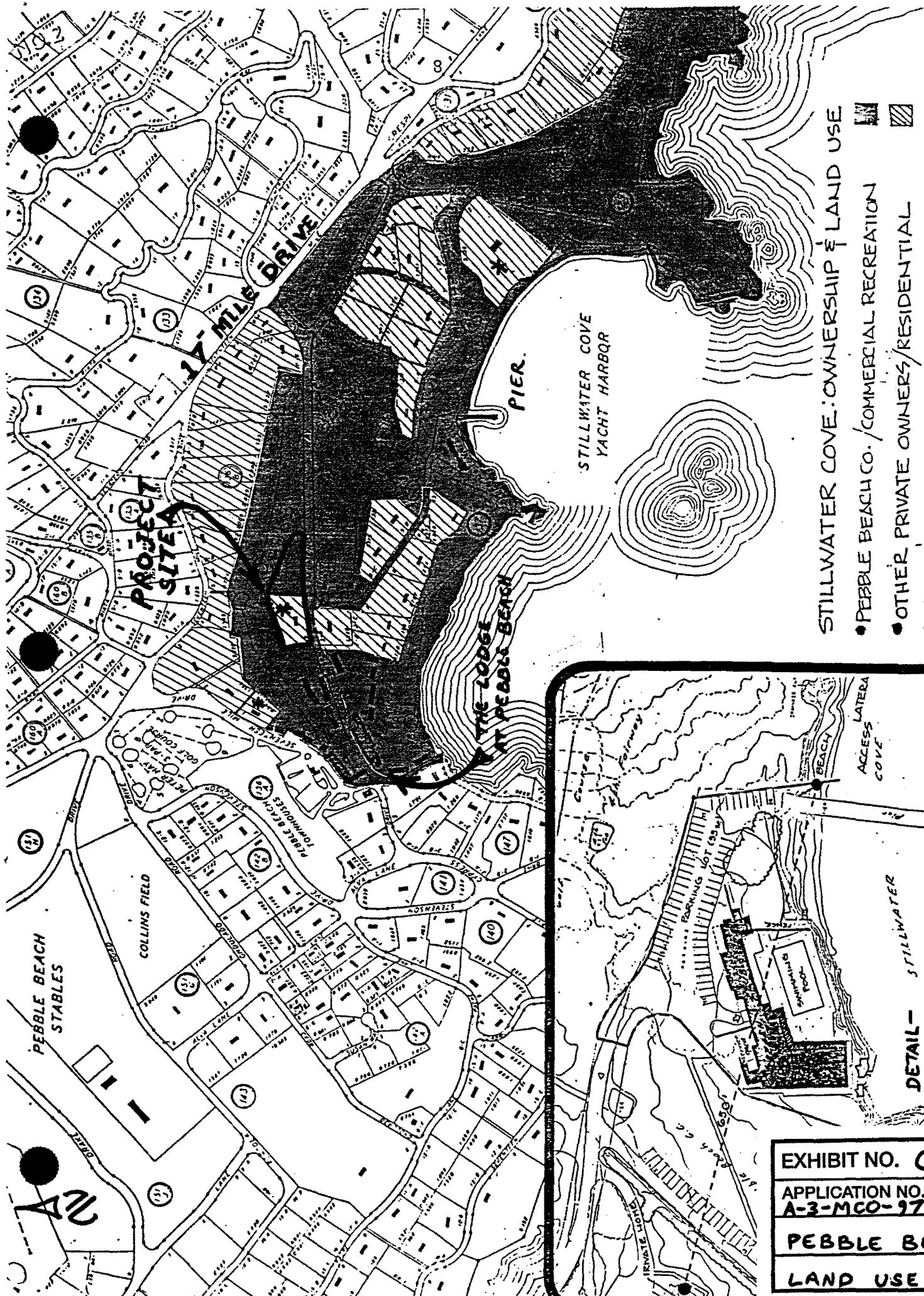


EXHIBIT NO. C-3

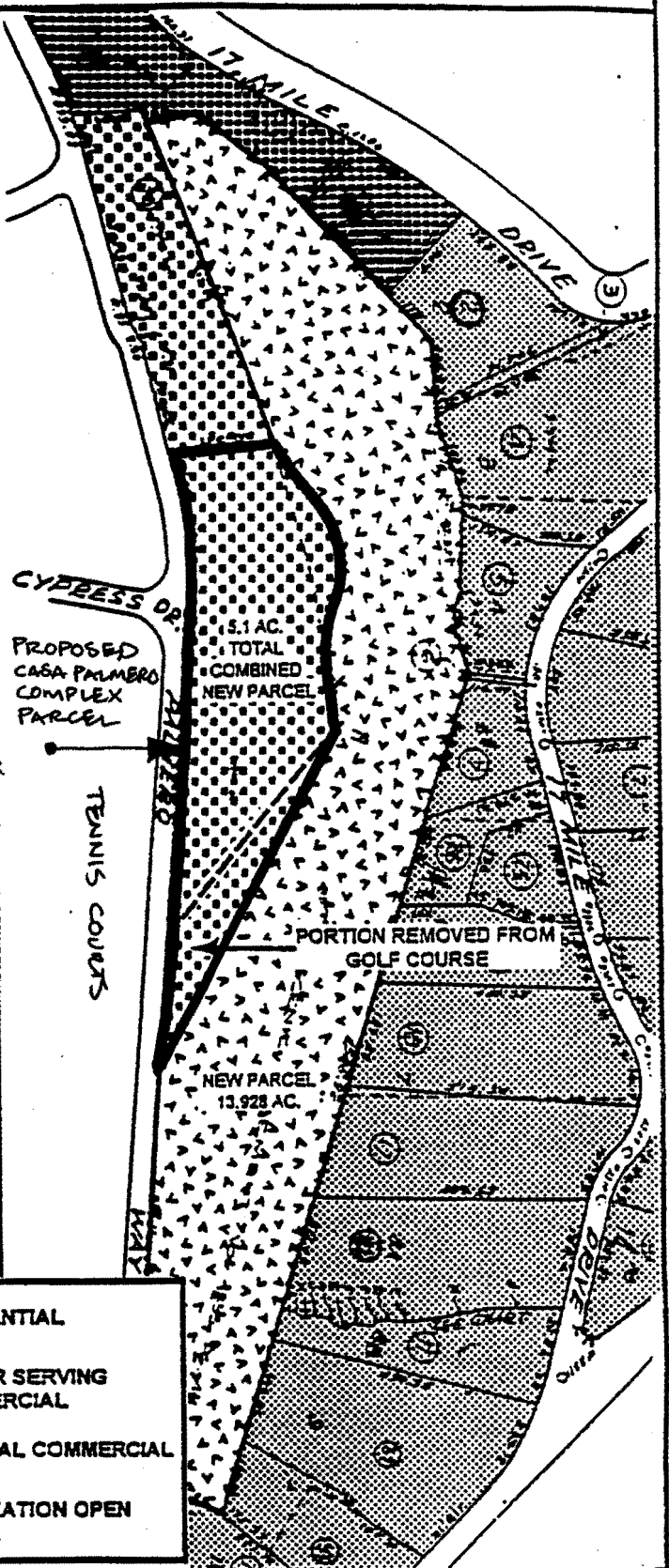
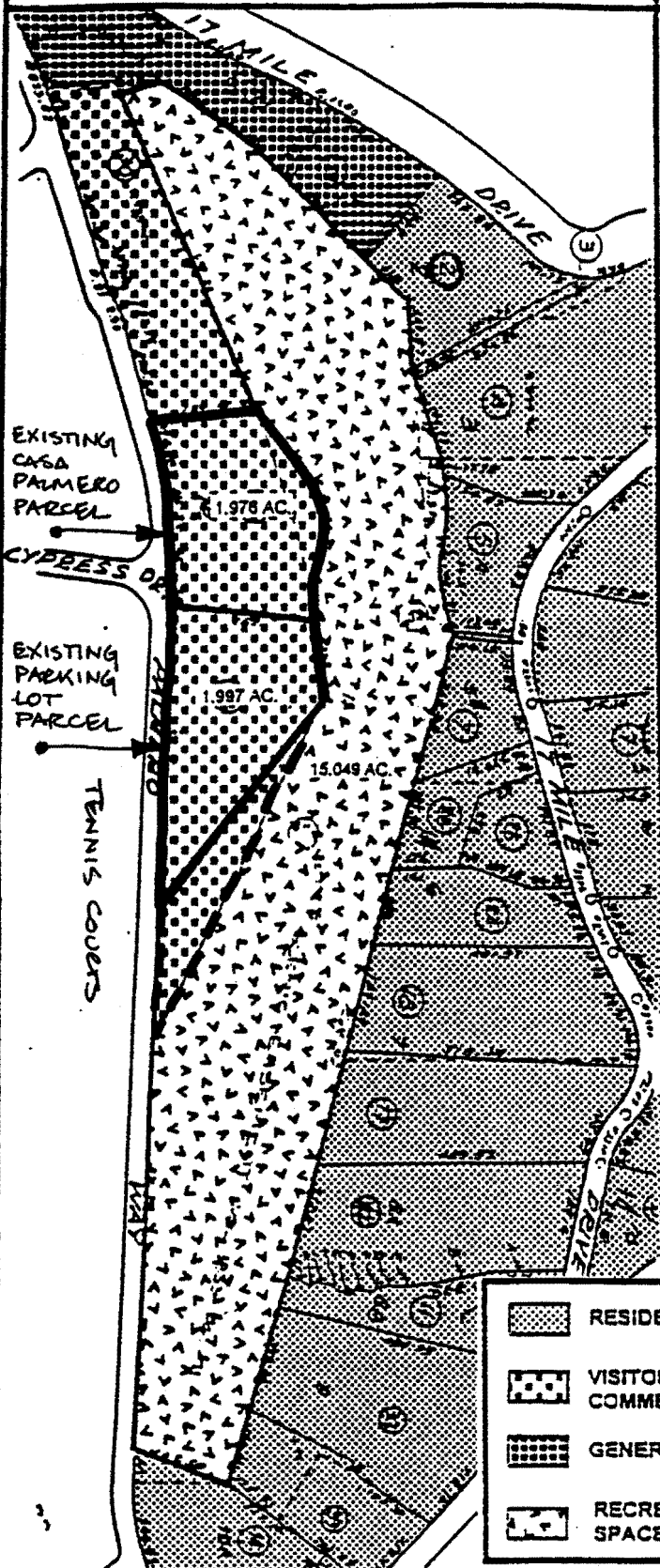
APPLICATION NO. A-3-MCO-97-037

PEBBLE BEACH

LAND USE

EXISTING LOT CONFIGURATION & ZONING

PROPOSED LOT CONFIGURATION & ZONING



- RESIDENTIAL
- VISITOR SERVING COMMERCIAL
- GENERAL COMMERCIAL
- RECREATION OPEN SPACE

APPLICANT: PEBBLE BEACH COMPANY (CASA PALMERO)

APN: 008-423-032-000, 035-000, 036-000

P.C.# 98024

APPENDIX 'A'

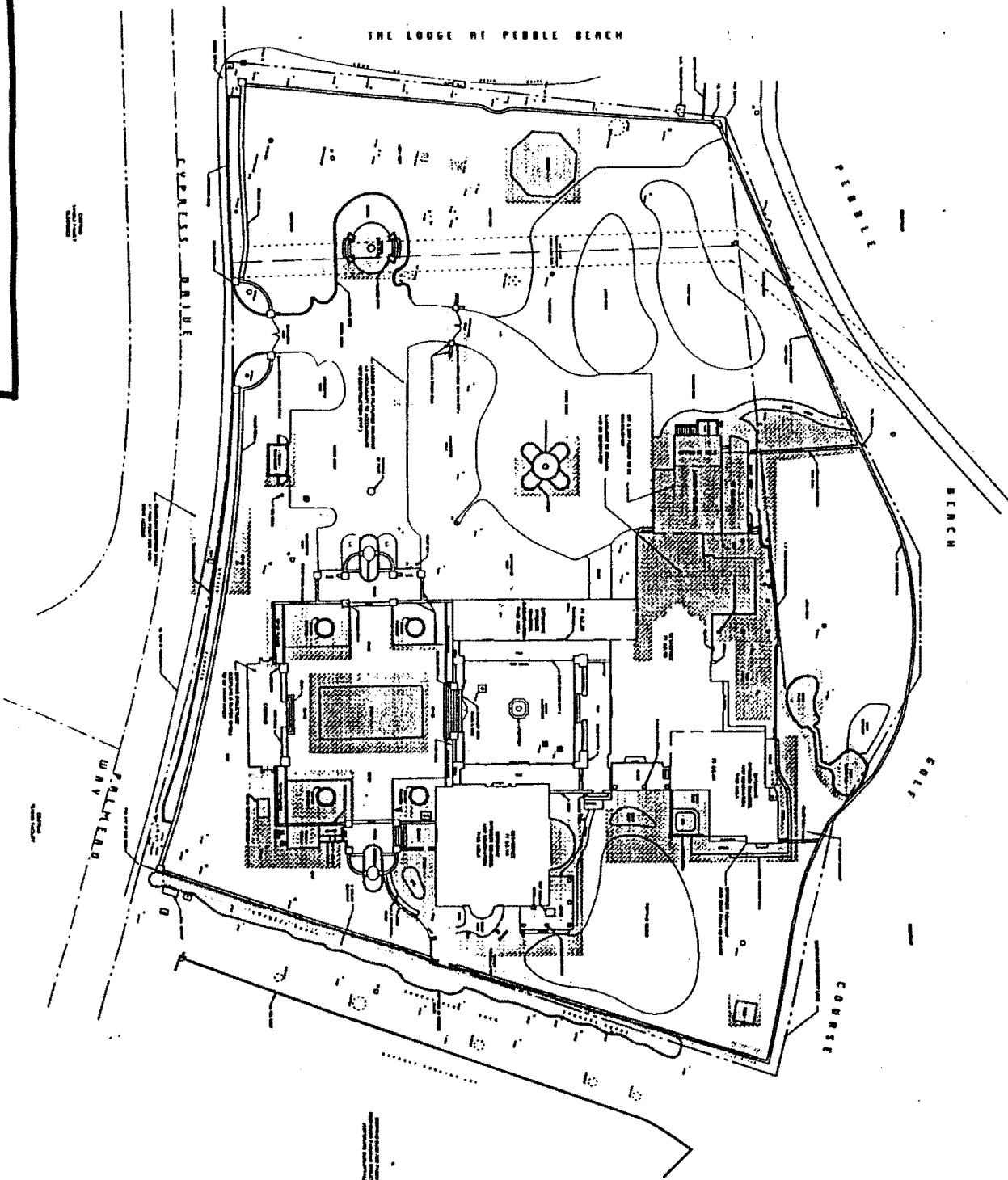


EXHIBIT NO. C-4

APPLICATION NO.
A-3-MCO-93-033

PROPOSED PARCEL
RECONFIGURATION

EXISTING SITE PLAN



Available in paperback for \$14.95
or in hardcover for \$24.95
plus \$3.00 for shipping

DEMOLITION PLANS
APR 00F 415-035

Casa Palmero
Pebble Beach Company
Pebble Beach, California

EXHIBIT NO. C-5

APPLICATION NO.
A-3-MCO-97-037

EXISTING SITE PLAN

CASA PALMERO

EXHIBIT NO. C

APPLICATION NO. A-3-MCO-97

PROPOSED SITE

CASA PALMER

EXHIBIT NO. C-0
APPLICATION NO.
A-3-MCO-97.037
PROPOSED SITE PLAN
CASA PALMERO

$$\frac{1}{2} \log \frac{1}{2} = -0.153$$

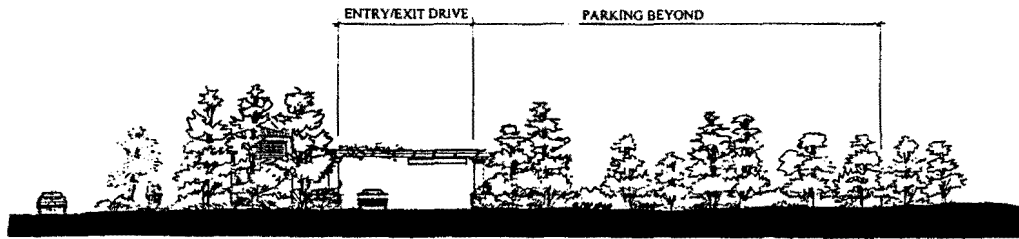

EXHIBIT NO. C-8

APPLICATION NO.
A-3.MCO.99.037

PROPOSED PARKING
FACILITY ELEVATIONS

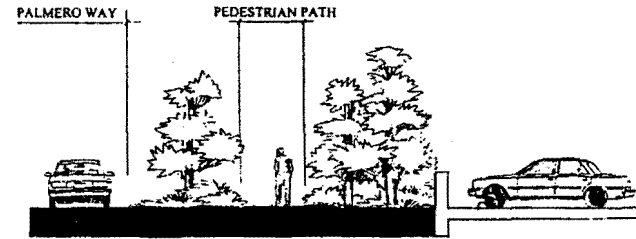
(SUBSURFACE AND
SURFACE)

EXHIBIT NO. C-9
 APPLICATION NO.
 A-3-MCO-97-037
 PROPOSED PARKING
 FACILITY ELEVATIONS
 (SURFACE APPEARANCE
 ONLY)



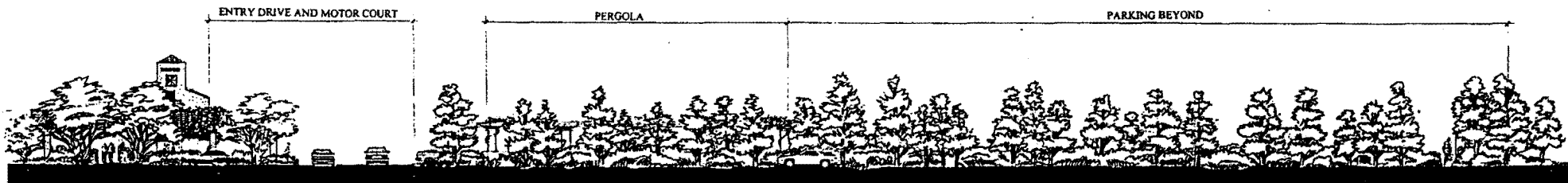
EAST ELEVATION

1/8"=1'-0"



SECTION AT PALMERO WAY

1/4"=1'-0"



SOUTH ELEVATION

1/8"=1'-0"

PARKING
 FACILITY
 AT CASA PALMERO
 "AT-GRADE" ELEVATIONS

The Lodge at
 Pebble Beach
 Pebble Beach, California
 SASAKI ASSOCIATES
 LANDSCAPE ARCHITECTURE

PROPOSED PARKING FACILITY ELEVATIONS (SURFACE APPEARANCE ONLY)

Real Estate Division
Post Office Box 1767
Pebble Beach, CA 93953
(408) 624-8900
FAX (408) 625-8412

RECEIVED

SEP 15 1997

September 10, 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Mr. Lee Otter
California Coastal Commission
725 Front Street #300
Santa Cruz, California 95060

Re: Casa Palmero
File No. A-3-MCO-97-037

Dear Lee:

The purpose of this letter is to follow up on previous discussions we have had regarding the opportunities for visitor and public access enhancement in and around The Lodge, Beach & Tennis Club, and Stillwater Cove as a result of the Casa Palmero project.

As you know, a part of the project includes the construction of a 315 space parking facility, which will have a surface level and two underground levels of parking. The site for this facility, adjacent to Casa Palmero and across Palmero Way from the Tennis Club, is currently used primarily for employee parking. The project's parking facility is intended to relocate 100 employees who currently park along the 17 Mile Drive on Peter Hay Hill, as well as to accommodate the parking needs generated by the Casa Palmero project and existing employee parking on the site. The relocation of this employee parking will allow the Peter Hay Hill area to then be freed up for public visitor and guest parking. According to our traffic studies, this will be of significant benefit in terms of general circulation in and around The Lodge area. It can be expected that these spaces will provide parking opportunities for many more guests than the 100 spaces which would be made available since they will likely be turned over in use several times during the day (as contrasted to employee use over an 8-10 hour duration).

Since the Casa Palmero project and the relocation of employee parking will facilitate public and visitor use of The Lodge area, we can appreciate your position that further enhancement of public access opportunities would be desirable. Accordingly, the following items form the outline for an expanded pedestrian access program that could serve The Lodge area, including Casa Palmero, the Beach & Tennis Club, and Stillwater Cove. The general intent is to provide a safe and pleasant means by which public visitors, Lodge guests, and residents alike can walk from Peter Hay Hill through The

EXHIBIT D
PUBLIC ACCESS ENHANCEMENT
PROGRAM (P.B.C. PROPOSAL)
(10/24)

Mr. Lee Otter
Casa Palmero
Page Two

Lodge area and ultimately to the beach at Stillwater Cove, should they desire to do so. Portions of the expanded access program would augment the Stillwater Cove Public Access Provisions (Section 12), contained in Appendix B to the Del Monte Forest Land Use Plan.

In sum, the components of the Public Access Enhancement Program would consist of:

1. A defined pedestrian access path from Peter Hay Hill to The Lodge area.
2. A defined pedestrian access path from The Lodge to Casa Palmero.
3. A defined pedestrian access path from Casa Palmero to the Stillwater Cove beach area, utilizing either Cypress Way as identified in the Land Use Plan or in the alternative running along the northwesterly side of the third fairway of Pebble Beach Golf Links, from the Tennis Club to Cypress Drive and then to Stillwater Cove.
4. Use of the parking facility:
 - A) Employees who currently park on Peter Hay Hill, as well as those who currently park in the existing parking lot, would be required to use the new parking facility. This will cause approximately 100 spaces on Peter Hay Hill to be freed up for public and visitor parking. Employee parking will be reserved on the two underground levels of the garage for employees during their shifts.
 - B) Six spaces in the new parking facility would be reservable to augment the Stillwater Cove Access Parking Program currently in place which now reserves six spaces along the cypress hedge adjacent to the 17th fairway. These six new spaces would bring the total reserved parking spaces available for Stillwater Cove up to 12.
 - C) Unreserved parking on the first level, and spaces not required for employee parking (according to shifts) on the lower levels, would be available for Casa Palmero as well as other visitor and guest uses.
 - D) During special events, not to exceed four per year and a total of 28 days annually, the parking regulations indicated may be modified to accommodate these special events (such as the AT&T golf tournament and the Concours d'Elegance).

Mr. Lee Otter
Casa Palmero
Page Three

5. A signage and graphics program would be developed to clearly identify the new pathways as being for general public and visitor usage and to provide information and direction as to the location and availability of the Stillwater Cove beach area for public and visitor use.

Since the Casa Palmero project will slightly increase the level of visitor opportunities and availability in and around The Lodge, we acknowledge the appropriateness of some further enhancement of the circulation and access in and around The Lodge and to the Stillwater Cove beach area. We would be willing to accept conditions to that effect should the staff determine it appropriate.

Please do not hesitate to contact me if you have any questions regarding this information.

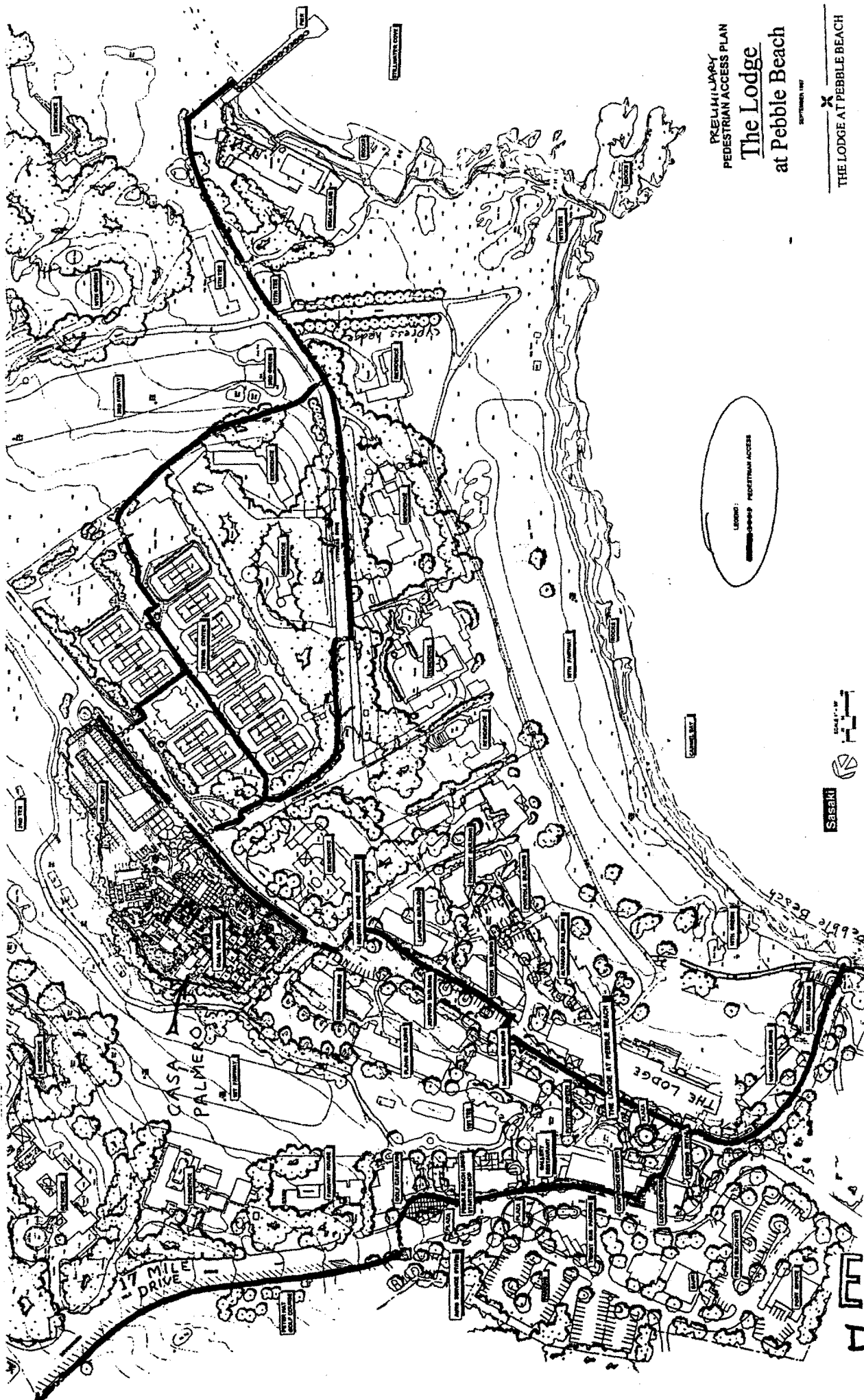
Sincerely yours,

PEBBLE BEACH COMPANY



Edward Y. Brown
Vice President, Planning

EXHIBIT D
(3 of 4)



PRELIMINARY
PEDESTRIAN ACCESS PLAN
The Lodge
at Pebble Beach

SEPTEMBER 1987

THE LODGE AT PEBBLE BEACH

LEGEND:
PEDESTRIAN ACCESS

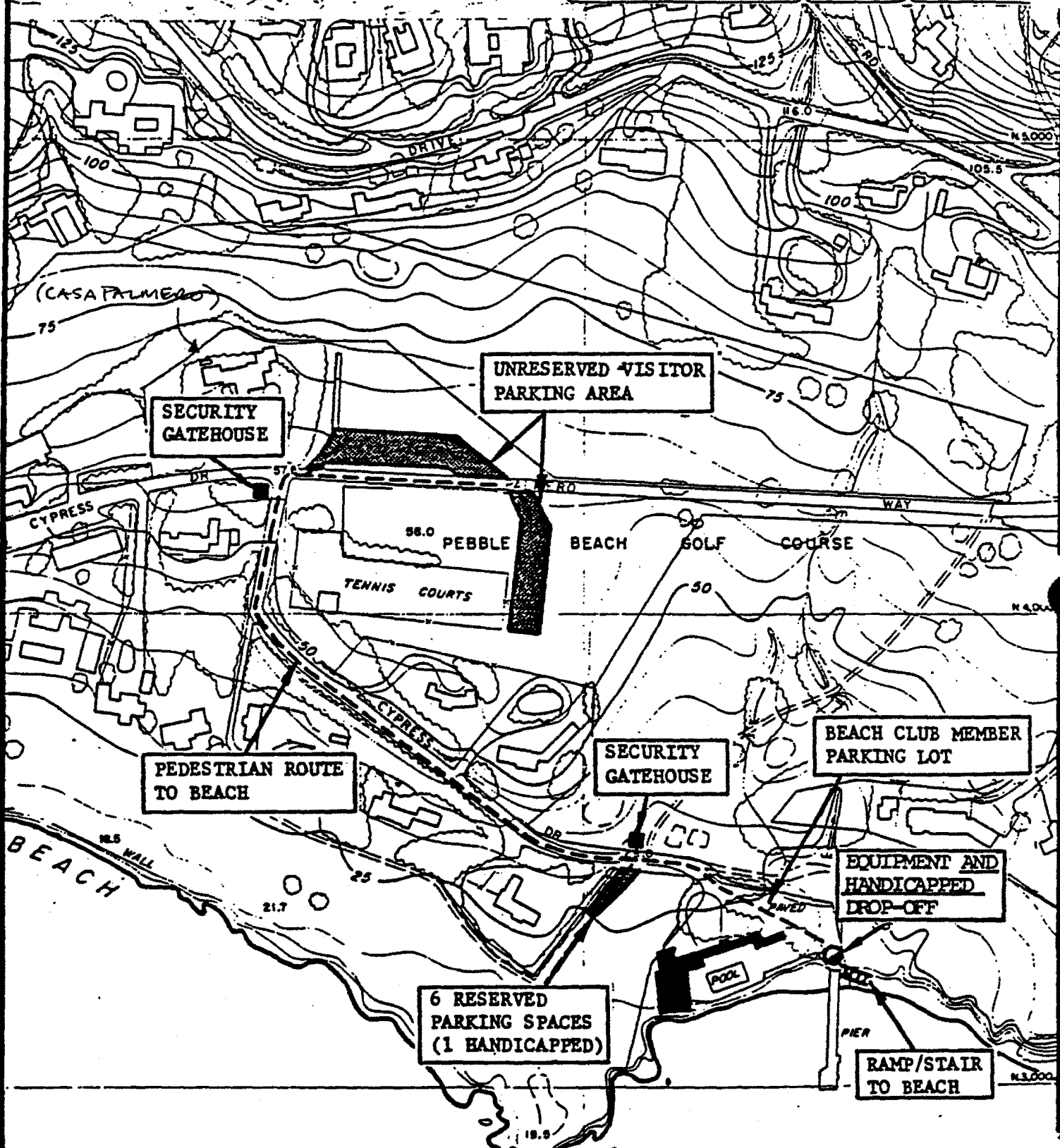


EXHIBIT
D
(4 of 4)

12 STILLWATER COVE

DEL MONTE FOREST AREA GENERAL PLAN
LOCAL COASTAL PROGRAM

0 150 300 FT



STILLWATER COVE EXHIBIT E

Transportation Issues:
Casa Palmero Development Project

RECEIVED

SEP 17 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Prepared for:
Pebble Beach Company

Prepared by:
 **Fehr & Peers Associates, Inc.**
Transportation Consultants

EXHIBIT F
TRAFFIC STUDY
PAGE 1/35 OF 35 PAGES



Fehr & Peers Associates, Inc.
Transportation Consultants

3685 Mt Diablo Blvd
Suite 301
Lafayette, CA 94549
510 284-3200
FAX 510 284-2691

REC'D PEBBLE BEACH CO.

SEP 17 1997

REAL ESTATE DIVISION

September 15, 1997

Cheryl Burrell
Pebble Beach Company
P.O. Box 1767
Pebble Beach, California 93953

**Re: *Transportation Issues --
Casa Palmero Development Project***

Dear Cheryl:

Fehr & Peers Associates is pleased to submit this document addressing traffic analysis findings for the Casa Palmero, Spa and Parking Facility (The Project) in Pebble Beach, California. This document is compiled from our initial work efforts completed last October (1996) and follow-up correspondences clarifying our findings. County staff findings are also noted.

Each chapter addresses one traffic-related issue so readers can more easily focus on specific areas of concern including:

Project Transportation Characteristics

Project Trip Generation
Project Parking Characteristics

Project Transportation Impacts

Forest Roads
Parking
Pedestrians
Construction

EXHIBIT F

2/35



Fehr & Peers Associates, Inc.
Transportation Consultants

Cheryl Burrell
September 15, 1997
Page 2

Lodge area employee arrival / departure characteristics are also discussed. This issue is not directly relevant to the Casa Palmero Development. I include this information because inquiries were made at previous public hearings regarding approval of this project.

Attachments to this report include the original letter-report and subsequent memorandums responding to public comment on the development proposal. If you have any further questions or need additional information, please do not hesitate to call.

Sincerely,

FEHR & PEERS ASSOCIATES, INC.

Robert E. Rees, P.E.
Associate

Project #951-850

EXHIBIT F

3/35

TABLE OF CONTENTS

1.	Terms and Definitions	1
2.	Project Trip Generation	4
3.	Roadway Traffic	8
4.	Parking	17
5.	Pedestrians	20
6.	Construction	21
7.	Employee Characteristics	23
8.	Consistency with Other Studies	27

Attachments:*	28
---------------	-------	----

Traffic Study, Casa Palmero and Parking Facility, Letter, October 5, 1996
Clarifications to Casa Palmero Traffic Study, Memorandum, April 15, 1997
Carl Nielson Appeal to Coastal Commission, Memorandum, June 12, 1997
Jim Miller Appeal to Coastal Commission, Memorandum, June 12, 1997
 Calculation Sheets and Service Level Criteria

* STAFF NOTE: THE ATTACHMENTS LISTED ABOVE, WITH THE EXCEPTION OF THE "SERVICE LEVEL CRITERIA," HAVE BEEN OMITTED FROM THIS STAFF REPORT. THESE ADDITIONAL ATTACHMENTS ARE AVAILABLE IN THE COMMISSION'S SANTA CRUZ OFFICE IN THE PROJECT FILE. A COMPLETE COPY OF THIS TRAFFIC STUDY WILL BE AVAILABLE AT THE COMMISSION HEARING.

EXHIBIT F

4/35

LIST OF FIGURES

1.	17 Mile Drive/Palmero Way Intersection Traffic PM Peak Hour	9
2.	Road Link Traffic Volumes (Selected Lactations)	10
3.	Lodge Area Travel Patterns	11
4.	Palmero Way Traffic Volumes	13
5.	Construction Haul Route	22
6.	Lodge Area Employee Characteristics	24
7.	Employee Traffic Contribution	25
	17 Mile Drive between Carmel Gate and Lodge Area	

LIST OF TABLES

1.	Potential Hotel Activities	5
2.	Potential Spa Activities	6
3.	Trip Generation Casa Palmero Development	7
4.	Road Link Level of Service Summary	16
	Cumulative Scenario with Forest Buildout	

EXHIBIT F

5/35

1. Terms and Definitions

Many terms used in this report are described in this chapter to assist the reader in understanding the transportation implications of the Casa Palmero Development. Terms described include:

Conservative "Worst Case" Assumptions

Institute of Transportation Engineers

Level of Service:

 Mainline Traffic Flow Level of Service

 Driveway/Side Street Level of Service

Parking Circulation/Overlap

PM Peak Hour

Traffic Flow Gap

Traffic Volume:

 Existing Traffic Volumes

 Project Traffic Volumes

 Cumulative Traffic Volumes

Trip Generation

24-Hour Period

Vehicle Platoon

Conservative "Worst Case" Assumptions: To ensure development impacts are adequately defined, study assumptions are made which increase the probability that transportation impacts will occur. Some assumptions are:

- ▶ The PM Peak Hour for traffic volumes on Palmero Way and 17 Mile Drive occurs at the same time of day that Casa Palmero development traffic volumes peak and cumulative traffic volumes peak.
- ▶ The Casa Palmero hotel component trip generation is based on a full service hotel while the Casa Palmero hotel is more typical of an ancillary use to the Lodge.
- ▶ Casa Palmero hotel component trip generation does not consider shuttle service or proximity to complimentary uses in the Lodge Area.

- For parking supply calculations, all new employees and visitors to the Casa Palmero development will drive alone and each will require a parking space.

Institute of Transportation Engineers: The Institute of Transportation Engineers (ITE) is an international, individual member, scientific and educational association.

Level of Service: Level of Service "LOS" is a qualitative measure describing traffic conditions on a roadway and the perception by motorists. Level of Service is defined in this study for two conditions --

Mainline Traffic Flow Level of Service -- Addresses the ability of a driver to travel along the corridor without being hindered by a slower moving vehicle. As traffic volumes increase faster drivers have a greater probability of being hindered by slower moving vehicles, giving the perception to faster drivers that traffic conditions are constrained.

Driveway/Side Street Level of Service -- Addresses the ability of a driver to access the main roadway from either a driveway or side street. Drivers accessing the main road must wait for an acceptable break in traffic before proceeding. Higher traffic volumes or higher vehicle speeds on the main road reduce the availability of acceptable traffic breaks.

Parking Circulation/Overlap: Parking facilities are generally designed to provide more parking spaces than the anticipated need. At critical periods, when limited parking spaces are available, drivers entering the facility will then be able to find an available space while minimizing the impact to drivers leaving the facility.

PM Peak Hour: The one hour interval between noon and midnight that measured or derived traffic volumes are highest. Development implications are generally analyzed and Levels of Service provided for the PM Peak Hour.

Traffic Flow Gap: A gap in traffic flow on a roadway is a break in traffic sufficient for drivers to make either a right or left turn to/from the roadway. Generally, gaps are defined as the interval time between vehicles on the main road of more than 5 seconds.

Traffic Volume: The total number of vehicles that pass over a given point in the roadway during a specified time interval. Traffic volumes can also be categorized as:

Existing Traffic Volumes -- Traffic representing conditions which are applicable to conditions at the time the study was prepared.

Project Traffic Volumes -- Traffic attributed to the proposed Casa Palmero development plan.

Cumulative Traffic Volumes -- Traffic assuming Forest buildout including development and implementation of the Lot Program Residential Project (defined as Refined Alternative 2) and commercial buildout of the Lodge Area including the Casa Palmero development.

Trip Generation: The number of vehicle trips going to/from a specific site. Vehicle trips include all users (e.g., employees, visitors, guests, residents, deliveries).

24-Hour Period: The average daily traffic volume (either measured or derived) that occurs over a continuous 24-hour period. Daily traffic volumes are provided in transportation studies for informational purposes. Transportation improvements are generally based on PM Peak Hour traffic volumes.

Vehicle Platoon: Vehicle platoons are groups of cars traveling along the roadway. Vehicle spacing within the platoon is speed dependant. The interval time between vehicles in the platoon is 5 seconds or less. Vehicle platoons form because some drivers travel faster than others.

2. Project Trip Generation

Two separate trip rates were used to define Casa Palmero development activity. The first rate, for hotels, was based on data in the Institute of Transportation Engineers (ITE) publication, *Trip Generation 5th Edition*. This publication is accepted by Monterey County and most municipalities in the United States for use in calculating trip generation characteristics. The ITE trip rate includes all vehicle travel (e.g., patrons, visitors, employees, deliveries) to/from the hotel.

Table 1 summarizes the uses assumed in the ITE trip generation rates for a "hotel" and the uses assumed for the Casa Palmero development. Table 1 illustrates that the ITE rates over-estimate the potential traffic generation of the 24 Casa Palmero units. The Casa Palmero lodging has few of the uses typically found in hotels and does not provide the services necessary for a "stand-alone" facility. To operate effectively, the development must rely heavily on services already provided at the Lodge.

Monterey County classifies "spa-type" facilities with gyms and health clubs. The proposed uses for the Casa Palmero spa facility are very different from those in gyms and health clubs. Table 2 illustrates the differences between the Casa Palmero spa facility and typical gyms and health clubs. These differences are so significant that standard traffic generation rates could not be applied to the spa use; therefore, professional judgement was used to derive vehicle trips for the described use.

The second rate, for the spa "treatment rooms", was based on anticipated operations assuming all 24 "treatment rooms" were occupied and that two thirds of the users during the peak one-hour-period of the day were guests of either the Casa Palmero or the Lodge who would not drive to the spa facility. The remaining one third were assumed to be Forest residents or visitors who drive to the facility. Given a two to three hour spa treatment, these assumptions translate to 3 inbound and 3 outbound vehicle trips during one hour. Employee trips during the peak one hour period were assumed to be zero since the spa was assumed to be "at capacity" during this one hour period.

Table 3 summarizes the calculated trip generation for the Casa Palmero development. In conclusion, the Casa Palmero development is expected to generate 24 trips during the peak one-hour of the day and about 284 trips over a typical 24-hour period.

Table 1
Potential Hotel Activities

Potential Uses	ITE Category for Hotel	Casa Palmero
Rooms	Yes	Yes
Restaurants	Yes	No
Bars	Yes	No
Meeting Rooms	Yes	Yes
Banquet Rooms	Yes	No
Convention Facilities	Yes	No
Retail/Service Shops	Yes	No
Fitness Facilities	Yes	No
Pool Facilities	Yes	Yes
Spa Facilities	Yes	calculated separately

ITE -- Institute of Transportation Engineers. This organization publishes, *Trip Generation 5th Edition*. This publication is accepted by Monterey County and most municipalities in the United States for use in calculating trip generation characteristics.

**Table 2
Potential Spa Activities**

Potential Uses	County Category for a Fitness Center, Health Club, Gym	Casa Palmero Spa
Free Weight Area	Yes	No
Weight Machine Area	Yes	No
Bicycle, Treadmill, Stairmaster Area	Yes	No
Group/Class Exercise Rooms	Yes	No
Racquetball Courts	Yes	No
Lap Pool	Yes	No
Hot Tub, Sauna	Yes	Yes
Changing Rooms	Yes	Yes
Tanning Booths	Yes	No
Massage Rooms	Yes	Yes
Day Care Area	Yes	No
Specialists for Clients	Yes	Yes

**Table 3
Trip Generation
Casa Palmero Development**

	Traffic for a Typical 24-Hour Period			Traffic for the Peak One Hour of Operation		
	In	Out	Total	In	Out	Total
Casa Palmero "Hotel" Component (employees, guests, and visitors)	104	104	208	10	8	18
Casa Palmero "Spa" Component						
- Patrons who drive	25	25	50	3	3	6
- Employees	12	12	24	0	0	0

Spa Component Traffic Calculation:

Number of spa treatment rooms	24 rooms
Number of new spa employees	12 employees
Average stay per patron (2 to 3 hours)	2.5 hours
Number of hours spa operates on a typical day	13 hours
Number of patrons served on a typical day (24 rooms x 13 hours / 2.5 hours per patron)	125 patrons
Percentage patrons who walk from Casa Palmero or Lodge Area (daily)	80 percent
Number of patrons who drive to the spa facility (125 patrons - 80% x 125 patrons)	25 patrons
Total number of vehicle trips generated by 25 patrons (1 vehicle trip to the spa + 1 vehicle trip from the spa x 25 patrons)	50 trips
Total number of vehicle trips generated by 12 new employees (1 vehicle trip to the spa + 1 vehicle trip from the spa x 12 new employees)	24 trips
Maximum number of patrons served in one hour (24 rooms x 1 hour / 2.5 hours per patron)	10 patrons
Percentage patrons who walk from Casa Palmero or Lodge Area (peak hour)	67 percent
Number of patrons who drive to the spa facility (10 patrons - 67% x 10 patrons)	3 patrons
Total number of vehicle trips generated by 3 patrons (1 vehicle trip to the spa + 1 vehicle trip from the spa x 3 patrons)	6 trips
Assumes no employee traffic is generated during peak one hour of spa operation	

3. Roadway Traffic

Table 3 summarizes the calculated trip generation for the Casa Palmero development to be 24 trips during the peak one-hour of the day and about 284 trips over a typical 24-hour period. This traffic was assigned to the roadway system assuming that a) most guest-related and employee related traffic would be destined to the east and b) most resident-related traffic would be destined to the west. For example, the assignment assumed spa-related patron traffic was Forest residents who turn left from Palmero Way to 17 Mile Drive.

About 100 existing employee parking spaces on 17 Mile Drive adjacent to Peter Hay Par 3 Golf Course will be relocated to the underground parking facility adjacent to the Casa Palmero hotel and spa units. Relocating employee parking will reallocate existing traffic on the road system, adding traffic to portions of Palmero Way and subtracting traffic from portions of 17 Mile Drive.

Figure 1 provides traffic assignments at the 17 Mile Drive / Palmero Way intersection for existing, project and cumulative scenarios. Figure 2 provides a similar assignment for a broader area of the Forest. The cumulative scenario considers buildout of the Forest under the Refined Alternative 2 residential development plan.

Traffic on 17 Mile Drive at the Peter Hay Golf Course

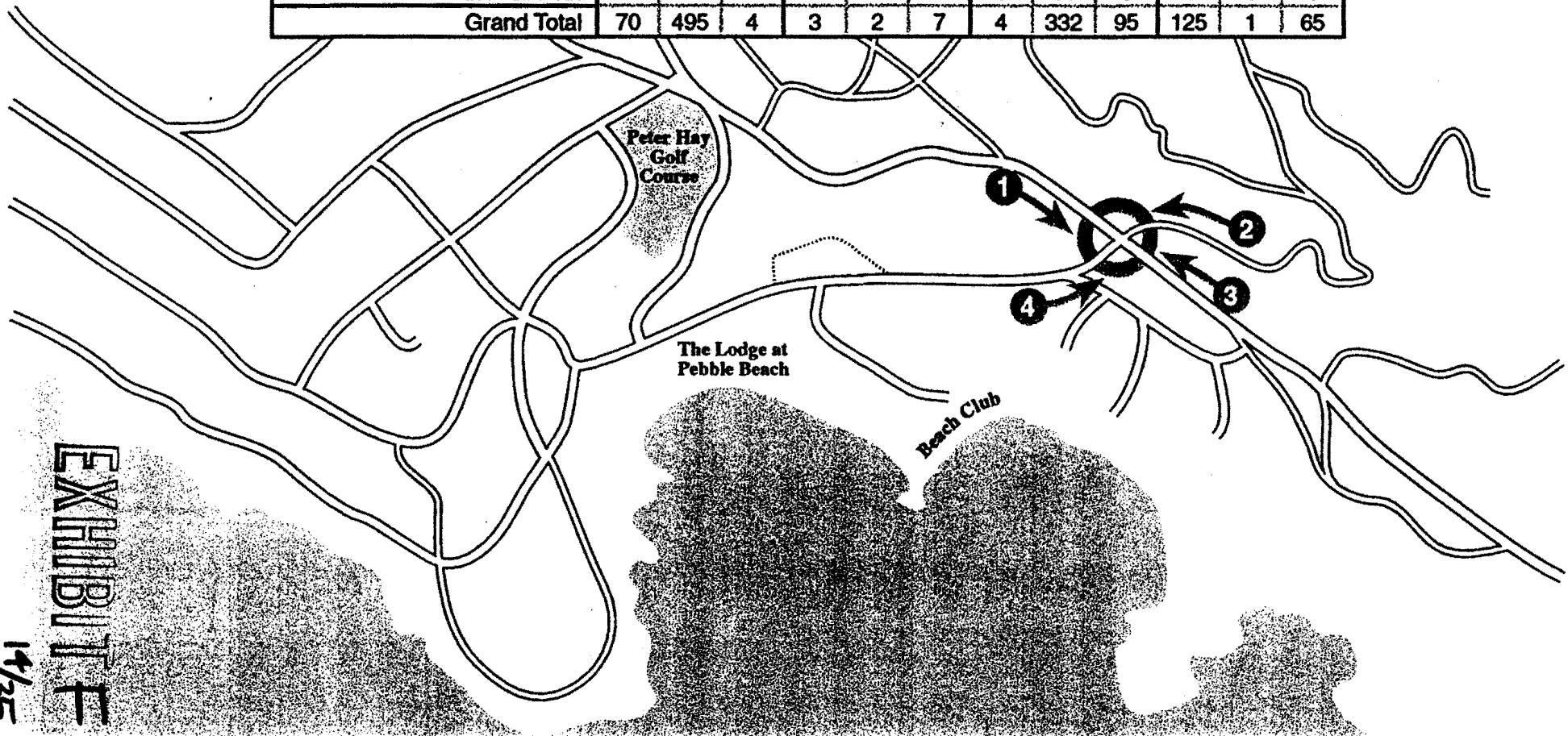
Relocating employee parking away from 17 Mile Drive at the Peter Hay Golf Course will benefit traffic flow at the Lodge Area. Figure 3 illustrates the Lodge Area arrival patterns for visitors, residents and employees. Key assumptions used in developing the figure include:

- ▶ Visitors on 17 Mile Drive are encouraged to circulate in a counter-clockwise manner and so generally arrive at the Lodge Area via the Cypress Point Area.
- ▶ Visitors from other Forest activity areas (Equestrian, Spanish Bay, Spyglass, Poppy Hills) arrive via the Country Club area roads such as Stevenson or Forest Lake Roads.
- ▶ The majority of residents in the Forest have easy and direct access to Stevenson Drive, Forest Lake Road and Cortez Road; arriving to the Lodge Area either from the Country Club or Mid-Forest areas.

Figure 1

17 Mile Drive/Palmero Way Intersection Traffic PM Peak Hour

	① 17 Mile Drive Southbound			② Palmero Drive Westbound			③ 17 Mile Drive Northbound			④ Palmero Way Eastbound		
	Right	Thru	Left	Right	Thru	Left	Right	Thru	Left	Right	Thru	Left
Existing (July 1996) Count	60	505	4	3	2	7	4	328	82	84	1	35
Casa Palmero	6	0	0	0	0	0	0	0	7	5	0	6
100 Employee Parking Spaces	4	-36	0	0	0	0	0	-6	6	36	0	24
Other Growth	0	26	0	0	0	0	0	10	0	0	0	0
Grand Total	70	495	4	3	2	7	4	332	95	125	1	65



EXHIBIT

14/35

Figure 2 Road Link Traffic Volumes (Selected Locations)

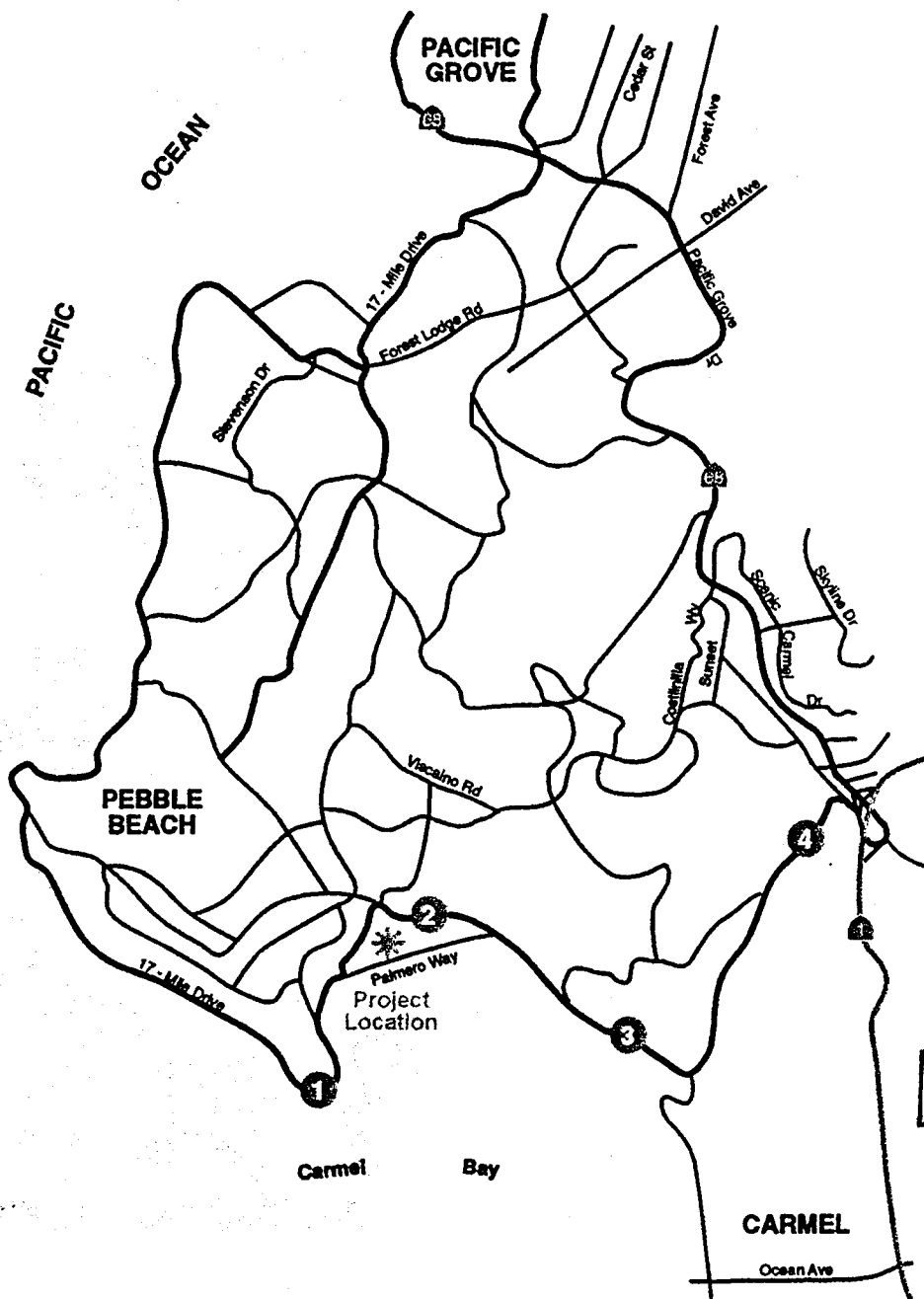


EXHIBIT F
15/35

	①			②			③			④		
	WB	EB	Total	WB	EB	Total	WB	EB	Total	WB	EB	Total
Existing Count	79	363	442	248	552	800	322	620	942	177	533	710
Casa Palmero	0	0	0	6	6	12	6	6	12	4	4	8
100 Employee Parking Spaces	0	0	0	18	-32	-14	0	0	0	0	0	0
Other Growth	3	17	20	10	26	36	10	26	36	8	22	30
Grand Total	82	380	462	282	552	834	338	652	990	189	559	748

Note: 1. Reflects Forest buildout including Refined Alternative 2 residential development

Figure 3 Lodge Area Travel Patterns

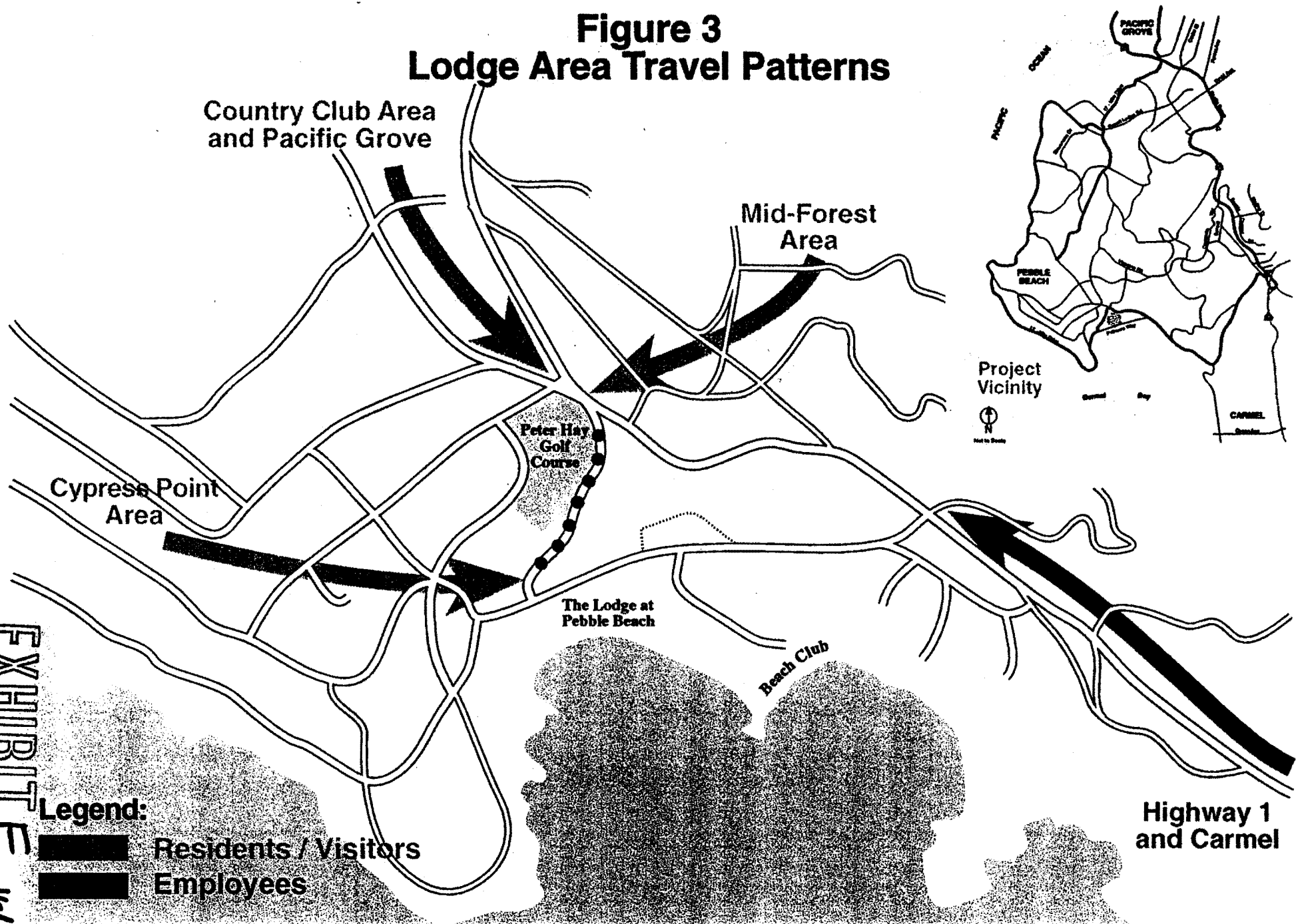


EXHIBIT F

16/35

850-74-04



Fehr & Peers Associates, Inc.
Transportation Consultants

In conclusion, visitor and resident traffic to the Lodge Area arrives from the west and north while employees arrive from the east.

Currently, residents and visitors travel to the Lodge Area and circulate, one or more times, through the various parking areas looking for an available parking space. Relocating employee parking away from 17 Mile Drive at Peter Hay Par 3 Golf Course will free-up more parking spaces for existing residents and visitors who are now unable to easily find an available space. This will have the effect of reducing traffic flows by minimizing recirculation.

Traffic on Palmero Way

Assuming that existing traffic on Palmero Way, Casa Palmero development traffic, and Lodge Area employee traffic all peak at the same time of day (again, a worst-case scenario), the following would occur at the peak hour:

Traffic that uses Palmero Way today	360 vehicles	(79%)
Casa Palmero hotel and spa traffic	24 vehicles	(5%)
Additional employee traffic	70 vehicles	(16%)
Total Traffic	454 vehicles	(100%)

For illustration and comparison purposes, over a 24-hour period the anticipated traffic on Palmero Way is anticipated to have the following breakdown:

Traffic that uses Palmero Way today	3,800 vehicles	(87%)
Casa Palmero development traffic	280 vehicles	(6%)
Additional employee traffic	300 vehicles	(7%)
Total Traffic	4,380 vehicles	(100%)

The additional peak hour traffic on Palmero Way equates to less than a 2 vehicle per minute increase in traffic on Palmero Way between the development site and 17 Mile Drive.

Employee traffic makes up a smaller percentage of daily traffic because employees are long-term parkers. They drive to work at the beginning of their shift and generally leave after their shift about 8 hours later. Figure 4 shows the development's daily traffic extrapolated over the day as compared to the current traffic on Palmero Way. Refer to Chapter 7 for a brief discussion of employee traffic levels on Forest roads such as 17 Mile Drive.

Figure 4
Palmero Way Traffic Volumes

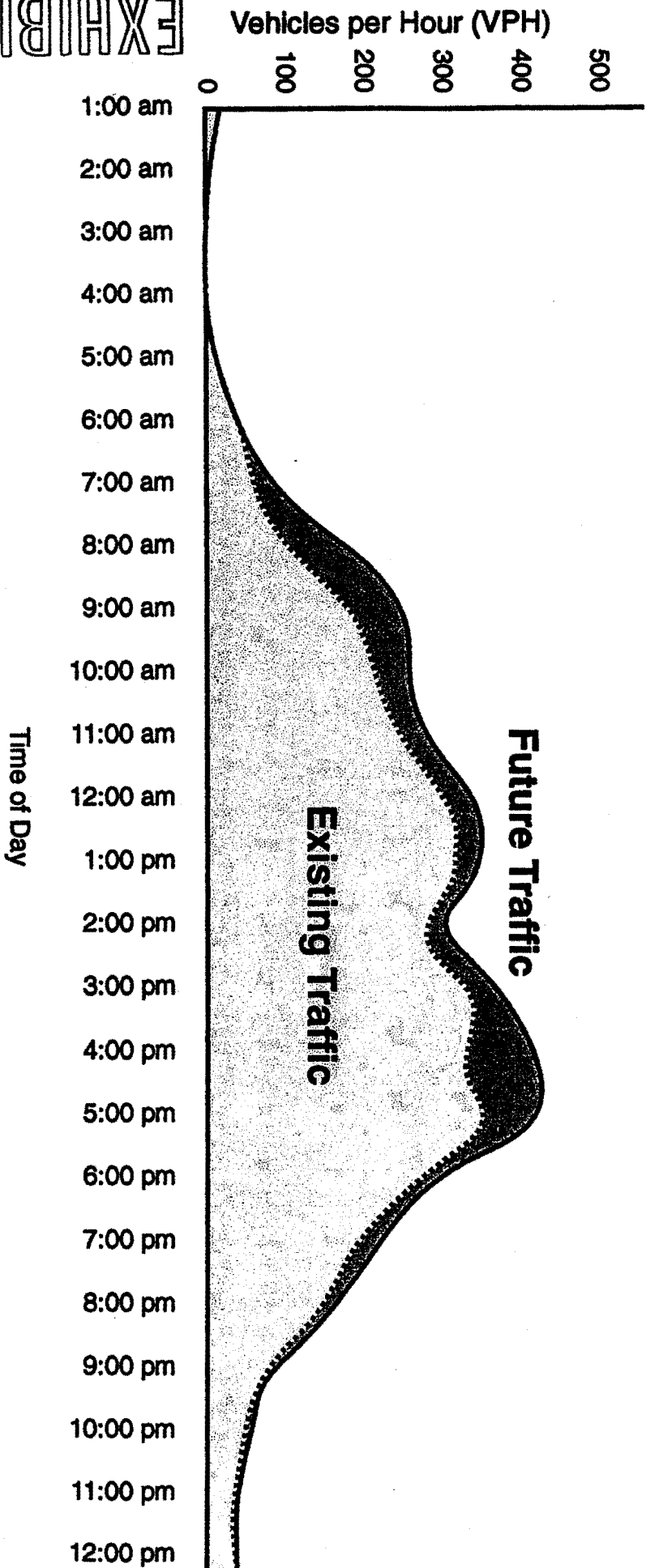


EXHIBIT F
 18/35

800-76-04

The peak hour traffic using Palmero Way today is based on data collected from 3 to 5 PM on one day in July, 1996. The 1996 data was used to evaluate traffic operations. Daily traffic in Figure 4, obtained from data collected in August 1990, is presented for illustrative purposes but was not used to define operating conditions on Palmero Way or 17 Mile Drive.

17 Mile Drive/Palmero Way Intersection Accident History

In 1996 there was one reported accident in the immediate vicinity of the 17 Mile Drive/Palmero Way intersection. The accident occurred during the AT&T Golf Tournament and involved a driver who apparently disregarded AT&T security requests to not back-up. Contrary to security personnel requests, the driver continued to back-up and hit one of the security personnel. In 1995 there was also one reported accident. The accident involved a driver making a left-turn from 17 Mile Drive to Palmero Way toward the Lodge. Two vehicles rear-ended the left turning vehicle as the driver was waiting to make the left-turn maneuver.

These are the only reported accidents in 1995 and 1996. The level and type of reported accidents in 1995 and 1996 do not support viewpoints raised during public testimony that the intersection is a safety hazard and a high accident location.

17 Mile Drive/Palmero Way Intersection Improvements

The traffic study determined that the 17 Mile Drive/Palmero Way intersection operates at Level of Service C with or without the Casa Palmero development. Calculation sheets are provided in the attachments to this report. This analysis, based on the methodology in the *1994 Highway Capacity Manual*, led to the study conclusion that no mitigation measure was required. County Staff, in their Staff Report, over-ruled the original Traffic Study conclusion on this point and determined that a left-turn pocket should be required for traffic on 17 Mile Drive turning left onto Palmero Way going toward the Casa Palmero development.

To address the County recommendation, a supplemental study was conducted to determine if there were any secondary impacts due to the left-turn pocket. Engineering studies prepared by Bestor Engineers concluded that no secondary impacts would occur as a result of the left-turn pocket. A copy of Bestor Engineers' work titled, *17 Mile Drive Left Turn Storage Lane at Palmero Way*, is on file with the County.

17 Mile Drive Analysis

A residential development proposal (Lot Program) is currently under environmental review by Monterey County. The Lot Program environmental documentation uses two methodologies to evaluate 17 Mile Drive. One states that portions of 17 Mile Drive are expected to operate at Level of Service D and the second states Level of Service C. The methods are distinctly different and need both be considered in evaluating traffic conditions on area roads.

The first criteria (Level of Service D result) is based on the ability of a driver to travel along the corridor without being hindered by a slower moving vehicle. The driver would then be expected to travel at a safe and appropriate speed. Speed data collected in the Forest documents typical vehicle speeds of 35 mph, 5 to 10 mph higher than would be expected on narrow curve-a-linear roads with driveways. Even at these speeds, groups of cars form (called platoons) because some drivers travel as fast as 40 or 45 mph while others travel at 25 mph or even less. As traffic levels increase on area roads, the probability that a faster driver will "catch-up-to" a slower driver increases; thereby, the faster driver is hindered by a slower moving vehicle and adversely impacted. In summary, the Level of Service D is that which would be perceived by drivers who travel faster than the appropriate and legal speed on the Forest roads.

The second evaluation addresses the ability of a homeowner to access a main road from their driveway or local street. These people must wait for an acceptable break in traffic before proceeding. The amount of time required for a driver to evaluate the break in traffic and proceed from the driveway into traffic is fixed. Thus, higher vehicle speeds on the main road translates to fewer acceptable breaks in traffic for the driver at the driveway.

Overall service level results are similar (LOS C and D) under all analysis conditions including current conditions; conditions with and without Casa Palmero; and with and without the proposed Lot Program or the Refined Alternative 2 to the Lot Program. The traffic volumes for selected Forest road locations are shown in Figure 2 of this document and Table 4 summarizes the LOS results. Service level criteria are included in the attachments to this report.

**Table 4
Roadway Link Level of Service
(Cumulative Scenario with Forest Buildout)**

	Level of Service	
	Mainline Traffic Flow	Driveway and Side Street Access
Location #1: 17 Mile Drive west of the Lodge Area (i.e., from Cypress Point area).	C	A/B
Location #2: 17 Mile Drive west of Palmero Way.	D	A/B
Location #3: 17 Mile Drive between the Lodge Area and the Carmel Gate.	D	C
Location #4: 17 Mile Drive between the Carmel Gate and Highway 1 Gate.	D/E (expanding the shuttle between the Lodge and the CDF station parking lot brings the service level to a "D")	C

Locations correspond to Figure 2 of this report.

Mainline Traffic Flow Level of Service -- Addresses the ability of a driver to travel along the corridor without being hindered by a slower vehicle. As traffic volumes increase faster drivers have a greater probability of being hindered by slower vehicles, giving the perception to faster drivers that traffic conditions are constrained.

Driveway/Side Street Level of Service -- Addresses the ability of a driver to access the main roadway from either a driveway or side street. Drivers accessing the main road must wait for an acceptable break in traffic before proceeding. Higher traffic volumes or higher vehicle speeds on the main road reduce the availability of acceptable traffic breaks.

4. Parking

The parking supply for the Casa Palmero site is calculated as follows:

24 Casa Palmero Guest Units	24 spaces
12 New Casa Palmero Employees	12 spaces
24 Spa "Treatment Rooms"	24 spaces
12 New Spa Employees	12 spaces
Lodge Area Employees (from Peter Hay Hill)	100 spaces
Existing Parking Supply	130 spaces
Parking Circulation/Overlap Component	13 spaces
Total Parking Supply	315 spaces

The parking supply for the Casa Palmero facility is consistent with Monterey County codes except for the 24 spa "treatment rooms". Because of the distinct differences between spa-related activities assumed in the Monterey County ordinance and those proposed for Casa Palmero, it is necessary to identify parking needs through project-specific analysis. Refer to Table 2 for a breakdown of the Casa Palmero facility activities versus the County definition of a spa or health club.

Parking codes for spa-related uses in Monterey County are based on workout facilities with exercise rooms and exercise equipment such as weight machines and free weights. These facilities generally have organized exercise classes and the typical patron stays on-site approximately one hour. The County's recommended parking rate, one space per 50 square feet, takes into consideration high patron turnover, the organized exercise classes, and patrons sharing exercise equipment.

In contrast, the Casa Palmero Spa facility consists of "treatment rooms" for massages, herbal wraps, and other body treatments. The typical patron stay in this facility will be 2 to 3 hours. Patrons will each be allocated one of the 24 available "treatment rooms".

An explanation of each parking component for the Casa Palmero development follows.

- 24 Casa Palmero Guest Units: The recommended parking supply of 24 spaces is based on the assumption that all 24 guest units are occupied and that all guests arrive in their

own vehicles. No discount was taken either for guests arriving in the same vehicle or for guests arriving via shuttle van service.

- 12 New Casa Palmero Employees: The recommended parking supply of 12 spaces is based on the assumption that all 12 employees will drive their own car to work and require a parking space. No discount was taken for employees who may park at the CDF Lot and use the shuttle van or who may carpool with other employees. According to Coastal Commission Staff, these 12 spaces are 8 more than required by the LCP.

The 12 new employees for the Casa Palmero hotel component do not reflect total hotel employment. The Casa Palmero hotel component is in effect an ancillary use to the Lodge and as such will rely on existing staff and services from the Lodge.

- 24 Spa Treatment Rooms: The spa facility is designed to accommodate a maximum of 24 visitors at one time. To ensure adequate parking all spa visitors were assumed to arrive using their own car and require a parking space; therefore, the needed parking supply is 24 spaces. No discount was taken for spa visitors (about 80 percent of the total users) who stay at Casa Palmero, walk from the Lodge, or use the shuttle van from Spanish Bay.

Table 2 illustrates the proposed spa activities with those found in the "health club" category used by County Staff in their Staff Report. The uses are not comparable and calculating parking requirements using the County's "health club" category would significantly overestimate parking needs.

- 12 New Spa Employees: The recommended parking supply of 12 spaces is based on the assumption that all 12 employees during a peak shift will drive their own car to work and require a parking space. No discount was taken for employees who may park at the CDF Lot and use the shuttle van or who may carpool with other employees. According to Coastal Commission Staff, these 12 spaces are 8 more than required by the LCP.

The 12 new spa employees do not reflect total spa-related employment. Similar services are now provided at the Lodge and would be consolidated to the spa component of the Casa Palmero development.

- Lodge Area Employees: Today, approximately 100 Lodge Area employees park along

17 Mile Drive adjacent to the Peter Hay Golf Course. These spaces are generally occupied throughout the day by a single vehicle, making the space unavailable for short-term parking by residents and visitors to the Lodge Area.

The spaces along the Peter Hay Golf Course are directly accessible via Stevenson Drive, Forest Lake Road, and Cortez Road; all arterial-type roads connecting the Lodge Area to the remaining Forest. Re-allocating these spaces to residents and visitors to the Lodge Area would resolve many of the resident complaints raised over the years regarding insufficient short-term parking to conduct business at the Lodge (i.e., post office, banking, shopping, dining) and enhance public access and visitor use experiences.

Casa Palmero development requires a parking facility for its guests and employees whether or not the Lodge Area employee parking is relocated. Concurrently providing a facility to relocate the employee parking away from the prime parking areas used by Forest residents and visitors is an excellent solution to an on-going problem.

- Existing Parking Supply: The current surface parking lot contains 130 parking spaces. These spaces are retained as they are allocated to existing uses including Beach and Tennis Club users, visitors and employees/tenants of the Lodge Area businesses.
- Parking Circulation/Overlap Component: To minimize congestion at the parking entry points and minimize internal circulation congestion, about two percent more parking spaces are provided than are required to meet the maximum demand. These spaces can be used in rare cases when parking over-lap occurs.

5. Pedestrians

In summary, the Casa Palmero Development will provide pedestrian paths connecting:

- ▶ Palmero Way to Stillwater Cove,
- ▶ Casa Palmero to the Lodge Area, and
- ▶ Visitor/resident parking at Peter Hay to the Lodge Area.

The Casa Palmero development proposes to provide pedestrian linkages between it and adjacent uses including the Lodge and Stillwater Cove. Specifically, a defined pedestrian path will be provided from the Casa Palmero development site to Stillwater Cove. A second pedestrian connection will also be provided along Palmero Way to the Lodge. No pedestrian facilities are proposed on Palmero Way from the development site to 17 Mile Drive as there are no public pedestrian destinations along this segment of Palmero Way.

Relocating employee parking away from 17 Mile Drive at Peter Hay Par 3 Golf Course improves visitor accessibility to the Lodge Area by increasing the availability of visitor and resident parking. There are no pedestrian facilities on either side of 17 Mile Drive at Peter Hay Golf Course. Drivers who park along the Peter Hay course and walk to the Lodge must share the same pavement with buses, trucks, and cars. The County stipulated in Conditions of Approval that the Pebble Beach Company incorporate a pedestrian path connecting the parking along 17 Mile Drive at Peter Hay to the Lodge Area. This path would separate non-motorized and motorized uses, providing a safer environment for all users.

6. Construction

The construction traffic will be most intense during spoils removal. During this period, it is estimated that 75 to 100 trucks per day would be required to move the spoils (17,000 cubic yards) from the Casa Palmero development site to the Spyglass Hill area. This activity is expected to occur over a six week period.

The specific truck route has been defined as Palmero Way to 17 Mile Drive, north to the excavated site near the Stevenson/Spyglass intersection. Figure 5 illustrates the expected route. The previous studies and County Staff recommends temporary traffic control at the 17 Mile Drive / Palmero Way intersection so that the fully loaded trucks can turn left from Palmero Way to 17 Mile Drive.

The construction schedule is expected to begin in March 1998 and be complete in January 1999. During this period construction workers on-site will average about 40 employees on any given day with a range from 10 to 50 employees per day, depending on the activity. Delivery activity to the construction site is expected to average 10 per day.

The anticipated level of vehicle activity from 40 construction workers per day plus 10 deliveries per day is less than the daily traffic generation for the Casa Palmero development. The construction activity translates to 100 daily vehicle trips (50 in and 50 out). The Casa Palmero development is expected to generate about 284 daily trips.

Figure 5
Construction Haul Route

Legend:



**Truck Route for
Spoils Removal**

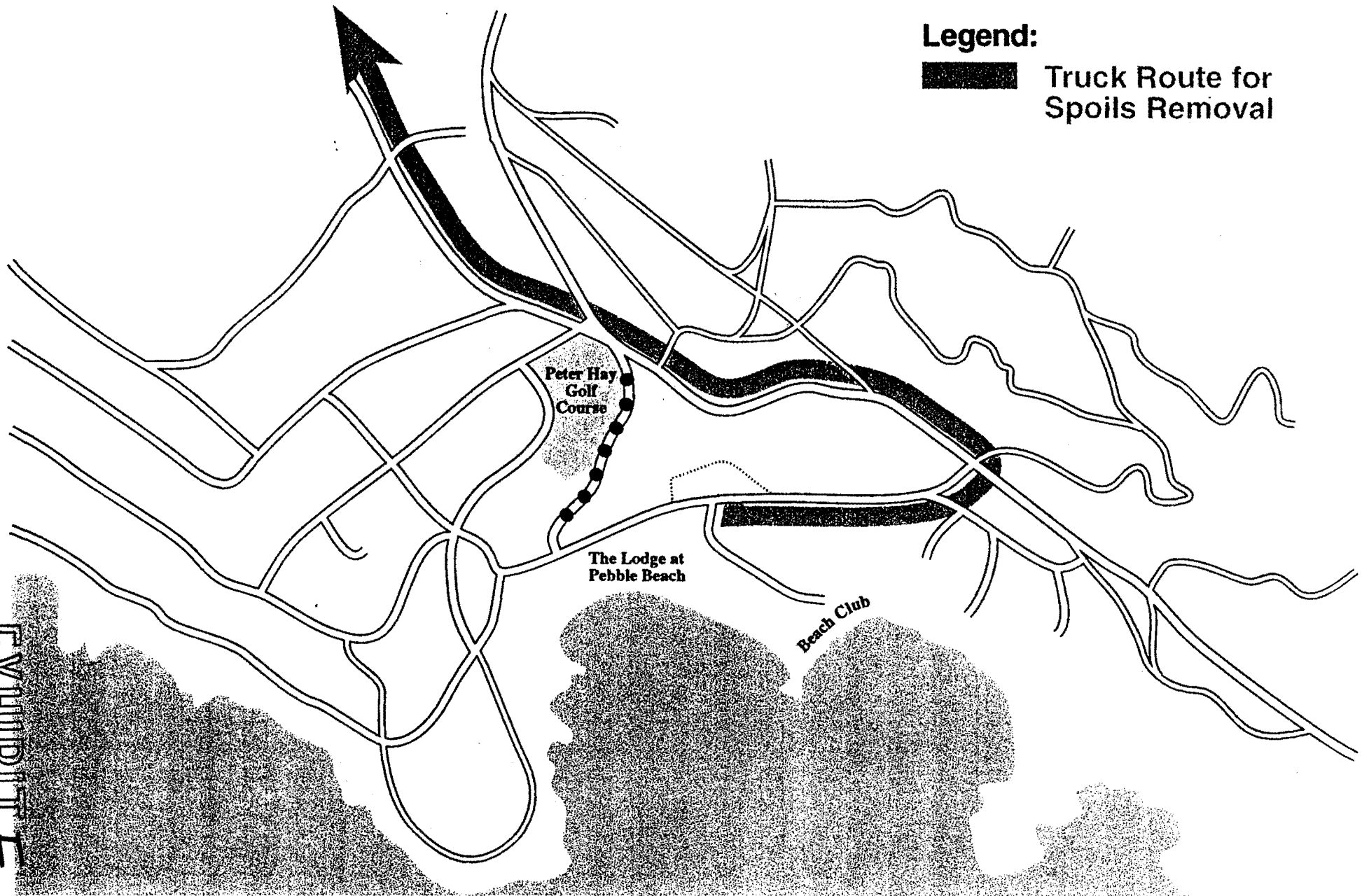


EXHIBIT F

22/35

850-73-04



Fehr & Peers Associates, Inc.
Transportation Consultants

7. Employee Characteristics

Lodge area employee arrivals and departures are dispersed over time. These characteristics are typical of most employment sites throughout Monterey County and the rest of California. Figure 6 illustrates typical arrival and departure patterns for Lodge Area employees as surveyed in 1994. About 80 percent of the survey respondents from the Lodge Area also identified the Highway 1 and Carmel Gates as their preferred access to the Forest.

The majority of these employees travel along 17 Mile Drive through the Palmero Way intersection to the parking areas adjacent to Peter Hay Golf Course and the Lodge. Unlike employee traffic, the majority of resident and visitor traffic at the Lodge area arrives via the Cypress Point area or the Country Club/Pacific Grove area. Traffic from these users (employee, resident, and visitor) compete for the same road area and parking spaces along 17 Mile Drive at the Peter Hay Golf Course. Figure 3 illustrates the patterns.

The employee parking component of the underground parking facility would intercept the employee traffic at Palmero Way, separating this traffic from resident and visitor traffic at the Lodge Area and Peter Hay Golf Course. Removing employee parking from the visitor and resident parking areas also enhances public access to the Lodge Area.

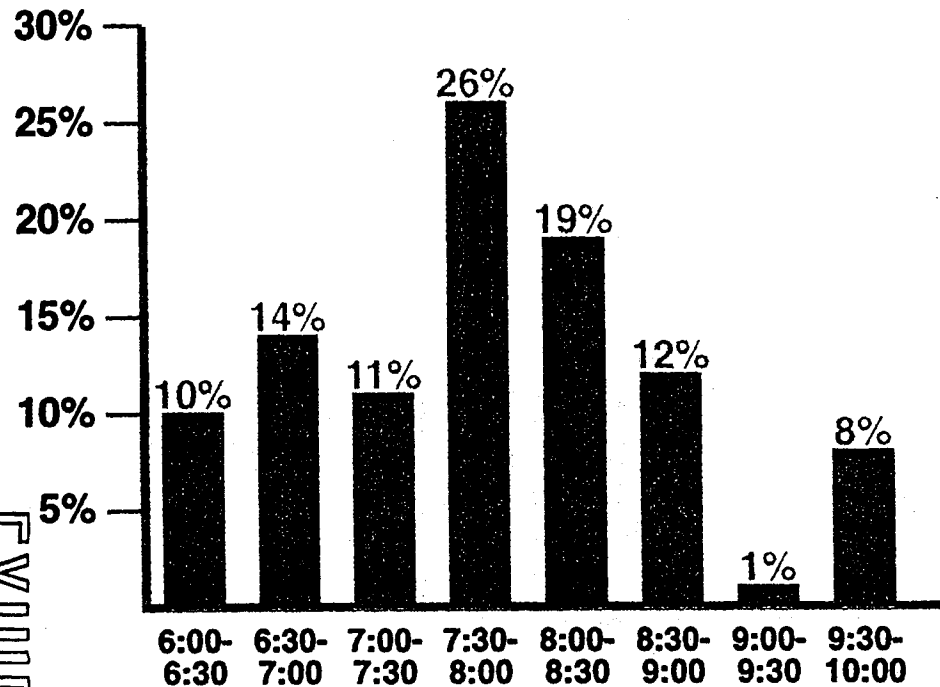
Lodge Area Employee Traffic On 17 Mile Drive

Coastal Commission Staff requested an approximate breakdown of employee-related traffic on 17 Mile Drive versus other traffic. The scenario provided in the following paragraph is illustrative and based on the assumption that 24-hour traffic volumes on 17 Mile Drive east of Palmero Way are between 8,000 and 10,000 vehicles which is consistent with historical traffic data collected in the area.

According to the 1994 Lodge Area employee survey, about 600 employees used 17 Mile Drive east of Palmero Way. Using conservative "worst-case" assumptions (all 600 employees drove alone and work within the same 24-hour period), these employees would generate 1,200 vehicle trips during a 24-hour period and contribute between 12 and 15 percent to total traffic on 17 Mile Drive east of Palmero Way. Figure 7 illustrates these percentages graphically.

Figure 6 Lodge Area Employee Characteristics

Arrivals



Departures

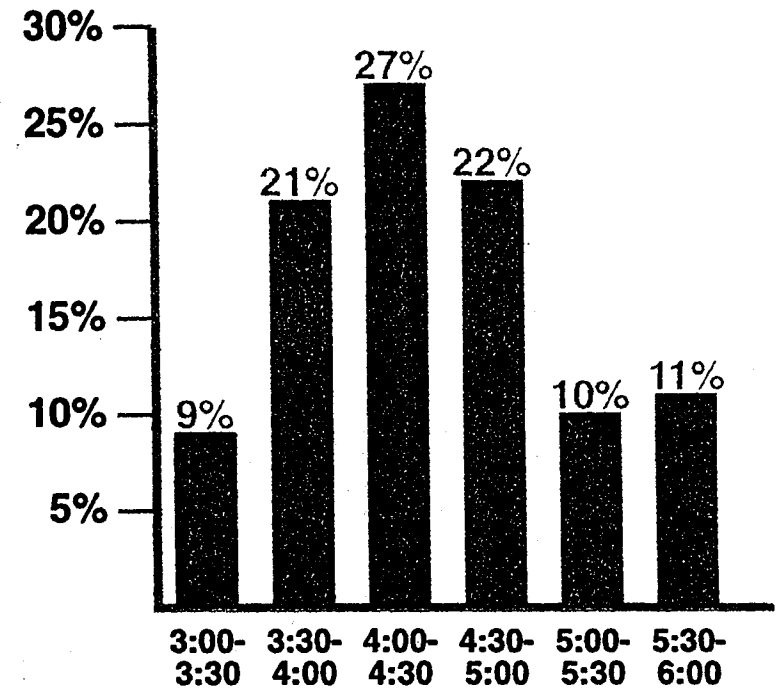
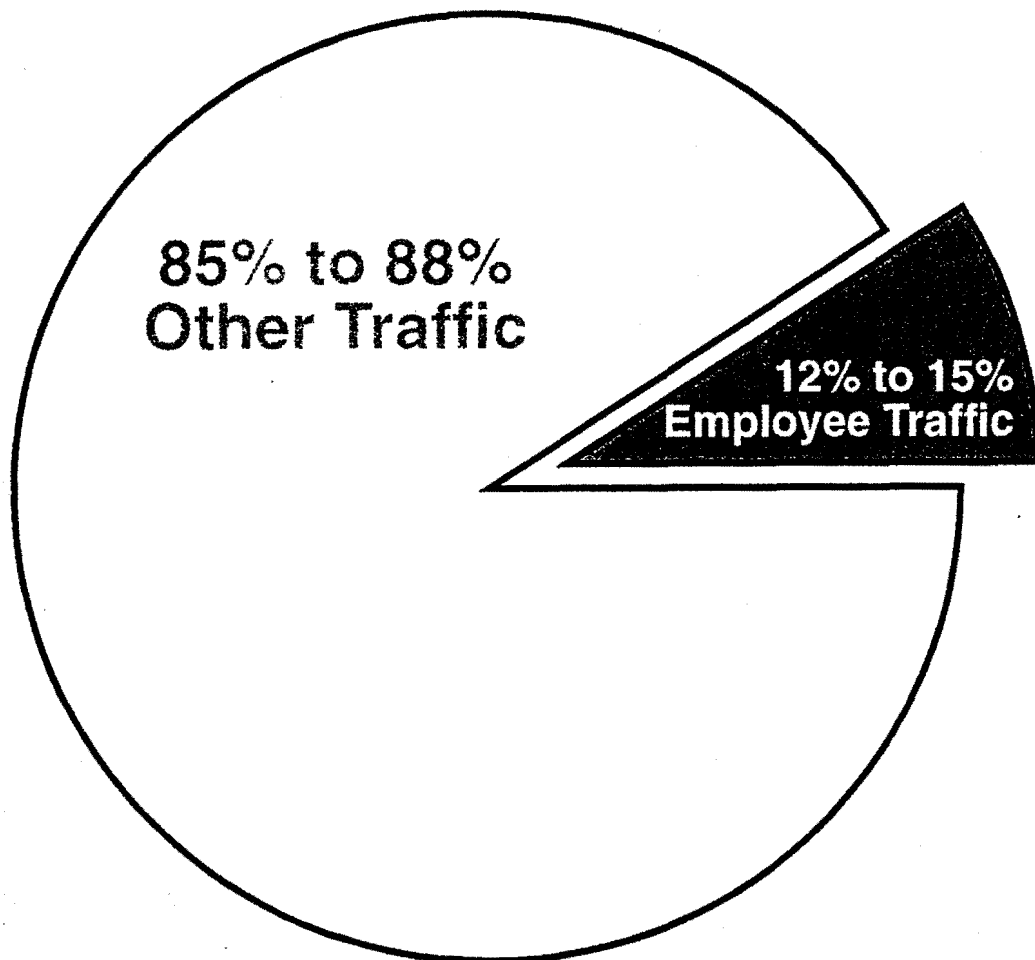


EXHIBIT F
29/35

Figure 7
Employee Traffic Contribution



**17 Mile Drive between
Carmel Gate and the Lodge Area**

EXHIBIT F
30/35

Lodge Area Employee Parking Alternatives

With the Casa Palmero development and parking facility, Lodge Area employees will have three alternatives for parking, depending on their need. Casa Palmero employees would also be provided the same three options for parking.

The underground parking facility provides secure parking for employees who work special shifts, need their car during the day, or have special parking needs (day care, split shift, on-call, disabled, etc.). The CDF parking lot provides off-site parking and shuttle service for those employees who work typical shifts during the day. The third option is the Pebble Beach Rideshare Program which provides employee incentives for those who carpool to work.

Each parking option addresses specific employee needs while acknowledging the need and desire to improve public access to the Lodge Area and, for that matter, other areas of the Forest. A side note, independent of the Casa Palmero development, the Pebble Beach Company recently constructed a 97 space parking lot at their warehouse facility near the Pacific Grove Gate. The site, located on Sunset Drive near 17 Mile Drive, directs employee traffic away from 17 Mile Drive and the Pacific Grove Gate which is congested during peak tourist seasons. This is further evidence that the Pebble Beach Company is attempting to enhance public access to the coastal area within Del Monte Forest.

8. Consistency with Other Studies

The Pebble Beach Company has funded environmental studies for the Residential Lot Program in the Forest. Initial planning for the residential development began in 1988. The Lot Program proposal consists of 350 homes in 15 subdivisions and a golf course. The final environmental document for the Lot Program has recently been released.

The transportation component of the environmental study was conducted by an independent consultant team under the direct oversight of the Monterey County Staff. The study took into consideration not only the Lot Program but also additional development likely to occur both inside and outside Del Monte Forest. Specific reference to the commercial buildout potential in the Forest is provided in Chapter 12 (page 12-85) of the final environmental document for the Lot Program. The Casa Palmero development is specifically mentioned in the reference. Additionally, residential buildout including development of lots on record and property under the control of other owners (reference final EIR Chapter 12, page 12-86) is also considered.

Traffic forecasts used in the Casa Palmero development studies are consistent with the Lot Program environmental document. Figure 1 of this report summarizes the traffic assignment breakdown for the 17 Mile Drive/Palmero Way intersection including existing traffic, Casa Palmero traffic, and traffic from other development in the Forest including the Lot Program developed as Refined Alternative 2. Figure 2 in this report illustrates traffic implications on other roads in the Forest. The service level results for locations shown in Figure 2 are summarized in Table 4.

ATTACHMENTS

For

Transportation Issues:
Casa Palmero Development Project
(September 15, 1997)

* STAFF NOTE: THE ATTACHMENTS, WITH THE EXCEPTION OF THE "SERVICE LEVEL CRITERIA," HAVE BEEN OMITTED FROM THIS STAFF REPORT. THESE ADDITIONAL ATTACHMENTS ARE AVAILABLE IN THE COMMISSION'S SANTA CRUZ OFFICE IN THE PROJECT FILE. A COMPLETE COPY OF THIS TRAFFIC STUDY WILL BE AVAILABLE AT THE COMMISSION HEARING.

EXHIBIT F
33/35

Measures of Impact

Del Monte Forest Roadway Level of Service

Due to the rather unique traffic and roadway conditions inside Del Monte Forest, a level of service analysis technique developed for Traffic Analysis, Del Monte Subdivisions, is used. This procedure provides two different levels of service for a roadway: one for mainline congestion and another for cross-traffic or driveway access.

The levels of service for mainline traffic flow were determined using a modified form of the method described in Chapter 8 of the 1985 HCM. The approach defined in the 1985 HCM bases the level of service determination on the percentage of vehicles on the roadway which are traveling in platoons (a group of vehicles which are traveling together). Platoon percentages are translated into traffic volumes based upon a standard relationship stated within the manual. This relationship has been customized to meet the specific conditions which are unique to traffic within Del Monte Forest.

Special conditions within Del Monte Forest include narrow roadways with variable horizontal and vertical alignments. The effect of this type of roadway is to increase the platoon percentage rapidly, with an increase in traffic volume on the roadway. Field observations were able to alter the Highway Capacity Manual's relationship between volume and platoon percentage on the Del Monte roadways and to subsequently alter the HCM's level of service determination. The resulting level of service determinations are 10 to 15 percent more conservative than the HCM. These levels of service are illustrated in Table 4.7-4.

The level of service for cross-traffic or driveway vehicles was determined using the unsignalized intersection method described in Chapter 10 of the 1985 HCM. This level of service determination is based on the delay which a vehicle encounters when it wishes to enter or cross a roadway from a cross street or driveway. Thus delay is a function of the availability of gaps in traffic. The cross traffic or driveway levels of service are as shown in Table 4.7-5.

Source: Revised Draft Environmental Impact Report
State Clearinghouse No. 92123015
Pebble Beach Lot Program Revised Draft EIR
November, 1995
page 4.7-23

EXHIBIT F

34/35

TABLE 4.7-4
INTERNAL ROADWAY LINK
LEVEL OF SERVICE DEFINITIONS

LOS	Description	Peak Direction Volume (vph)
A/B	This level of service is characterized by traffic flow wherein passing demand needed to maintain desired speeds becomes significant. Up to 45 percent of vehicles are in platoons.	0-300
C	Results in noticeable increases in platoon formation and platoon size. At higher volume levels, chaining of platoons will occur. While traffic flow is stable, it is becoming susceptible to congestion due to turning traffic and slow moving vehicles. Up to 60 percent of vehicles are in platoons.	300-480
D	Mean platoon sizes of 5-10 vehicles are common, although traffic flow continues to be stable. Turning vehicles and/or slow moving vehicles can cause shock waves in the traffic stream. Up to 75 percent of vehicles are in platoons. LOS D is the lowest level of service that can be maintained for any length of time that provides for an acceptable traffic flow.	480-650
E/F	More than 75 percent of vehicles are in platoons. Platooning becomes intense when slower vehicles or interruptions are encountered. Operating conditions at this level are highly unstable.	> 650

Sources: 1985 Highway Capacity Manual, Transportation Research Board, Special Report 209, Washington D.C., 1986.

Traffic Analysis, Del Monte Subdivisions No. 3 through No. 17, Del Monte Forest, Barton Aschman Associates, Inc., April 1992.

Note: Only applicable within the Del Monte Forest, 10-15 % more conservative than HCM determination.

TABLE 4.7-5
LEVEL OF SERVICE DEFINITIONS
CROSS TRAFFIC/DRIVEWAYS

LOS	Description	Two-Way Volume (vph)
A/B	Short traffic delays.	0-820
C	Average traffic delays.	820-1100
D	Long traffic delays.	1100-1480
E/F	Very long traffic delays. Demand may exceed capacity, resulting in excessive delays.	1480

Sources: 1985 Highway Capacity Manual, Transportation Research Board, Special Report 209, Washington D.C., 1986.

Traffic Analysis, Del Monte Subdivisions No. 3 through No. 17, Del Monte Forest, Barton Aschman Associates, Inc., April 1992.

EXHIBIT F
35/35

AIR POLLUTION CONTROL DISTRICTS

§ 40929

Pl. 3.

(4) Implementing marketing or education programs designed to educate attendees on mass transit or other alternative transportation methods for transit to and from the event center.

(5) Achieving a designated average vehicle ridership for vehicles which carry persons who are travelling to or from their employment at an event center.

(6) Other emission reduction strategies not relating to reductions in vehicle trips or vehicle miles traveled by event center attendees.

(Added by Stats.1994, c. 425 (A.B.2581), § 1.)

§ 40929. Employer trip reduction plans; implementation; federal law as prerequisite

(a) Notwithstanding Section 40454, 40457, 40717, 40717.1, or 40717.5, or any other provision of law, a district, congestion management agency, as defined in subdivision (b) of Section 65088.1 of the Government Code, or any other public agency shall not require an employer to implement an employee trip reduction program unless the program is expressly required by federal law and the elimination of the program will result in the imposition of federal sanctions, including, but not limited to, the loss of federal funds for transportation purposes.

(b) Nothing in this section shall preclude a public agency from regulating indirect sources in any manner that is not specifically prohibited by this section, where otherwise authorized by law.

(Added by Stats.1995, c. 607 (S.B.437), § 1.)

Chapter 11

**SACRAMENTO METROPOLITAN AIR QUALITY
MANAGEMENT DISTRICT**

Article	Section
1. General Provisions	40950
2. Creation of the Sacramento Metropolitan Air Quality Management District	40960
3. Governing Body	40980
4. General Powers and Duties	41010
5. Sacramento Metropolitan Air Quality Coordinating Council	41020
6. Air Quality Improvement Strategy	41060
7. Financial Provisions	41080

Chapter 11, formerly Chapter 10, added by Stats.1988, c. 1541, § 3, was renumbered Chapter 11 and amended by Stats.1990, c. 216 (S.B. 2510), § 19.

Another Chapter 11, added by Stats.1991, c. 1201 (S.B.124), § 7, San Joaquin Valley Air Quality Management District, comprising §§ 41100 to 41123, was repealed by Stats.1994, c. 915 (S.B.1267), § 4.

EXHIBIT NO. G
APPLICATION NO. A.3.MCO.97.037
SECTION 40929
(1 OF 1)

Casa Palmero Staff Note:

Attached are representative examples of correspondence received since the substantial issue hearing. Because of their collective bulk, 15 additional letters of opposition and 28 additional letters of support have been omitted. Copies of these additional letters will be circulated to the Commission prior to the de novo hearing, and they are available upon request from the Commission's Santa Cruz office.

Exhibit H

A-3-MCO-97-037

**General
Correspondence**

RECEIVED
SEP 15 1997

CALIFORNIA
COASTAL COMMISSION
49 Shepherd's Knoll
Pebble Beach, CA 93953

September 10, 1997

RECEIVED

Rusty Areias, Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, California 94105-2219

SEP 16 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Dear Chairman Areias and Members of the Coastal Commission:

I am President of the Del Monte Forest Property Owners, an organization representing over 1700 property owners (as many as 3500 residents), whose Board of Directors on three separate occasions has reviewed and approved all aspects of the Casa Palmero project, including the parking facility and impact on Forest traffic.

Today, however, I write to you as a concerned resident (small c and r) of Del Monte Forest. I am NOT associated with the self-named Concerned Residents of Pebble Beach, an organized group of between 30 and 35 vocalists opposing all development in the Forest, who profess to represent residents numbering up to 100, 200 or even 300 - the exact number depending upon whom you ask.

Together with my wife, I have lived in a modest condominium in Del Monte Forest since 1990. We do not have the wherewithal to consider moving from the Forest, as I understand some of the Concerned Residents of Pebble Beach have threatened if Pebble Beach Company is permitted to convert an unsaleable rundown mansion, immediately adjacent to the Lodge itself, into a 5-star 24-room spa. Construction of an underground garage to facilitate residents' parking would, I am told, expedite their flight.

Neither my wife and I, nor almost all others, would want to move as long as Pebble Beach Company continues its outstanding stewardship of this Forest. The manner in which they have maintained the Forest's ecology, its magnificent landscape and its limited and well-monitored construction attest to this commitment.

We recognize that Casa Palmero will cause certain inconveniences during the construction period, particularly in truck traffic to the residents in the immediate area. Even the DMFPO Traffic Committee acknowledges this. However, the result of a 6 to 8 week forbearance is certain to be another testament to the good taste and quality that have

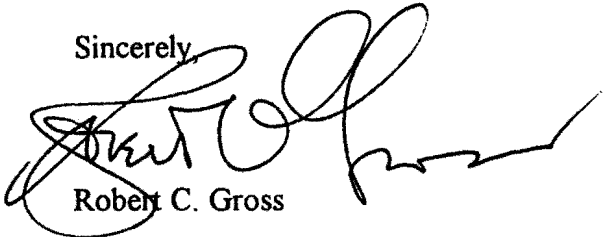
EXHIBIT H

Rusty Areias, Chairman
California Coastal Commission
September 10, 1997
Page 2

become synonymous with the Pebble Beach trademark. In fact, if this were not the case, if traffic and parking problems were actually exacerbated by the Casa Palmero project to the point they became long lasting in their adverse effect, who would suffer the most? The Pebble Beach Company! Reduced tourism revenues would undoubtedly lead to reduced Pebble Beach Company services to residents, ultimately affecting our home values. Ask yourselves, "Which of us would undertake a project which might endanger the very existence of our investment base?"

We -- the truly concerned residents of Del Monte Forest -- favor the Casa Palmero project and view it as a positive plus to our community. From a selfish viewpoint, we believe Casa Palmero will enhance Pebble Beach Company's reputation for quality resort services in the most beautiful coastal area in the world, and this in turn will improve the value of all properties in the Forest, including my own little condominium.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Gross", written over the typed name.

Robert C. Gross

EXHIBIT

Pebble Beach Company

Real Estate Division
Post Office Box 1767
Pebble Beach, CA 93953
(408) 624-8900
FAX (408) 625-8412

August 11, 1997

RECEIVED

AUG 13 1997

Commissioner Mike Reilly
CALIFORNIA COASTAL COMMISSION
c/o County of Sonoma
575 Administration Drive, Room 100
Santa Rosa, CA 95403-2887

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

RE: Casa Palmero Project

Dear Commissioner Reilly:

At the substantial issue hearing on our Casa Palmero project before the Coastal Commission held on July 9, 1997, you raised two specific questions that deserve a response. I would like to briefly address those issues in this letter.

First of all, you had a concern about the tree replacement ratio of 1:1. This ratio is set forth in the Del Monte Forest Coastal Implementation Plan and applies to trees twelve inches and greater unless the required Forest Management Plan prepared for the project demonstrates that such a replacement ratio would be inappropriate for the site. In the case of the Casa Palmero project, only 20 trees twelve inches and greater are being removed from the site, while our landscape plan calls for replanting 60 trees -- a 3:1 ratio. We are therefore well in excess of the LCP's 1:1 requirement.

You should also know that all of the trees being removed for this project (both less than and greater than twelve inches) are landscape plantings only. This area is already completely developed, and there is no natural habitat, only ornamental plantings of gardens and landscape trees. Most of the landscaping to be removed is for the existing employee parking lot, and will be replaced by additional plantings to create a two tiered vegetative buffer between the new underground parking facility and adjacent properties.

EXHIBIT H

Commissioner Mike Reilly
August 11, 1997
Page 3

Thank you very much for your attention.

Very truly yours,

PEBBLE BEACH COMPANY



Mark Stilwell
Executive Vice President

MS:tmg
Enclosure

c: (w/ Enc.)

Rusty Areias, Chair
Sara Wan, Vice-Chair
Lee Otter, District Chief Planner
Dan Carl, Coastal Planner
Bill Phillips, Monterey County Planning Director
Eric Marlatt, Monterey County Planner

EXHIBIT H

PUBLIC-PRIVATE PARTNERSHIP PROJECT

A unique public-private partnership has resulted in the use of tertiary-treated wastewater to replace 800 acre feet of potable water previously used to irrigate golf courses and other recreational and open space areas in Pebble Beach, California.

The CAWD-PBCSD Wastewater Reclamation Project, serving the Pebble Beach area, involves the cooperative efforts of three public agencies - the Carmel Area Wastewater District (CAWD), Pebble Beach Community Services District (PBCSD), and Monterey Peninsula Water Management District (MPWMD) - and the privately owned entity of Pebble Beach Company.

Initial planning, financing, and engineering design for the project began in June, 1986. Final approvals were obtained in December, 1992. Construction of the project took approximately 18 months, with project operation and dedication occurring in September, 1994.



WASTEWATER RECLAMATION PROJECT

CAWD • PBCSD • MPWMD • PBC

printed on recycled paper



Engineering Science, Inc.

ENGINEERING / CONSTRUCTION MANAGEMENT

Carmel Area Wastewater District
Pebble Beach Community Services District
Monterey Peninsula Water Management District
Pebble Beach Company

SPONSORS

Carmel Area Wastewater District
Pebble Beach Community Services District

OWNER / OPERATORS

*For detailed information about the project contact:
Carmel Area Wastewater District
3945 Rio Road, Carmel, CA 93922 (408) 624-1248*

Sumitomo Bank, Ltd.

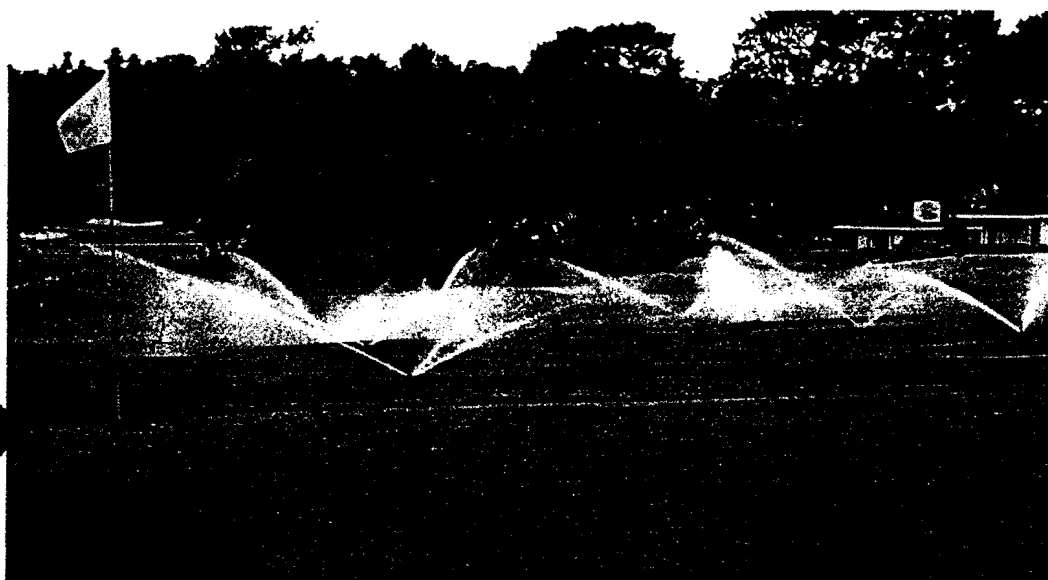
CREDIT BANK

Paine Webber, Inc.
Stone & Youngberg

UNDERWRITERS

Pebble Beach Company

FISCAL SPONSOR



CAWD-PBCSD WASTEWATER RECLAMATION PROJECT

IN
PEBBLE BEACH

EXHIBIT H

USE OF THE RECLAIMED WATER

Use of the reclaimed water for irrigation results in 420 acre feet of potable water being allocated by the MPWMD for increased water supply and/or drought reserve protection for communities on the Monterey Peninsula.

The remaining 380 acre feet of potable water released by the project was reserved for use by two small subdivision projects, privately owned by J. Lohr Properties and the Hester Hyde Griffin Trust, and a planned new golf course and residential subdivision program on property owned by Pebble Beach Company.

Sales and distribution of the reclaimed water occurs at the following locations:

- Privately owned and operated golf courses at the Monterey Peninsula Country Club and Cypress Point Club;
- Spyglass Hill, Pebble Beach Links, Peter Hay, and The Links at Spanish Bay courses owned and operated by Pebble Beach Company;
- Pebble Beach Practice Range and Collins Field Equestrian Center, also owned by Pebble Beach Company;
- Athletic fields at the privately owned Robert Louis Stevenson School in Pebble Beach; and,
- Poppy Hills Golf Course, owned and operated by the Northern California Golf Association (NCGA).

PROJECT FINANCING

No public taxpayer dollars were used for financing of the CAWD-PBCSD Wastewater Reclamation Project.

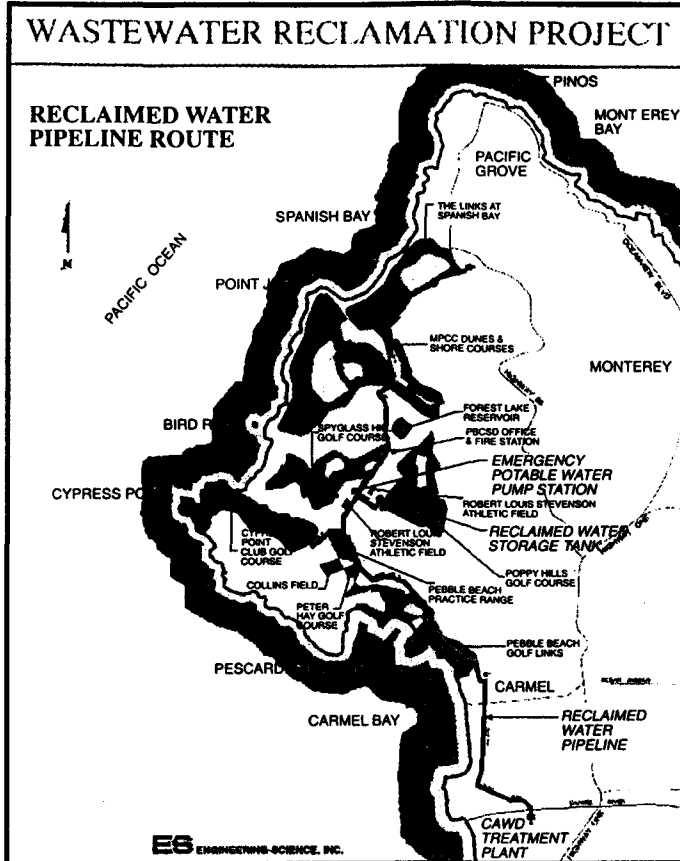
Payment for construction, financing, and initial operation was provided through publicly-sold investor bonds, known as Certificates of Participation (COPs), issued by the MPWMD.

Revenues generated from the sale of reclaimed water to the golf courses and other open space and recreational areas in Pebble Beach are used to repay the COPs.

Pebble Beach Company has guaranteed repayment of the COPs, as well as payment of any shortfall if annual operating expenses of the project exceed revenue generated from the sale of the reclaimed water.

Planning	\$ 4.4 million
Design and Construction	20.7 million
Financing	8.8 million

TOTAL PROJECT COSTS \$33.9 million



PROJECT COMPONENTS

- Improvements to the existing CAWD secondary treatment plant to improve effluent quality and system reliability including a new aeration basin, anoxic selector structure, blower building, and diffused air system.
- Construction of a new 1.8 mgd (million gallons per day) tertiary plant at the CAWD facility to divert and treat the secondary level effluent, including chemical addition, coagulation, flocculation, filtration, chlorination, and dechlorination.
- Construction of a reclaimed water distribution system including approximately seven miles (38,000 feet) of distribution pipeline, a 2.5 million gallon storage tank for reclaimed water, a distribution pump station, and an emergency backup potable water supply.
- Improvements and modifications to existing irrigation systems at the user sites to separate potable and reclaimed water piping systems.

The new tertiary treatment plant produces high-quality treated wastewater that is safely used for recreational area irrigation. It also reduces the outflow of secondary-treated wastewater to Carmel Bay by an average of 700,000 gallons per day.

EXHIBIT H

De LAY & LAREDO

Attorneys at Law

606 Forest Avenue

Pacific Grove, California 93950

Paul R. De Lay
C. Laredo
Carmela M. Bowns

Lozano Smith
Smith Woliver & Behrens
Of Counsel

RECEIVED

(408) 646-1502

FAX (408) 646-0377

SEP 15 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

September 11, 1997

Hon. Rusty Areias, Chairman,
California Coastal Commission,
45 Fremont Street, Suite 2000,
San Francisco, CA. 94105-2219

RECEIVED
SEP 12 1997

Re: Pebble Beach Company Casa Palmero Project

CALIFORNIA
COASTAL COMMISSION

Dear Mr. Areias:

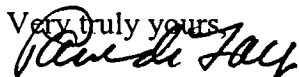
As a near 30-year resident of Pebble Beach familiar with the captioned project, I strongly support the project and respectfully request your approval when the Commission takes its action on or about October 7.

For a variety of reasons, the project is deserving of approval: It is compatible with the commercial character of the neighborhood. Its design is consistent with the existing design. Its size does not breach the general ambiance of the neighborhood. The parking garage is truly advantageous, with approximately 230 spaces out of sight and underground and 115 surface spaces versus the existing 130 surface spaces. Complaints that the underground garage introduces a grossly commercial dimension to the neighborhood are without merit. Moreover, the underground spaces will be used by employees who now park on the "crescent" extending from the Peter Hay Golf Course to its junction with 17 Mile Drive. Use of Casa Palmero as a spa is a needed and logical step for a resort of the stature of the Lodge.

For these same reasons, I voted for approval of the project as Chairman, Del Monte Forest Advisory Committee, on December 5, 1996, when the application for a combined development permit was before the Committee.

The proposed project is a tasteful and maturely considered undertaking and warrants approval. Thank you for your consideration.

Very truly yours,



Paul R. De Lay

cc: Pebble Beach Company: Mr. Richard Patterson

EXHIBIT H

L.M. TOWNLEY
4106 PINE MEADOWS WAY
PEBBLE BEACH, CALIFORNIA 93953

9-11-1997

RECEIVED
SEP 12 1997

To: Rusty Areias--Chairman
California Coastal Commission
45 Fremont St. Suite 2000
San Francisco, Calif. 94105-2219

CALIFORNIA
COASTAL COMMISSION

Subject: Pebble Beach Co. Casa Palmero Project Application.

Dear Mr. Areias,

It is my understanding that the next hearing on the above subject will take place during the Commission's October meeting in Del Mar, I would appreciate this letter being included in the application file for consideration.

I am a member of the Del Monte Forest Land Use and Planning Advisory Committee as well as the Pebble Beach Architectural Review Board thus have visited and studied this application completely several times and voted in favor during hearings at both jurisdictions.

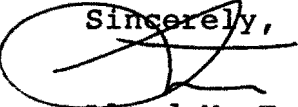
This project is a logical addition to the Lodge adding rooms as well as a much needed full range spa available to both guests and forest residents. The parking structure is two-thirds below ground and will help solve parking problems for guests, the Tennis Club, employees and during special events without intruding on the atmosphere of the area. With the planned change in the intersection of Palmero Dr. and 17 Mile Drive the traffic will be much smoother and safer then now, I do not anticipate any increase in traffic caused by this project.

There are very few residential properties in this area which is made up of the 1st., 2nd., 3rd., 16th., 17th., and 18th. holes of the Pebble Beach Golf Club, the Tennis Club, the Beach Club and the Pebble Beach Lodge, those residents in the area will experience no more inconvenience then this guest area develops at this time.

I would hope that many of your Commissions members have a chance to visit the Casa Palmero location prior to the hearing to asses the total picture of a world class adjunct to the Lodge. Although certainly not a planning matter, compotition in the resort business is at a peak, you keep up and lead or go down hill.

Unfortunately I am scheduled to be out of the state at the time of the Coastal Commission meeting but would be happy to reply to any written or phone communication.

Sincerely,


Lloyd M. Townley
(408) 625-6123

EXHIBIT

SEP 17 1997

Mr. and Mrs. D. Gauvreau
P.O. Box 554
Pebble Beach, Ca.93953

CALIFORNIA
September 12, 1997
Rusty Areias
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, California 94105-2219

RECEIVED
SEP 16 1997

CALIFORNIA
COASTAL COMMISSION

Dear Chairman Areias,

This letter is in response to the New Appeal on the Casa Palmero Property Permit. We feel that the Pebble Beach Company (PBC) has a perfect opportunity to develop a Spa Facility that will adjoin and be a needed part of the Lodge at Pebble Beach with minimal impact on the community. The Casa Palmero Property would allow room for this type of development to be considered. Many of the quality resorts in Europe and now in this country offer these kinds of amenities to their guests. The PBC of course is aware of the services offered by other first class operations and realizes that this kind of option, although costly, is needed to arrive in the 21st century with a chance to compete. Most of us in Pebble Beach are aware of the PBC's need to stay a profitable venture. If profitable the infrastructure that they are charged with managing here in the Forest can be supported. We realize that it is not your position to insure the financial survival of PBC but please at least consider the outcome (impact) on the DelMonte Forest area if the financial support for Forest management is not forthcoming. Some are not concerned. Most in residence are very concerned about this point. The ongoing requests by PBC for development/income seem to get delayed for decades.

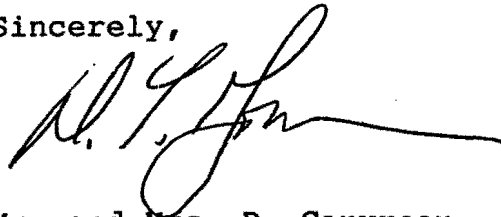
The underground parking facility is another service facility that has long been needed. Employee parking has taken most of the spaces adjacent to the Lodge. We often have to dodge guests looking for parking in this area when we go to the Post Office or Store. This is an attempt if not totally at least partially to try to free up the parking for the Visitors. The underground capacity far outweighs the code requirements that suggest some minimal above ground structures. You can rest assured PBC will have this facility softened architecturally to protect the viewshed of the adjacent Company and private residential properties involved. Traffic studies by both the Company and County indicate that the Spa and Garage will not be a problem. Most of the Spa guests will come from the Lodge and of course the employee traffic because of staggered working hours won't effect the circulation.

EXHIBIT H

II

We have included a copy of our letter to the Commission with regard to the first hearing on this Permit. We once again respectfully request that you approve the Casa Palmero Permit #A-3-MCO-97-037.

Sincerely,

A handwritten signature in dark ink, appearing to be 'D. Gauvreau', written in a cursive style with a long horizontal flourish extending to the right.

Mr. and Mrs. D. Gauvreau

EXHIBIT

H

SEPTEMBER 12, 1997

RUSTY AREIAS, CHAIRMAN
CALIFORNIA COASTAL COMMISSION
45 FREMONT STREET, SUITE 2000
SAN FRANCISCO, CA 94105-2219

RE: THE CASA PALMERO PROJECT
DEL MONTE FOREST
PEBBLE BEACH, CA

DEAR MR. AREIAS,

MY WIFE AND I SUPPORT THE PLANS FOR THE CASA PALMERO PROJECT.

WE HAVE BEEN RESIDENTS OF PEBBLE BEACH FOR 25 YEARS AND WOULD NOT LIKE ANY DEVELOPMENT THAT WOULD HINDER OUR ENJOYMENT OF THIS WONDERFUL FOREST. WE HAVE THOROUGHLY INVESTIGATED THE PROJECT AND STRONGLY FEEL THAT IT WOULD HAVE NO ADVERSE EFFECT UPON OUR LIFE STYLE.

WE URGE YOU TO FULLY SUPPORT THIS DEVELOPMENT.

THANKING YOU IN ADVANCE FOR YOUR MOST FAVORABLE CONSIDERATION IN THIS MATTER.

Victor & Carmella De Luca

VICTOR & CARMELLA DE LUCA
P. O. BOX 72
PEBBLE BEACH, CA 93953

CC: PEBBLE BEACH COMPANY
ATTN: RICHARD PATTERSON

RECEIVED
SEP 16 1997

CALIFORNIA
COASTAL COMMISSION
RECEIVED

SEP 17 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

EXHIBIT H

Jody Bunn, Nathalie Bunn, Ted R. Hunter, Carl E. Nielsen
P.O. Box 255
Pebble Beach, CA 93953

RECEIVED

To: California Coastal Commissioners

SEP 17 1997

**Subject: Pebble Beach Company's Monterey County Application PC96024 -
Commercial Expansion of Casa Palmero Home
California coastal Commission Appeal No. A-3-MCO-97-037
De Novo hearing scheduled for October 7-10, 1997, Del Mar, California**

**CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA**

Dear Commissioners:

We respectfully request that you carefully consider the issues we have identified and described below when making your decision on this proposed new commercial complex adjacent to a well established residential area of Pebble Beach. We also believe that all of our recommendations are consistent with the intent of Chapter 3 of the California Coastal Act.

Resident Position

As residents we recognize we live in a unique and beautiful area in California. Visitors from all over the United States and the world come here to enjoy what we experience every day. We wish their experiences as visitors and our experiences as residents to be the best they can be. This means there must be a serious effort to reduce the traffic problems that exist and realistic controls on commercial expansion in the Del Monte Forest.

Summary of Recommendations

We believe this project should be modified as to size and the 315 space parking structure eliminated. Further, the Pebble Beach Company should implement a park and ride system using areas outside the Del Monte Forest for parking lots. Lastly, the Pebble Beach Company should be required to implement all of the Del Monte Forest Land Use Plan requirements for visitor access to Stillwater Beach Cove.

Summary of Benefits to be Gained

Implementation of our recommendations will result in an overall increase in visitor serving parking of 230 spaces, enhance visitor access to Stillwater Cove, significantly mitigate traffic problems on 17 Mile Drive between Peter Hay Golf Course and Highway 1 Gate, and an improved residential environment in the area.

Modification of Inn and Spa

The existing Casa Palmero home is approximately 10,000 square feet; the Casa Palmero inn and spa are approximately 50,000 square feet or a five-fold increase in building size. This large commercial expansion into a residential area is inappropriate and unnecessary. The contention by the Pebble Beach Company that this project is just an "in-fill" in an area already commercial is not valid. The commercial visitor serving zoning has been granted; it is a question of reasonable size and not whether a commercial activity is allowed. If the project retained much of the existing

EXHIBIT #

residential size and style it would blend into the surrounding residential area and would be more acceptable.

Park and Ride Requirements

We believe Local Coastal Plan Implementation Title 20, Section 20.64.250, *Regulations for the Reduction of Vehicle Trips for Certain Developments*, requires the reduction of vehicle trips. In addition, California Government Code Section 65089 requires that urbanized areas adopt a Congestion Management Plan. One element of the Congestion Management Plan is trip reduction which would include park and ride lots.

The section of 17 Mile Drive from Peter Hay Golf Course to beyond the Carmel Gate turn off is rated Level of Service (LOS) D, PM peak hour, one way traffic. This is the only section of roadway in the Del Monte Forest rated "D". The removal of 276 employee vehicles (see attached Table A) from the Lodge area would represent a significant mitigation of traffic on this visitor serving roadway. As a matter of fact, it is the only way to mitigate traffic on the 17 Mile Drive and in all likelihood it would raise the LOS D classification to LOS C. This would increase visitor enjoyment of the 17 Mile Drive and increase safety for bicyclists.

The implementation of a park and ride system for employees will clearly eliminate the need for any parking structure. Sufficient parking capacity (130 spaces) remains to handle increased casual, lower cost visitor serving purposes plus non-reservation visitor parking for Stillwater Cove Beach. Space will also exist to handle any overflow parking requirements from the Beach Club.

Improve Visitor Serving Parking and Stillwater Cove Beach Access

It is important that the Pebble Beach Company implement all of the Del Monte Forest Land Use Plan requirements for visitor access to Stillwater Cove Beach (See Table B for compliance). Implementing all of these requirements coupled with a park and ride system for Pebble Beach Company employees is the only way a significantly increase lower cost visitor serving parking in the Pebble Beach Lodge area. This can be done and also eliminate the need for the 315 space parking structure. Both a park and ride program and elimination of the parking structure are necessary to reduce overall traffic in the Palmero Way, Cypress Drive, Stillwater Cove Beach and the Beach Club area. All three of these programs, implementation of the Land Use Plan requirements, a park and ride system, and elimination of the 315 space parking structure will be an enhancement of the objectives of Chapter 3 of the California Coastal Act.

Piecemeal Development

The Casa Palmero project can not be viewed as a separate and independent project from the Pebble Beach Company's proposed lot/golf course program on which public hearings are just starting. The Draft Environmental Impact Report for the lot/golf course development program was issued in July 1993. The application for the Casa Palmero project was filed with Monterey County Planning in the second half of 1996. The final Environmental Impact Report for the lot/golf course program was issued in June 1997. These projects are in reality concurrent projects; however, Monterey County has treated them separately, contrary to state law prohibiting piecemeal development. In addition, the Pebble Beach Company has ill-defined Lodge Area commercial and Corporation Yard expansion plans. We believe all of these projects and plans should be combined with whatever yet-to-be disclosed plans exist or are contemplated and treated as a single development plan.

EXHIBIT 4

Balance between Residential and Visitor Needs

We recognize the high priority the California Coastal Act places on visitor enjoyment of our California coastline. The Del Monte Forest is world famous and we recognize this. The single most significant issue between the residential community and visitors to the Del Monte Forest is traffic. The needs of the residents and the visitors can be balanced if the Pebble Beach Company is required to implement an employee park and ride program. It is important to recognize that the Pebble Beach Company has at least 1,600 employees, most of whom work in the Del Monte Forest. A park and ride program will relieve the congestion on the 17 Mile Drive between Peter Hay Golf Course and the section beyond the Carmel Gate turn off. This section is used extensively by visitors and Del Monte Forest residents. Improving traffic flow by removing employees will satisfy both residents and visitors.

Water Issues

The Pebble Beach Company has frequently stated that there are no water issues connected with this project. The water for the Casa Palmero project is to come from the Pebble Beach Company's "entitlements" resulting from the water reclamation project. This project is in serious difficulties because of the following issues: high salt content in the water, much lower reclaimed water production than the levels upon which the contract with the Monterey Peninsula Water Management District was based; and the California State Water Resources Control Board's ruling on withdrawal of water from the Carmel River aquifer. The Casa Palmero project is a high water user. The spa has at least 44 water outlets and the inn has 135 outlets for a total of at least 179 outlets. Each proposed new room has six outlets. In view of the serious water problem facing the entire Monterey Peninsula is this high water consumption project reasonable? (See attached newspaper articles.)

Summary

In summary, we recommend:

1. Elimination of the 315 space parking structure;
2. Reduction in the size of the inn and spa;
3. Implementation of a park and ride program by the Pebble Beach Company for their employees;
4. Full compliance with the Land Use Plan requirements for Stillwater Cove Beach access;
5. Careful review of whether or not the Casa Palmero project and the Pebble Beach Company's lot/golf course program constitutes piecemeal development; and
6. Review of water issues.

This letter is sent on behalf of appellants Jody Bunn, Nathalie Bunn, Ted R. Hunter and Carl E. Nielsen.

Sincerely,



Carl E. Nielsen

EXHIBIT H

Table A

**COMPARISON OF CURRENT STATUS, CASA PALMERO PROPOSAL,
AND EMPLOYEE OFF-SITE PARKING CONCEPT**

	Current Status		Casa Palmero Proposal *		Off-site Parking Proposal**	
	Employees	Visitor Serving	Employees	Visitor Serving	Employees	Visitor Serving
Peter Hay/17 Mile Drive	100	0	0	100	0	100
Casa Palmero Parking Site						
Employees	130		251		0	
Inn/Spa Guests				60		60
Casual Visitor Serving				4		70 ***
Tennis Parking Lot #2	25		25		0	
Beach Club-Stillwater Cove		6		6		6
Totals	255	6	276	170	0	236
Employees moved off-site					276	

* - Includes the proposed 315 space parking structure

** - Does not include the proposed 315 space parking structure

*** - Would accommodate over-flow parking for Stillwater Cove Beach visitors,
Lodge visitors, and Beach Club overflow

EXHIBIT 4

Summary of Stillwater Cove Beach Access Requirements and Pabbie Beach Company's Compliance

Table B

Stillwater Cove Beach Access Management Plan

Current Status - August 1997

1. Reserved Parking - six automobile parking spaces will be provided for the exclusive use of visitors to Stillwater Cove Beach.	1. Reserved Parking not available due to construction project. Parking permitted in Beach Club parking lot
2. Reserved parking by reservation	2. Reservation system in effect
3. Signs "Beach Visitor Parking" and "Parking Reserved for Beach Visitors" at parking area	3. Not posted
4. Security Gates	4a. Does not exist 4b. Does not exist
a. Cypress Drive and Palmero Way	
b. Entrance to Beach Club	
5. Unreserved Parking procedure. Parking allowed in other lots on a first come first served basis. Directions given by individual in security gate.	5. System does not exist due to lack of security gate
6. Route for pedestrian access from parking lots will be marked on Cypress Drive and through the Beach Club parking area. Signs will be posted at strategic locations to mark the route.	6. None of this exists
7. An 8' wide general purpose stair/ramp will be constructed	7. Has been done
8. Visitor Convenience Facilities	8a. Has been done 8b. Has been done
a. A "unisex" restroom will be constructed	
b. A pay phone will be installed	
9. Forest Visitor Gate Handouts. Stillwater Cove Beach must be listed with all necessary information	9. Basic information included
10. Information Signing	
a. Cypress Drive/Palmero Way Security Gate	10a. Does not exist
b. Cypress Drive indicating location of Reserved Visitor parking	10b. Does not exist
c. Beach Club Parking Lot Gate	10c. Does not exist
d. Beach Club Parking Lot/Beach Access Point	10d. Does not exist
e. Restroom - visitor restroom & hours available	10e. Exists
f. Beach Area	
1) Sign noting private beach west of pier	10f 1) Exists
2) Sign "keep off bluffs"	10f 2) Does not exist

Date: August 18, 1997 (cn)

EXHIBIT 4

Pebble Beach water savings fall short

BY THOMAKEMAN
Herald Staff Writer

Proposals to restrict Pebble Beach Co. water rights prompted the Monterey Peninsula Water Management District on Monday night to schedule a review of an 8-year-old agreement.

The board decided to look at the 1989 pact that set up the \$34 million water-recycling project in Pebble Beach after approving a company request to add a 472-acre parcel to land descriptions included in the agreement.

The parcel — which generally covers the old quarry at the base of Huckleberry Hill, between Poppy Hills Golf Course and Holman Highway — probably should have been included in the agreement in the first place, said Mark Stilwell, executive vice president for the Pebble Beach Co.

"All I can say is this is probably one of the most complicated financial arrangements in Monterey County, and we might find another (overlooked) parcel when we get down to it," Stilwell told the water board.

The parcel is where the Pebble Beach Equestrian Center will be moved if the company wins approval for development plans under review by the county.

The agreement among the company, the water district, the Pebble Beach Community Services District and the Carmel Area Wastewater District provides for the company to guarantee financing of the \$34 million recycling project in exchange for 365 acre-feet of the 800 acre-feet of tap water expected to be saved.

Adding the old quarry site to the company-owned land entitled to use some of that saved water raised only a few questions.

But mention of the recycling project prompted the League of Women Voters of the Monterey Peninsula, the Carmel River Steelhead Association, a former water board member and three current members to question the numbers in the agreement.

The recycling project, completing its third year of operation, hasn't performed to its design potential.

Over the past 12 months, the project provided 676 acre-feet of treated wastewater to irrigate the world-famous golf courses at Pebble Beach, according to a staff report to the board.

To supplement that, the golf courses used 388 acre-feet of California-American Water Co. tap water during the year, the report said.

If the project isn't saving the full 800 acre-feet a year, critics asked, should the company be entitled to use the full 365 acre-feet in its commitment?

"We're begging a question here," said Dave Potter, a water board member and county supervisor. "The problem is that the project doesn't seem to be meeting its stated goals."

The company has spent more than \$1 million exploring solutions. On Friday, it made an offer to Cal-Am for the 420-acre Forest Lake in Pebble Beach, Stilwell noted.

Water board Chairman Dick Ely asked the staff to prepare a review of the recycling project and the agreement for the board's Oct. 20 meeting.

Monterey Herald

BY THOMAKEMAN
Herald Staff Writer

The Monterey Peninsula has already taken more water from the overused Carmel River this year than the state allows.

By the time the water-use reporting year ends Sept. 30, the Peninsula is expected to have used about 13 percent more than the limit set in 1995 by the State Water Resources Control Board.

While it is clear that water conservation programs on the Peninsula aren't working as well as intended, it's unclear what will happen now.

State water officials were unavailable Tuesday. The state board has had closed-door discussions on whether to start legal proceedings against California-American

Water Co., said Darby Fuerst, manager of the Monterey Peninsula Water Management District.

"I don't know what the state's going to do," Fuerst said Tuesday.

The state ordered Cal-Am to limit its diversions from the river to 11,285 acre-feet for the water year that runs from Oct. 1, 1996, to Sept. 30, 1997.

The company exceeded that limit by the end of August and is expected to be about 1,500 acre-feet over it by the end of this month, according to projections from the Monterey Peninsula Water Management District.

An acre-foot is the amount of water used in a year by four average households on the Peninsula.

The state board warned Cal-Am in May it intends to enforce the order to cut back

river diversions because overuse of the waterway is causing environmental damage.

Since then, Cal-Am has imposed an alternate-day irrigation plan, and the water district has made it illegal to waste water on the Peninsula.

If the state-approved conservation program goes to its next phase, outdoor irrigation would be limited to two days a week and restrictions would be imposed on washing commercial vehicles and hard surfaces, such as sidewalks and driveways.

"I don't know what the state board would look at," said Larry Foy, Cal-Am's manager. "They might see that we're starting a new water year, and we're approaching a winter season when we're expecting rain."

Please see WATER PAGE B2

Last March, the Peninsula water district warned that the area was "on track" to exceed legal usage of the Carmel River system.

But the state water board decided not to declare a water emergency and impose rationing because the shortage this year is a legal situation because of the state's order, not a natural condition caused by drought.

The draw from the Carmel River system reached its limit this month because the water district

ordered Cal-Am to reduce its pumping from the Seaside groundwater aquifer.

The Carmel River and the Seaside aquifer are the only sources of tap water for the Peninsula.

The district told Cal-Am to limit its Seaside diversions to hold the annual total to the safe yield of 4,000 acre-feet, Fuerst told the water board Monday night.

Cal-Am had pumped 3,894 acre-feet from the Seaside aquifer by the end of August, Foy said.

EXHIBIT 4

FACSIMILE TRANSMISSION

Carl E. Nielsen
P.O. Box 255
1106 Spyglass Woods Drive
Pebble Beach, CA 93953
Phone: (408) 375-2321 Fax: (408) 375-6651

September 10, 1997

California Coastal Commission
Attention: Dan Carl
725 Front Street, Suite 300
Santa Cruz, CA 95060

Dear Mr. Carl:

Reference: Appeal No. A-3-MCO-97-037
Pebble Beach Company's Casa Palmero Project

As you know, I am adamantly oppose the 315 space parking structure included in this project. I am enclosing a document I previously gave to you showing the impact of moving employees off-site and thereby negating the need for the 315 space parking structure. This document clearly shows that 275 visitor serving parking spaces would be created without the parking structure. However, there remains one last question: "Should the Pebble Beach Company be allowed to construct the parking structure even though the employees will no longer occupy the structure?" I believe the answer is no.

It is very clear from all of the documents and public hearings related to this project that the Pebble Beach Company has justified the 315 space parking structure next to Casa Palmero on the basis that it would:

Consolidate Lodge area employee parking in the parking structure, and

Eliminate employee parking along Peter Hay Golf Course/17 Mile Drive thereby creating 100 additional visitor serving parking spaces.

The Pebble Beach Company's rationale in all documents, Planning Commission hearings, Board of Supervisor appeal and Coastal Commission appeal has clearly been: "This is a parking structure for Casa Palmero guests (60) and employee parking (approximately 255) except four times a year when special events would preempt employee parking". Thus, it has been justified on the basis that it would be a structure where approximately 80 per cent of the occupants would be employees. If the need disappears the structure should disappear.

EXHIBIT 4

I believe Title 20 section 20-64 requires removal of employees from the Lodge area to off-site locations. Moving employees to off-site locations should make the need for the parking structure moot.

Bear in mind that the existing 130 space parking lot will more that accommodate the estimated 60 inn guests and spa users if employees are moved to off-site locations. This would leave 70 spaces for additional low cost visitor serving parking, including Stillwater Cove Beach visitor, Beach Club over-flow and general visitor serving needs.

If the employees were move off-site and Pebble Beach Company were allowed to construct the parking structure without any sound justification it would set the stage for further commercial expansion in the Lodge area. No specific development plan has been developed for the Lodge area. If at some future time the Pebble Beach Company wished to increase commercial activity in the Lodge area they could point to the existence of the 315 space structure as a means to justify commercial expansion, i.e., sufficient parking exists. This concept of justifying commercial expansion based upon a parking structure originally justified for another reason would make sham of orderly planning. This parking structure should be denied so that it is not an unwitting justification for commercial expansion.

Sincerely,



Carl E. Nielsen

EXHIBIT 4

Table A

**COMPARISON OF CURRENT STATUS, CASA PALMERO PROPOSAL,
AND EMPLOYEE OFF-SITE PARKING CONCEPT**

	Current Status		Casa Palmero Proposal *		Off-site Parking Proposal**	
	Employees	Visitor Serving	Employees	Visitor Serving	Employees	Visitor Serving
Peter Hay/17 Mile Drive	100	0	0	100	0	100
Casa Palmero Parking Site						
Employees	130		251		0	
Inn/Spa Guests				60		60
Casual Visitor Serving				4		70 ***
Tennis Parking Lot #2	25		25		0	
Beach Club-Stillwater Cove		6		6		6
Totals	255	6	276	170	0	236
Employees moved off-site					276	

* - Includes the proposed 315 space parking structure

** - Does not include the proposed 315 space parking structure

*** - Would accommodate over-flow parking for Stillwater Cove Beach visitors,
Lodge visitors, and Beach Club overflow

EXHIBIT 4

4171 SUNSET LANE
PEBBLE BEACH, CALIFORNIA 93953
(408) 624-4484

RECEIVED
SEP 16 1997

CALIFORNIA
COASTAL COMMISSION

RECEIVED

SEP 16 1997

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

September 12, 1997

Rusty Areias, Chairman
California Coastal Commission
45 Fremont St., Suite 2000
San Francisco, CA 94105-2219

Dear Rusty,

It's been a long while since Los Banos, but something has come to my attention about which I'd like to offer a couple of thoughts.

I am told that the matter of the Pebble Beach Company's Casa Palmero project will come before the Commission at your October meeting in Del Mar. It is, of course, in that connection that I write.

First, and in general, let me say that I consider the Company, in its present configuration, is proving an excellent steward of the Del Monte Forest. I am well aware that some disagree, although I think without rational justification. Given the imperatives of becoming and remaining a viable commercial operation, the Company does an excellent job.

That aside, let me say that I see the use of the present Casa Palmero property as an inn and spa to be entirely reasonable and non-disturbing to all concerned. It should be approved.

The matter of the underground/ground level parking structure, though, is a rather different story. The "why" of this rests entirely on local traffic.

Some months ago, for entirely understandable reasons, Palmero Way (the only access to Casa Palmero) was changed from a through street to, effectively, a dead end (i.e., not a through street). Because of this, then, all traffic to and from the parking structure must pass the residences on Palmero Way. I would guess this will, at best, quadruple the traffic count along that street.

EXHIBIT H

This, I maintain, is grossly unfair to those living on Palmero Way between its nearest intersection with 17-Mile Drive and the proposed parking structure. And, sufficient, in my judgment, to require the Company to find an alternative to the present otherwise reasonable plan for what is primarily employee parking.

Now the sad part about this is that there are only some four residences along Palmero Way, and but two of them will be severely impacted. And one of them is presently for sale. It seems to me that:

1. The well-being of the people living in those two is well worthy of being protected.

2. There is a reasonable path available to the Company to mitigate the potential damage to these residents and it should adopt a course of action that will accomplish that end.

With continuing best wishes,



Harold (Hal) E. Kren

cc: Pebble Beach Co.

EXHIBIT 4

Dr. and Mrs. John A. Tagg

Post Office Box 754
Pebble Beach, California 93953-0754

September 5, 1997
California Coastal Commission
725 Front Street, Suite 300
Santa Cruz, California 95060
Re: Appeal No. A-3-MCO-97-037

Members of the Commission:

As a resident of Pebble Beach who has a daily experience with the ever increasing traffic on our streets, it is very easy to see the remarkable difference in traffic circulation today as compared to the way it was ten year ago. The worst traffic problem in the Forest is at the intersection of the Seventeen Mile Drive and Palmero Way. This observation was made by Spencer Thomas, chairman of the Traffic Committee for the Del Monte Forest Property Owners. There is absolutely no question that putting a huge garage for employees on Palmero Way is the worst possible location in the Forest for a garage. Commissioner Robert Hernandez asked the Traffic Consultant from the Pebble Beach Company, Rob Rees, if he was the same consultant who recommended satellite parking to the Commission when the PB Co. applied for the permit for the new firehouse near the Highway#1 Gate. When Rees said yes, the Commissioner questioned the Pebble Beach Company's wisdom in departing from their original plan of satellite parking, and so do I. Mr. Rees stated that, although he could not promise traffic conditions would improve by adding a new garage, he felt that they "should go for it". This is his direct quote from the Planning Commission on January 29, 1997. I hope that the Coastal Commission is not just going "to go for it". This is the only road to the Stillwater Cove Beach, and any intensification of traffic is going to impact both visitors as well as residents. Please consider requiring another location for this garage.

Sincerely,

John A. Tagg

RECEIVED

SEP 10 1997

EXHIBIT
CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Ted R. Hunter
P.O. Box 1189
Pebble Beach, CA 93953
Ph. 408-624-3734 FAX 408-620-1525
E-Mail huntertr@ix.netcom.com

RECEIVED

July 24, 1997

JUL 25 1997

Mike Reilly, California Coastal Commissioner
County of Sonoma
575 Administration Drive, Rm. 100
Santa Rosa, CA 954-3-2887

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Subject: CASA PALMERO - Commercial Expansion of Single Family Home
California Coastal Commission Appeal No. A-3-MCO-97-037

Dear Commissioner Reilly,

Thank you for the vote in favor of the appellants at the July 9th appeal hearing in Ventura. As indicated in our comments during the hearing, we are concerned about:

- the size of the proposed commercial complex,
- the adverse impact of increased traffic,
- access to the public beach, and the overall quality of the Coastal Zone environment.


In order to protect and maintain the present quality environment in this area of the Coastal Zone a less intrusive modified commercial expansion of the existing Casa Palmero home is required.

It is essential that the proposed three level garage be eliminated in order to protect the environment of this unique area that is surrounded by well established residential homes.

Your comment during the hearing about the need to look into the water issue and removal of trees in the Del Monte Forest are very important. We appreciate your concerns and will be glad to assist in answering any of your questions about these issues and concerning the best way this proposed project may be modified.

Thank you again for your concerns about the future of our residential community in the Coastal Zone.

Sincerely,


Ted R. Hunter

cc Carl E. Nielsen
Jody and Nathalie Bunn
Jim Miller,
✓ Lee Otter, Ca.CC

EXHIBIT 4