CALIFORNIA COASTAL COMMISSION

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Filed:

January 19, 2001

49th Day: NA

180th Day: NA Staff: ALI

Staff Report: Hearing Date: January 31, 2001 February 13-16, 2001

Commission Action:



RECORD PACKET COPY

Item Tu 17.5 a & b

STAFF REPORT: REVOCATION REQUEST

APPLICATION NO.:

R-5-00-LGB-00-078 and R-5-LGB-00-079

APPLICANT:

Five Start Resort, LLC

AGENT:

The Athens Group

PROJECT LOCATION:

30801 Coast Highway, Laguna Beach (Orange County)

PROJECT DESCRIPTION:

1) Subdivision of a 30-acre coastal blufftop lot, construction of

master utilities and backbone infrastructure and 2)

Development of a 275-room resort, 14 condominiums and public park areas for the Treasure Island Destination Resort

Community Project.

PARTIES REQUESTING REVOCATION:

South Laguna Civic Association and

Village Laguna

SUMMARY OF STAFF RECOMMENDATION:

Staff recommends that the Commission <u>DENY</u> the request to revoke permits 5-LGB-00-078 and 5-LGB-00-079 because the request does not establish the grounds required by Section 13105(a) of the Commission's regulations as the permittee did not intentionally include inaccurate, erroneous, or incomplete information. In addition, the request was not filed with due diligence as required by Section 13108(d) of the Commission's regulations.

LOCAL APPROVALS RECEIVED: City of Laguna Beach Coastal Development Permits Nos. 99-75 and 99-76.

SUBSTANTIVE FILE DOCUMENTS: Coastal Development Permit Appeal Nos. A-5-LGB-00-078 and A-5-LGB-00-079; City of Laguna Beach Local Coastal Program (LCP) for Treasure Island Resort and Destination Community Project; Final Program Environmental Impact Report (FEIR) and Mitigation Monitoring Program for the LCP and Treasure Island Specific Plan adopted June 8, 1998; FEIR Addendum dated September 29, 1999; City of Laguna Beach Administrative Record for Coastal Development Permits Nos. 99-75, 99-76, 99-78 and 99-79; California Coastal Commission Adopted Revised Findings on the City of Laguna Beach Local Coastal Program amendment 1-98 for the Treasure Island Area of Deferred Certification as Approved by the Commission on August 13, 1998 (Revised Findings adopted November 6, 1998).

PROCEDURAL NOTE:

This revocation request was received on January 19, 2001. The regulations require the Executive Director to report a revocation request at the next regularly scheduled Commission meeting. The next regularly scheduled meeting is February 13-16, 2001.

The Commission's regulations identify the grounds for the revocation of a coastal development permit as follows:

- (a) Intentional inclusion of inaccurate, erroneous or incomplete information in connection with a coastal development permit application, where the Commission finds that accurate and complete information would have caused the Commission to require additional or different conditions on a permit or deny an application;
- (b) Failure to comply with the notice provisions of Section 13054 Cal. (s) Code of Regulations Section 13105.14, where the views of the person not notified were not otherwise made known to the Commission and could have caused the Commission to require additional or different conditions on a permit or deny an application.

The Commission's regulations further specify:

If the commission finds that the request for revocation was not filed with due diligence, it shall deny the request.

STAFF NOTE:

A revocation of a permit removes a previously granted permit. Even if the permit is vested, i.e. the permittee has undertaken construction of the project, if the Commission revokes the permit, the applicant is required to stop work and, if wishing to continue, to reapply for the project. Because of the impacts on a permittee, the grounds for revocation are necessarily narrow. The rules of revocation do not allow the Commission to revoke a previously issued permit simply on the basis of new information. Similarly, a violation of the Coastal Act or the terms and conditions of a permit or an allegation that a violation has occurred are not grounds for revocation under the California Code of Regulations. The grounds for revocation are confined to information in existence at the time of the Commission's action. In this case, the Commission acted on June 14, 2000.

The revocation request is based on subsection (a) of Section 13105 of the Commission's regulations. The three elements of Section 13105(a) that must be proved before a permit can be revoked are:

- 1) That the applicant provided inaccurate, erroneous or incomplete information,
- 2) That the inaccurate, erroneous or incomplete information was supplied knowingly and intentionally, AND
- 3) That if the Commission had accurate and complete information at the time it approved the application, it would have required additional or different conditions or denied the application.

In addition, Section 13108(d) requires the Commission to deny a request for revocation if it finds that the request was not filed must find that the request for revocation was filed with due diligence.

I. MOTIONS AND RESOLUTIONS:

A. MOTION AND RESOLUTION FOR REVOCATION OF PERMIT NO. 5-LGB-00-078

The staff recommends that the Commission make the following motion and adopt the following resolution:

MOTION

I move that the Commission grant revocation of Coastal Development Permit No. 5-LGB-00-078.

STAFF RECOMMENDATION

Staff recommends a NO vote on the motion. Failure of this motion will result in denial of the revocation request and adoption of the following resolution and findings. The motion passes only by affirmative vote of majority of the Commissioners present.

RESOLUTION TO DENY REVOCATION

The Commission hereby <u>denies</u> the request for revocation of the Commission's decision on coastal development permit no. 5-LGB-00-078 on the grounds that there is no intentional inclusion of inaccurate, erroneous or incomplete information in connection with a coastal development permit application, where the Commission finds that accurate and complete information would have caused the Commission to require additional or different conditions on a permit or deny an application; and that the request for revocation was not filed with due diligence.

B. MOTION AND RESOLUTION FOR REVOCATION OF PERMIT NO. 5-LGB-00-079

The staff recommends that the Commission make the following motion and adopt the following resolution:

MOTION

I move that the Commission grant revocation of Coastal Development Permit No. 5-LGB-00-079.

STAFF RECOMMENDATION

Staff recommends a \underline{NO} vote on the motion. Failure of this motion will result in denial of the revocation request and adoption of the following resolution and findings. The motion passes only by affirmative vote of majority of the Commissioners present.

RESOLUTION TO DENY REVOCATION

The Commission hereby denies the request for revocation of the Commission's decision on coastal development permit no. 5-LGB-00-079 on the grounds that there is no intentional inclusion of inaccurate, erroneous or incomplete information in connection with a coastal development permit application, where the Commission finds that accurate and complete

information would have caused the Commission to require additional or different conditions on a permit or deny an application; and that the request for revocation was not filed with due diligence.

II. FINDINGS AND DECLARATIONS:

The Commission hereby finds and declares:

A. Project Location, Description and Background

Project Location

The subject site is located in the souther portion of the City of Laguna Beach on the seaward side of Pacific Coast Highway just north or Aliso Beach (Exhibits 1 and 2). The approximately 30-acre coastal blufftop lot was previously used as a private 268-space trailer park.

Project Description

The project involves the subdivision and development of the subject site as a 30-acre resort and residential project, known as the Treasure Island Destination Resort Community. Specifically, the first segment of the proposed project involves the grading, construction of master utilities and backbone infrastructure improvements, and the subdivision of the site into large parcels for financing and/or conveyance to the City and/or other public agencies. The second portion of the project involves construction-level detail for the resort and its associated residential and public uses, including a 275-room resort, 14 condominiums, 17 single-family residential lots, and a blufftop park (Exhibit 3). Construction of the project was initiated in November 2000. To date, the applicant has undertaken mass grading, sterm drain installation and begun construction of the subterranean parking garage.

Project Background

On August 13, 1998, the Coastal Commission approved the Treasure Island Local Coastal Program (LCP) as a project specific amendment to the City of Laguna Beach Local Coastal Program. The site was previously an Area of Deferred Certification pending the resolution of public access concerns. The certified LCP allows for development of the site with a resort complex consisting of a resort center on 10.63 acres with 200-275 visitor-serving accommodations provided in a hotel, resort villas, and residence villas (condominiums). The certified LCP also allows for future residential development of up to 18 single-family residences and provides public benefits, including the dedication of nearly 14 acres to public use (such as the sandy beach, marine reserve, blufftop park and public parking) and the enhancement of public access throughout the site (Exhibit 4).

Pursuant to the certified LCP, the applicants submitted CDP applications for the subject development to the City of Laguna Beach in September 1999. The City held multiple public hearings between September 1999 and February 2000 prior to project approval. By February 16, 2000, the City of Laguna Beach had conditionally approved Coastal Development Permits Nos. 99-75, 99-76, 99-78 and 99-79 pertaining to the Treasure Island Resort Development.

By March 3, 2000, within ten working days of receipt of the notices of final action, five (5) parties appealed two of the four local actions on the grounds that the approved project did not conform to the requirements of the certified LCP. Appellants included Village Laguna, South Laguna

Civic Association, Orange County CoastKeeper, John Gabriels and Eugene R. Atherton. The two appealed local actions were CDP 99-75 and 99-76.

On April 11, 2000, the Commission determined that a substantial issue existed with respect to the local government's approvals of the proposed development on the grounds that the approvals did not conform to the Treasure Island certified Local Coastal Program (LCP). On June 14, 2000, the Commission approved Coastal Development Permits 5-LGB-00-078 and 5-LGB-00-079 for the following development:

- Subdivision of a 30-acre coastal blufftop lot, construction of master utilities and backbone infrastructure (City CDP # 99-75) and
- Development of a 275-room resort, 14 condominiums and public park areas for the Treasure Island Destination Resort Community Project (City CDP # 99-76).

In approving the coastal development permits subject to this revocation request, the Commission imposed multiple special conditions. Special Condition No. 2 required conformance with a blufftop setback. This special condition is the subject of the current revocation request. The text of Special Condition No. 2 is provided below.

- 2. Conformance with Blufftop Setback
- A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall submit, for the review and approval of the Executive Director, a revised Tentative Parcel Map and project plans which conform to the following requirements.
 - 1.) The plans shall demonstrate that all development conforms to the 25' blufftop setback plus 20' blufftop retreat setback as measured from the existing (pre-grading) top of bluff, as defined in the certified LCP.
 - 2.) The plans shall clearly delineate the 20' bluff retreat easement, as measured from the existing (pre-grading) top of bluff. Pursuant to the LCP, the area shall not be used for residential or resort development, but must be dedicated to the City of Laguna Beach for the purpose of relocating the Blufftop Park should the park decrease in width due to bluff erosion.
- B. The permittee shall undertake development in accordance with the approved final plan. Any proposed changes to the approved final plan shall be reported to the Executive Director. No changes to the approved final plan shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is required.

The Commission imposed Special Condition No. 2 to ensure that all structures had been pulled back to accommodate the 25' bluff setback and 20' Bluff Retreat Easement based on the pregrading top of bluff, rather than the post-grading top of bluff. (Grading resulted in the bluff edge being located further seaward, as illustrated in Exhibit 5.) The Commission used the pregraded top of bluff as the starting point for establishing the structural setbacks to assure that grading would not allow the development to be built any further seaward than the natural top of bluff.

To demonstrate compliance with Special Condition No. 2, the applicant submitted a revised Tentative Parcel Map that was determined by Commission staff to meet the requirements of

Special Condition No. 2 (Exhibit 6). All structural development was set back at least 45' from the pre-grading top of bluff and the area from the bluff edge to the setback was proven to be dedicated to the City of Laguna Beach for use as open space and public park land. As shown on the revised tract map, the resort structures were relocated further inland in two locations to comply with the Commission's setback. The applicant also demonstrated compliance with all other outstanding special conditions and the permits were granted accordingly on September 20, 2000.

B. Summary of Revocation Request's Contentions

The revocation request has been filed by South Coast Civic Association and Village Laguna, two organizations that appealed the local government's approvals to the Commission. Although their contentions are summarized below, the full text of the revocation request is included in Exhibit 8.

The revocation request states that the "project applicants submitted inaccurate and incomplete maps to the Commission" and these maps "led to the erroneous conclusion that the acreages of the project had been modified in response to the terms of approval imposed by the Commission, in particular Special Condition No. 2." The complaint goes on to state that a review of the correct maps proves that the project had not been modified to comply with the requirements of that special condition. As discussed in the previous section, Special Condition No. 2 required the applicant to submit a revised Tentative Tract Map showing conformance with a 25' blufftop setback and a 20' wide bluff retreat easement. The condition was intended to ensure that the area being graded along the bluff edge would not enable the applicant to take advantage of the grading to move the resort and residential development seaward.

The revocation request states that the applicant submitted an incorrect version of the Tentative Tract Map 15497 to Commission staff. The "incorrect" map that is referred to in the revocation request was provided to Commission staff by the City as part of the coastal development permit binder (Exhibit 7). This Tentative Tract Map was used as a base map for comparative purposes during Commission staff's condition compliance review. However, this tract map did not reflect revisions made by the City Council at its February 15, 2000 hearing. The City required that residential Lots 3-6 be moved inland and the lots be reduced in size accordingly.

The letter requesting revocation states that a key issue at the appeal stage of the Treasure Island development was "the size of the Blufftop Park and the point of measurement of the blufftop setback and bluff retreat easement (which is intended to accommodate future bluff erosion.)." As indicated in their revocation letter to the Commission, the appellants have maintained that .6 acres of former bluff face that was converted to blufftop by grading was accruing to the resort and residential development instead of being dedicated to the public. The Commission, in approving the proposed development, recognized this concern and imposed Special Condition No. 2. The persons making the revocation request consequently concluded that the bluff top park would have to be increased in size by .6 acres. The revocation request states,

"if the correct "Original" map had been submitted, the Commission staff would have recognized that there was no adjustment in the acreages of the project..."

The basis for the assertion that inaccurate information was provided to the Commission is that the technical services unit reviewed the "incorrect" map and concluded that Parcel H, the Blufftop Park, increased in size from 2.76 acres to 2.93 acres—a .17 acre increase. Since Parcel H was already required to be increased to 2.93 acres by the City Council, the City's final

approval of the project on February 15, 2000 accounted for the increase in Parcel H. Therefore, no boundary adjustments were made to Parcel H and the parcel size was not increased as a result of the Commission's imposition of Special Condition No. 2. The revocation request letter acknowledges:

"the revised map dated September 12, 2000 does delineate adjustments to the locations of the bluff retreat easement and bluff setback to reflect the Commission's conditions, but no corresponding changed to the acreage were made."

The parties requesting revocation of the permit conclude that the submittal and subsequent application of the "incorrect" tract map led Commission staff to believe that additional acreage was being acquired in accordance with Special Condition No. 2 of the Commission's approval of CDPs 5-00-LGB-078 and 079. The applicant has submitted a response to the revocation request to "demonstrate that the grounds for revocation have not been established" (Exhibit 9). These issues will be addressed in the subsequent section.

C. <u>Discussion of the Revocation Request's Contentions with Respect to Section</u> 13105 of the California Code Of Regulations

As stated above, because of the impacts on a permittee, the grounds for revocation are necessarily narrow. The rules of revocation do not allow the Commission to revisit a previously issued permit based on information that came into existence after the Commission acted, no matter how compelling that information might be. Similarly a violation of the Coastal Act or the terms and conditions of a permit or an allegation that a violation has occurred are not grounds for revocation under the California Code of Regulations. The grounds for revocation are, of necessity, confined to information in existence at the time of the Commission's action. As stated previously, the three elements that must be proved before a permit can be revoked under Section 13105(a) are:

- 1) That the applicant provided inaccurate, erroneous or incomplete information.
- 2) That the inaccurate, erroneous or incomplete information was supplied knowingly and intentionally, AND
- That if the Commission had accurate and complete information at the time it approved the application, it would have required additional or different conditions or denied the application.

In addition, Section 13108(d) requires the Commission to deny a request for revocation if it finds that the request for revocation was not filed with due diligence. These criteria will be discussed below.

1. Due Diligence

The request for revocation was filed on January 19, 2001. To comply with the due diligence requirements, the parties making the revocation request must file their request in a timely manner. Time is of the essence as the applicant has undertaken a substantial amount of development since permit issuance in September 2000, including earthwork (erosion control and mass grading), installation of storm drains and reconstruction of bluff areas disturbed during installation of storm drains. Consequently, it would be difficult to correct any concerns that may prove valid as development progresses.

The appellants of the Treasure Island project became aware that the Commission permit was issued on or about September 21, 2000. Representatives of the appellant groups that are now

requesting revocation of the permit met with district staff on October 13, 2000 to discuss issuance of the permit. It became clear at that meeting that there was a question about the version of the Tentative Tract Map being reviewed and that the appellants and staff interpreted Special Condition No. 2 differently. Since that time, the parties requesting revocation have met with members of the City of Laguna Beach City Council and Planning Department staff to discuss the inclusion of the outdated Tract Map. On November 15, 2000, the Assistant Community Development Director for the City of Laguna Beach sent a letter to Commission staff explaining that "a revised Tentative Tract Map was prepared that reflected changes to Lots 3-6 by City Council's approval of the Tentative Tract Map. These changes were required by Condition #33 of Resolution No. 00-0.5 that conditionally approved the Treasure Island Project's Tentative Tract Map and Master Coastal Development Permit 99-75" (Exhibit 10). Commission staff received no further communication regarding this matter until the revocation request was filed.

According to Section 13108 (d) of the California Code of Regulations, "if the commission finds that the request for revocation was not filed with due diligence, it shall deny the request." The request was received approximately 4 months after the permit was issued and over 3 months after the alleged inaccurate information was identified within the project file. In the meantime, the permitee has initiated substantial construction activities and incurred significant construction-related expenses. As such, the current request for revocation has not been filed in a timely manner and therefore does not meet the due diligence test. Therefore, pursuant to Section 13108 (d) of the California Code of Regulations, this revocation request must be rejected.

2. Intentional Inclusion of Incomplete or False Information Provided by Applicant
The contention raised in the revocation request alleges grounds for revocation relevant to the
grounds identified in Section 13105(a) of the California Code of Regulations. The contention
alleges that the applicant intentionally provided incorrect information in the form of an outdated
Tentative Tract Map that did not reflect modifications made at the final City Council project
hearing. To meet this requirement, the revocation request must pass three tests: First, that the
applicants had intent to supply the incomplete of false information. (Common mistakes and/or
omissions do not constitute intent). Second, that incomplete of false information was, in fact,
provided. Third, if the first two tests have been met, that the Commission would have imposed
different conditions or denied the application. These tests are discussed below.

a. Intent

In order to establish the above-referenced grounds for revocation, the parties making the revocation request must demonstrate that the applicants had the intent to supply incomplete or false information. There were two versions of Tentative Tract Map 15497 in the Administrative Record. One map was included in the coastal development permit binder and one was included within a separate section of the Administrative Record. The use of the "incorrect," or earlier, version of the map by Commission staff does not constitute intent by the applicants. The Commission also notes that the administrative record was provided to the Commission by the City of Laguna Beach. Further, the administrative record documents the City's approval process, consequently it contains numerous versions of the same document, such as Tentative Tract Map 15497, which were modified in response to the City's hearing process. The Commission therefore concludes that the parties making the revocation request have not proved that the applicant intended to supply incomplete or false information.

b. Inclusion of Incomplete or False Information

As stated previously, the "incorrect" map that is referred to in the revocation request was provided to Commission staff as part of the City's Administrative Record. The map was included within a map pocket located at the back of the City's Coastal Development Permit (CDP) binder dated March 2000. The map included in the CDP binder did not reflect the most recent changes required by the City Council at its February 15, 2000 hearing. However, the map is not considered to be "false" information, only an earlier version of the same Tract Map.

An updated Tentative Tract Map that did effect the changes made by City Council was also included as part of the City's Administrative Record. This "correct" map was included in the separately delivered "Treasure Island Acm nistrative Record." Therefore, Commission staff was in possession of both the "incorrect" p (the version that was initially submitted to the City of Laguna Beach as part of the CDP application but which became outdated as a result of changes to the project required by the City) and the "correct" map (the version reflecting final changes made by the City Council). Both the "correct" and "incorrect" maps were received in March 2000. Staff had not reason to compare maps and utilized the map enclosed in the CDP application. It, however, was the out-of-date tentative map.

Section 13106 of the Regulations states that any person that did not have an opportunity to fully participate in the original permit proceeding by reason of the "intentional inclusion of inaccurate information" may request revocation of the permit. However, the out-of-date information was included within the CDP binder, a part of the official City record. This map was current and accurate at the time the applicant submitted it to the City for review.

Although it has been proven that there was an earlier version of the Tentative Tract Map in the file, there was also an updated version of the Tract Map that could also be referred to by Commission staff. Therefore, since the correct map was included as part of the official record, the Commission does not find valid grounds for revocation of the permit on the basis that inaccurate information was included in the application submittal.

The grounds for revocation specify that there must be "intentional inclusion of inaccurate, erroneous or incomplete information in connection with a coastal development permit application." As described above, one Tentative Tract Map included in the Coastal Development Permit binder of the Administrative Record did not include changes required as a result of the February 15, 2000 City Council hearing. This map was outdated and has since been characterized as the "incorrect" map by the parties requesting revocation. Although the map did, in fact, include outdated information, there is no evidence that the inclusion was in any way intentional for purposes of providing incomplete or false information. In fact, the City of Laguna Beach was required to provide this map as part of its administrative record. The Commission reiterates that the administrative record is a historical documentation of the City's decision making process which logically includes multiple versions of the same document. Also, the outdated map was provided as part of the City's Administrative Record and was not provided as a submittal by the applicant. Therefore, the Commission does not find valid grounds for revocation of the permit on the basis that the permit applicant intentionally included the outdated, or "inaccurate" information.

3. Potential Effect on Commission's Decision

The final issue that the Commission must decide is whether the intentional inclusion of inaccurate, erroneous, or incomplete information; had it been corrected, would have resulted in different conditions or even denial of the permit. On June 14, 2000, the Coastal Commission unanimously approved the Treasure Island development subject to ten (10) special conditions.

Special Condition No. 2 required that all development setbacks be measured from the pregrading top of bluff rather than the post-grading top of bluff, but did not specify that any parcel boundaries would be adjusted as a result. The condition also restricted all resort and residential development from being located within the setback area. The wording of Special Condition No. 2 only requires that the development be set back a total of forty-five (45) feet. There is no explicit requirement that Lot H be increased in size. The Commission did not require an increase in park acreage as a condition of its approval of the project.

To demonstrate compliance with Special Condition No. 2, the applicant submitted a revised Tental ve Parcel Map that was determined by Commission staff to meet the requirements of Special Condition No. 2 (Exhibit 6). All structural development was set back at least 45' from the pre-grading top of bluff and the area from the bluff edge to the setback was proven to be dedicated to the City of Laguna Beach for use as open space and public park land. Additionally, the applicant added Lot K as additional park acreage (Exhibits 13 & 14). The applicant also demonstrated compliance with all other outstanding special conditions and the permits were granted accordingly on September 20, 2000.

The request for revocation assumes that the purpose of Special Condition No. 2 was to increase the acreage of the park by readjusting the lot lines. This is not the case. Special Condition No. 2 governs how the blufftop setbacks are determined, but does not contain any requirement to adjust lot lines.

The Tentative Parcel Map that was ultimately approved fully complies with Special Condition No. 2. All structural footprints are sited inland of the 45' setback line and all area between the required setback point and the final bluff edge will be dedicated to public use in perpetuity. Therefore, the use of the "correct" Tentative Tract Map would not have affected the Commission's decision.

The Tentative Tract Map used by Commission staff during the de novo project analysis was a map version that had been submitted to the City of Laguna Beach prior to the City Council hearing on February 15, 2000. As described previously, this map was required to be modified as a result of the City Council's final approval of the project. Condition No. 33 of the City's approval required several of the residential lots to be reduced in size and required the bluff retreat easement to be moved out of the Blufftop Park Area (Exhibit 11). As such, Parcel H should have been shown as 2.93 acres on any base map used for comparative purposes by Commission staff. However, the use of the outdated map that showed Parcel H as 2.76 acres did not affect the way in which district staff carried out their condition compliance review.

The revocation request indicates that Commission district staff was looking for an increase in Parcel H (Blufftop Park) when comparing the "Original" map (approved by the City) to the "Revised" map (approved by the Commission) during condition compliance review.

Commission district staff did request that the Technical Services Division (Mapping Unit) staff review an "Original Map" received in March 2000 and a "Revised Map" received July 2000. District staff requested this map comparison to be carried out in order to confirm that the appropriate setbacks were being applied and to ensure that acreage totals had been properly calculated. It is common practice for district staff to request technical assistance in boundary determinations, area calculations and map review when necessary. However, the Mapping Unit is not asked to make interpretations or make a conclusion as to whether or not an applicant has complied with permit conditions. Regardless of what is alleged in the revocation request, Mapping Unit staff was not asked to interpret the implications of the map comparison

or determine compliance with Special Condition No. 2. Such work is the responsibility of district staff.

Commission district staff understood that *usable* park acreage and open space easement areas would increase, but parcel boundaries would not be adjusted or increased. At the Commission hearing in June 2000, Commission staff stated that any additional acreage that would result from grading seaward of the current bluff edge would "accrue to the bluff top park. It can not go to residences or resort development." That is, grading of the bluff top would not result in a seaward adjustment of the setback, but would instead simply convert previously steep, inaccessible bluff face into flatter, accessible park space. The map submitted as the revised Tract Map during condition compliance clearly demonstrates that the resort and the residential development are sited inland of the required 25' blufftop setback (as measured from the pre-graded blufftop) and the 20' bluff retreat easement. All area between the "pre-grading" top of bluff and the 45' setback line are dedicated to the City of Laguna Beach for public park use and landscaping.

The Commission recognizes that much of the area to be dedicated to the City will be held in private ownership. This includes Lot C (bluff retreat easement), Lot 22 (parking lot), Lot J (scenic view corridor), and Lot K (open space easement). These areas will be maintained by the resort owner, but permanently dedicated to the City for public use. Lot K is a .26 acre easement that runs along the inland boundary of the Blufftop Park. The applicant describes the lot as an "expansion of park uses" that supplements the park acreage required in the LCP (Exhibit 13).

Lot H (Blufftop Park) and Lot I (Bluff Face portion) will be dedicated to the City in fee. The current revocation request appears to contend that all public park and open space areas should be held in fee ownership by the City. As such, the revocation request is based on the understanding that the lot lines must move inland and total acreage must increase in order to evidence that grading of the bluff face did not benefit the resort and residential development. However, for funding reasons, the applicant has agreed to retain responsibility for upkeep and maintenance of certain areas designated as open space easements. Approximately 1.49 acres of resort owned area will be dedicated to the City as easements for permanent public use. As shown in Exhibit 12, this acreage is in addition to the 2.83 aces of bluff face area and the 2.93 acres of the Bluff Top Park. The City's approval of CDP No. 00-78 specifies that the easement areas are to be dedicated in perpetuity to the City for use as landscaping and park use.

The total amount of park and open space area provided as part of the Commission-approved development is 7.25 acres. The total amount required by the Commission-certified LCP is 6.24 acres. As such, the project approved by the Commission in June 2000 conforms to the requirements of the certified LCP (Exhibit 14).

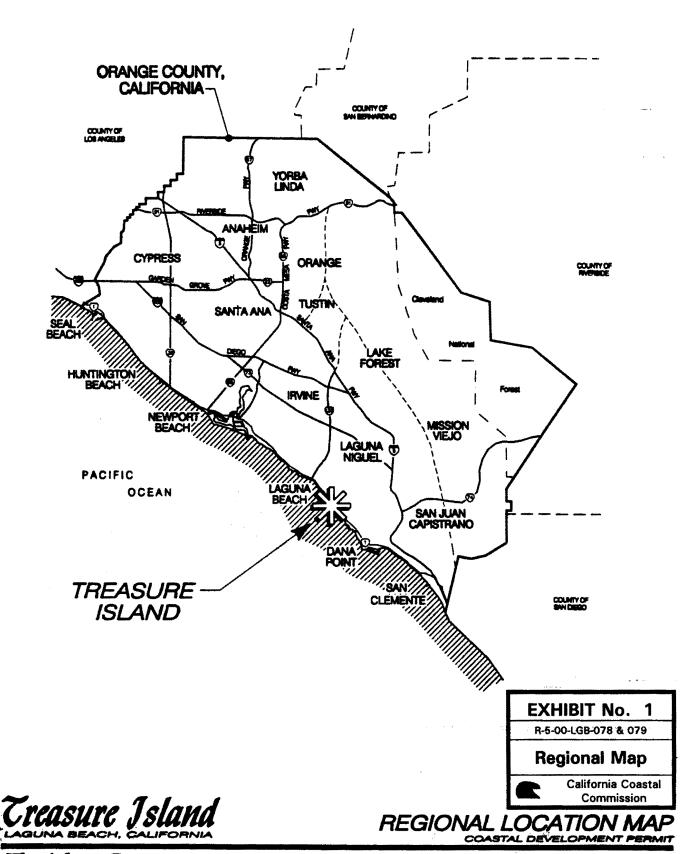
Conclusion

The revocation request does not demonstrate that the applicant intentionally provided incomplete or false information that would have altered the Commission's decision. The revocation request does point out that there were two versions of the Tentative Tract Map included in the City's Administrative Record—one that reflected changes required by the City Council at its February 15, 2000 hearing and one that did not. Nonetheless, the allegedly "incorrect" information was not intentionally included, nor would it have affected the Commission's action on these permits. The project is sited inland of the required setbacks and all area within the setback area will be dedicated to the City for permanent public use. No residential or hotel development will be sited within the required setback area. Therefore, the

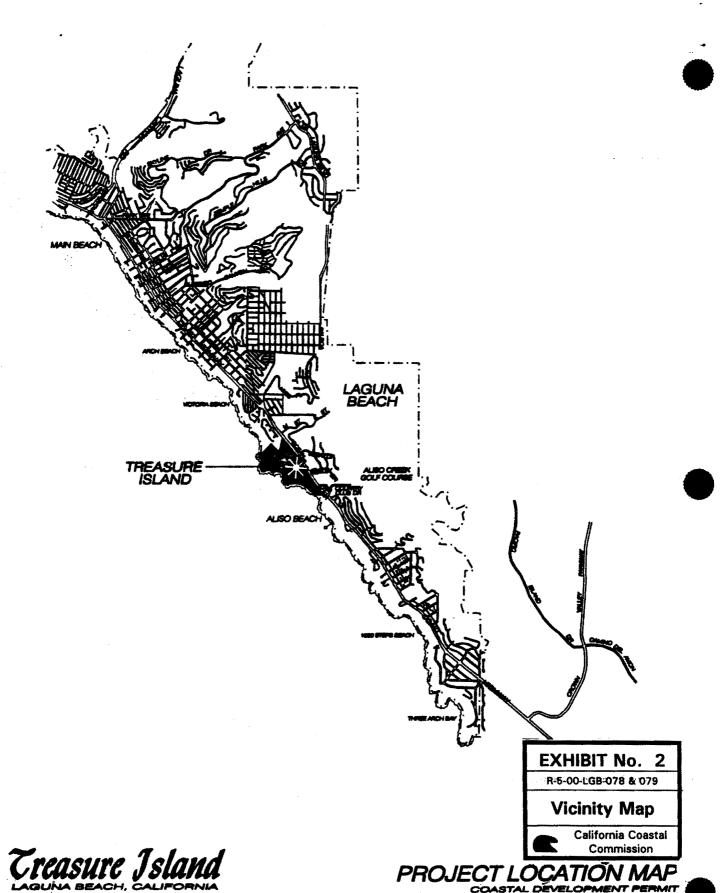
permittee did not intentionally include inaccurate, erroneous, or incomplete information that would have affected the Commission's decision.

The Commission finds that the revocation request shall be denied because the contentions raised in the revocation request do not establish all of the grounds identified in Section 13105 (a) of the California Code of Regulations. Furthermore, as a separate basis for denying the revocation request, the Commission finds that the request for revocation was not filed with due diligence.

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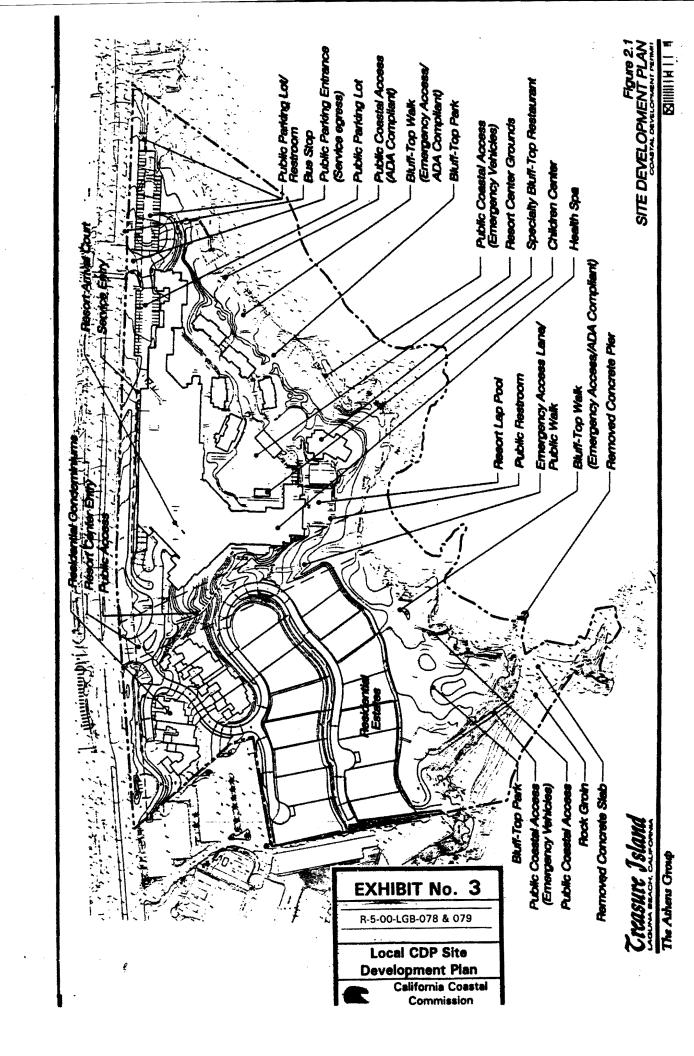
The Athens Group

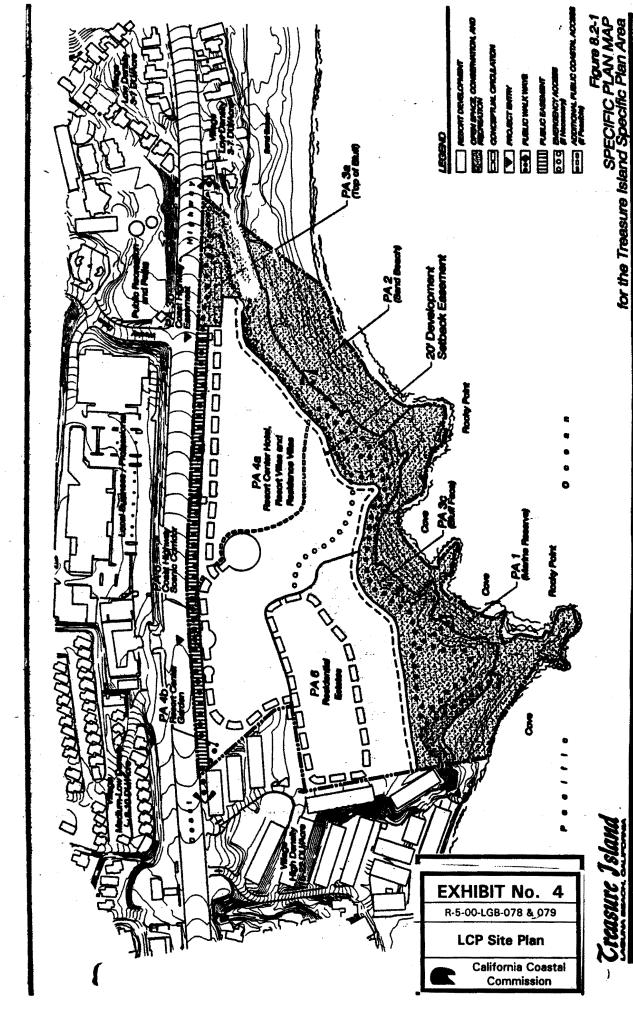


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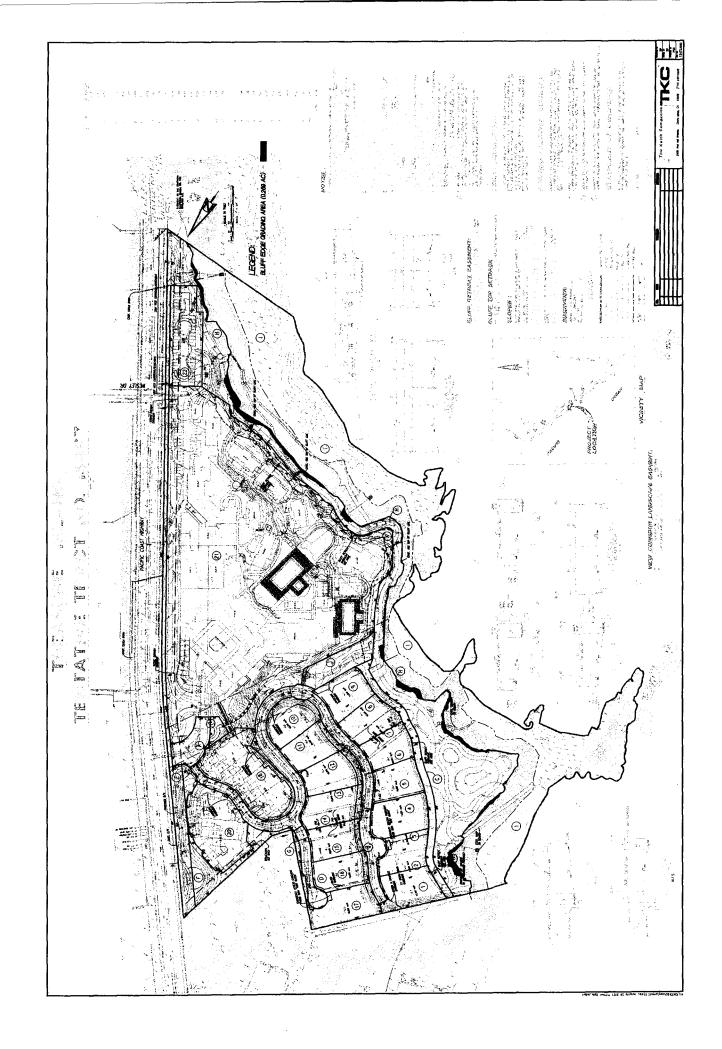
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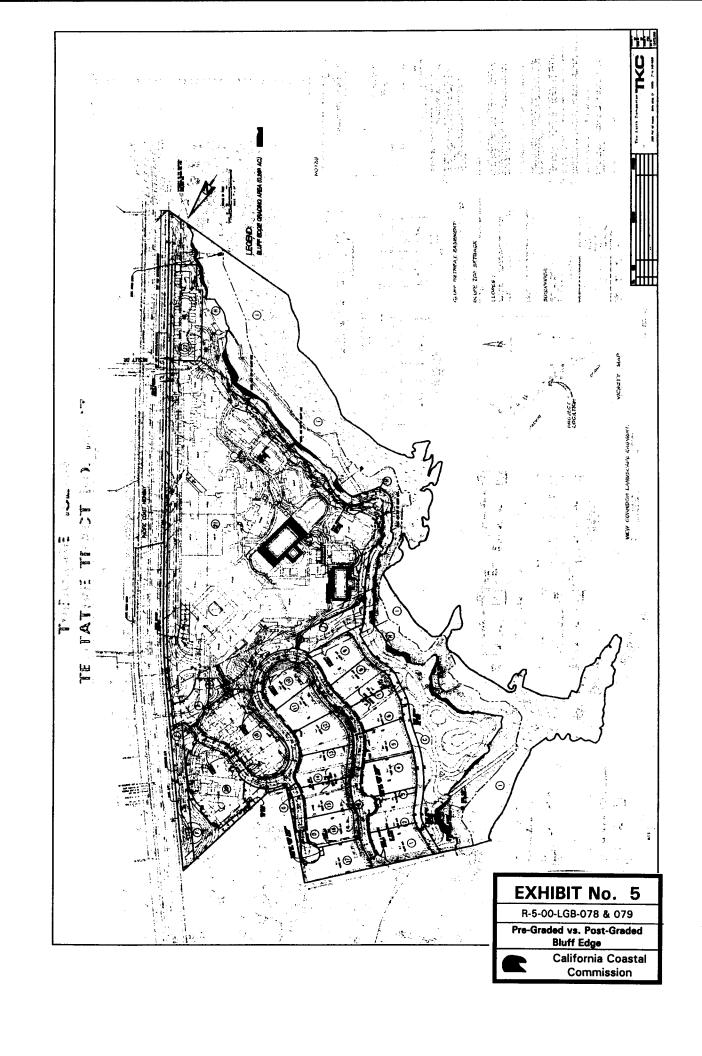


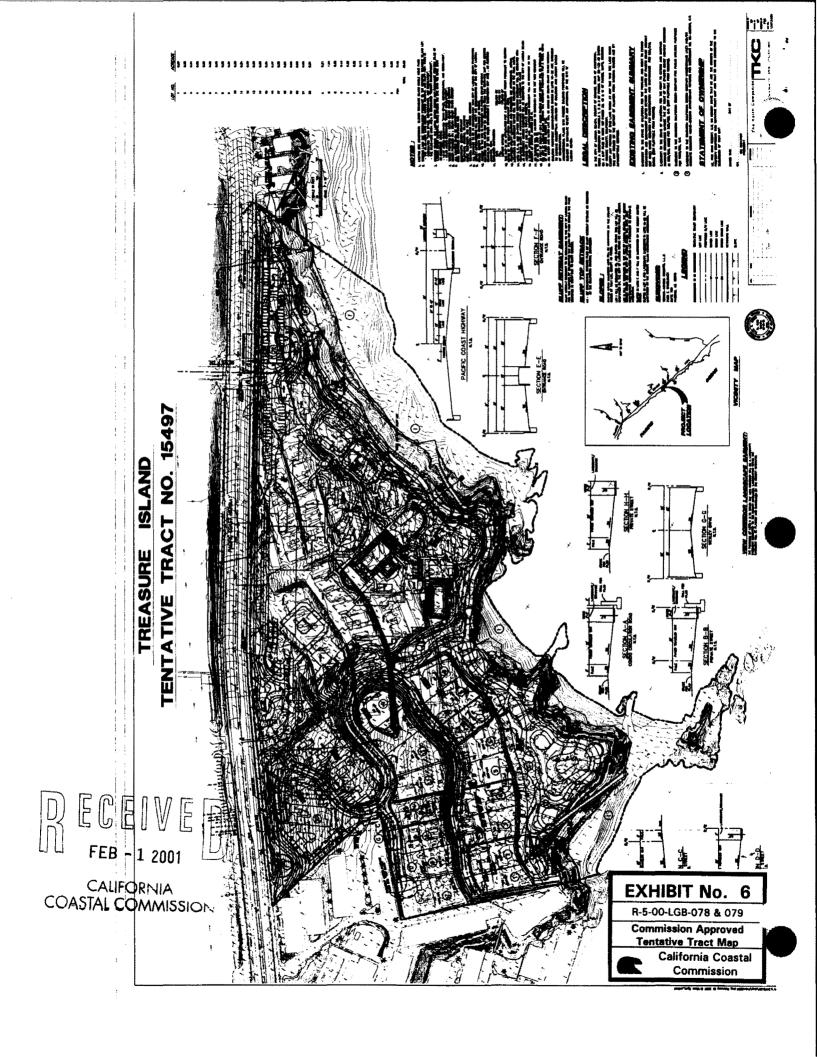
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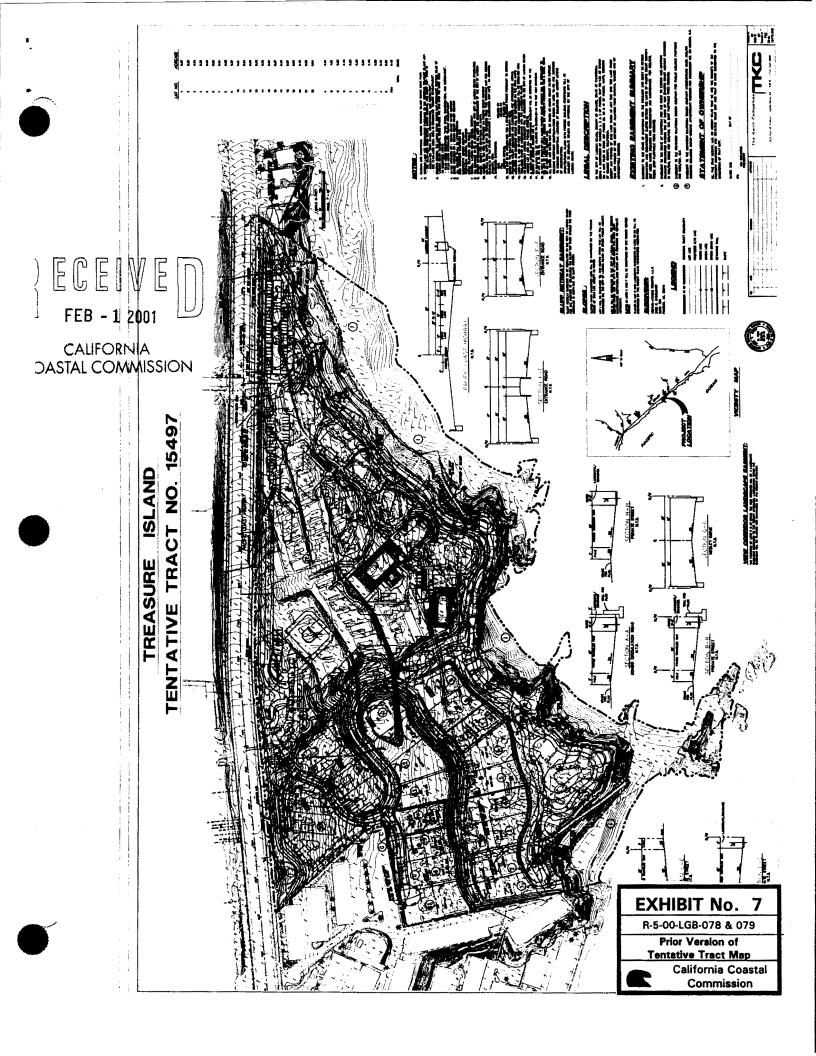
Local Cor " Program



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462 STEVENS AVENUE . SUITE 102 SOLANA BEACH . CALIFORNIA 92075

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Direct Dial (858) 755-5803 E-Mail dworden@solanalaw.com

January 18, 2 RIFCEIVED CEIVED
South Coast Region 1 9 7001

JAN 2 2 2001

CALIFORNIA
COASTAL COMMISSION

Peter Douglas, Executive Director California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219

Re:

Treasure Island Resort, City of Laguna Beach

Coastal Development Permit A-5-LGB-00-078 and A-5-LGB-00-079

Request for Revocation

Dear Mr. Douglas:

As you know, this office represents the South Laguna Civic Association and Village Laguna, who were appellants to the Coastal Commission regarding the above-referenced project. I write to you to request that you immediately initiate permit revocation proceedings with respect to the above-referenced permit pursuant to Article 16, Sections 13140 et seq., of the Commission's Administrative Regulations (14 CCR § 13104 et seq.). Our reasons are summarized below.

SUMMARY OF REVOCATION LAW AND PROCEDURE

We are requesting revocation pursuant to Section 13105(a) of the Regulations which authorizes revocation of a previously issued permit for:

"Intentional inclusion of inaccurate, erroneous or incomplete information in connection with a Coastal Development permit application, where the Commission finds that accurate and complete information would have caused the Commission to require additional or different conditions on a permit or deny an application."

We believe that, as appellant participants in the Commission's proceedings, we are qualified to request the initiation of revocation proceedings pursuant to Section 13106 of the Regulations because the inaccurate/incomplete information that was presented to the Commission and upon which it based its decision denied the appellants "an opportunity to fully participate in the original permit proceeding."

EXHIBIT No. 8

R-5-00-LGB-078 & 079

Revocation Request

California Coastal Commission



We note that the Regulations require that you, as Executive Director, initiate revocation proceedings in response to our request "unless the request is patently frivolous and without merit" (Section 13106) and that once proceedings are initiated the permit is suspended unless and until the Commission votes to deny the request for revocation (Section 13107). Once revocation proceedings are initiated the matter is to be scheduled for decision by the Commission at the next regularly scheduled meeting after notice to the interested parties (Section 13108).

GROUNDS FOR REVOCATION

A. SUMMARY

The project applicants submitted inaccurate and incomplete maps to the Commission regarding the key issues of bluff setback, grading, and the size of the bluff park. The incorrect maps led to the erroneous conclusion that the acreages of the project had been modified in response to the terms of approval imposed by the Commission, in particular Special Condition No. 2. In reality, once the correct maps are reviewed it is apparent that the project was not modified in response to the Commission's terms of approval as reflected in Special Condition No. 2, and that unless the permit is corrected, the project will be constructed without achieving compliance with Special Condition No. 2. The error can be corrected by reviewing the correct maps and modifying the tentative tract map. Revocation and correction is necessary to insure that the full bluff top park and setbacks as required by the Commission are actually achieved.

B. DETAILED DISCUSSION OF GROUNDS FOR REVOCATION

A key issue in my clients' appeal, and in the Commission's action on the above-referenced permit was the size of the Blufftop Park and the point of measurement of the blufftop setback and bluff retreat easement (which is intended to accommodate future bluff erosion.) As approved by the Commission on June 14, 2000, the Commission imposed Special Condition 2. This Special Condition required that the Blufftop park/blufftop setback (which is to extend a minimum of twenty-five feet from the bluff edge) and the bluff retreat easement (an additional twenty feet) are to be measured from the original, pre-graded bluff edge, not from the post-grading bluff edge as was submitted in the Coastal Permit application.

Another important and related component of my clients' appeal dealt with the disposition of the additional bluff top area that was created by grading down the blufftop. My clients maintained that 6 acre of former bluff face that was converted to blufftop by the grading was accruing to the resort and residential development instead of being dedicated to the public, as was previously committed. In the Coastal Commission hearing on June 14, 2000, Deputy Director Deborah Lee assured the Commission,



"Where they are grading seaward of that point, any of that area, that was previously bluff face and will now become level area, must accrue to the bluff top park. It cannot go to residences or resort development."

Before issuing the permit, staff assured my clients that the Commission's San Francisco technical unit would be asked to examine these acreage issues. Darryl Rance of the Commission, in his August 31, 2000, staff memo to Teresa Henry, produced a chart which compared the "Original Tract Map" with the "Revised Tract Map." This "Original" map was found to have been a map that had been submitted to the City Council prior to its February 15, 2000 meeting and which was not City-approved. The map that should have been submitted to the Commission would have incorporated the revisions that the Council made to the project on that date. (See attached Exhibit B.) In using this unapproved map as its submittal, the applicant confused the analysis by staff both in preparation for the hearings and in assessing compliance afterwards. It also confused the appellants, because in March, 2000 the City had supplied them a map prepared by the applicant that did incorporate the Council's revisions. It was this correct, revised map to which they directed their comments and analysis.

My clients' ability to communicate their important concerns regarding park acreage dedication was severely compromised by the applicant's submittal of the incorrect map. This incorrect submittal affected the staff report, the evaluation that staff presented to the Commission, the recommended conditions of approval, and the evaluation of compliance with those conditions.

In actually issuing the permit the staff relied upon maps submitted by the applicant. A comparison of the "Original" and "Revised" maps shows a .17 acre increase in Parcel H, the blufftop park. The maps submitted by the applicant purported to show adjustment in the project to comply with Special Condition 2. In fact, if the <u>correct</u> "Original" map had been submitted, the Commission staff would have recognized that there was no adjustment in the acreages of the project in response to Special Condition 2. The blufftop park had already been increased by .17 acres in response to the requirements imposed by the City in its February 15, 2000, approval.

The applicant provided the Commission's staff with an undated (according to the Rance memo) Tentative Tract Map that is referred to by the Commission's staff analysis as the "Original Tract Map." This map shows 2.76 acres in Parcel H (Blufftop Park) land. This is the map that was assumed by the Commission staff to reflect the City of Laguna Beach's approval of the project and was used by the Commission staff as the starting point for measuring adjustments in the project in response to the Commission's June 14, 2000, action. The Commission and its staff assumed that this map had been approved by the City of Laguna Beach and that it was the subject of the application to the Commission.

In actuality, this "Original Tract Map" was never approved by the City of Laguna Beach and had no City-sanctioned standing whatsoever. It was nothing more than the developer's originally submitted application to the City, which the City had declined to approve.

3/18 Ex.8



In its February 15, 2000 action the City Council directed that several of the residential lot sizes be reduced and the bluff retreat easement be moved out of the park area. As a result of Village Laguna and South Laguna Civic Association testimony they recognized that the applicant had placed part of the bluff retreat easement within area that had already been park and that the Commission had required the bluff retreat easement to be in addition to the park. In order to meet Coastal Commission requirements they conditioned their approval on these revisions being made. (See City Council resolution, Exhibit D.)

The tract map that implements the changes required by the City of Laguna Beach is the map the City supplied to the Appellants, dated March 1, 2000, which has identical acreages to those of the "Revised Tract Map" in the Rance memo. This map shows Parcel H, the Blufftop Park, at 2.93 acres. Mr. Rance used this map as the endpoint for measuring revisions in the project, compared to the "Original" Tract Map, and concluded that changes between the two maps reflected project revisions responsive to the Commission's direction.

What is now clear but was not clear to Mr. Rance or to the rest of the Commission staff is that this "Revised Tract Map" reflected only acreage revisions imposed by the City of Laguna Beach and that no additional acreage revisions were incorporated into the park to reflect the Commission's action. For the Commission's purposes the "March 1, 2000 Map" should have been the starting point to measure revisions, not the so-called "Original Tract Map." This " March 1, 2000, Tract Map" reflects the project revisions imposed by the City Council in its final action of February 15, 2000, and shows the Blufftop Park at 2.93 acres.¹

At an October 13, 2000 meeting with Deborah Lee and Anne Kramer of the Coastal Staff, my clients were shown copies of the maps in the Commission's files. The maps from the

In order to address acreage issues raised in my clients' appeal and the disposition of additional area created by grading down the bluff, Rance should have compared the maps related to the acreages shown in Figure 8.2-2 of the LCP as well. (See exhibit F) This is where the .6 acre discrepancy is demonstrated. EX.8



file were various versions of the pre-February 15, 2000 map and staff indicated that the map that my clients had been given (dated March 1, 2000) was never submitted to the Commission.² It was not until the October 13 meeting that it was found that the applicant had submitted a version of the map that had not been oproved by the City.

Using the two correct maps (the March 1, 2000 map and the revised map, dated August 25 or September 12, 2000) it is appare that there was no increase in Blufftop Park or setback acreage in response to the Special Conditions approved by the Commission in June, 2000. Rather, the Blufftop Park and setback came to the Commission from the City at 2.93 acres and remained at 2.93 acres. The revised map dated September 12, 2000 does delineate adjustments to the locations of the bluff retreat easement and bluff setback to reflect the Commission's conditions, but no corresponding changes to the acreages were made.

As finally approved by the City on February 15, 2000, and as reflected on the March 2000 tract map, the Blufftop Park was measured not from the natural, pre-graded bluff edge, but rather from the post-grading, lowered bluff edge. A key aspect of the Commission's June 14, 2000 action was to supersede this method of measurement and to require that the Blufftop Park be measured from the natural, pre-graded bluff edge. Mr. Rance and the Commission staff erroneously assumed that the change in acreage from the original tract map's 2.75 acres to the revised tract map's 2.93 acres reflected this change, and it is now clear that it did not. The project still needs to be revised to move the Blufftop Park eastward, and the acreages need to be adjusted to show that the acreage created by the blufftop grading accrues to the park and not to residential and resort development to comply with the Commission's June 14, 2000, decision. The acreage devoted to resort/residential use should be reduced by .6 acres, and the park increased by that same amount. (See Footnote 1)

It then became apparent to my clients, for the first time, why they had had such difficulty in explaining the acreage concerns to the Coastal staff and Commission. The evaluation of the revised map for the purpose of assessing compliance with the Commission's conditions is just the most recent event in a series of attempts to communicate these concerns. Following is an abbreviated chronology that shows meetings with staff in relation to approval milestones:

February 15, 2000	City Council approval
March 3, 2000	Appeal due
March 16, 2000	Meeting with Teresa Henry, Steve Rynas, and Anne Kramer
April 11, 2000	Hearing to find substantial issue
June 12, 2000	Meeting with Teresa Henry and Anne Kramer
June 14, 2000	De novo hearing, Santa Barbara
August 18, 2000	Meeting with Teresa Henry and Anne Kramer
September 20, 2000	Permit issued
October 13, 2000	Meeting with Deborah Lee and Anne Kramer
*	•



We are enclosing the following documents:

Exhibit A is a copy of the letter recently procured from the City of Laguna Beach documenting that a revised tract map was prepared dated March 1, 2000, that reflected the changes in the project that had been required by the City's approval of February 15, 2000.

Exhibit B is a copy of the March 1 300 tentative tract map.

Exhibit C is a memo dated August 31, 2000 from Darryl Rance to Anne Kramer.

Exhibit D is a partial transcript of Council discussion, Council minutes, and applicable sections of Council resolution from the February 15, 2000 meeting approving the project.

Exhibit E includes copies of correspondence from Village Laguna and the South Laguna Civic Association to the Coastal Commission dated September 6, 2000, July 26, 2000, and July 6, 2000.

Exhibit F is Figure 8.2-2 of the Treasure Island Local Coastal Plan, annotated to show that .6 acre is missing from the park dedication area in the current version of the plan.

In our opinion, the Commission should revoke the CDP on the basis of a determination that its issuance was based upon the inaccurate and incomplete map submittals. Our review of the Coastal Act and Regulations did not disclose any alternative mechanism that would allow the staff or the Commission to "reconsider" or "correct" these errors. We trust that the Commission and staff will share our concern that the Commission's final approval be accurately reflected in the CDP and on a map that shows the correct location of the Blufftop Park and bluff retreat setback and accurately shows the acreage tabulations.

Please let us know if there is any further information that we can provide.

Sincerely,

WORDEN, WILLIAMS, RICHMOND,

BRECHTEL & GIBBS, APC

D. DWIGHT WORDEN

DDW:lg

Enclosures

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EX. 8



cc: Deborah Lee, California Coastal Commission
Ralph Faust, Legal Counsel, California Coastal Commission
Mayor Paul Freeman and City Council, City of Laguna Beach
Client

EX.8 7/18



November 15, 2000

Anne Kramer
Coastal Program Analyst
California Coastal Commission
South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302

Dear Anne:

Councilmember Iseman, Barbara Metzger and Ginger Osborne wanted me to write to you and indicate when a revised Tentative Tract Map was prepared that reflected the required changes to Lots 3-6 by City Council's approval of the Tentative Tract Map. These changes were required by Condition #33 of Resolution No. 00-015 that conditionally approved the Treasure Island Project's Tentative Tract Map and Master Coastal Development Permit 99-75. A revised Tentative Tract Map was prepared for the appellant's on March 1, 2000. The appellants received a copy of this revised Tract Map on or about that date.

Sincerely,

John Montgomery
Assistant Director

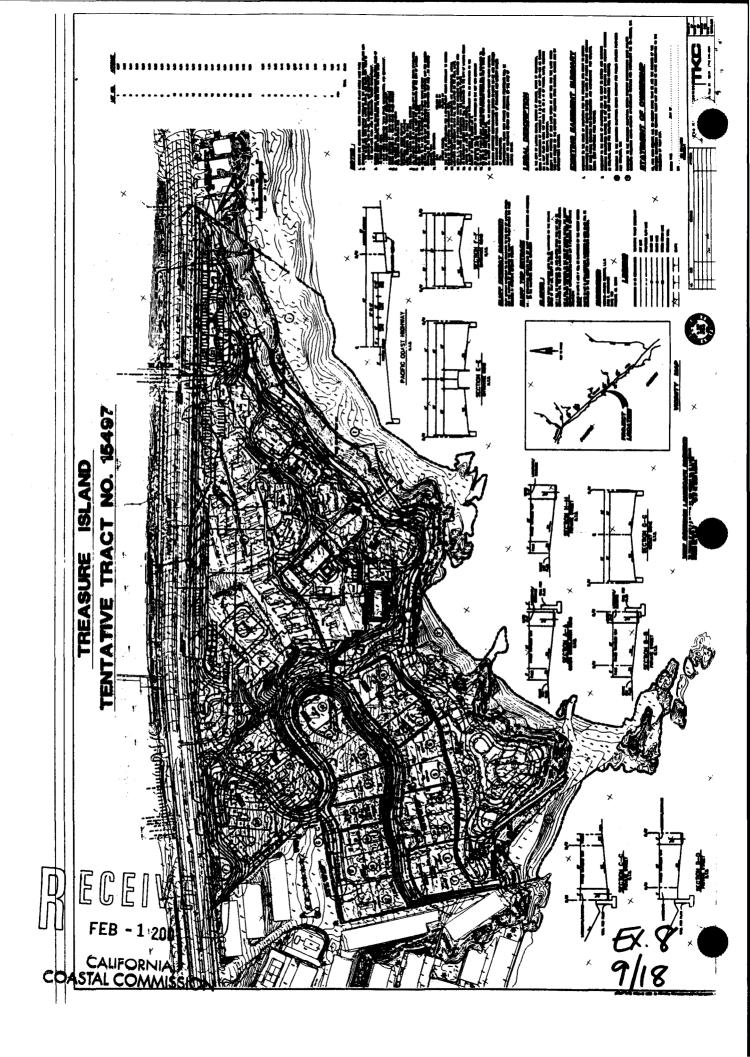
Community Development

cc: Kenneth Frank, City Manager

EX.8 8/18

TEL (949) 497-3311

AX (949) 497-0771



CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000

"AN FRANCISCO, CA 94105-2219

ICE AND TDD (415) 904-5200

.AX (415) 904-5400



August 31, 2000 (c)

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To:

Anne Kramer

From:

Darryl Rance

RECEIVED SEP 2 5 2000

cc:

Teresa Henry

Subject:

Work Request: Treasure Island Condition Compliance

This memorandum was prepared in response to your request that we provide you with certain information regarding the Treasure Island "original" and revised Tentative Tract Map No. 15497, City of Laguna Beach, Orange County. You specifically requested that we calculate the acreage for Lots H, I, K, 22, and C using both the original and revised tentative maps. See Table 1. You have also requested that we calculate the acreage of the Bluff Top Park, Bluff Face, and Bluff Retreat Easement, as depicted in the LCP and Development Acreage Agreement Consistency Map. See Table 2. And finally, you have requested that we identify a 45-foot-wide buffer zone, measured from the edge of bluff (45% line), along the entire length of the Treasure Island project site. See attached Revised Tentative Tract Map No. 15497 Exhibit.

The work request was accompanied with the following information: 1) Original Tentative Tract Map No. 15497 (no date); 2) Revised Tentative Tract Map 15497 (no date); and 3) Figure 4.1, LCP And Development Agreement Acreage Consistency exhibit.

Sean Finnegan of the Athens Group subsequently facilitated the delivery of compact data disc prepared by Paul Cary (JN13473) with an Autocad version of the revised tentative tract map. Mr. Finnegan also provided a copy a peer review summary that was prepared by Joseph Suess, Professional Land Surveyor (#6409) dated January 4, 2000.

Based on the information submitted, the acre calculations that you requested are contained in Tables 1 & 2. Attachment 1 depicts the 45-foot setback area as measured from the existing 45% top of bluff line. Note that the acreage values for areas H and I on the revised tentative tract map differ from the acreage values on the "original" tentative tract map.

Table !

T WOIC T		
1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	-Onginal Perio Man- Acrespes Alguation - (Acres)	RCVISCONTO VIDE Agree of Callenning of the Control
C	0.35	0.34
H*	2.76	2.93
I*	8.59	7.40
K	0.26	0.26
22	0.54	0.54

Treasure Island Memorandum August 31, 2000 Page 2 of 2

Table 2

ONESTION	George sklementon apper Reversitant general Reversitant general	Augungeleineun noch in der Leite Aufühle Der gelopinier in der Augungen der Leite der Grennen der
Bluff Top	2.93	2.93
Park		
Bluff Face	2.83	2.83
Bluff Retreat	.34	0.35
Easement		

RECEIVED SEP 2 5 2000

Treasure Island

Partial Transcript of Coastal Commission Hearing, June 14, 2000

from the Commission's tape recording of the hearing held on appeal of Treasure Island project, Coastal Application #s. 5-LGB-00-023 and 5-LGB-99-288

Initial Staff Presentation, Deborah Lee

The other issue related to grading was the delineation of the bluff edge and questions about grading the edge of the bluff. The LCP does not preclude grading of the bluff edge, and while it has been altered by the placement of fill for the trailer park, it none-the-less represented a concern from a land form alteration perspective. Staff does concur that the removal of artificial fill is appropriate for creation of the park and public access. However, while staff is supporting the grading of the existing bluff edge, we do not believe, nor would support, that grading element to be utilized to expand the developable areas of the resort or the residences. Therefore, special condition Number 2 makes it clear that both the required 25 foot bluff top setback and park, and the added 25—the added 20 foot bluff top retreat setback be drawn from the pre-existing bluff edge as defined in the LCP. Any area created as a result of the grading will accrue to the bluff top park and be public area.

In addition, utilizing the pre-existing bluff edge will address our staff geologist's concerns about potential enlargement of a small corner of the resort. With utilization of the pre-existing bluff edge for the mandated setbacks, that area of the resort will be re-sited and in a location deemed reasonably safe from anticipated bluff retreat."

Rebuttal, Laguna Beach City Manager, Ken Frank

There is no .6 acre of park missing. That's absolutely untrue. I strongly disagree with that. Your staff disagrees with that. Just to make sure, your staff has a condition that insures that the park is measured from the old top of the bluff. There is no way that the park acreage can be increased. It is not...I'm sorry decreased. It is not decreased. Conversely the residential is not increased. That's absolutely untrue."

Staff Response at Conclusion of the Public Hearing, Deborah Lee

"Relative to the bluff edge question and we do want to reinforce this as noted in the addendum to Special Condition Number 2 on this point. We have required that the existing pre-graded bluff edge be used as the setback delineation for all of the bluff top. Where they are grading seaward of that point, any of that area, that was previously bluff face and will now become level area, must accrue to the bluff top park. It cannot go to residences or resort development.

We think that coupled with, as you heard in the City's earlier comments, about the other acreage discrepancies, there was re-surveying that was done with a peer review team that did result in just mapping adjustments, technical changes based on different survey techniques that resulted in changes at the toe of the slope and the amount of sandy beach based on tidal fluctuations. They looked at several of those comparatively and then used those. But regardless, in terms of the key access components, the bluff top acreage, we feel confident with this additional clarification in the Special Condition, is not being reduced and the setbacks are appropriately accommodated.



September 6, 2000

California Coastal Commission South Coast Area Office 200 Oceangate, 10th Floor Long Beach, CA 90802-4302

Attn: Anne Kramer and Teresa Henry

Re: Treasure Island, A-5-LGB-00-078 and A-5-LGB-00-079

Dear Ms. Kramer and Ms. Henry:

Thank you for meeting with us last month. I spoke with Anne Kramer last week and she mentioned that the mapping unit in San Francisco was still working with examining the Treasure Island Tentative Tract Map.

I understand that after they return their comments to you, you intend to write a letter to the applicant requesting that they modify their map to show acreages that acrue to the park as a result of the Commission required Original Top-of-Bluff measuring point. In our meeting we also discussed that you were going to require that they distinguish the acreage of the beach and marine reserve from the bluff face (now all grouped in Parcel I). Further information regarding the picnic tables was also going to be requested.

It seems to us that it would be helpful for the mapping unit to know what the acreage issues are so that they can be sure to address their in their report. We are enclosing an additional copy of our letter to forward to them. Hopefully, all the issues can be addressed in just one more review cycle.

The site continues to be under construction and many of the existing trees have been relocated or removed. It occurred to us that it would be good to require a verification (survey) of the location of the Original Top-of-Bluff measuring point, so that there is no question that the park is being measured from the appropriate point.

Thank you for your diligent work on this project.

Sincerely

Ann Christoph

Land Use Committee Chair

annehusts

cc: Dwight Worden

EX.8 13/18 *





July 26, 2000

California Coastal Commission South Coast Area Office 200 Oceangate, 10th Floor Long Beach, CA 90802-4302

Attn: Anne Kramer and Teresa Henry

Re: Treasure Island, A-5-LGB-00-078 and A-5-LGB-00-079

Dear Ms. Kramer and Ms. Henry:

Thank you for arranging for us to receive some of the documents recently submitted by the applicant for the Treasure Island project. While this is not their complete resubmittal, and we have not yet received copies of the Notice of Permit or the conditions of approval, we would like to advise you of our concerns based on the Tentative Tract Map and Picnic Table plans that we have received.

The most important item relates to the implications of measurement of the park and blufftop setbacks from the original, ungraded top of bluff line (labelled "Existing 45% Top of Bluff Line" on the current submittal). The most recent plan shows this line, and a new dashed line 45' inward on the frontage adjacent to the resort, but no revisions to the parcel lines or park area has occurred to correspond with those changes, either on the resort-fronting portion or the residential-fronting portion. The acreage tabulation is exactly the same as before the Commission required this Original Top-of-Bluff measurement point.

We are attaching a transcript of the hearing, in which Deputy Director, Deborah Lee says:

However, while staff is supporting the grading of the existing bluff edge, we do not believe, nor would support, that grading element to be utilized to expand the developable areas of the resort or the residences. Therefore, special condition Number 2 makes it clear that both the required 25 foot bluff top setback and park, and the added 25—the added 20 foot bluff top retreat setback be drawn from the pre-existing bluff edge as defined in the LCP. Any area created as a result of the grading will accrue to the bluff top park and be public area.

Coastal Commission July 26, 2000 Page 2

Later in the hearing Ms. Lee reinforces this point:

Where they are grading seaward of that point, any of that area, that was previously bluff face and will now become level area, must accrue to the bluff top park. It cannot go to residences or resort development.

In this current submittal, the area created by the bluff face grading is accruing to the resort and residential development. The applicant has not adjusted the parcels to be measured from the Coastal Commission required bluff top line ("Existing 45% Top of Blui. Line") The following parcels make up the bluff top park:

Parcel H	2.93 acres
Parcel J	.30 acres
Parcel K	.26 acres
Parcel 22	.54 acres
Parcel C	<u>.35 acres</u>
	4.38 acres

In addition there is the area of the bluff retreat easement in front of the resort, which has not been shown as a separate parcel.

The area of these parcels/easement should be measured inland of the "Existing 45% Top of Bluff Line" in order to conform with the intent of Condition 2 as explained by Ms. Lee. Otherwise the area of the bluff face being graded is accruing to the Resort and Residential areas.

Also please note that the terrace and retaining wall extending from the pool encroaches into the newly adjusted 45' setback line. This structure should be outside the bluff retreat easement area so that the bluff retreat easement can be used for its intended park purpose in the future.

Lastly, we are disappointed in the size and number of picnic tables.

 $4' \times 4'$ tables are quite small for family use, and there are only 5 of those. They are shown on the plan to be only 6' apart, giving very little room for privacy between tables. The plan also shows 2-6' \times 8' tables, which are wider than normally specified. This leads us to think that the dimensions given may also include the benches. In that case the $4' \times 4'$ tables are only tiny cafe type tables.

In summary, we would like to see more tables (at least 10). The tables should be of a generous family size, distributed so that there is privacy room between tables.



Coastal Commission July 26, 2000 Page 3

Details of the design of these tables and benches should be submitted as part of the plan, so that it is clear what the dimensions are referring to.

We would like to request a meeting with you and Deborah Lee to review these points, as they are very important to implementing the intent of the Coastal Commission's action. Strict adherence to the requirements of the approval was a key element of project approval, as reflected in Deputy Director, Deborah Lee's statements, and strict enforcement is critical.

Please respond to 31713 Coast Highway, Laguna Beach, CA 92651 and/or call 949-499-3574 to discuss these comments and coordinate further work on these issues, and the rest of the permit review.

Sincerely,
unchworgs-

Ann Christoph, Chair, Village Laguna Land Use Committee Barbara Witzan

Barbara Meizger, Village Laguna Board Member

Hinger Osborne, President, South Laguna Civic Association

cc: Dwight Worden, Worden, Williams, Brechtel and Gibbs

Attachment: Partial transcript of Coastal Commission hearing, June 14, 2000





July 6, 2000

California Coastal Commission South Coast Area Office 200 Oceangate, 10th Floor Long Beach, CA 90802-4302

Attn: Anne Kramer and Teresa 1 'enry

Re: Treasure Island, A-5-LGB-00-078 and A-5-LGB-00-079

Dear Ms. Kramer and Ms. Henry:

Thank you for your help in the Treasure Island appeal. Our organization would like to remain involved in the permitting process and is hereby requesting an opportunity to review the further submittals to the Commission by the City and the applicant to meet the requirements of the conditions of the permit.

We are especially interested in reviewing the revised Tentative Tract Map, which should include the increased setback from the edge of the bluff, and documentation of the additional park land which should accrue to the public as a result of measuring from the existing rather than the proposed edge of bluff.

In my conversation with Teresa Henry the week of June 23, she indicated that the process of reviewing the documents for compliance with the permit conditions would be a fairly lengthy one (more than two months), and that the submittals are public documents.

Please advise us as to when these documents will be available for public review. Please allow us sufficient time to comment on these documents before staff makes its determination on compliance.

We have not yet received our copy of the final wording of the conditions. Please send it to us at 31713 Coast Highway, Laguna Beach, CA 92651.

Thank you, annelus

Ann Christoph

Land Use Committee Chair

cc: Dwight Worden

EX.8

AHACHIMENT P

TREASURE ISLAND LCP PART II — IMPLEMENTING ACTIONS PROGRAM

8. SPECIFIC PLAN

SPECIFIC PLAN TABLE
Treasure Island Specific Plan
Provided 9.59

Oct. Com-

Specific Plan Zoning Designation	PLANNING	RESORT COMPONENT	Gross	PERCENT OF	ACCOMMODATIONS (KEYS)		Maximum Residential Units
LAND USE PLAN CATEGORY)		MAZOKI GOPZ GNEVI	ACRES	PLAN AREA	Mislaum	Mandanwan	
CONSERVATION (OS, C&R)	1	Marine Reservé"	3.59	12%	0 ;	0	0
OFEN SPACE/ RECREATION (OS, C&R)	2	Sand Beacti ^b	2.70	9%	0	0	0
OPEN SPACE!	3	Bluff-top Park	6.24	21%	0	0	0
RECREATION (OS, C&R)	36	Top of Bluff (3.00 acres including 0.36 acres of public easement within the Resort Causer) ²⁰					
	36	Coest Highway Scenic Corridor (0,30-seess)					
	3c	Bluff Page (2.94)					
RESORT DEVELOPMENT (RD)	46	Resort Center Hotel, Resort Villas, Spa. Restaurunt(s) and Conference Pacifities (8.83 etires) and Residence Villas (1.50 acres)	10.63	35%	200	275	
	46	Risert Clarica (0:30 scres)	L		0	0	مد ا
RESORT DEVELOPMENT (RD)	\$	Coast Highway Scenic Corridor and ROW dedication adjacent to Resort Center	1.17	4%	0	0	-
SUBTOTAL - PUBLIC AND	VISITOR-S	SERVING RESORT USES	24.72		200	275	_,,
Reson Development (RD)	6	Residential Estates	5.80	19%	0.	0	18
TOTAL			30.07	100%	200	275	37

(1) Public Fee Dedication to the City of Laguna Beach. Total Bluff-top Park Area shall contain a minimum of 3.00 acres of bluff-top not including the bluff-face and provide including approximately 0.36 acres of easement at the south end of the Resort Center. of A 1 acres of (C) including approximately 0.36 acres of easement at the south end of the Resort Center. 1.8 (3) Minimum acres/percentage not subject to reduction pursuant to Section 12.3. The number of Residence Villas shall not exceed 37 minus the number of Residential Estates. If the maximum 18 Residential Estates are built no mass than 18 Residential Estates. (4)

maximum 18 Residencial Estates are built, no more than 19 Residence Villas may be built.

(5) Maximum acres/percentage not subject to increase pursuant to Section 12.3.

18/18

GRAYCARY.

401 B Street, Suite 1700 San Diego, CA 92101-4297 Office: 619-699-2874 Fax: 619-236-1048 Cell: 619-890-2874 Pager: 619-338-3515 Email: cblack@graycary.com www.graycary.com

Charles E. Black Admitted to practice in California

OUR FILE NO. 103911-154367

EXHIBIT No. 9

R-5-00-LGB-078 & 079

Response to Revocation Request

> California Coastal Commission

JAN 2 9 2001

COASTAL COMMISSION

January 25, 2001

VIA FACSIMILE and FIRST CLASS MAIL

Mr. Peter Douglas, Executive Director California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219

Re:

Treasure Island Destination Resort Project CDP A-5-LGB-00-078 and A-5-LGB-00-079 ("CDPs")

Dear Mr. Douglas:

This firm represents Five Star Resort, LLC, a Delaware corporation (the "Owner") in connection with the Treasure Island Destination Resort Project (the "Project") in the City of Laguna Beach (the "City"). We have received a copy of D. Dwight Worden's letter dated January 18, 2001 (the "Worden Letter") and sent on behalf of South Laguna Civic Association and Village Laguna (collectively, the "Opponents"). The Worden letter constitutes a request for revocation of the CDPs pursuant to Title 14 of the California Code of Regulations (the "Code"). The purpose of this letter is to demonstrate that the grounds for revocation have not been established by the Opponents.

Legal Requirements of Section 13105(a).

Under section 13106 of the Code, the Executive Director may initiate revocation proceedings only when grounds for revocation have been established pursuant to section 13105 of the Code. To establish grounds for revocation, there must be an "[i]ntentional inclusion of inaccurate, erroneous or incomplete information in connection with a coastal development permit application, where the commission finds that accurate and complete information would have caused the commission to require additional or different conditions on a permit or deny an application." Cal. Code Regs. tit. 14, § 13105(a) (2000). The legal requirements of section 13105(a), therefore, are the elements of (a) intent and (b) inclusion of inaccurate, erroneous or incomplete information to the Commission. Under section 13106 of the Code, both the intent and inclusion must be actions by the permit applicant.¹

No Intent.

The Opponents contend that the Owner intentionally provided an inaccurate tentative map of the Project to the Commission at the time the Commission was deliberating the issuance of the

SILICON VALLEY SAN DIEGO SAN DIEGO/GOLDEN TRIANGLE SAN FRANCISCO AUSTIN SEATTLE SACRAMENTO LA JOLLA

¹ For the initiation of revocation proceedings, section 13106 of the Code requires a showing of "the permit applicant's intentional inclusion of inaccurate information." Cal. Code Regs. tit. 14, § 13106 (2000).

Gray Cary Ware & Freidenrich LLP

Mr. Peter Douglas January 25, 2001 Page Two

CDPs. [Worden Letter, p. 2-3.] "Intentionally" means "to do something purposefully, and not accidentally" and with the desire "to cause consequences of his act." Black's Law Dictionary 810 (6th ed. 1990). Even assuming that the Owner failed to provide an accurate tentative map to the Commission, mere negligence or recklessness is not sufficient. The Opponents have not alleged that the Owner's provision of a purportedly inaccurate map was intended, and therefore have failed to meet the "deliberate" and "purposeful" standard required under section 13105(a).

No Failure to Provide Accurate, Correct and Complete Information.

Next, the Opponents allege that the Owner submitted "inaccurate and incomplete maps to the Commission." [Worden Letter, p. 2.] Yet, the information provided to Commission staff was a true, accurate and complete copy of the entire administrative record of the approval process through and including the City Council's March 6, 2000 hearing of the CDPs, painstakingly assembled by the City (the "Record"). The Record included all maps and documents used in City hearings and minutes of public hearings including the original tentative tract map and all replacement maps submitted to the City. Although not required and in an effort to provide complete, updated and verifiable information, the Owner prepared and provided to the Commission Staff a map dated March 2, 2000 (the "3/2/00 Map") and an acreage consistency graphic (the "2-22-00 Graphic"), reflecting the parcel and acreage adjustments required by the City-imposed conditions so that Commission staff could see the ultimate public and private acreages. These adjustments, therefore, were included in the materials submitted to the Commission (and available to the Opponents), as Item "K." A copy of the administrative record index and the contents of Item "K," have been attached hereto as Exhibit A (the full size 3/2/00 Map will be delivered to your Long Beach Office today under separate cover).

Following the Commission's approval of the CDPs in June, 2000, the Owner worked extensively with Commission staff for twelve weeks prior to the issuance of the CDPs in September, 2000. The purpose of these extensive efforts was to track the evolution of public and private acreages and LCP/CDP condition compliance beginning with Owner's initial tentative tract submission. The Owner cooperated fully by providing Commission staff with all requested documents and explanations. The Opponents also had extensive communications with Commission staff, which produced additional requests to the Owner for information. Thus, the Owner has continually supplemented the information available to the Commission and Commission staff.

The Project has been the subject of an extensive administrative hearing process both at the City and the Coastal Commission. A lengthy administrative record is the natural result of such a process. All of the maps, documents and other information on which Commission staff relied in its analysis of the public and private acreages are contained in the administrative record. The entire record was available to the Opponents. Even if, assuming for argument purposes, Commission staff provided incomplete information or erroneous explanations to the Opponents, no justification exists for initiation of revocation hearings.

EX.9 2/6

Gray Cary Ware & Freidenrich LLP

Mr. Peter Douglas January 25, 2001 Page Three

Initiation of revocation hearings is a drastic remedy available only where the permit applicant is guilty of actions tantamount to fraud. Here, the administrative record is complete; the Project's compliance with all City and Commission imposed conditions has been painstakingly verified by Commission staff. The result has been the Owner's dedication of park area totaling 7.25 acres, exceeding the LCP requirement of 5.24 acres, and an additional open space easement of .26 acres, which dedications are more particularly depicted on the 2-22-00 Graphic attached hereto as Exhibit A. Commission staff's intent of creating such public benefits have been achieved and further demonstrates that there is a be olutely no support for the Opponents' allegation of "... permit applicant's intentional inclusion of ir scurate information...," the threshold requirement for initiation of revocation proceedings.

For the reasons set forth above, we respectfully request that the Opponents' request be denied. If you or your staff has questions or comments regarding our client's position in this matter, please call at your convenience.

Very truly yours,

Gray Cary Ware & Freidenrich LLP

Charles E. Black

CC:

Ms. Deborah Lee, District Director, California Coastal Commission
Ralph Faust, Esq., Legal Counsel, California Coastal Commission
Mayor Paul Freeman and City Council Members, City of Laguna Beach
Ms. Anne Kramer, Coastal Program Analyst, California Coastal Commission

CEB/mfa/bmc Gray Cary\SD\1419706.1

> EX.9 3/6

City of Laguna Beach Administrative Record Index

Treasure Island Project Coastal Development Permits 99-75, 99-76, 99-77

The following is the list of plan: 1 nd technical reports submitted and reviewed during the City hearing process for the "easure Island project. A copy of each item can be found in a corresponding lettered folder within the index container.

ARCHITECTURE

- A. Conceptual Hotel Architectural Floor Plans and Elevations which provide the conceptual building layouts and elevation styles. These plans also indicate roof heights and specific materials including the possible use of San Onofre Breccia as a building material. (Full size plans and technical support material)
- B. Conceptual Condominium Architectural Floor Plans and Elevations which provide the conceptual building layouts and elevation styles. These plans also indicate roof heights and specific materials. (Full size plans and technical support material)

LANDSCAPE ARCHITECTURE

- Conceptual Landscape Plans which include the following components: overall master landscape plan with materials; landscape zone plan; master plant legend; landscape tree plan; tree survey plan; wall and fence plan; large scale zone plans; various landscape elevations; sections and sketches; wall and fence details; landscape details; rock groin conceptual plan, cross-section and sketch; and landscape materials including the possible use of San Onofre Breccia as a building material. (Full size plans and technical support material)
- D. Conceptual Landscape Lighting Plan and Cut-Shoets
- E. Plant Material Inventory
- F. Landscape Management Plan
- G. Conceptual Habitat Restoration Plan
- H. Preliminary Maintenance Program Outline for the Resort Hotel

SITE ENGINEERING

- L. Erosion Control Concept Plan
- J. Coast Highway Concept Striping Plan & Coast Highway Parking Analysis

01/25/2001 THU 10:06 [TX/RX NO 5407]

- K. Tentative Tract Map 15497
- L. Tentative Tract Map 15497 Acreage Peer Review
- M. Project Geotechnical Evaluation & Geotechnical Analysis on the Tentative Tract Map
- N. Staking Plans & Verifications
- O. Bluff Edge Grading Analysis & Existing Site Photos
- P. Haul Route Plan
- J. Water Quality Management Plan
- R. Master Drainage Report which includes hydrology maps on and off-site.
- S. Water Ouality Measures which identifies and outlines the implementation of the expected water quality measures for the project.

TRAFFIC & NOISE

- T. Supplemental Traffic Analysis & Shared Parking Analysis includes a shuttle service outline.
- U. Traffic & Shared Parking Analysis Peer Review
- V. <u>Transportation Demand Management Program</u> which includes an outline for a parking monitoring program
- W. Final Noise Impact

ARCHAEOLOGY

- X. Archaeological Research Design
- Y. Archaeological Research Design Peer Reviews (Three Independent Reviews)

COASTAL RESOURCES

- Z. Coastal Resource Management Program includes a recommendation for a Marine Park designation and a five year monitoring outline with cost options
- AA. Rock Groin Conceptual Engineering Plans which includes a durability analysis

PUBLIC VIEWS

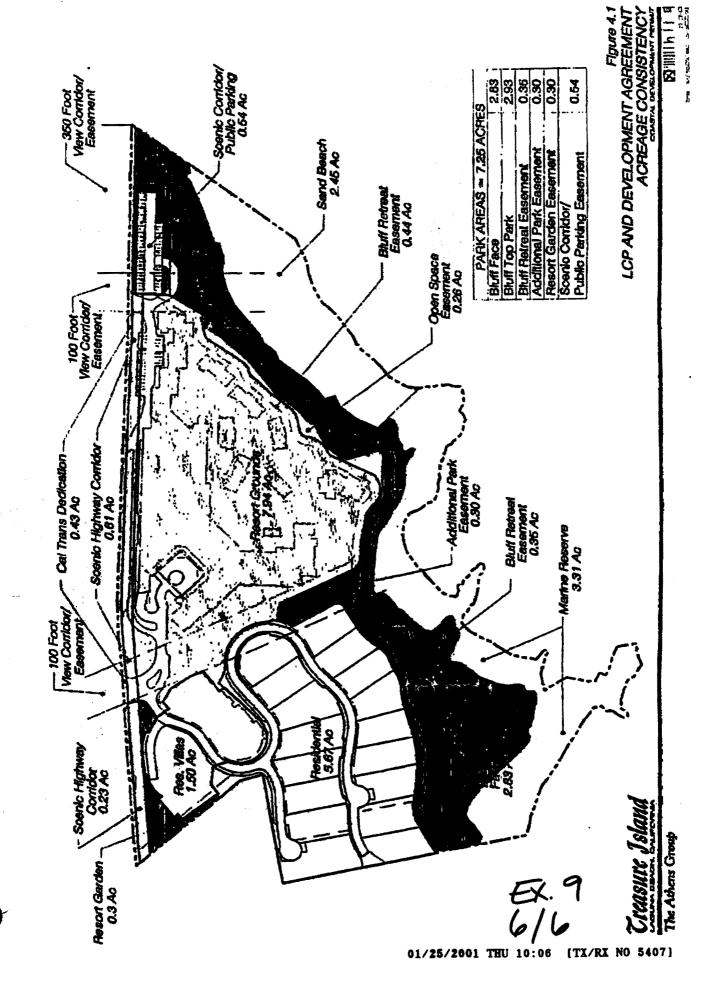
BB. Public View Opportunity - shows public views from the Coast Highway area over the site

DESIGN GUIDELINES

CC. Preliminary Design and Construction Guidelines

Ex. 9

01/25/2001 THU 10:06 [TX/RX NO 5407]







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Maine Congress 13

November 15, 2000

Anne Kramer Coastal Program Analyst California Coastal Commission South Coast Area Office 200 Oceangate, Suite 1000 Long Beach, CA 90802-4302

Dear Anne:

Councilmember Iseman, Barbara Metzger and Ginger Osborne wanted me to write to you and indicate when a revised Tentative Tract Map was prepared that reflected the required changes to Lots 3-6 by City Council's approval of the Tentative Tract Map. These changes were required by Condition #33 of Resolution No. 00-015 that conditionally approved the Treasure Island Project's Tentative Tract Map and Master Coastal Development Permit 99-75. A revised Tentative Tract Map was prepared for the appellant's on March 1, 2000. The appellants received a copy of this revised Tract Map on or about that date.

Sincerely,

John Montgomery **Assistant Director**

Community Development

Kenneth Frank, City Manager cc:

EXHIBIT No. 10

R-5-00-LGB-078 & 079

Letter from City Staff regarding more recent version of Tract Map

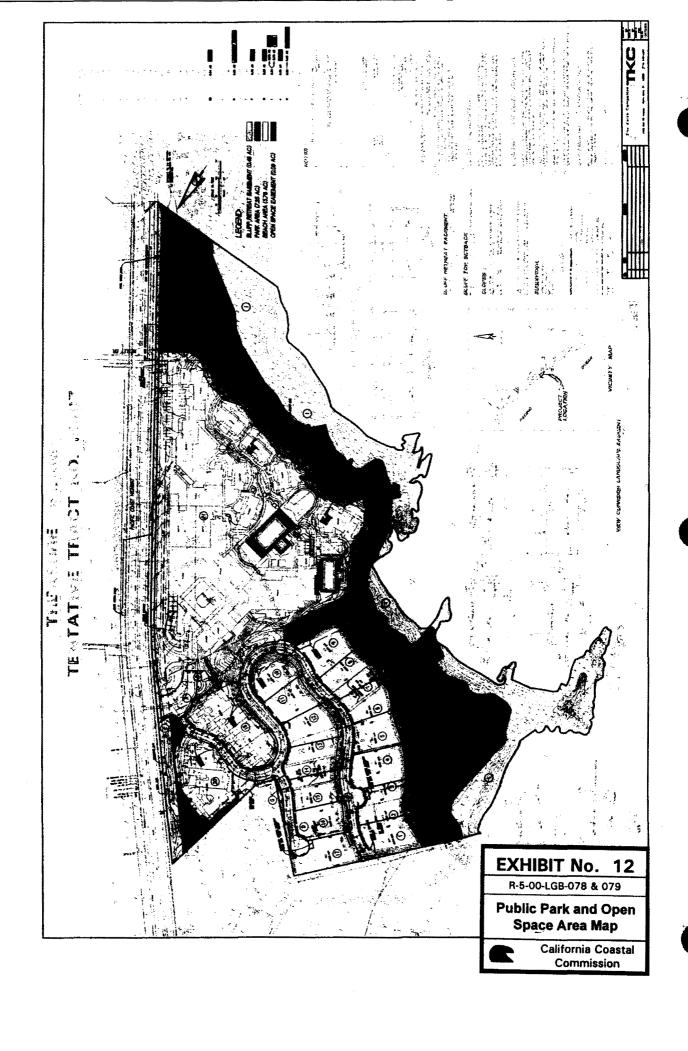
California Coastal

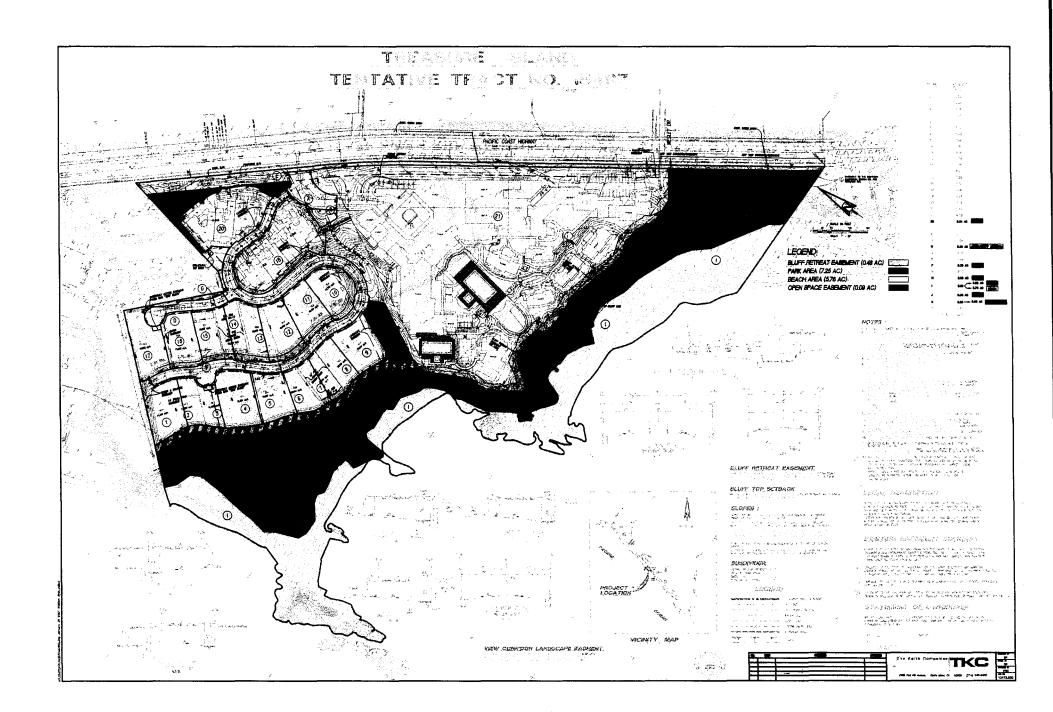
Commission

and Master Coastal Development Permit. Provide that such defense be provided by legal counsel selected by the Applicant or Developer, subject to the consent of the City, which consent shall not unreasonably be withheld. Encompass all reasonable outside costs and expenses (i.e., exclusive of costs and expenses associated with salaried City employees) incurred by the City in defending against any claim, action or proceeding in this obligation. Cooperate fully in the defense of any claim, action or proceeding after City notification to the Applicant or Developer within 10 business days of receipt.

- 31) Amend Figure 4.1 of the Treasure Island Coastal Development Permit notebook to correspond with the approved Tentative Tract Map lot boundaries.
- 32) Reconfigure Lots 18 and 20 so that the total combined area of both lots equals a maximum of 1.5 acres. The building footprint of the condominiums and the road in between as measured in plan view shall not exceed a maximum of 1.5 acres.
- 33) Reduce the depth of the southeast half-width of Lot 3 and the full depth of Lots 4, 5 and 6 by 20 feet and include that gained area within a reconfigured Lot C for a 20-foot wide park expansion easement and a reconfigured Lot H as fee dedication area for park land. (Note: This condition was added by City Council on February 15, 2000 and once these adjustments are made, the acreage totals of Lots C and H in Condition No. 5 of this resolution will need to be adjusted accordingly.)

SECTION 6. The conditional approval of Tentative Tract Map 15497 and Master Coastal Development Permit 99-75 shall lapse and expire two years following the effective date of such conditional approval. An extension of the conditional approval. An extension of the conditional approval approva





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January 29, 2001

Anne Kramer
Coastal Program Analyst
California Coastal Commission
South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302

RECEIVED
South Coast Region

JAN 2 9 2001

CALIFORNIA COASTAL COMMISSION

Re:

Treasure Island Project
Open Space Easement "Lot K"

Dear Anne.

Thank you for your request to describe the intent of the Open Space Easement, "Lot K". As depicted in the attached exhibits, Lot K is a .26-acre easement that runs along the inland boundary of the Laguna Beach public park. This easement was proposed by the Planning Commission/Design Review Board to move the hotel buildings inland and improve the coastal views while walking in the park. Lot K is in addition to the park acreages required by the approved LCP and CDP. The function of this space is essentially an expansion of park uses. Additional seating areas or "pocket parks" were created along the length of the hotel area extending inland of the proposed park boundary.

The additional 20-foot Bluff Retreat Easement, required by the Coastal Commission in the approved LCP, has kept it's integrity and is located inland of Lot K. When Lot K and the 20' Bluff Retreat were combined, it resulted in the hotel bungalows being moved back an additional 10 feet and the point restaurant an additional 18 feet. Lot K averages 16 feet in width and preserves a prominent piece of land on the point in front of the specialty restaurant. To summarize, Lot K is permanently dedicated to the City of Laguna Beach as an open space easement for landscape and park uses.

Thank you for all your efforts on this project and please feel free to call if I can be of any other assistance.

Regards,

John Mansour

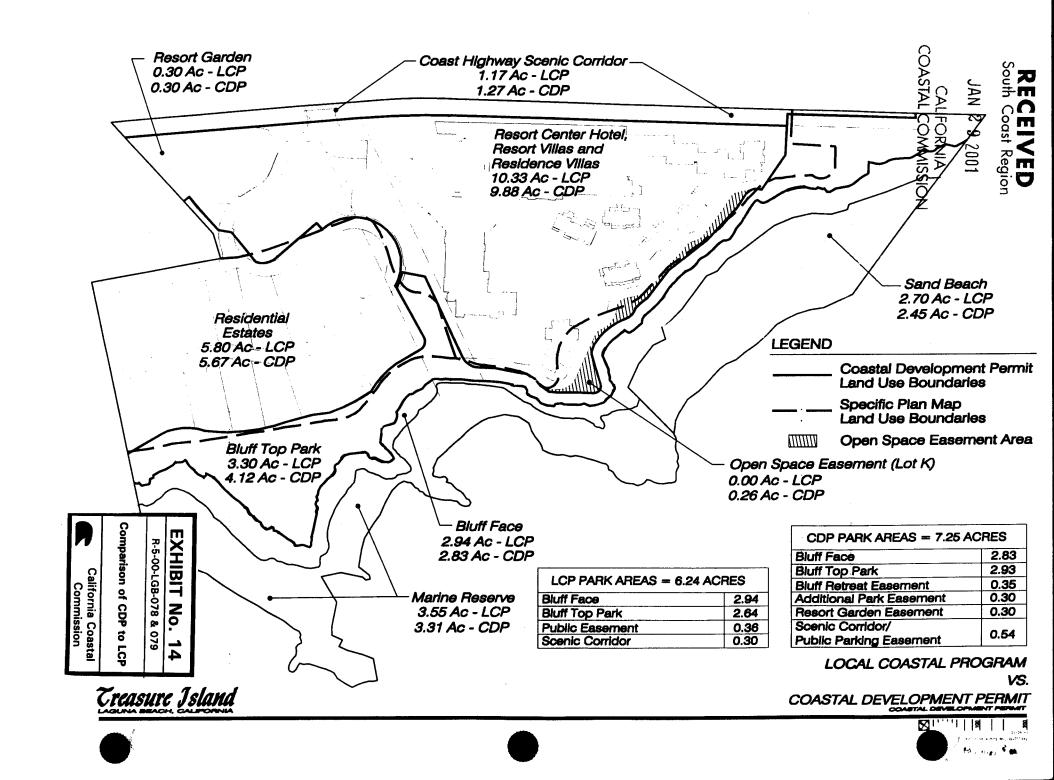
Vice President Development

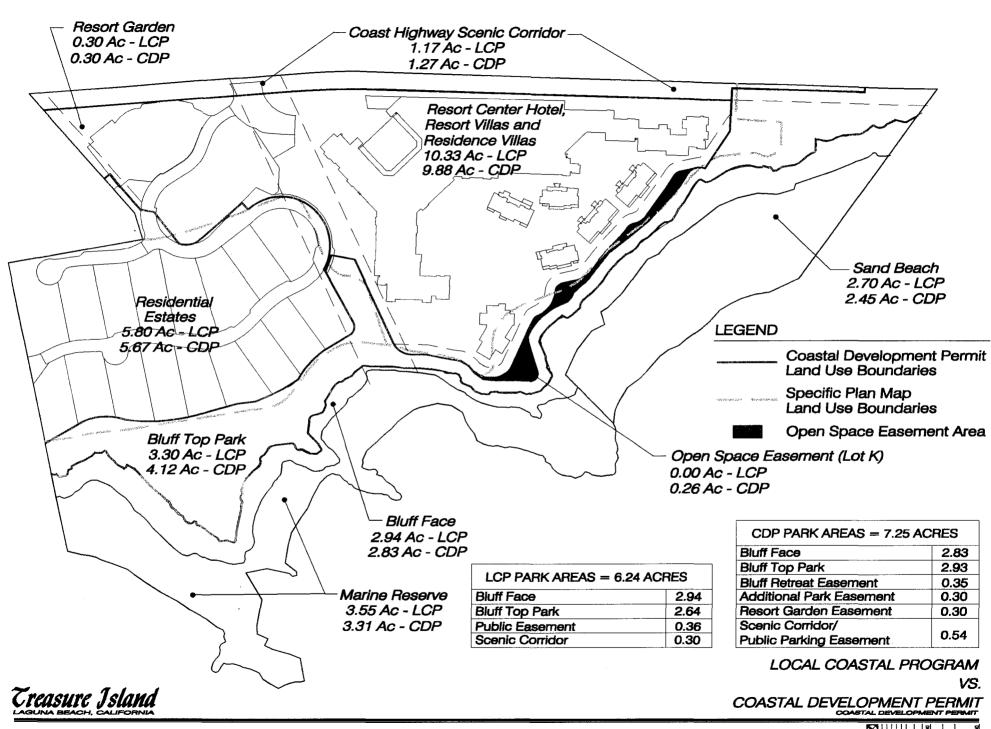
EXHIBIT No. 13

R-5-00-LGB-078 & 079

Letter from Applicant regarding Lot K







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