



Security National Guaranty

April 3, 2014

Dr. Charles Lester, Executive Director  
Mr. Dan Carl, Deputy Director  
Mr. Michael Watson, Staff Analyst  
California Coastal Commission  
45 Fremont Street, Ste 2000  
San Francisco, CA 94105

**RE: Monterey Bay Shores (“MBS”)  
Appeal No. A-3-SNC-114 (Security National Guaranty (“SNG”)  
Hearing Pursuant to Settlement Agreement  
W10a-Th6a-F6a**

Dear Charles, Dan and Mike:

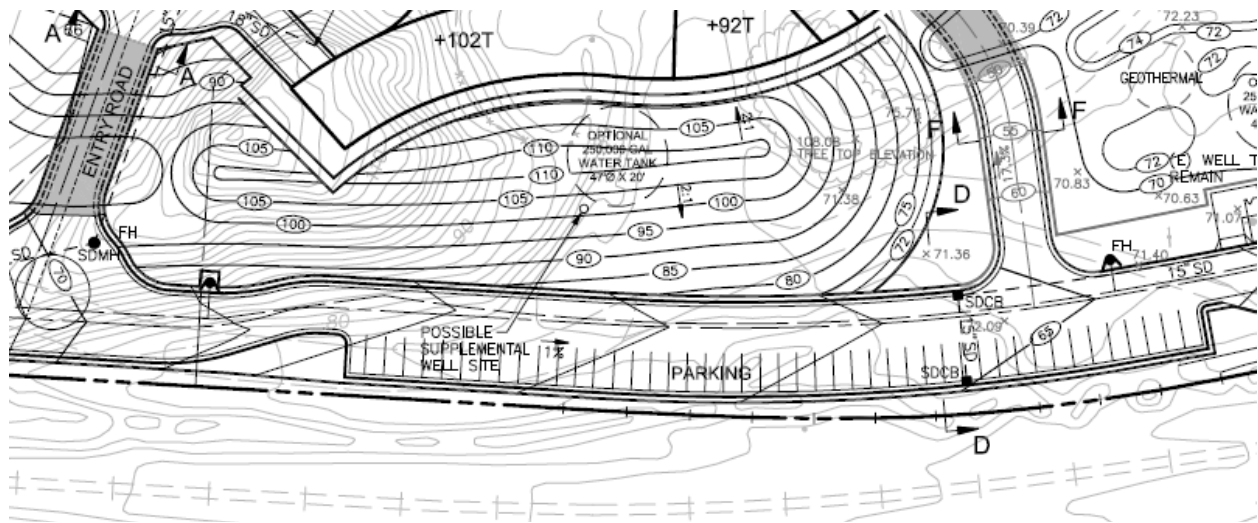
This letter supplements Mr. Steven Kaufmann’s, Richards Watson Gershon, letter to Chair Kinsey and the Commissioners dated April 3, 2014, which addressed key issues raised by SNG. This letter also addresses certain concerns raised by you in our discussions in the March 6<sup>th</sup> meeting in Santa Cruz and the Staff Report just issued W10a-Th6a-F6a concerning the MBS. Most of the concerns addressed here arise as a result of *inconsistencies* with the Settlement Agreement dated December 24, 2013 adopted by you. I would like to address briefly some of the main questions raised by you. I would have hoped that after our long journey we all could have lived up to the terms of the Settlement Agreement and gone into the public hearing in full agreement to settle over 15 years of litigation thus making the Commissioner’s task easier. Mr. Kaufmann in his letter has addressed the Special Conditions by dividing them into two tiers, Tier 1 representing conditions that require tweaking, but should be accepted by Staff, and Tier 2 which are fundamental items to SNG, where we have the greatest disagreement, and which if accepted by the Commission as suggested by SNG in its “SNG’s redline of Staff’s Special Conditions” document received by you, would lead to an acceptable CDP and resolve years of litigation. I would hope that between now and the Hearing next week, we can bridge the gap and reduce the Commissioner’s task even further. We are available to meet with you again in the next few days in order to advance that mission.

**1. MOVING THE PARKING SOUTH & REMOVING LIGHTS:**

Trying to move the public parking area south towards the tunnel or beyond it is a non-starter for numerous reasons.

If one tries to move it south of the tunnel, as suggested by Coastal Commission staff, the entire entry driveway now would have to accommodate, pedestrian traffic, bikes, cars, trucks, and parking which cannot be done without cutting dramatically into the restored dune south of the tunnel, by as much as 30', in order to widen the pavement substantially to support all that traffic and parking simultaneously. Staff wants another 5' separation between the bike trail and the entry way, which would mean additional 5' cut into the restored dune and higher retaining walls to address the differential grades. One would have to install a divider between the parking and the main entry to accommodate traffic and that would require additional real estate and cut into the dune. In addition, if that could be accomplished at all, one would need to build significant retaining walls of at least 30'-35' along the road to support the grade differential between the road elevation and the dune slope. This could create an unstable environment unsafe for vehicular and pedestrian traffic as well as visual impact. Mr. Kaufmann's letter provides an acceptable language that incorporates a physical separation.

On the other alternative suggested by staff on March 6<sup>th</sup>, moving the public parking area south to the roundabout is also a bad design and idea and "crams" and "bottlenecks" the access to the north and from the tunnel. Similar issues identified above would be created. For example, consider a section of TM-2 of the VTM showing the area in question.



North of the tunnel there is less traffic. The road here is used for trucks, service, employees, public parking, residents, pedestrians, bikers, occasional emergency vehicles and access to the parcel in the north. However, similar issues exist. By moving the parking south, no view shed benefits are gained, the dune would have to be cut further and significantly near the tunnel and a large retaining wall of at least 25' would need to be built in the southern portion to make up for the grade differential. The situation would worsen if another 5' separation is required per staff suggestion. Circulation close to the roundabout would be impacted with cars from this

section and cars going into and out of tunnel queuing to make it around the roundabout. This is a bad idea with no immediate benefits. No benefits in terms of lighting is gained either. The 60' buffer between the roundabout and parking in the current design allows for easier transition from the parking area in and out, and especially when 40' trailer trucks are involved. The existing design also accommodates a safer transition for pedestrians, bike riders and the public to make it to the beach trail. Closer proximity to the trail and safer access is insured with the existing design as is, enhanced by physical separation of bumpers, concrete curbs, etc.. The staff suggested that all lighting north of the tunnel and resort signage be removed in order to completely "hide" the project seaward of the restored dune and inland of the restored dune. There is no such LCP policy that is applicable. Lights are installed mainly for safety purposes and are a requirement to secure and make safe the entry and the parking area and 2 north access roads to the resort. Without lighting, public and resort guests and residents as well as employees are put at risk and safety is substantially compromised. Staff suggested that "car lights" can be used to light the entry road? How absurd! On the one hand you wish to extend parking to midnight, yet ask us to provide no lighting or safety for the public??

Lighting has been designed to be subordinate to the background and the plan for the MBS is fully described in the Access, Signage and Lighting Plan (October 2013). Decorative pole lights along the entry drive and part of the parking landward of the dune have been designed to be subordinate to the dune in the background so they do not penetrate the blue sky (nor blue water) and are consistent with the Sand Dunes lights and character installed by Sand City and approved by the Coastal Commission in the past 6 years. A portion of those lights are hidden because the street and parking are below grade on the property line. The MBS lights are entirely subordinate to the dunes. On the north end of the public parking, pathway bollards are designed instead, specifically to be of limited height and well below the line of sight as seen from Highway 1, they are completely hidden, and again below the grade at the property line on the east. Together with low luminosity, they have no view impact. Resort signage in the tunnel area is shown in the ASLP as installed on both sides of the tunnel, on the retaining wall, with down lighting, subordinate to the tall dune but oriented so it can be seen from the north and southerly directions of Hwy 1. Resort signage which is subordinate is also installed in the entry to the resort on California Avenue and on the retaining wall below the large dune. The Access, Signage and Lighting Plan (EMC, 2013) provides the complete analysis and program regarding access, signage and lighting and accompanies these comments to staff.

## **2. LANDSCAPE PLAN: BREAKDOWN OF PLANT COMMUNITIES**

The LP dated 12-23-13 identifies the planting areas and plant communities with a very detailed breakdown of the plant types and intended locations.

SHEET 1: The first sheet identifies the plant regions as follows:  
Beach

Foredune  
Wetland  
Secondary Dune  
Back Dune  
Coastal Bluff Living Roofs  
Hotel and Residential Landscapes  
Holistic Garden

Each region is identified on the LP site plan along with a full description, characteristics and plant types.

SHEET 2: The second sheet identifies the Plant Communities and lists the plant types for each community and region identified on Sheet 1. It additionally includes the Transitional landscapes with the plant types that are native California for the region and chosen by the biologist as appropriate for the site, low on water use and their attractiveness.

SHEET 3: The third sheet identifies the type of green pavers and fences with specific location or property line. The Access Signage and Lighting Plan (October 2013) identifies further interior fencing, such as habitat enclosures and public trails.

The Habitat Protection Plan (October 2013) provides further details for Management Areas and biological goals and specifics for each area. The ASLP and the HPP should be read together with the LP in order to understand the full program for the Monterey Bay Shores Resort and the mitigation measures to be undertaken. Habitat Restoration is a major component of the Monterey Bay Shores. The LP and the HPP address that fully in all zones and management areas of the project. Approximately 21 acres will be restored to foredune, secondary dune, back dune, wetland and coastal bluff habitat. Of the 21 acres to be restored to native habitat, approximately 15.65 acres around the periphery of the development will be placed in open space and/or conservation easement and protected in perpetuity

SHEET 4: The fourth sheet described the Living Roof Elements and how a living roof is constructed.

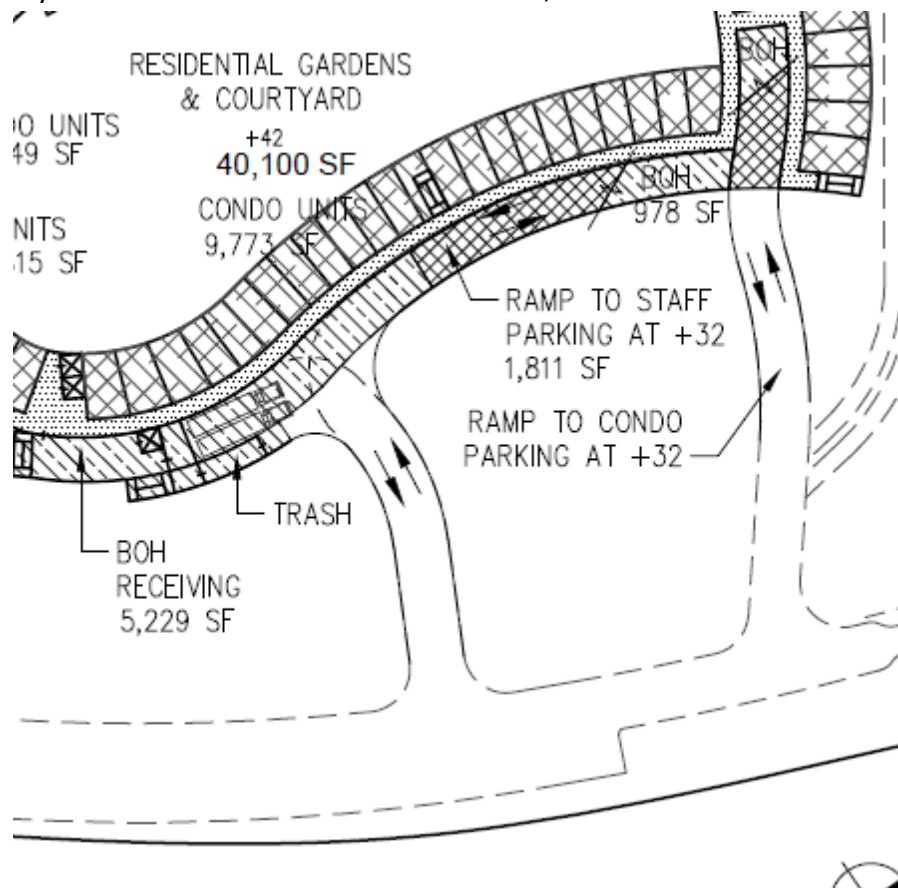
See attached Landscape Plan dated 12-23-13.

### **3. ACCESS TO RESORT NORTH OF ENTRY TUNNEL:**

The resort Site Plan and VTM shows two areas of access to the resort north of the tunnel. These are non-emergency roads that are required as part of the daily Circulation and operations for the resort. Both access roads have been designed specifically so that they are below existing grade, with pavers that match the surrounding earthtone colors, and taken down to level 42', are partly hidden from aerial view with undulating dune sand on top (subterranean access tunnel) and are below the line of sight from Highway 1 so there are no view impacts. This would not be done ordinarily were we not trying to minimize any impacts to the viewshed. Additionally, it must be noticed that this view is not a required LCP viewshed and the travel

south or north on Highway 1 provides less than a 2 seconds peek over the site on the north end.

The first access is the Hotel and Back of House deliveries and service access which also doubles as the Employee parking access. It is best shown when looked at in the MBS Plan, Level 42' previously submitted to the Coastal Commission, a section of which is shown below.



This section shows two 40' trailer trucks, typically around 14' high, that are parked against the loading docks which are provided inside the building so as to hide away from the view corridor. Servicing the hotel with loading docks is an operational requirement. Because we are entering at level 42', the floor plate is 20' high[takes 2 floors], to level 62'. Aside from being below the view corridor, a portion of the driveway is covered making the driveway section near the building a tunnel sufficient in height to accommodate trucks of 15' height and completely hide any vehicles or trucks. The top of this tunnel (which also applies to the Condominium access to the north) appears as a restored dune and integrates seamlessly with the green living roof on top of the building and the surrounding area, providing an undulating dune view from Hwy 1 when travelling either south or north for that less than 2 seconds of view. This is another way in which the MBS provides additional habitat restoration area. Inside the building, a portion that is about 110' in length, allows trucks to turn around and maneuver in and out from the receiving docks at 42' out of sight, inside the building. This access and docking facilities are a standard requirement of any hotel operation and circulation. Because the resort provides only underground parking for guests and residents, there is no other location that can accommodate this required service area. This access also serves as entry driveway for employee parking which takes them to the level below at 32'. That is their only access. This area also serves for Trash to be collected and picked up by the refuse company and is also hidden from view. None of these

services and functions can be accommodated in the main entry. They must be provided elsewhere in or around the building. There isn't the space, turnaround size required by code nor the height of the tunnel to support these requirements.

Notwithstanding the fact that trash, docks, large trucks and employee parking are not placed in the main entry door location, porte cochere or close proximity, even if there was space for it. The additional second access to the north serves as the main access to level 32' parking for the residential condominiums. This parking level is above the main resort parking at 22' which supports the hotel, visitor serving hotel condos and conference center. The top of this second access and tunnel appears as a restored dune and integrates seamlessly with the green living roof on top of the building and the surrounding area, providing an undulating dune view from Hwy 1 when travelling either south or north for that less than 2 seconds of view. This is another way in which the MBS provides additional habitat restoration area. This 32' level parking is under the Courtyard but above the other resort parking at 22' level. Again, its entry is mainly covered by undulating dunes such that in addition to being below grade or out of view line of sight, it cannot be seen. It is the main access for the residential units and is shared with employees at level 32' and must be an integral part of the design to facilitate circulation, safety and ease of access. It is also shared with the Fire Access Road. The residents and employees must drive through the public parking area, which is the only way access and services can be provide for all five uses. This secondary access is also required for a second exit and safety and fire code purposes.

Both access points are necessary and required for proper resort operation, circulation and safety of employees, guests and residents and cannot be moved elsewhere and certainly not eliminated.

#### **4. DISCHARGE OF EXCESS DRAINAGE**

The Monterey Bay Shores is designed so that all drainage is contained within the site. The vegetated living roofs on a good portion of the buildings act as a natural filter media for rain water and help reduce the quantity of storm water runoff and delay the rate at which runoff does occur, resulting in decreased need for, and stress on, storm water infrastructure during peak rain events. Excess water is harvested and used for irrigation and other non-potable uses. In extreme storm situations (>85% storm) where runoff cannot be accommodated by the living roofs, percolating sand or resort's storm water and drainage infrastructure, including bioswales , any excess runoff will be directed to dry wells located on the site (west of the building area but within the setback and on the north side) which will filter the runoff and recharge the aquifer. The Addendum to the EIR examined storm drainage and concluded that with the percolation pond and the bioswales, the infrastructure can sustain 1000 years storm events and that there is no need to connect to off-site storm drainage line. The existing design has replaced the percolation pond with 5 drywell which were sized to capture all excess drainage in the event of extreme storm situations (>85%). Secion 4 of the Addendum EIR (2008), Page 110 recites:

#### 4.16.2.3 *Storm Drainage*

The revised project would add less than five (5) percent impervious surfaces to the project site. The revised project is designed to capture all storm water for on-site use and to allow percolation on the site. The project includes two retention ponds, one located on the northwest portion of the site and one located on the east portion of the site adjacent to Sand Dunes Drive. A bioswale would be located adjacent to the retention pond on the northwest portion of the site. Storm drainage lines ranging from 12 inches to 24 inches would be located throughout the site. Due to the capture of storm water and its on-site reuse, the project would not need to connect with off-site storm drainage lines. The project would not discharge water to a municipal storm sewer system and no storm water outfalls are proposed from the site to Monterey Bay.

The revised project would not result in any new or more significant drainage impacts than were described in the certified 1998 MBS FEIR. **(No New Impact)**

#### 4.16.3 Conclusion

The revised project is not anticipated to exceed the capacity of existing utility systems and will not result in new or more significant impacts to utilities and services systems than those addressed in the certified 1998 MBS FEIR. **(No New Impact)**

Section 4.8.1.3 discusses Flooding potential of the site and concludes that there is minimal flood risk.

#### 4.8.1.3 *Flooding*

According to the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM), the project site is located within Zones C, an area with minimal flood risk, and Zone A, an area subject to inundation by the 100-year flood.<sup>7</sup> The area subject to inundation covers a band of approximately 100 feet inland from the shoreline where no development is currently proposed. The potential for site inundation from storm wave run-up and tsunamis is discussed in *Section 4.6 Geology and Soils*.

Section 4.8.1.1 further addresses Drainage quality of the site and potential storm runoff and concludes that most stormwater percolates into the soil (sand). As such, there will be no runoff into the Pacific Ocean or Fort Ord Dunes State Park.

#### 4.8.1.1 *Drainage*

The project site is presently vacant and contains no drainage facilities. The irregular topography of the site including the sand pit in the southwestern portion of the project site results in an uneven drainage pattern. Stormwater currently percolates into the sandy soil of the site and little stormwater runoff enters the bay as surface water runoff. Because Sand City is principally located on sand dunes, most stormwater percolates into the soil.

## 5. HABITAT PROTECTION PLAN

The HPP (October 2013) provides a very comprehensive plan to establish effective program to minimize impacts to the covered species, establish objectives and performance standards. In many ways, it is a much more comprehensive document that could have been prepared under a

Habitat Conservation Plan. While not legally required, SNG worked with the USFWS and submitted for their review the extensive HPP for the Ecoresort project (2009) which is substantially the same as the 2013 HPP. They provided a letter dated November 12, 2008 to SNG which indicated that “The HPP describes a program to avoid, minimize, and mitigate potential impacts to federally listed and other special status species. The HPP outlines biological goals that would avoid and minimize impacts to listed species; regulate construction activities; and provide, preserve, restore, manage, and maintain habitat.” See attached letter dated November 12, 2008 , Mr. Pereksta, USFW Service. Included in the biological goals “Provide and manage nesting, brooding and foraging habitat for the western snowy plover in the coastal strand areas of the project site”. Attached to Staff Report is a letter dated May 6, 2009 from the USFW Service , Exhibit 25, which SNG learned later was a response to a request by staff for a letter which neutralizes the Nov. 12<sup>th</sup> letter, in preparation for Staff Report 2009 recommending denial of the MBS project.

The MBS site is a degraded site having been mined for over 65 years. Its biological resources have been documented in numerous studies since 1986, including reports by Point Reyes Bird Observatory (PRBO) which looked into the breeding success of snowy plovers on the Monterey Bay since 1984, and have done surveys on the MBS site especially in the breeding season from April-September. The PRBO found over the years that nest activity on the site was minimal, only 2-3 siting in 15 years and a decline in general in nestings western snowy plover in the area considered the Monterey North(Sand City shoreline) area, including the MBS site. From 2005 to 2011 no nests were documented on the MBS site. PRBO has concluded along with the biological consultants that “during the past decade and continuing in recent years, plover nesting activity has increased at other Monterey Bay area locations, most notably at the Moss Landing Salt Ponds managed by PRBO approximately 12 miles north of the project site”. The salt ponds have emerged as the most productive habitat for the snowy plover in the Monterey Bay region. Prior to 2012, the MBS site was not subject to Critical Habitat for the snowy Plover. Late In 2012 the USFW Service re-designated most of the Monterey Bay beaches subject to snowy plover Critical Habitat(CH), including the MBS site. They expanded the CH designation from the lower beach to include a portion of the upper coastal strands near the blufftop in order to include potential future blufftop recession due to sea level rise impacts. It is not even clear what sea-level-analysis they used or considered, but that was the reason given for expanding the designation. However, the MBS development is landward of that designation and outside of the CH area. No snowy plovers have ever been documented historically on the foredune area of the MBS site or even landward in the development footprint. None the less, the MBS Ecoresort provides full management and biological monitoring and stewardship to promote the snowy plover as is fully outlined in the HPP (EMC, October 2013), Exhibit 20 to the Staff Report.

## **6. COASTAL HAZARDS**



Mr. Kaufmann has detailed extensively in his letter to Mr. Kinsey, Chair dated April 3, 2014, why “mat” foundations do not work nor are acceptable in order to address coastal hazards at the site and public safety issues; in addition he has addressed the unwarranted 50’ setback and blufftop monitoring program suggested by Staff. In the letter to the Chair, Mr. Kaufmann outlines what is acceptable to SNG.

Significant research, analysis and engineering know how has been applied to studying the MBS site by geotechnical, structural, civil engineers and architects. Most recently, in response to Staff Report recommended Conditions and Findings for the April 9, 2014 hearing, Haro Kasunich and Associates provided further response to issues raised by Staff. A HKA letter dated 1 April 2014 is attached herewith.

Additionally, MBS structural engineers submitted an opinion and review letter regarding foundation types and what is required for the MBS resort. Like HKA, their conclusion is that caissons and piles or piers are required in order to address the hazards of the project site. See the attached letter dated March 25, 2014, Magnusson Klemencic Associates. All these conclusions are independent of any impacts or consideration given to wave action.

The conclusion of both geotechnical and structural engineers is that mat foundations are not appropriate to address what’s needed, the 50’ blufftop setback is unwarranted and that the blufftop monitoring is unwarranted, can be done in simpler ways, not needed more frequently than every 10 years, and that if the blufftop reaches to within 25’ of the building, that might serve as a signal to begin preparing a plan for removal or relocation of buildings that might be damaged in the future.

For the reasons noted here and in Mr. Kaufmann’s letter, SNG requests that the Commission approve the MBS Ecoresort with the revisions to the conditions in the SNG Redline document attached to Mr. Kaufmann’s letter to Chair Kinsey.

I look forward to narrowing the issues with you before the Hearing next week and to bringing this 15 years of unnecessary journey to an end.

Sincerely yours,

**Edmond Ghandour**

Edmond Ghandour  
03/04/14 12:06 -07:00  
Signed on behalf of



Dr. Edmond Ghandour  
President

cc. Steve Kaufmann  
Thomas Roth  
Madeline Cavalieri, District Manager  
David Pendergrass, Sand City Mayor  
Jim Heisinger, Sand City Attorney  
Kelly Morgan, Interim City Administrator  
Anne Blemker, McCabe and Associates  
Susan McCabe, McCabe and Associates

Project No. M5613.1  
1 April, 2014

SECURITY NATIONAL GUARANTY, INC.  
505 Montgomery Street, Suite 1150  
San Francisco, CA 94111

Attn: Dr. Edmond Ghandour

Subject: Haro Kasunich and Associates Inc. Response to CCC Staff  
Report W10a-Th6a-F6a dated 3/21/2014

Reference: Proposed Monterey Bay Shores Development  
APN 011-501-14  
Sand City, California

Dear Dr. Ghandour:

Attached are our comments on the California Coastal Commission Staff Report W10a-Th6a-F6a dated 3/21/2014.

**Special Condition 9 (g):**

Coastal storms and high tide events are very predictable in the near term. Mark Johnsson (CCC Staff Geologist) acknowledges that large episodes of recession can occur over a winter period. They do not occur in a single day. In contrast to other natural hazards that create sudden endangerment of health and safety (e. g. fire, earthquake, tornadoes, etc.) coastal erosion risks to health and safety are not sudden events; they can be forecast. The concern of health and safety of occupants of the proposed MBS Resort does not justify a minimum 50 foot blufftop setback requirement. Special Condition 9 (g) 1., which requires that the affected portion of the development is not to be occupied or used, and requires that portion of the development be immediately removed, because damage cannot be abated by ordinary repair and/or maintenance, is sufficient to address that concern. When a future 2 to 1 gradient erosion scarp reaches the MBS Resort buildings, the buildings will still be embedded a minimum of at least 10 and probably 12.5 feet below the finished grades at 32 foot elevation that surrounds the oceanfront portions of the buildings. At that point, the bearing support for the buildings will not be compromised by erosion that has not yet impacted the perimeter foundations of the buildings. As an example, the hot spot and deep scour that occurred in front of the Monterey Beach Hotel 10 years ago

impacted and undermined the essential protective vertical seawall there. That is, beach scour deeper than an elevation of -2 feet from deep beach erosion occurred along the base of the protective seawall, which was necessary to support the hotel foundation. Although emergency procedures were necessary to maintain the backfill and structural integrity of the seawall, the hotel was fully functional during the emergency event with only the ground floor ocean front units unoccupied. The remainder of the hotel was fully occupied with no concern for the health and safety of the guests and staff. The proposed MBS Resort building basement floors will be founded at an elevation of 22 feet, and setback over 360' from the Mean High Tide Line as surveyed in 1995 and in October 2013, not at sea level where the Monterey Beach Hotel seawall was being undermined with little or no setback, making catastrophic erosion concerns at the Monterey Beach Hotel significantly greater and higher than at the proposed MBS Resort with it's 75 years setback.

Coastal staff has mentioned an opinion Haro, Kasunich and Associates presented that was general to southern Monterey Bay that an episodic event leading up to 50 feet of bluff recession from coastal erosion could occur in the future. This type of recession could occur during a future El Nino type storm sequence similar to the 1983 storms. The 1983 El Nino episode took 6 weeks to occur. A review of research by Quan (2013) indicates 44 feet of recession occurred during the 1997-98 El Nino winter in a spot about one mile north of the proposed MBS Resort. Yet, the MBS site only incurred an average of 7 feet of recession, as measured at the toe of the bluff, during the 18.75 year period between the 1995 and 2013 topographic surveys. The coastal storms that caused this type of erosion are not sudden and unexpected events. Significant coastal erosion during storm activity is a consequence of high tides and large ocean storms developing waves from expansive fetch areas over extended periods of time (weeks to months).

Staff recommends that if a government agency indicates the development is unsafe to occupy (Condition 9 (g) 1.), or if the foundation is undermined and exposed to daylight (Condition 9 (g) 4.) then the affected portion of the development shall be removed. The Removal and Restoration Plan criteria stipulated in Condition 9 (g) 2. requires that if the blufftop erodes to be closer than 10 feet to the buildings that portions of the buildings be removed to create a minimum 50 foot setback from the edge of the bluff to the newly relocated face of the building. Use of a 10 foot setback as a required boundary to begin teardown of the buildings is not warranted. Without compromising health and safety, teardown can be initiated when the bluff edge reaches the face of the buildings, and are damaged or compromised beyond repair or pose health and safety concerns. Special Condition 9 (g) 1., which requires that the affected portion of the development is not to be occupied or used, and requires that portion of the

development be immediately removed, because damage cannot be abated by ordinary repair and/or maintenance, is sufficient to address that concern.

In our opinion, erosion to within 25 feet of the buildings could be a "signal" to prepare a plan for building tear down and removal at some future date if structures are damaged or undermined. At this point, the ocean front side of the impacted, damaged, or unsafe buildings can be torn down and removed from the site in an orderly manner. From a geotechnical and coastal hazard perspective, dismantling the structure can begin 25 feet landward of the seaward face of the building and progress towards the seaward side, without compromising health and safety. The construction zone of the building would be well founded and secure during the tear down and removal due to the minimum 10 foot embedment depth of the structure. The rest of the MBS Resort could be occupied and functional as was the case of the Monterey Beach Hotel.

In summary, even an unlikely 50 feet of erosion in one season on this site would not constitute a catastrophe. It is not a sudden risk. Tide tables, storm fetch monitoring and surf forecasts allow observation and appropriate emergency action to occur in a constructive manner. Health and safety to the occupants are not an issue prior to and during the episodic event. The tools exist to predict, evaluate and control the potential hazard. Mitigations to this episodic event are possible, including evacuation of a portion of the seaward buildings and the implementation of tear down and removal of the affected seaward edge of the buildings. The Ocean View Plaza project in Monterey, which the Commission approved in late 2008, and which we are familiar with is located in Monterey Bay, and will be impacted by the same sea-level rise effects as MBS. That proposed development has foundation piles proposed in the surf zone.

It should be mentioned that after episodic events that cause large amounts of recession and beach scour, accretion commonly occurs and continues to occur after the incident. This would likely be the case even if the erosion recession line impacted the building.

We reiterate the following from our October 2013 Geotechnical and Coastal Engineering Update:

*We have reviewed the 1995 and 2013 surveys of the +20 foot elevation contour across the project site, which is just above the location where the beach meets the bluff face; and find that there has been between 6 feet of accretion and 19 feet of recession (with an average of about 7 feet of recession) at that elevation in the 18.75 year period between the surveys. The repetitive surveys clearly documents that much slower bluff recession occurred between 1995 and 2013,*

*than has been previously predicted by various models that were based on historical recession rates. The Sand City methodology uses 2.4 feet per year as a historical basis for predicting future recession; other researchers use 2.6 to 6.4 feet per year. Thus these methods would predict 45 to 120 feet of recession within the 1995 to 2013 period, when only an average of 7 feet of recession actually occurred, as measure at the base of the bluff.*

That is, the researcher's predictions were 600% to 1700% greater than actually occurred, during this time period at the MBS site. This site specific data suggests that the concerns that episodic events of erosion that have the potential to cause 50 feet of bluff recession from coastal erosion at the site are few and far between. These type of events are unlikely to occur except when widespread erosion is occurring throughout Monterey Bay such as that which occurred in 1983 (30+ years ago).

**Special Conditions 9 (f) 1. & 2. :**

This condition recommended by staff outlines a comprehensive detailed erosion and recession monitoring program with extremely frequent repetitive surveys and repetitive photography of bluff edge position. While such data may be of academic interest, a program of this magnitude and scope is not warranted and is totally unnecessary to be able to determine when coastal recession is approaching the proposed buildings. The buildings are proposed more than 200 feet inland from the bluff edge now and more than 360 feet from the Mean High Tide Line now. To assess the progress of coastal recession relevant to whether the buildings are endangered, the bluff edge does not need to be surveyed and photographed annually and more frequently after episodes that cause 10 feet of erosion or more. An initial schedule of surveying and photography once a decade would be more than adequate to achieve that goal. This has been done on the MBS site over the past 2 decades and can continue. After each survey, a recommendation could be made when the next survey would be appropriate. Reference points at 25 foot spacing are not needed to establish whether the top edge of bluff has receded. This is an overkill and an unusual requirement to impose. Building corners can be used as reference points. Modern conventional survey methods (including Real-Time Kinematic Surveying) can be utilized to assess whether the top edge of bluff has receded. A licensed engineering geologist or geotechnical engineer can establish the bluff edge survey points easily. Photography is not required to do so. The required criteria for the Blufftop Edge Monitoring Plan result in a very complex methodology to accomplish a very simple result that can be determined in a much less time consuming, much less expensive and straightforward manner. In our opinion, the Blufftop Edge Monitoring Plan as described is unwarranted.

**Special Conditions 1(r):**

This condition as recommended by staff suggests incorporating "mat foundations or severable foundations that are limited in size, areal extent and depth...". We do not find this foundation recommendation a suitable solution for the MBS Resort.

We reiterate the following from our 16 January 2014 letter entitled "Additional Response to Coastal Commission Request of 15 January 2014": *Foundation design needs to incorporate the impact of such seismic shaking. Due to the young depositional characteristics of dune sands, it is highly likely that deep piers and piles will be needed to mitigate the static and dynamic settlement associated with seismic shaking and potential liquefaction. Deep piers or piles will need to penetrate loose dune sands to elevations below the liquefaction zone which is commonly encountered at sea level. Spacing and depth of foundation piles and piers will be determined based on structural loading of the building and the subsurface characteristics of soils encountered below various locations of the structure. Neither revetments nor seawalls will be used as protective measures or to support the buildings.*

The Structural Engineers for the project, Magnusson Klemencic Associates, have also examined proposed foundations for the buildings and addressed that in their March 25, 2014 opinion letter following a review of documents we provided to them and consultation with HKA. We agree with their opinion that:

*...deep foundations with pile construction will be required as part of this project's development...a deep foundation solution that involves piles or caissons will be the most appropriate and safest foundation solution... With pile foundations, slabs on grade would be designed to span between the piles as an elevated structural slab. Should future site settlement or liquefaction from seismic event cause the soils below the slab on grade to settle, interior project finishes would be protected from damage with the spanning slab. This approach also allows for minimizing of ground drainage systems and other site soil preparation prior to building the slab on grade. In our view, we have not considered any wave action or other ocean-related site impacts from water.*


HKA agrees with MKA's assessment and conclusion that deep foundations involving piles and caissons are required for the uneven structural loads and variable founding layers that exist across the MBS Resort site in order to address the various applicable hazards.

Security National Guaranty  
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Proposed Monterey Bay Shores Development  
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If you have any questions concerning the data or conclusions presented in this letter, or if you want to discuss anything, please phone 831-722-4175 Extension 0.

Sincerely,

**HARO, KASUNICH & ASSOCIATES, INC.**



Mark Foxx  
Engineering Geologist  
C. E. G. 1493



John E. Kasunich  
Geotechnical Engineer  
G.E. 455

MF/JEK/dk

Copies: 1 to Addressee via email





# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Ventura Fish and Wildlife Office  
2493 Portola Road, Suite B  
Ventura, California 93003



IN REPLY REFER TO:  
81440-2009-B-0044

November 12, 2008

Ed Ghandour  
Security National Guaranty  
505 Montgomery Street, Suite 1150  
San Francisco, California 94111

Subject: Monterey Bay Shores Eco-Resort, Sand City, Monterey County, California

Dear Mr. Ghandour:

In recent months, you have provided us with information on revisions to the subject project (which was previously proposed in 1998). On July 16, 2008, you visited our office to present an overview of the design changes you have made to your project. On August 18, 2008, we received a copy of a draft addendum to the final environmental impact report. On October 16, 2008, and October 27, 2008, we received draft and final copies of a "habitat protection plan (HPP)." The proposed project consists of construction of a 161 room hotel, 180 condominium units, conference facilities, a restaurant, a spa, public access, and parking. These facilities would be constructed on a 39-acre ocean-front parcel in Sand City, California.

We appreciate your efforts to keep us informed regarding your planning for the subject project. While we have not been able to review the documents thoroughly, we note that the number of visitor serving units has been reduced, the setback from the high tide line has been increased, and water and power use have been reduced relative to the previous version of the project.

The project site includes known occupied habitat for the federally endangered Smith's blue butterfly (*Euphilotes enoptes smithi*) and the federally threatened western snowy plover (*Charadrius alexandrinus nivosus*) and Monterey spineflower (*Chorizanthe pungens* var. *pungens*). All of these species have been documented in recent surveys, including nesting western snowy plovers during the 2008 breeding season.

The HPP describes a program to avoid, minimize, and mitigate potential impacts to federally listed and other special status species. The HPP outlines biological goals that would avoid and minimize impacts to listed species; regulate construction activities; and provide, preserve, restore, manage, and maintain habitat. The project is expected to avoid the buckwheat host plants for the Smith's blue butterfly; regardless, host plants would be included in revegetation efforts. The HPP also describes provisions in the design to re-establish Monterey spineflower in areas where it would be removed by grading. In addition, a program for providing, protecting, and managing habitat for western snowy plovers is outlined including provisions for adaptive management to adjust to nesting plovers when they may occur on the property.

Ed Ghandour

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A commitment to fund and implement the actions described in the HPP would help ensure that potential impacts from the proposed project are avoided or minimized. The changes to the project design and proposed management actions may offer benefits to listed species on the project site. We are available to discuss this project further as you continue to seek the necessary regulatory approvals. If you have any questions, please contact me at (805) 644-1766, extension 320.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. M. Pereksta', with a long horizontal line extending to the right from the end of the signature.

David M. Pereksta  
Assistant Field Supervisor