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January 7, 2013

Steve Matarazzo
City Administrator/Community Development Director
City of Sand City
1 Sylvan Park
Sand City, CA 93955

SUBJECT: DEIR FOR THE COLLECTION AT MONTEREY BAY

Dear Mr. Matarazzo:

LandWatch Monterey County has reviewed the proposed project which includes development on a 26.46 acre parcel on the west side of State Route 1 (SR 1), north of Tioga Avenue and intersected by Playa Avenue. We have the following comments:

1. Project Description. The project may be constructed in one phase or two phases as described below:
 - Phase I - a 139 room hotel in four clusters of three to four stories on 7.9 acres. The hotel would be comprised of vacation ownership units restricted to a limit of 29 consecutive days and 84 total days in any one year period. Sand Dunes Drive would be extended from Playa Avenue to Tioga Avenue.
 - Phase II - a 203 room resort, restaurant with banquet facilities, a Tapas bar, a bakery, a wine center, deli juice bar, conference and meeting facilities, a health/wellness spa on 16.25 acres. Buildings would be two to five-stories, and public parking would be provided on an adjacent 2.31 acre parcel. Ninety-five of the units would be ownership units.
 - 758 parking spaces would be provided

The existing coastal armoring along the seaward side of the site would be replaced by coastal foredunes on site. The rear dunes along SR 1 would be stabilized to keep sand from drifting into the southbound lanes.

An MOU signed by the City of Sand City, California Department of Parks and Recreation and Monterey Peninsula Regional Park District in 1996 supports 300 to 450 mixed hotel and visitor-serving units on two of the parcels and public use for the City owned parcel.

2. Parking. Table 1.3-1 identifies 652 parking spaces for resort parking and 106 spaces for public parking for a total of 758 parking spaces. Page 40 identifies 639 spaces for resort parking. These numbers should be reconciled.
3. Visual Impacts. The DEIR describes mitigation measures proposed by the project to reduce its visual impact including reducing buildings heights of Hotel 1. DEIR p. 85. We assume reference to measures proposed by the project refers to measures proposed by the project applicant. Since these measures are proposed by the applicant, please explain why the project has not been redesigned to reduce the height of Hotel 1 instead of including this provision as a mitigation measure.
4. Transportation. Intersections affected by the proposed project currently operating at LOS E include Fremont Blvd/SR 1; Monterey Road/Ord Avenue. SR 218/ SR1 NB ramps and Del Monte Boulevard/Canyon Del Rey Boulevard operate at LOS D. The DEIR finds the project would have significant impacts on Fremont Boulevard/SR 1; Monterey Road/Ord Avenue.

The mitigation measure includes payment of the Transportation Agency for Monterey County (TAMC) Regional Development Impact Fee to fund proposed improvements. The DEIR finds the improvements would reduce impacts to less than significant even though these improvements are not fully funded. DEIR p. 107. The TAMC schedule shows project completion by 2018; however, the schedule is based on the assumption that funding will be secured. The TAMC report states, “Due to lack of funding, project schedule is subject to revision.” Because of uncertainty regarding highway project completion, the proposed project’s impact on affected intersections would be **significant and unavoidable**.

The following SR 1 segments currently operate at LOS D: Fremont Boulevard to Ord Main Entrance (SB). Segments at LOS E include SR 218 to Fremont (NB), SR 218 to Fremont (SB), SR 218 to Del Monte Boulevard (NB) and South from SR 218 to Del Monte Boulevard (SB). The DEIR finds the project would have significant impacts on SR 218 to Fremont (NB), SR 218 to Fremont (SB), SR 218 to Del Monte Boulevard (NB) and South from SR 218 to Del Monte Boulevard (SB).

The mitigation measure includes payment of the TAMC Regional Development Impact Fee to fund proposed improvements. The DEIR finds the improvements would reduce impacts to less than significant even though these improvements are not fully funded. DEIR p. 107. The TAMC schedule shows project completion by 2018; however, the schedule is based on the assumption that funding will be secured. The TAMC report states, “Due to lack of funding, project schedule is subject to revision.” Because of uncertainty regarding highway project completion, the proposed project’s impact on affected highway segments would be **significant and unavoidable**.

5. Groundwater. The DEIR provides background information regarding the Seaside Groundwater Basin. It fails to address the impact of climate change on seawater

intrusion which could affect groundwater quality. The DEIR should be amended to address climate change impacts on groundwater quality.

6. Ocean Wave Run-up and Coastal Flooding. The DEIR includes a wave run-up analysis which suggests that some of the proposed buildings would be subject to wave run-up. The proposed mitigation measure recommended by the applicant is a design-level geotechnical investigation to be approved by the City of Sand City Engineer. This is a deferred mitigation measure which should be undertaken with findings provided in a revised DEIR. Additionally, please explain why the mitigation measure is not part of the project since it is proposed by the applicant.

The DEIR includes the following mitigation measure that could be required by the City Council and reduce the impact to less than significant:

MM GEO-2.5: The project should be partially redesigned so that structures, elements, and amenities of the development (i.e., pool, spa, etc.) are all located landward of the 50-year setback line. DEIR p. 127.

Since this is a feasible mitigation measure, under CEQA it must be adopted as part of the project. Further, the redesign should be addressed in a revised DEIR so the public has an opportunity to review and comments on possible impacts.

7. Biological Resources. The DEIR finds the project would have significant impacts on the Monterey Spineflower, Western Snowy Plover, Smith's Blue Butterfly and Black Legless Lizards. The DEIR finds impacts would be reduced to less than significant with implementation of the Habitat Protection Plan. Appendix D states, "A Habitat Protection Plan (HPP) is currently being prepared for the Collection at Monterey Bay project in conformance with the requirements of the Sand City LCP." Appendix D, p. 11. The DEIR should be revised to include a completed Habitat Protection Plan that addresses specific implementation procedures and responsible agencies for plan implementation.
8. Air Quality.
 - A. Construction Emissions. The DEIR finds that construction emissions would not have a significant air quality impact because emissions have been included in the AQMP emission inventories. DEIR p. 146. Only those emissions from typical construction equipment are accommodated in the VOC and NOx emission inventories. Monterey Bay Unified Air Pollution Control District (MBUAPCD) Air Quality Guidelines, Sec. 5.3. The MBUAPCD should be consulted regarding construction equipment to be used for the project to determine if emissions are included in the inventories.
 - B. PM10 Emissions. Table 3.8-2 identifies a total of 46.6 lb/day of PM₁₀ emissions and compares emissions to a significance threshold of 82 lb/day. This threshold only applies to fugitive dust emissions and not vehicle emissions. MBUAPCD Air Quality Guidelines, Sec. 5.3. Based on the data in the appendix, area and vehicle

emissions of PM₁₀ total 2.16 lb/day not 46.6 lbs per day. The table should be corrected.

9. Climate Change.

- A. Greenhouse Gas Emissions (GHG). The project would emit 5,493.62 annual metric tons of CO₂ equivalent emissions (MTCO₂e) and exceed the threshold of 1,100 MTCO₂e by almost 4,400 MTCO₂e. Mitigation Measure GHG-1.2 requires preparation and implementation of a Greenhouse Gas Emissions Reduction Plan to offset about 4,400 MTCO₂e. The DEIR recommends several options, including the purchase of offsets at \$57,650 per year. Even though the mitigation measure is deferred to a later time, the DEIR finds the impacts of GHG emissions on climate change to be less than significant. Since it is uncertain if GHG emissions can be totally offset or if the annual purchase of offsets is feasible, the Plan should be prepared and included in a revised DEIR so the public has an opportunity to review and comment on it.
- B. Sea Level Rise. The Coastal Recession and Wave Run-up Evaluation for the project assumed 1.8 feet of sea level rise. Based on projections, the buildings on the project site would be subject to flooding from sea level rise by 2100. The proposed mitigation is for the applicant to develop an adaptive management plan to remove and/or relocate portions of the project that may be affected by sea level rise. Even though this is a deferred mitigation measure, the DEIR finds that sea level rise would not have a significant impact. Instead of deferring the mitigation measure to a later date, the project should be redesigned to address sea level rise, and the DEIR should be recirculated for review and comments.

10. Cumulative Impacts.

- A. Cumulative Project List. The 10 projects identified in Table 5.2-1 differs from Table 3.4-7 with lists 26 projects. Since the cumulative project list should include past, present and probable future projects, the two tables should be combined eliminating duplicates and used to update all cumulative impact analyses.

Since the cumulative impact analyses were based on incomplete data, all the findings regarding impacts and proposed mitigation measures for visual, transportation and biological impacts should be updated.

- B. Consistency with the AQMP. Cumulative air quality impacts are addressed by determining if a project is consistent with the AQMP. Footnote 58 indicates that the MBUAPCD finds the project consistent with the AQMP. The consistency analysis on p. 64 of the DEIR states, "The number of hotel rooms proposed by the project is consistent with the inventory accommodated in the 2008 Air Quality Management Plan." Please identify how many hotel rooms are accommodated in

the AQMP and the number of hotel rooms that remain after the cumulative list of hotel rooms has been subtracted from total hotel rooms.

11. Significant and Unavoidable Impacts. The DEIR finds that the project would result in a significant unavoidable impact due to portions of the proposed development being located within the 50-year coastal erosion setback line. DEIR, p. 199. However, as noted above, redesign of the project would reduce this impact to less than significant. Additionally, the Design Alternative would address this impact as well. Since CEQA requires adoption of all feasible mitigation measures and/or alternatives that reduce significant impacts, the Design Alternative is required to be adopted if the project is approved since this alternative would reduce impacts and would be consistent with the following project objectives:

- Develop a resort of at least 300 units with culinary and conference meeting space
- Support the City's public access and visitor-serving policies
- Support the City's objective of providing added tax revenue for general municipal purposes. DEIR, p. 24:

As noted above, it is our opinion that traffic impacts at intersections and on segments of SR 1 are significant because the proposed mitigation measure requiring contribution to the Regional Development Impact Fee is uncertain and may not mitigate traffic impacts when the project is completed. Traffic impacts should be identified as **significant and unavoidable**.

Other impacts may be determined to be **significant and unavoidable** depending on revised analyses as identified in items 9 and 10 above.

Thank you for opportunity to review the DEIR.

Sincerely,



Amy L. White
Executive Director