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California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219

California Coastal Commission Central Coast District Office 725 Front Street, Suite 300 Santa Cruz, CA 95060

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RE: Monterey Bay Shores Project, Sand City Application No. A-3-SNC-98-114 (SNG Development Co., Monterey Co.)

Dear Chair Neely and Commissioners:

LandWatch Monterey County appreciates receiving a copy of the staff report for the Monterey Bay Shores project and would like to commend the staff for the careful analysis of the project's inconsistency with the Coastal Act and the Sand City LCP. This 341-unit complex, now known as the "Ecoresort," would be located on 32 acres of Sand City's dunes on the Monterey Bay. The environmental impact report (EIR) was issued by Sand City in 1997. The project has since been redesigned. Sand City issued an addendum to the EIR in 2008 and again approved the project. There are several problems:

First, the original EIR is 11 years old. CEQA (CEQA §21166) requires the preparation of a Subsequent EIR if:

- (a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.
- (b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.
- (c) New information, which was not known and could not have been know at the time the environmental impact report was certifies as complete, becomes available.

<u>Substantial Changes to Circumstances Under Which the Project is Being Undertaken and</u> New Information Available

The analysis of the 1998 EIR Addendum is insufficient and requires a subsequent EIR in order to comply with CEQA. The following circumstances and new information require new analysis:

- 1. State Water Resources Control Board (SWRCB) Order 95-10 required reduced pumping from the Carmel River. Because efforts by Cal-Am and MPWD have failed to achieve any significant reduction of unlawful diversions from the Carmel River since 1998, SWRCB has issued a Draft Cease and Desist Order (CDO) with a final order expected later this year. The issuance of the Draft CDO alone is a new circumstance requiring a new EIR and project impacts on the environment and existing water users must be considered in a Subsequent EIR in light of a final CDO.
- 2. Since the project was approved, the Seaside Groundwater Basin was adjudicated, and it was determined that the Basin is in overdraft. The court also determined that the project applicant (Security National) is entitled to 149 AFY from the basin. The DEIR states that water demand for the revised project is estimated at 63.8 AFY, and CalAm would provide water service. Because the revised project would use less water than the approved project, the Addendum finds the project's impact on groundwater to be less than that of the approved project. CEQA requires that the project's impact be evaluated against existing conditions, not another project. Clearly, additional withdrawal from the basin would have a significant adverse impact on groundwater supplies and water quality. Further, the impact on other water users could be significant if they would be required to reduce their water extractions so that this project could be served. This potential impact requires a Subsequent EIR.
- 3. Sand Dunes and sand removal. The redesign places structures into the sand dunes to conceal the project and protect views from Highway 1. However, the shifting sand and the potential for revealing portions of the structure have not been evaluated. Also, government agencies and the public have not had an opportunity to review the studies on dune stabilization. Also, the project requires removal of 420,000 cubic yards of sand. The destination of the sand could have adverse affects on water resources or other public trust resources the District must protect. Because the destination of the sand is not identified with certainty in the addendum, this issue should also be addressed in a Subsequent EIR.
- 4. <u>Air quality</u>. Since the original EIR was approved, the California Air Resources Board identified particulate matter from diesel-fueled engines as a toxic air contaminant. Diesel exhaust emissions from more than 10,000 truck trips needed to haul 420,000 yards of sand off-site must be addressed.
- 5. <u>Traffic</u>. Levels of service on roads affected by the project have declined since original project approval. While the addendum finds the project would have significant impacts on roadways, the public has not had a chance to comment.
- 6. <u>Climate change</u>. New information on climate change and its impacts on coastal resources have become available. While the addendum finds that the revised project has

been set back further than the original project based on estimates of sea level rise, the public has not had an opportunity to evaluate this new finding.

7. **Erosion**. The Association of Monterey Bay Governments issued a report in 2008 on bay coastal erosion and sediment management, describing problems of rapid erosion. This new report has not been considered. Additional environmental review is clearly required before there are further agency considerations.

LandWatch supports the Coastal Commission staff's recommendation and agrees that the project is fundamentally inconsistent with Sand City LCP policies regarding protection of significant public views; protection of dunes and sensitive natural resources; safety from coastal hazards; identification of adequate water supply; and traffic and circulation.

Thank you for the opportunity to comment on this project application.

Sincerely,

Amy L. White, Executive Director LandWatch Monterey County