

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 12-13, 2004

Reference No.: 2.1a.(3)  
Action Item

From: ROBERT L. GARCIA  
Chief Financial Officer

Prepared by: Jim Nicholas  
Division Chief  
Transportation Programming

Ref: **STIP AMENDMENT 02S-128**

The Department of Transportation (Department) is requesting the California Transportation Commission (Commission) approve this State Transportation Improvement Program (STIP) amendment. This amendment was noticed at the April 2004 Commission meeting.

**Action Update:** This Action has been revised from the Notice. The description of property was modified to clarify the project.

The Department requests the Commission approve this amendment to program the Hearst Ranch Transportation Enhancement (TE) project (PPNO 1810) into the 2002 STIP for \$23,000,000 of Interregional Improvement Program (IIP) funds for Right of Way in FY 2003-04. The project is for purchase of an approximately 18 mile long scenic easement near San Simeon, consisting of property from the westerly edge of the existing Route 1 to the Mean High Tide. The Hearst Corporation will donate additional land between the Mean High Tide and the westerly edge of existing Route 1 to provide the soft match required for the TE project.

## **RECOMMENDATION:**

The Department recommends that the item be approved.

**BACKGROUND:**

This is a TE project that will provide property rights acquisition for a scenic easement within the Hearst Ranch in San Simeon, California located in San Luis Obispo County. The property is located on the west side of All American Roadway/Scenic Route 1, directly adjacent to the Pacific Ocean, extending approximately 18 miles between Pico Creek and Ragged Point. Land use within the scenic easement will be limited to open space, allowing passive recreation and scenic viewshed protection consistent with the scenic designation. The Hearst Corporation will donate additional land with a minimum value of \$2,980,000 as a soft match required for the TE funds. The additional donated land will also be located between the Mean High Tide and the westerly edge of Route 1.

Contingent on approval of this STIP amendment, the Commission will be requested to approve an allocation request, under item 2.5b(7). It is recommended that the allocation be conditionally approved, but funds not transferred until approval of an amendment adding the project to the Federal State Transportation Improvement Program (FSTIP). On May 5, 2004, the San Luis Obispo Council of Governments (SLOCOG) is scheduled to approve an amendment to their Federal Transportation Improvement Program for inclusion of the Hearst Project. The SLOCOG amendment will be conditioned on the Commission’s approval of this STIP amendment. Following Commission approval of the STIP amendment, the SLOCOG amendment will be forwarded to the Federal Highway Administration and the Federal Transit Authority for approval and inclusion into the FSTIP. It is anticipated that it may take an additional two to four months to secure approval of the FSTIP amendment; therefore, it is recommended that the Commission require an update at each subsequent Commission meeting until these actions are complete.

**RESOLUTION:**

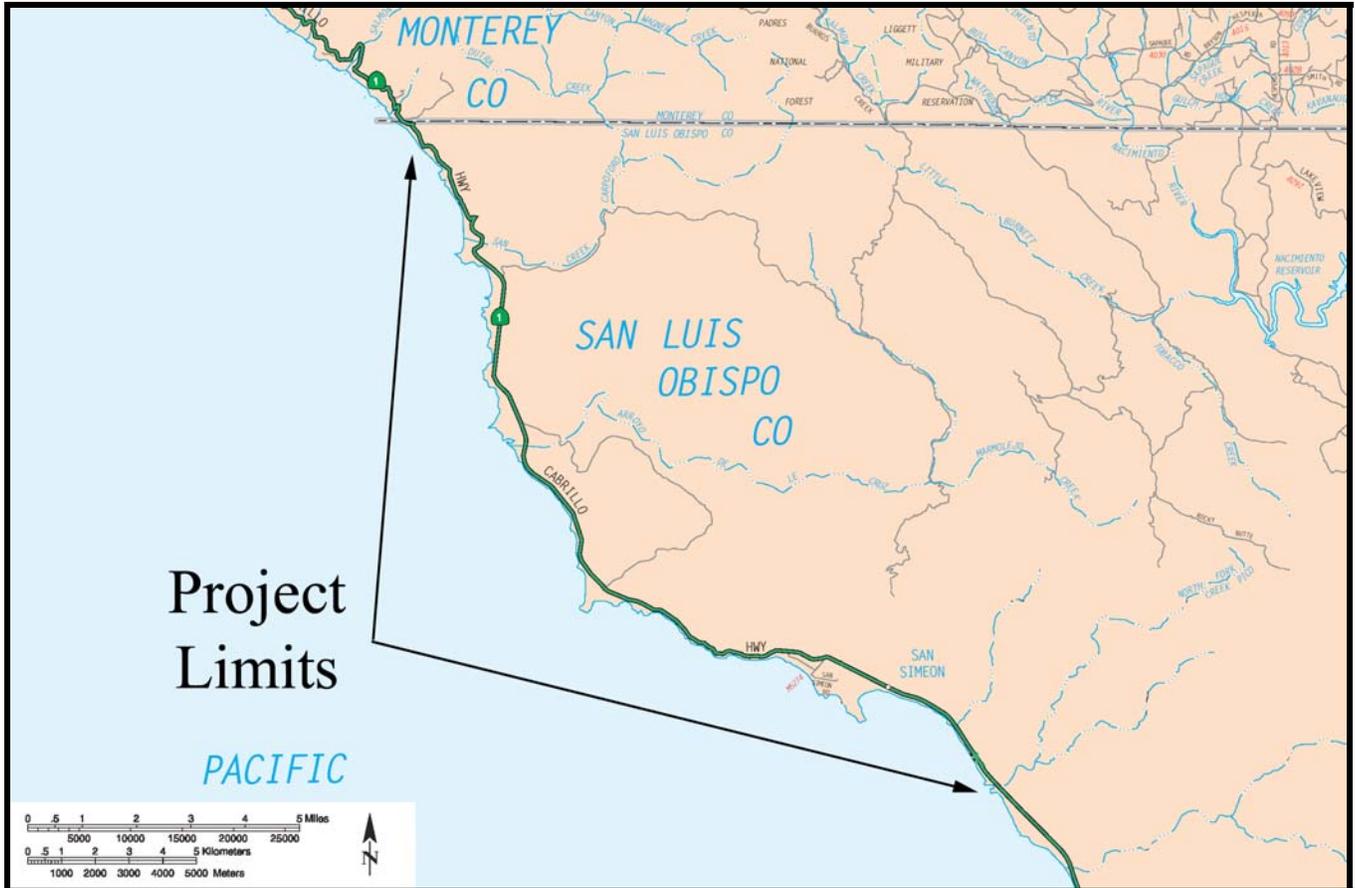
Resolved, that the California Transportation Commission (Commission) revise the 2002 State Transportation Improvement Program (STIP) at the end of the 30-day notice period as follows:

**Adds:**

County	District	PPNO	EA	Element	Const. Year	PM Back	PM Ahead	Route/Corridor					
San Luis Obispo	5	1810	--	CO	--	55	73	1					
Implementing Agency: (by component)		PA&ED				PS&E							
		R/W	Caltrans			CON							
RTPA/CTC:	San Luis Obispo County Council of Governments												
Project Title:	Hearst Ranch Transportation Enhancement												
Location:	Property located on the west side of Route 1 adjacent to the Pacific Ocean within Hearst Ranch.												
Description:	Property rights acquisition												
<b>(DOLLARS IN THOUSANDS)</b>													
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component					
		Prior	02/03	03/04	04/05	05/06	06/07	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp
<b>IIP</b>													
Existing	0			0			0						
Change	23,000			23,000			23,000						
Proposed	23,000			23,000			23,000						
<b>Local Funds</b>													
Existing	0			0			0						
Change	2,980			2,980			2,980						
Proposed	2,980			2,980			2,980						
<b>Total</b>													
Existing	0			0			0						
Change	25,980			25,980			25,980						
Proposed	25,980			25,980			25,980						

**STIP AMENDMENT 02S-128**

Location Map



05-San Luis Obispo

PPNO 1810

Location: On the west side of Route 1, adjacent to the Pacific Ocean within Hearst Ranch.

Description: Property rights acquisition.



TAB 49 (ITEM 2.1a (3))

THE ATTACHED TWO FORM LETTERS WERE RECEIVED BY EMAIL TO THE COMMISSION RELATING TO THE HEARST RANCH ACQUISITION.

DURING APRIL APPROXIMATELY 49 EMAILS WERE RECEIVED, AND DURING MAY APPROXIMATELY 66 EMAILS WERE RECEIVED REGARDING THE ABOVE REFERENCED ITEM AND THE RELATED ALLOCATION (TAB 50, ITEM 2.5b.(7)). SEE THE RELATED ALLOCATION ITEM FOR AN ADDITIONAL TWO LETTERS RECEIVED BY FIRST CLASS MAIL.

text: -

Mr. Bob Balgenorth, Chairman  
California Transportation Commission  
1120 N Street, Room 2221  
Sacramento, CA 95814

Subject: Support for \$23 million Caltrans Grant for Highway 1 and Hearst Ranch

Dear Mr. Balgenorth and Board members

I want to express my support for Caltrans request for \$23 million of Transportation Enhancement Activity (TEA) funding for scenic easement acquisition of a large portion of the Hearst Ranch area along State Scenic Highway 1 (Item 2.1b(3)).

This funding is not only an opportunity for the State to plan and preserve Highway 1 from erosion from the Pacific Ocean for many years to come. It is also a key part of larger conservation effort to preserve the 82,000-acre Hearst Ranch spearheaded by the American Land Conservancy (ALC).

The approval of this grant will provide a major portion of the funding for the Hearst Ranch Conservation Project. When this project is completed it will protect 18-miles of scenic coastline, preserve ecological, scenic, and agricultural resources of the Hearst Ranch in perpetuity.

The American Land Conservancy and the Hearst Corporation have been working hard with the State of California, local community members and the general public to make this project a success. Please join us by approving the \$23 million grant for the project.

Sincerely,

-Your Name Here-  
-Street Address-  
-City, State Zip-

cc: Governor Schwarzenegger,  
Assemblyman Abel Maldonado  
Senator Bruce McPherson  
Senator Mike Machado  
Senator Kevin Murray,  
Senator Sheila Kuehl  
Assemblymember Jenny Oropeza  
Resources Secretary Office

submit: Send E-mail

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text: -

Mr. Ronald DeCarli, Executive Director  
San Luis Obispo Council of Governments  
1150 Osos St. Ste 202  
San Luis Obispo, CA. 93401

Subject: Support for Transportation Enhancement Funding for Highway 1 and Hearst Ranch

Dear Mr. DeCarli:

I am writing to urge SLOCOG to take the necessary action to secure Federal Transportation Enhancement funding for the Hearst Ranch conservation project. The \$23 million available through Caltrans is crucial to the success of this important project.

With our state in financial crisis, we cannot afford to lose the funding that will secure 18 miles of incomparable coastline. Your Board's action on May 5 is an essential step in the process that includes a later hearing before the California Transportation Commission. Preservation of the Hearst Ranch project is the most important conservation project in this state and is supported by the vast majority of residents. I hope your Board will do its part to seize this opportunity.

Thank you for your consideration.

Sincerely,

-Your Name Here-

-Street Address-

-City, State Zip-

cc: Frank Meecham, President  
Harry Ovitt (1st District),  
Shirley Bianchi (2nd District),  
Peg Pinard (3rd District),  
Katcho Achadjian (4th District),  
Mike Ryan (5th District),  
John Shoals (Grover Beach),  
Dave Elliott (Morro Bay),  
Tony Ferrara (Arroyo Grande),  
Rudy Natoli (Pismo Beach),  
Wendy Scalise (Atascadero.),  
Ken Schwartz (San Luis Obispo)  
California Transportation Commission (CTC)  
Resources Secretary Office

submit: Send E-mail

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# San Luis Obispo Council of Governments



Ronald L. DeCarli - Executive Director

Regional Transportation Planning Agency  
Metropolitan Planning Organization  
Census Data Affiliate

Service Authority for Freeways and Expressways

REC'D BY CTS

APR 20 2004

Arroyo Grande  
Atascadero  
Grover Beach  
Morro Bay  
Paso Robles  
Pismo Beach  
San Luis Obispo  
San Luis Obispo County

April 22, 2004

2.1a(3)

Mr. Mike Chrisman  
Secretary for Resources, Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

Subject: Public Disclosure of Conservation Details Pertaining to the Hearst Ranch Acquisition

Dear Secretary Chrisman:

As President of the San Luis Obispo Council of Governments (SLOCOG), I'm writing to convey our role in the programming action of \$23,000,000 of federal Transportation Enhancement (TE) funds scheduled before the California Transportation Commission (CTC) on May 13th for the purchase of a scenic easement west of Highway 1 in north San Luis Obispo County. On May 5th, SLOCOG in a federally required public hearing will consider amending the Federal Transportation Improvement Program (FTIP) in advance of the CTC action to include the scenic view-shed acquisition proposal. For the larger conservation agreement to move forward, we view this historic action as a way to secure that opportunity.

We recognize a number of state departments within the Resources Agency and the Business, Transportation, Housing Agency are diligently working to complete a conservation agreement that would protect the entire 82,000 acre ranch and that these details may not be available prior to the SLOCOG May 5th meeting. The public at large has many questions regarding the details of these conservation agreements and we expect a number of them will be raised at our meeting on May 5th. As you note in your letter to the CTC public input is critical prior to the expenditure of public funds.

As we prepare to include these funds in our FTIP **we request the Resources Agency place a priority to complete the Memorandum of Understanding (MOU) that spells out safeguards to assure public access west of Highway 1, identifies the public participation opportunities, and defines the relationship between the TE grant and the entire project. We strongly urge you to provide the details of this MOU and the time-line identifying opportunities for public input into the on-going decision making process.**

We appreciate your commitment to provide this information and request a high-level Resource Agency representative directly participate at our May 5th meeting to address questions from our Board. Thank you again for all the dedicated work effort to date on this matter. If you have any questions please call Ronald De Carli, our Executive Director at (805) 781-4219.

Respectfully,

Frank Mecham, President  
San Luis Obispo Council of Governments

c: Sunne McPeak, Secretary for Business, Housing, and Transportation  
Harriett Burgess, President American Land Conservancy  
Gregg Albright, Caltrans District 5 Director  
Diane Eidam, Executive Director, California Transportation Commission

NORTH  
COAST  
ALLIANCE

April 13, 2004

REC'D BY CTC

APR 20 2004

Governor Arnold Schwarzenegger  
State Capitol Building  
Sacramento, CA 95814

P.O. Box 762  
Cambria, CA  
93428

Dear Governor Schwarzenegger

The North Coast Alliance (NCA) is an organization dedicated to the preservation and enhancement of the natural resources (historical, cultural, ecological, agricultural, scenic, marine, biological, etc.) of the central coast of California. NCA was formed in 1997 to encourage the California Coastal Commission (CCC) to reject the San Luis Obispo County North Coast Area Plan which was badly flawed, especially regarding construction of a major destination resort by the Hearst Corporation at the extraordinarily beautiful San Simeon Point on Hearst Ranch. At a January 15, 1998 meeting of the CCC in San Luis Obispo, the Commissioners unanimously rejected the Plan, and that treasured area was saved, at least temporarily.

Since that time much has changed, especially in the Hearst organization wherein Mr. Stephen Hearst has become Vice President and General Manager of the Sunical Division. Just over one year ago the American Land Conservancy (ALC) secured an option agreement with Hearst allowing the parties one year to reach an accord on terms of a conservation transaction and secure funding to close the deal. ALC and Hearst have completed substantive negotiations and a conservation easement document covering the entire Ranch is being finalized. The agreement provides that the only development which MIGHT be allowed would be a low-profile inn not exceeding 100 rooms, and reservation of home sites for each of the 27 Hearst heirs in an area subject to strict views shed and habitat protection criteria.

The agreed upon price is well below market value, and relatively inexpensive on a per-acre basis. The difference between the agreed price (a combination of cash and state tax credits) and market value, is a large charitable contribution by Hearst.

With the recent news that Caltrans plans to use \$23 million in federal and state transportation funds for work on the Hwy 1 area of the Ranch, \$23 million less in state bond money (Prop. 40 funds) would be required to bring the ALC/Hearst project to fruition. Execution of the plan is a win-win situation for all parties involved. This opportunity may never occur again, so it is imperative that state and federal officials immediately get behind this project AND MAKE IT HAPPEN ! NCA urges you to use your leadership in working to save this important and valuable property for the enjoyment of this and all future generations.

Sincerely,  
William G. Allen, President

North Coast Alliance

c: Bob Balgenorth, Chairman, California Transportation Commission  
Abel Maldonado, Assemblyman  
Bruce McPherson, State Senator  
Mike Machado, State Senator  
Kevin Murray, State Senator  
Sheila Kuehl, State Senator  
Sec member, Assembly member  
Resources Secretary Office  
Lois Capps, U.S. Representative  
Bill thomas, U.S. Representative  
Diane Feinstein, U.S. Senator  
Barbara Boxer, U.S. Senator  
The Panetta Institute