

Hearst Ranch Conservation Project Summary

Revision 03, 6-5-2004

In the last few weeks you may have read several articles on the Hearst Ranch Conservation Project. These articles may have caused some confusion about the project. To help consolidate all the public information, we have included a brief summary of what we know today. This information combined with knowledge from many sources about conservation easements, meeting with State agencies, American Land Conservancy, the Hearst Corporation and field research, we have been able to put together a pretty good idea of what the project will entail even though we have not seen the actual written conservation easement.

Hearst Ranch Size: 128 Square Miles, 82,000 Acres, 18 miles of coastline

Project Cost: \$80 million plus a \$15 million tax credit

Approximate Appraised Value: \$200 million

Potential Sources of Funding: Caltrans \$23 million of mostly federal money reducing the cost to the State to \$53 million plus the \$15 million tax credit

Development Reduction:

- **Eliminate Visitor Center Staging Area:** 150 unit hotel, restaurants and commercial uses.
- **Eliminate San Simeon Point Resort:** Recreation zoning allowing 250 unit resort hotel with restaurants and golf course.
- **Eliminate Pine Forest Lodge:** 250 unit resort hotel and equestrian center.
- **No other Public/Private Inns, Bed and Breakfasts, motels, etc. development West of Highway 1** except what is mentioned at Old San Simeon Village.
- **Redesign Old San Simeon Village (OSSV):** New development will be limited to new and local visitor-serving uses, including existing buildings and limited, historically consistent infill, inspired by Julia Morgan's recently rediscovered vision, with under 100 rooms.
- **The easement will eliminate approximately 373 principal residences and place a limit on the number of new owner homesites to 27**

The 27 homesites on the Hearst Ranch

The conservation easement will contain detailed criteria for locating the 27 owner home sites. Each home site will be placed within a 5-acre building envelope with a 20-acre buffer zone that would recognize sensitive environmental and cultural resource areas, respect existing public views from Highway 1 and Hearst Castle, located near existing roads within the interior of the ranch. It will also include habitat protections, maximum slope protections, wetland and stream setbacks and archaeological protections. Every attempt is being made to cluster homesites to minimize impact on wildlife, habitat, and infrastructure development.

In addition, the remainder of the ranch including the 20-acre buffer zones will also be subject to the conservation easement protecting the entire ranch forever. As far as the conservation easement and protection of the ranch it does not matter how many different parcels the Ranch is split into as long as the terms of the conservation easement covers the different parcels protecting the valuable resources of the Ranch

If any portion of the Ranch or owner home sites are transferred or sold to another party the conservation easement will remain in place regardless of the owner protecting the valuable resources of the Ranch forever.

Development Approval

The conservation easement does not pre-approve any development. The 27 owner homesites, and the development at old San Simeon must go through the normal permitting process required by San Luis Obispo County and the Coastal Act. They will also have to meet the restriction set forth by the Conservation Easement(s)

Monitoring and Enforcement of the Easement or changing it without public knowledge.

As defined by the Internal Revenue Service Code (IRS) and Civil Code 815.1 a conservation easement must be held in perpetuity. In addition, because State funds are being used that will also render them permanent.

The State of California has strict requirements for the monitoring and enforcement of conservation easements. The State also requires that the necessary funds be in place for monitoring and enforcement of the easement.

The State routinely enters into a grant agreement with the easement holder requiring the easement holder fulfill its monitoring and enforcement obligations. If it doesn't the state has a right to force repayment of the grant or relinquishment of the easement to another easement holder as provided for in the easement.

In today's world a conservation easement is the best and strongest method for protecting public or private land in perpetuity.

Agricultural Component and Resource Protection

Current agricultural zoning allows for unlimited cropland intensification with no land use permitting requirements. Under the easement there will be strict limitations on location and acreage of cropland uses.

As with many other successful conservation easements, A **detailed agricultural management plan** will be prepared to guide management of the Ranch, which will include requirements for regular monitoring and – if necessary -- enforcement. The Ranch is the largest and most historically significant coastal cattle ranch in the state. The agreement will ensure that ongoing cattle operations will continue thereby protecting both the natural and historic heritage that makes the Central Coast so special

The conservation easement on the east side of Highway 1 will be held by the California Rangeland Trust. The Rangeland trust will also perform the monitoring and enforcement of the easement

Baseline Inventory

The conservation easement also requires the creation of a **baseline inventory** of the entire Ranch. The “baseline” is critical to document the existing resources on the Ranch, so that the easement can be monitored and enforced, and so the management plan can be crafted to ensure the continued protection of the Ranch’s resources. The baseline is nearly complete, created by experts hired by [ALC](#) in the fields of botany, wildlife biology, rangeland resources, hydrogeology, cultural resources, and fisheries. [ALC](#) has also contracted with a firm to create cutting-edge, detailed aerial digital imagery of the entire property. As a result of this work, the Hearst Ranch can be closely monitored in-perpetuity, with changes detectable down to nearly the individual tree level.

Lands West of Highway 1

West Side Holdings

On the West Side as we know today, 1120 acres are to be transferred or sold to the State. With the Caltrans Grant in play the amount of acreage may increase and allow for the realignment of Highway 1 moving it inland providing more acreage on the West side. I don't know the exact figure. But of the lands retained by the Hearst Corporation a conservation easement will be place on these properties prohibiting any development on these parcels except at old San Simeon Village. As mentioned above to meet IRS requirements the conservation easement must be held forever.

It is anticipated that California State Parks will play a role in managing the lands west of Highway 1.

Public Access

Even with the Hearst Corporation holding onto 720 acres, with the help of topographic maps, aerial photos and field work, I have been able to determine that 15 - 16 miles of the 18-mile section of the California Coastal Trail will be in public ownership. How the alignment of the California Coastal Trail will be determined most likely will be controlled by the State of California. The portion of lands retained by Hearst Corporation will most likely have a corridor defined in easement to allow completion of the 18-mile section of the California Coastal Trail. With the involvement of Caltrans we will be able to get a better alignment of the coastal trail.

Also along the 15 miles of coastline there are going to be many spectacular beaches the public will now own. These include San Carpoforo, Pt. Sierra Nevada, Arroyo de la Cruz, Arroyo del Corral, Piedras Blancas beaches, the elephant seal colony area beaches, Little Pico Creek beach and the renowned wind and kite surfing beach Arroyo Laguna. In addition there are several other beaches along the section as well. All these beaches will have some type of public access.

We have also been told there will be increased access to San Simeon Point.

Lands retained by Hearst

The Hearst Corporation at present will hold onto the remaining 719 acres. These lands are:

- 239 acres just south of San Carpoforo Creek, near Ragged Point
- 15 acres at Pico Point, adjacent to San Simeon Acres
- 426 acres on San Simeon Point
- 39 acres at Old San Simeon Village (OSSV)

The Hearst Corporation has agreed to place a conservation easement on all these properties, prohibiting any development including golf courses or other development (except the historical Julia Morgan vision of development at Old San Simeon Village), and allowing for public access to San Simeon Point and construction of an 18 mile section of the California Coastal Trail. There will also be additional language protecting the conservation values on these properties in perpetuity.

Public Participation in the process.

As with any grant application submitted to the State or other public agency, public hearings are required prior to dispersing any funds. In addition individuals can send comments and questions to the agency negotiating the deal at anytime.

As of today, there appears to be at least three public meeting planned. A workshops may beheld in mid July in San Luis Obispo County releasing more detailed information. In addition, the State Coastal Conservancy and Wildlife Conservation Board will have public hearing as a well.

Here is a copy of an e-mail I received from Janet Diehl, the State Coastal Conservancy Project Manager outlining the current status of the project and when the public can make comment concerning the project.

Received 1-29-2004

Hello, Gary --

The Coastal Conservancy is continuing to work with other state agencies (the State Parks Department and the Department of Fish and Game/Wildlife Conservation Board), the American Land Conservancy and Hearst representatives to gather information on Hearst Ranch and evaluate conservation opportunities. We are meeting frequently and spending a lot of time on this project, but we are not at a point where we have answers to your questions about timing and price.

You asked about public hearings. Every grant the Coastal Conservancy makes is considered in a public hearing. For dates and locations of the five meetings planned for 2004, please see our website at www.scc.ca.gov. Proposed actions regarding Hearst could be heard at any of these meetings, and public notice for those meetings is made at least 10 days in advance.

At least 30 days before a formal action on the Hearst Ranch project is taken, though, we plan to hold a public information meeting in the vicinity of the ranch. Information presented at that meeting would include proposed project cost, timing, exactly what property interests would be acquired, and what benefits the public would gain (new public access, protection of scenic, agricultural and natural resources, etc.). We would expect to hold that informational meeting in conjunction with State Parks and the Wildlife Conservation Board.

Finally, for every project that our board approves, a staff member (like me) writes a report called a staff recommendation. These are available for the public to

review before each meeting. Please be assured that you are on my mailing list to receive that report.

I will keep you posted on our progress, Gary. Please call me at (510) 286-4164 if I can answer any more questions.

Janet

Janet Diehl
Project Manager
Coastal Conservancy

Similar but smaller example of a Working Ranch and Conservation Easement

An example of how the process can work, the Guidetti Ranch south of San Luis Obispo, CA is not owned by the City of San Luis Obispo, but actually has a conservation easement across it. This easement was created in two phases. The first easement allowed for 10 homes on 1500 acres and allowed the working ranch to continue operation. Later, The Nature Conservancy bought up the remaining development rights, allowed for limited public access, but kept the working ranch intact while at the same time protecting the valuable resources of the Ranch.

For the most updated information and links to press releases please visit our web site.

The web site Address is:

<http://www.hearstranchconservation.org/index.html>

I hope this helps you better understand the project

Sincerely,

Gary Felsman,
1465 Paloma Place
Arroyo Grande, CA 93420
(805)473-3694