



CALIFORNIA STATE PARKS



# MEMORANDUM OF UNDERSTANDING

## REGARDING SAND CITY COASTAL LAND USE

AMONG  
CALIFORNIA DEPARTMENT OF PARKS AND RECREATION,  
MONTEREY PENINSULA REGIONAL PARK DISTRICT,  
CITY OF SAND CITY, and  
SAND CITY REDEVELOPMENT AGENCY

April 8, 1996



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This Memorandum of Understanding ("MOU") is made as of April 8, 1996 by and among the California Department of Parks and Recreation acting through its Director, hereinafter referred to as the "CDPR," and the Monterey Peninsula Regional Park District hereinafter referred to as "DISTRICT", and the City of Sand City, hereinafter referred to as "CITY", and the Sand City Redevelopment Agency, hereinafter referred to as "REDEVELOPMENT AGENCY."

RECITALS

A. The geographic area subject of this agreement is generally defined as all those lands within the City of Sand City located west of State Highway 1, which is hereinafter referred to as the "Sand City Coastline."

B. CDPR owns almost a majority of small lots south of Fell Street on the Sand City Coastline, most of which are contiguous with one another.

C. DISTRICT owns 180 vacant small lots south of Tioga Avenue on the Sand City Coastline, including 62% of the small lots in the R-3 area, some of which are non-contiguous with one another.

D. DISTRICT owns a promissory note secured by a deed of trust in first priority position to a parcel of land located north of Tioga Avenue which is referred to herein as the "Dump Site". DISTRICT has obtained a \$700,000 grant from the



California Integrated Waste Management Board and a \$250,000 grant from the Monterey Regional Waste Management District for landfill reconfiguration. DISTRICT is providing \$50,000 for dune restoration. CITY has cooperated on this project and has issued Coastal Development Permit no. 96-01.

E. The Sterling parcel (hereinafter referred to as the "Sterling Site") is located immediately north of Tioga Avenue on the Sand City Coastline. The Sterling Site is in private ownership and a coastal development permit has been approved for a visitor-serving development on the Site by the CITY and the California Coastal Commission (hereinafter referred to as the "Coastal Commission").

F. REDEVELOPMENT AGENCY is the owner of two parcels of land located north of the Sterling Site which were formerly owned by the McDonald estate (hereinafter referred to as the "McDonald Coastal Site").

G. The land formerly known as the Lonestar property (hereinafter referred to as the "Lonestar Site") is located north of Tioga Avenue at the northerly end of the Sand City Coastline. The Lonestar Site is owned by Dezonias and the State Parks Foundation. A private development company presently has an option to purchase the Lonestar Site.

H. The Sand City Coastline is an integral part of the Monterey Bay State Seashore and possesses important recreational, trail linkage, open space and natural resource values.

I. DISTRICT hired H. Berry, MAI, to appraise the land area south of Tioga Avenue in November 1990. The parties



subsequently cooperated with certain owners of land located south of Fell Street and west of Vista Del Mar Street in Sand City to cause an appraisal of the land within that area (hereinafter referred to as the "Appraisal Area") prepared by Hanna & Associates.

J. Sand City is part of the urbanized area of the Monterey Peninsula. Most of the City is presently developed with light industrial and heavy commercial uses. Much of the Sand City Coastline is in private ownership.

K. Development within the Sand City Coastline area is regulated by the Local Coastal Program, most of which has been certified.

L. The City of Sand City is within the Project Area of the Redevelopment Plan of the REDEVELOPMENT AGENCY.

M. Appropriate development within the Sand City Coastline area will generate a steady revenue stream for assisting the redevelopment of the Project Area and will provide one source of funds for public access facilities, dune restoration, and long term operation and management of public lands along the Sand City Coastline.

N. In recognizing the efficiency and effectiveness of working cooperatively, the parties desire to accomplish the following mutually beneficial objectives:

- (1) Preserve ocean views from Highway 1.
- (2) Support efforts to restore sand dunes and associated dune vegetation and habitat.



- (3) Create and preserve a north/south habitat corridor for endangered and threatened species.
- (4) Support efforts to create a continuous north/south public pedestrian and bicycle trail, providing linkage to Fort Ord and the Monterey Peninsula.
- (5) Provide appropriate public open space, and beach and dune access.
- (6) Identify an ongoing source of revenue to develop access facilities, restore dune lands, and maintain and operate public lands.
- (7) Enable appropriate public and private development that is consistent with the above objectives to occur along the Sand City Coastline; including but not limited to visitor serving and residential uses.

NOW, THEREFORE, the parties hereto mutually agree as follows:

#### **AGREEMENT**

1. Appraisal Area. CDPR agrees to be the lead agency in coordinating funding and priority purchase efforts to accomplish the public acquisition of all of the privately owned parcels contained within the "Appraisal Area" identified in page one of the April 24, 1995 Appraisal (together with Addenda dated May 16, 1995 and March 7, 1996) prepared for the Park Area Appraisal Committee by John C. Hanna, MAI. In this regard, CDPR shall use



good faith efforts to obtain the required acquisition funding through the formation of partnerships with various public agencies and private donors and shall be responsible for the preparation and successful negotiation of purchase agreement(s) for land located within this area.

2. R-3 Area. REDEVELOPMENT AGENCY has entered into an Exclusive Negotiation Agreement ("ENA") with a developer concerning the R-3 area. The Agreement will expire on August 21, 1996, unless extended for an additional twelve (12) months by mutual agreement of the parties. Following expiration of the ENA, REDEVELOPMENT AGENCY agrees not to enter another exclusive negotiation agreement concerning the R-3 area for a period of three (3) years. Nothing in this MOU shall be construed to limit DISTRICT's ability to continue to buy, sell and/or trade land within the R-3 area or to negotiate with the developer identified in the current ENA.

3. McDonald Coastal Site. The parties agree to support development in the general range of 300 to 450 mixed hotel, visitor-serving residential and residential units on the McDonald Coastal Site and Sterling Site (which may be combined), which is consistent with the existing or amended Sand City LCP. The parties agree that this is a reasonable number of units in light of the amount of open space that may eventually be acquired along the Sand City Coastline and the commitment of the CITY to utilize a portion of the transient occupancy tax revenues from visitor-serving development on these sites to benefit park and open space maintenance along the Sand City Coastline. The



parties also agree that residential development is necessary on these Sites to offset the potential loss of residential sites in other areas of the Sand City Coastline to park and open space uses. DISTRICT and CDPR will have the opportunity to review and comment on future development proposal(s) for these sites.

4. Lonestar Site.

A. During the active period of the option (including any extension of said option), or in the event the option is exercised, CDPR, the DISTRICT, and the CITY agree to recognize and respect the option agreement and the option holder's right to pursue development of the Lonestar Site consistent with the Sand City LCP. During the active period of the option, CDPR and DISTRICT further agree not to acquire title to any portion of the Lonestar Site unless specifically requested to do so in writing by the option holder.

B. In the event the Lonestar Site is not acquired by the option holder, and subsequently is acquired by DISTRICT and/or CDPR, DISTRICT and/or CDPR will retain only the amount of water necessary for the planned use of the Lonestar Site; CITY shall have the right to use all excess water from the Lonestar Site necessary for development to be located on the Sterling and/or McDonald Coastal Sites. Any water that remains after the above allocations shall then be made available for recreational, habitat and other uses within the geographic area of this MOU.

5. Dump Site. CITY and DISTRICT will continue to cooperate on the long-term cleanup efforts for the Dump Site and other open space areas along the Sand City Coastline. In the event DISTRICT



acquires fee title to the Dump Site, it will give CITY a pipeline easement for a subsurface pipeline through the Dump Site to transport water from the Lonestar Site.

6. Sand City Bike Trail. DISTRICT and CDPR agree to convey all necessary permits or rights-of-way to the CITY for the construction, operation and maintenance of the Regional Bicycle Path along Sand Dunes Drive south of Tioga Avenue.

7. Street Vacation. CITY agrees to vacate street and public service easements it holds south of Tioga Avenue (except the easements or other interest the City holds for Sand Dunes Drive and Bay Avenue), in the manner prescribed by the California Streets and Highways Code, at the time such easements are no longer required to provide access to any lots located south of Tioga Avenue.

8. Sand Dunes Drive Extension. DISTRICT and CDPR acknowledge the importance of the extension of Sand Dunes Drive north of Tioga Avenue as provided in the Sand City LCP and the Sand City General Plan Circulation Element. DISTRICT and CDPR further acknowledge that the extension of Sand Dunes Drive north of Tioga Avenue would be a significant public amenity beyond mere circulation attributes. In the event DISTRICT or CDPR acquires fee title to either the Dump Site or the Lonestar Site, such owner agrees to consider the dedication of an easement over such Site for the purpose of extending Sand Dunes Drive north of Tioga Avenue.

9. Beach and Dune Restoration. DISTRICT AND CDPR will support joint efforts of dune restoration, and agree to



cooperatively explore beach replenishment options or other non-structural methods of controlling or reducing the rate of erosion along the Sand City Coastline. To enable such restoration programs, the parties agree to assist and cooperate in developing a sand banking program or stock-piling of sand at a suitable location in Sand City.

10. Park Development. DISTRICT and CDPR acknowledge that a Coastal Development Permit will be required for any development for public use in the Sand City coastal zone.

11. LCP Amendments.

A. DISTRICT and CDPR will support an application by CITY to the California Coastal Commission to certify amendments to the Sand City LCP which: (i) reconfigures on the McDonald Coastal Site and/or relocates the dune restoration area designation presently on the McDonald Coastal Site to another area along the Sand City Coastline; (ii) removes the coastal-dependent industrial land use designation from the McDonald Coastal Site; and (iii) adds visitor-serving residential and residential land use designations to the McDonald Coastal Site.

B. DISTRICT agrees to amend its application no. 93-01 for amendments to the Sand City LCP as those amendments would effect the area north of Tioga Avenue, by excluding the Sterling, McDonald Coastal and Lonestar Sites from the geographic scope of the amendments. The parties agree to support DISTRICT's application as thus amended. The parties further agree that CITY's support of such an amended application is intended to provide significant evidence to the Coastal Commission and the



residents of the Monterey Peninsula that CITY, its residents and property owners are doing more than their fair share to preserve the environment while providing residential, visitor-serving and commercial opportunities in Sand City. CITY will work with DISTRICT and CDPR to provide public access and amenities in the park and open space areas along the Sand City Coastline.

C. CITY agrees to support a future application for amendment to the Sand City LCP to extend the geographic scope of the amendments to the Sand City LCP which are subject of application no. 93-01 to the Lonestar Site at such time as the owner of that Site makes such application to the CITY and only in the event the option holder has not exercised its option.

12. Plan Consistency. CITY agrees that the acquisition and disposition of land located South of Tioga Avenue for park and open space purposes is now consistent with the Sand City Local Coastal Program and General Plan. CITY also agrees that the acquisition and disposition of land located north of Tioga Avenue, except the Sterling, McDonald Coastal and Lonestar Sites (unless the land use designation on the Lonestar Site is amended as provided in paragraph 11.C.), for park and open space uses, will be consistent with the Sand City Local Coastal Program after passage of LCP amendment 93-01 referred to in paragraph 11.B. CITY agrees to waive its application fee for any application filed by DISTRICT for a report on such consistency under Cal. Gov. Code Section 65402.

13. Settlement of Existing Litigation. CITY and REDEVELOPMENT AGENCY will withdraw from the action known as Sand



City v. MPRPD, (No. M 32072, Monterey County). CITY will file a request for dismissal with prejudice in that case within ten (10) days of the date this MOU is entered.

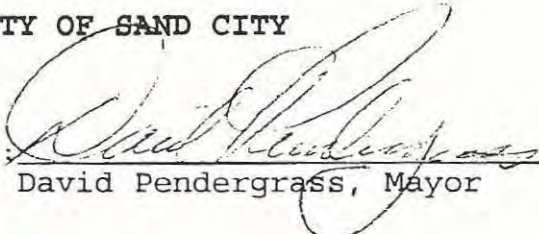
14. Avoidance of Future Litigation. DISTRICT, CITY and REDEVELOPMENT AGENCY agree to use their best efforts to avoid future litigation among themselves regarding the Sand City Coastline.

15. Protection of Property Rights. The parties recognize that land is both publicly and privately owned along the Sand City Coastline. It is not the intent of the parties to discount or devalue property rights in any form or manner by the making or implementation of this MOU. Rather, it is the intent of the parties to respect and protect property rights through fostering better cooperation and coordination between all public and private land owners.

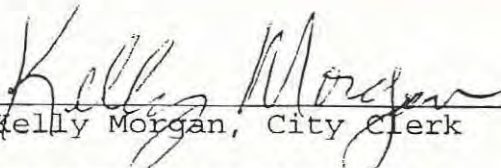
16. Headings. The headings contained in this MOU are for the convenience of the reader and shall not be interpreted as a part of this MOU.

17. Amendment. This MOU shall not be amended except by writing signed by all parties to this Agreement.

CITY OF SAND CITY

by:   
David Pendergrass, Mayor

Attest:

  
Kelly Morgan, City Clerk

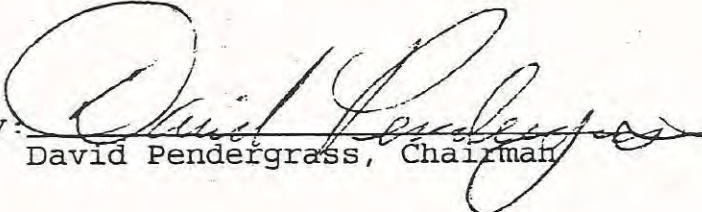
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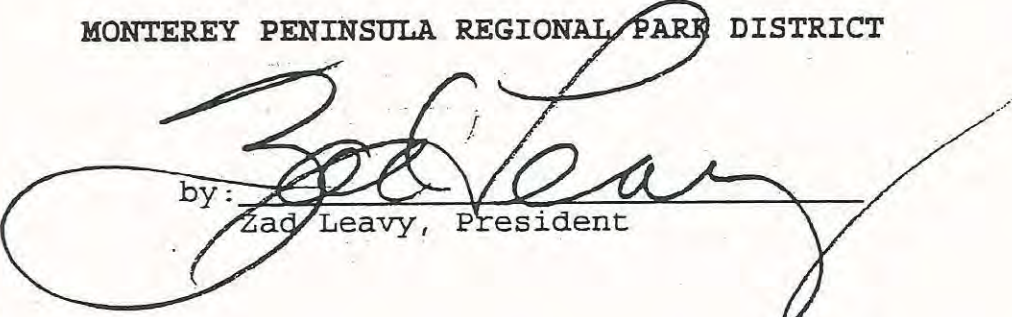
Recommended by:

  
Kelly Morgan, City Administrator

SAND CITY REDEVELOPMENT AGENCY

by:   
David Pendergrass, Chairman

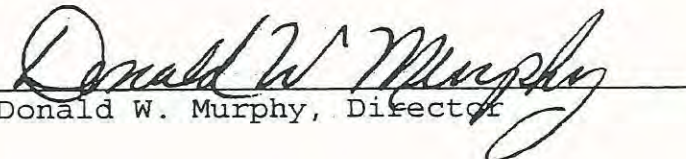
MONTEREY PENINSULA REGIONAL PARK DISTRICT

by:   
Zad Leavy, President

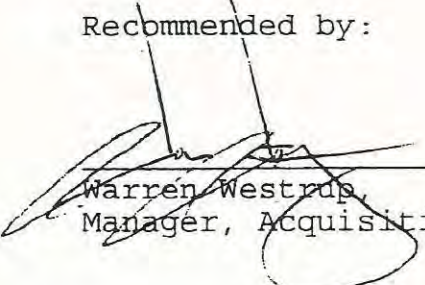
Recommended by:

  
Gary Tate, District Manager

STATE OF CALIFORNIA DEPARTMENT OF PARKS  
AND RECREATION

by:   
Donald W. Murphy, Director

Recommended by:

  
Warren Westrup,  
Manager, Acquisition Section