



Press Release:

October 7, 2008

**IN SECRET, CLOSED SESSION, BOARD OF SUPERVISORS IMPROPERLY APPROVES
CHANGES TO NAPLES MOU ENABLING THE DIVISION OF THE SANTA BARBARA
RANCH/NAPLES PROJECT INTO TWO SEPARATE PROJECTS**

At this morning's weekly meeting of the Santa Barbara County Board of Supervisors, County Counsel Dennis Marshall announced that the Board voted 3-2 in closed session to accept a proposed change to the way that the County would approve the Naples project. The change, requested by Orange County developer Matt Osgood, allows construction of the inland development before the coastal portion is reviewed by the Coastal Commission. This compromises the County's ability to mitigate Osgood's project impacts, and will likely cause elimination of the public trails offered as a leading public benefit of the project.

By a 3-2 vote, the Supervisors displayed their opinion of the project and the applicant, presaging the outcome at next week's hearing on the overall project approval on Monday 10/13, at 9 am.

Phil McKenna, President of the Naples Coalition, explained the significance of this action: "By separating the Santa Barbara Ranch project into separate coastal and inland sections, the County has given away its ability to properly mitigate and condition the inland project. This action makes it possible that the County will give the Naples developer half of his development, but not get the promised mitigation and find itself in continuing litigation with developer Osgood over the other half. It's the worst of all possible worlds."

Mike Lunsford, President of the Gaviota Coast Conservancy and a member of the Naples Coalition Board of Directors stated: "The County has given Osgood carte blanche treatment throughout the processing of this massive project on the Gaviota Coast. Osgood wanted a weak and ineffective TDR program, and the County gave it to him. Osgood wanted a much larger project than the MOU permitted, and the county gave it to him. And Osgood wanted to build his inland development before the Coastal Commission review, and the County gave him that too."

Marc Chytilo, attorney for the Naples Coalition and Gaviota Coast Conservancy, identified potential legal infirmities associated with the Board's action. "The Brown Act requires government

to meet and act in open, before the public, except in very narrow circumstances. The Supervisors may not decide policy or land use permitting in closed session. The original MOU was decided in open session, but now the Board has retreated behind closed door for secret decisions on Naples. The Board appears to have violated the Brown Act and certainly breached the public's trust in deciding this important land use issue in closed session."

Nathan Alley, attorney for the Environmental Defense Center and representing Surfrider, added: "The County seems to have abandoned its plan to address Naples in a comprehensive manner, and to benefit both the landowners and the public. We can only hope that today's action does not signal the end for our Gaviota Coast."

Background on the Santa Barbara Ranch Project

The Santa Barbara Ranch (aka Naples) project currently consists of 71 large houses (7500 to 10,000 square feet), plus guest houses, barns and other accessory structures on the eastern Gaviota Coast. Naples refers to an "antiquated subdivision" where real estate speculators attempted to create legal parcels for development in 1888. The County recognized an "Official Map" at Naples in 1995, and in 2002 entered into a "processing Memorandum of Understanding" (MOU) with the then-new owner, Orange County developer Matt Osgood.

The Project contemplated in the MOU is 54 houses on 485 acres, but Osgood asked the County to include a larger project, Alternative 1 (aka Alt. 1) with 72 houses, including development of prime agricultural lands owned by the adjoining Dos Pueblos Ranch. To offset the agricultural impacts from both projects, Dos Pueblos Ranch offered to place agricultural and open space conservation easements on about 2600 acres of its lands and a corridor along the 101 to continue Osgood's proposed "coastal trail" to the west. Dos Pueblos Ranch would only participate in the development if the Coastal Commission approved the six homes Dos Pueblos Ranch wanted without any new conditions and only so long as there was no beach access across their lands in Dos Pueblos Canyon and no requirement to restore Dos Pueblos Creek.

Coastal and Inland Portions of the Project:

While the inland portion of the property (outside of the coastal zone) is subject only to the authority of the County, the portions of the project in the coastal zone are subject to the Coastal Commission's review. The Coastal Commission will first review the proposed new zoning designation and Local Coastal Plan changes for the area, and then return their recommended changes to the County, who must either adopt those changes, abandon these changes and stay with existing situation, or propose other changes and experience yet another round of Coastal Commission review. The MOU provides that if Osgood seeks rezoning of the inland area as part of the project, which he is, then the county's approval of the inland portion should wait until the coastal portion receives final Coastal Commission review and approval.

Osgood is unwilling to wait, and is in a great rush to start building the inland part right way, and has requested that the County Board of Supervisors amend the MOU to separate the coastal and inland approvals. Separating the project in this way creates four significant problems that the County has ignored.

First, the inland development relies on roads and parts of the water supply system that are proposed for permit in the coastal portion. These elements must conform to the California Coastal Act and Local Coastal Plan, and as the Coastal Commission staff has written, they likely do not. Thus, they

should only be considered by the County after the Coastal Commission has reviewed the proposed changes to the Local Coastal Plan and coastal zoning ordinance.

Second, Dos Pueblos Ranch has conditioned the use of their inland lands on unconditional final Coastal Commission approval for their six houses. The Coastal Commission has recently disapproved and has imposed significant conditions on proposed residential structures located in active prime agricultural lands, and thus is not expected to give Dos Pueblos Ranch the approvals they require.

Third, while Dos Pueblos Ranch has insisted their Dos Pueblos Canyon lands not be used as a public beach access, the Local Coastal Plan identifies those very lands for public beach access. The Coastal Commission is likely to deny the project if such access is not provided.

Fourth, Dos Pueblos Creek has steelhead trout potential, but Dos Pueblos Ranch refuses any restoration, providing another basis for Coastal Commission denial of their proposals.

If the Coastal Commission denies Dos Pueblos Ranch, then Dos Pueblos Ranch's lands will not be available for the Agricultural Conservation Easements or for the freeway trails offered by Santa Barbara Ranch. If the County has already given final approval to the inland lots, in reliance on the Agricultural Conservation Easements and trails that are withdrawn when the Coastal Commission denies of conditions Dos Pueblos Ranch, the County will have no basis to achieve either the mitigation or the public benefits promised. Developer Osgood will be building his gated luxury community, and the County and the community will have been snookered.

The Naples Coalition, represented by Marc Chytilo, and the Surfrider Foundation represented by the Environmental Defense Center, objected to the proposed separation of Osgood's project until the Dos Pueblos Ranch gets final approval from the Coastal Commission.

For information about the Naples development, see www.GaviotaAction.org. It is a comprehensive source of information concerning all Gaviota Coast issues.

About The Naples Coalition:

The Naples Coalition is a Santa Barbara County, CA-based association of local non-profit groups including the Gaviota Coast Conservancy, Los Padres Chapter of the Sierra Club, Santa Barbara Chapter of Surfrider Foundation, Santa Barbara Chapter of the Audubon Society, Citizens Planning Association of Santa Barbara County, and The League of Women Voters of Santa Barbara County. The Naples Coalition is dedicated to the preservation of the rural character of the Naples property on the Gaviota coast. The Naples Coalition seeks to preserve the rural character of the Naples area from this development's impacts.

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