- 1. Q: How are they planning to police the access to San Simeon Point if only 100 people will be allowed per day?
- A: Existing levels of revocable permissive access are expected to continue through the indefinite future. State Parks expects to provide access in the future consistent with the Access Parameters after a planning process and through new staffing. In the event new staffing is not provided, delegation or assignment of easement rights to an appropriate docent group and/or private nonprofit organization may be considered.
- 2. Q: What will be done on the (i.e., the reason for) 65 days per year when public access may be restricted to San Simeon Point?
- A: Existing revocable permissive access does not limit the number of days. If permissive access is discontinued, the Hearst Corporation would have the right to use San Simeon Point for its exclusive purposes (consistent with the Caltrans Scenic Easement prohibiting development) for a period not to exceed 65 days per year. Closure of sensitive coastal areas for such time periods is not uncommon in the State Parks system to allow for maintenance, special events, restoration and protection of sensitive resources. We believe that this is a reasonable public/private use compromise.
- 3. Q: Will access be any less than it is now (to the public) to San Simeon Pier, beach and the trails on the Point?
- **A:** Existing access to San Simeon Pier and associated beach area will not change. Existing revocable permissive access to the trails on the Point is expected to continue through the indefinite future.
- 4. Q: Are all beaches still accessible at low tide (State Lands), below the mean high tide line?
- A: Yes.

- 5. Q: Will the public still have unrestricted access to San Simeon Cove and San Simeon Point for passive recreation, such as hiking, 365 days per year?
- A: Access is not unrestricted now—it's permissive and revocable by Hearst. That will remain indefinitely; the new irrevocable easement rights are in addition to that existing access.
- 6. Q: Will there be any attempt to restrict public access to sandy beach areas of this project, San Simeon Cove specifically?
- A: State Parks will be preparing an access management plan on the parcels to be owned by the State in fee. There is no expectation that access to San Simeon Cove would be limited.
- 7. Q: Can you elaborate the actual number of beaches transferred to public ownership, and coastal mileage?
- A: The west side of the Hearst Ranch runs for approximately 18 miles along the coast. The State proposes to acquire, in fee, land that covers approximately 13 miles of coastline, and easements for public access along the remaining five miles. The area proposed for transfer to the State includes 13 white sand beaches.
- 8. Q: Do you have provision for a safe pedestrian bicycle pathway?
- **A:** Plans for improvements would follow the current acquisition project. A provision for bicycles would be included in the Caltrans right-of-way.
- 9. Q: How does this affect the public's right to beach access? (Why would the public support such a change?)
- **A:** The proposed acquisition would improve and make permanent public rights of access.
- 10. Q: Can Hearst currently (no easement) decide not to allow access?

  Clarify if easement accepted about access being granted or denied.
- **A:** Access on Hearst lands is permissive and revocable now. New easements would provide increased certainty of access.

- 11. Q: Is the public paying for the 13 miles of coastline that will be owned by State Parks or is that being donated by Hearst?
- **A:** The land that will be owned by State Parks is being donated by Hearst.
- 12. Q: Will the public be invited to participate in the planning of the California Coastal Trail and in creating a management plan for the west side of the ranch?
- A: Yes.
- 13. Q: When and how do you see that happening?
- A: Following completion of the land transfer, State Parks will pursue grant funding from the State Coastal Conservancy for the preparation of a coastal trail and public access and resource management plan for the west side. Planning is expected to start within six months of the final transfer of all of the west side into public ownership.
- 14. Q: Why can't the public have more access to the beaches? Only 80 people per year will be allowed at San Simeon Point why so few people?
- A: Irrevocable public access rights are being gifted by Hearst that will allow up to 30,000 members of the public to visit San Simeon Point each year, far more than the number who currently enjoy that experience.
- 15. Q: The sandy beach at San Simeon Cove is partly State owned and from Arroyo Del Puerto northward is Hearst owned landward of mean high tide. The public owns the beach seaward of the high tide land. Does the Hearst Corp. intend to disallow the public from using the Sandy Beach Hearst owns? If yes, will you put that in writing? This beach is presently used and enjoyed by thousands of people all year long.
- A: Access above the mean high tide line is by Hearst permission. Hearst has indicated it has no intention of changing that long standing permissive use, but it is revocable. It is anticipated that with any regulatory approvals for the inn at OSSV, irrevocable access rights would be required to be dedicated as a condition of approval.

- 16. Q: Will public funds be used to pay for coastal access or is that being donated by Hearst?
- **A:** Hearst proposes to donate all of the property interests that would allow the proposed coastal access.
- 17. Q: Hearst: Regarding Point San Simeon: Does the 100 person per day limit include hotel guests? Access to the Point trail is on hotel property. Will non-guests have easy access? Will there be enough parking?
- A: The hotel guests (if and when the hotel is built) will be able to access outside of the 100 person easement limits pursuant to Hearst's ability to allow permissive access. The recommended access plan posted for San Simeon Point proposes a parking area open to the public at the base of San Simeon Point near OSSV, providing easy access to the Point. Adequacy of parking will be addressed in the planning process and permitting process.
- 18. Q: Article 10 of the State Constitution guarantees public access to the shore. Why does this proposal not reflect this?
- **A:** Article 10 does not guarantee public access across private property to the shore. The project will provide new permanent access to the existing State tidelands.
- 19. Q: Many beaches that you are acquiring in the last few years have gotten large populations of elephant seals (at least ¾!). The public will not be allowed near those beaches, so what can you do about that?
- **A:** This issue will be addressed as an integral part of future public access and resource management planning efforts for the west side public ownership.
- 20. Q: Can the lateral access (parallel to the ocean) of the public be stopped by Hearst, after this deal is done?
- A: Along with permanent access rights across lands acquired by the State in fee, the public will have irrevocable rights, through easements, across lands retained in fee by Hearst.

#### 21. Q: What are the public access provisions of this easement?

A: Please see State Parks Public Access Easement, Public Review Draft, posted as document 4C of the Hearst Ranch Draft Transaction Documents on this website. The exhibits to that document provide details about the proposed public access provisions of the easement areas.

#### 22. Q: Are mountain bikes allowed in the east side easement?

A: The East Side Conservation Easement would not prohibit mountain bikes from being used on the Easement Area, with approval from the landowner. However, there is no provision for public access to the Easement Area for mountain biking. See Sections 14 and 21 of draft East Side Conservation Easement posted on this website.

#### 23. Q: Why the restrictions on public access to the east side?

**A:** The property on the east side of Highway 1 will remain in private ownership.

# 24. Q: "Special events" for access seem awfully limiting for such a vast area. Why not have corridors or seasons when some key routes would be open to the public?

A: Working landscape conservation easements over ranches routinely do not allow any public access. The property owner here was not willing to include public access to the East Side as part of the package offered to the state. The provision of public access for special events was a concession negotiated by the state and it is felt this provides an appropriate public/private resolution of the issue.

- 25. Q: The ranchers and farmers throughout the West oppose hiking and ORV trails through their ag operations and range lands. We have been out many times in opposition to public access to the east side of the Hearst Ranch for fear of setting a precedent. Will the voice of agriculture be heard on this?
- A: The proposed East Side Conservation Easement would not convey any general or specific right of access to the public. See Sections 14 and 21 of the draft East Side Conservation Easement posted on this website.

26. Q: What were the reasons for the easement restrictions to public access? If environmental, what studies support restrictions from current rate of public access?

A: See prior answer

- 27. Q: How will you guarantee against trespass and interference with agriculture if you have to allow public access on the east side of the ranch?
- A: The proposed East Side Conservation Easement would not convey any general or specific right of access to the public. See Sections 14 and 21 of the draft East Side Conservation Easement posted on this website. The landowner retains the right under the draft East Side Conservation Easement to exclude any member of the public from trespassing on the Easement Area.
- 28. Q: Is there going to be a trail from Highway 1 on the north side that provides access to Forest Service land, which runs adjacent to the Hearst Ranch?

  If so, wouldn't that satisfy the needs of the public to access Forest Service lands?
- A: The US Forest Service has acquired property interests to provide a public access trail from Highway 1 at the northern end of the Hearst Ranch (on the "Williams" property) eastward into the Los Padres National Forest. The US Forest Service planning process for those trail improvements is now underway.
- 29. Q: Why is there no public access on the east side of Highway 1?

**A:** See prior answers.

30. Q. Why-in the section on agricultural intensification which relates to the right to cultivate the east side and other areas of the ranch - did the easement specify only 300 acres of vineyards and 300 acres of orchards within the 3,000 allowed?

- A: This was a limit initially objected to by Hearst as unduly restricting flexibility for having a viable future agricultural operation. The restrictions were requested by the state and other negotiators and agreed to by Hearst as a compromise.
- 31. Q: Don't farmers and ranchers, including the Hearsts, need some flexibility in choosing what to grow in order to remain viable in agriculture?
- A: Yes. The easement does not preclude Hearst from deciding what crops to grow. The easement does preclude Hearst from growing or raising crops within certain areas.
- 32. Q: Doesn't the conservation easement place limits on agricultural use and intensity that do not exist now for Hearst Ranch?
- A: Yes. See Sections 9 and 11 and Exhibits F-1 and F-2 to the draft East Side Conservation Easement posted on this website.
- 33. Q: How many acres of row crops, vineyards and orchards is Hearst Ranch allowed to plant under current law? What will the limits be under the conservation easement?
- A: There are no absolute limits on the number of acres of intensified agriculture Hearst can plant on the Ranch. Practically speaking, there are about 10,000 acres on the Ranch that are suitable for such intensified agriculture. The Easement limits this to a maximum of 3,000 acres, of which no more than 300 acres of orchards and 300 acres of vineyards are allowed.
- 34. Q: Is anything being done with this easement to ensure the long term economic viability of the Ranch?
- A: The purpose of the proposed East Side Conservation Easement is to "achieve protection of the Conservation Values by sustaining in perpetuity a combination of agricultural operations and natural habitats within the Easement Area" as provided in the East Side Conservation Easement. See East Side Transaction Summary and draft East Side Conservation Easement (including Recitals C, D, G and H, Sections 1, 3, 6, 9 and 12 and Exhibits F-1, F-2 and H) posted on this website.

- 35. Q: In regards to productive ag land, what could be wrong with growing oranges or avocados? 300 acres out of the view shed on an 82,000 acre ranch seems nominal, especially when houses are being built on productive ag land. So quick in all areas of the State.
- **A:** The easement does not preclude Hearst from planting orange or avocado orchards; however the easement restricts this type of use to 300 acres.
- 36. Q: Given that some of the oldest human remains in North America are here on the coast of San Luis Obispo, why does the conservation easement call for protection of the natural resources and scenic amenities?
- A: The proposed East Side Conservation Easement recognizes cultural and archeological resources among the Conservation Values to be protected. See East Side Conservation Easement, Recital D. Such recognition will also be included in the final versions of the West Side conservation easements.
- 37. Q: Why is there no mention of protection unique culture archaeological sites?
- **A:** See preceding response.
- 38. Q: Preservation of Chumash cultural resources what is the plan for preservation?
- A: There is no specific plan for preservation of Chumash cultural resources. Review of potential impacts on cultural and archeological resources will be conducted on a case-by-case basis in relation to proposed development activities. Independent of the conservation easements, the landowner(s) will remain subject to all general protections of cultural and archeological resources under applicable federal, state and local laws.
- 39. Q: Will the Baseline Conditions Report be released to the public, and if so, when? If no, why?

A. No; however, a summary of information contained in the Baseline Conditions Report will be available for public review. Extensive information already has been provided about the Conservation Values. In addition to the 40-page, 3-part Resource Information Summary, the exhibits to the East Side Conservation Easement include detailed maps.

This project includes both public and private ownership of property. Caltrans and State Parks will conduct public review processes for the property that will be in public ownership when specific uses for that property are proposed. For the property that will remain in private ownership, the nonprofit organizations, CRT for the East Side and ALC for Old San Simeon Village, will be legally responsible for holding, monitoring and enforcing the easements. Through the WCB Grant Funding Agreement, the State will ensure the baseline is adequate. The documentation, however, will be maintained by the easement holders and not the State.

The nonprofits will also be required under the Grant Agreement to prepare the following documents, all of which will be public documents in addition to the Easement:

- Interim Management Criteria (East Side Easement, Ex. E)
- Monitoring Protocol (Grant Agmt. Ex. D)
- Audit Committee Policy (Grant Agmt. Ex. E)
- Summary of Annual Monitoring Reports (Grant Agmt. 3.5)

The reasons why the baseline report is not available to the general public include:

- This is private property and the easement is held by a nonprofit organization.
- The property is not publicly owned property and the easements are not held by public agencies.
- These are voluntary easements which restrict development, not mitigation easements imposed as conditions of granting additional entitlements or as penalties for improper activities
- Proprietary and confidential information about the business operations of the ranch are contained in these documents.
- Sensitive information about the location of resources is contained in these documents which should not be made public in order to ensure the protection of the resources.

When future permitting processes occur which require public disclosure of the potential impacts of requested development, water or other permits on

resources, all rules will be followed which require public disclosure for such permit applications.

### 40. Q: Will the public have access to the baseline resource documentation for the easement?

**A.** See preceding response.

#### 41. Q: Does Caltrans scenic easement extend south of SS village?

A: The Caltrans scenic easement will extend south of SS Village to include land currently owned by Hearst from SS Village to SS Acres. The West Side of the Junge Ranch, south of San Simeon Acres is proposed to be covered by a scenic protection easement most likely held by Caltrans.

#### 42. Q: Which local group will hold easement at SS village?

**A:** The American Land Conservancy.

#### 43. Q: Please define "substantially reduced".

**A:** Sorry, can't define the phrase out of context.

### 44. Q: Are there to be no more camping areas (other than the 2 mentioned) on this huge property?

A: Primitive camping will be allowed on the "Junge Ranch" portion of the property west of Highway 1, contingent upon the reinstatement of the Natural Heritage Preservation Tax Credit Program. In addition, a parallel acquisition of the Molanari property by State Parks will provide camping areas consistent with that which is currently allowed at San Simeon State Park.

### 45. Q: With state parks often filled in the summer, we need more campgrounds available for families to get out and enjoy nature.

**A:** Agree.

### Q: Will the CRT really be able to monitor this extensive easement in the 4 day period provided?

A: Utilizing a combination of aerial and on-the-ground monitoring, CRT will conduct effective routine monitoring within the time limits specified for that activity in the East Side Conservation Easement. Note, that the East Side Conservation Easement, in Subsection 16(a), doubles the routine monitoring period allowed in the event that the Easement Area is divided into two (2) Owner Homesite Large Parcels, and allows additional easement holder entries in connection with any proposed undertakings that require the easement holder's case-by-case review and approval and for the conduct of audit activities.

### 47. Q: How comprehensive will this monitoring be?

A: The monitoring must be sufficiently comprehensive to provide an informed basis for evaluating the landowner(s) compliance with the easement requirements; the State will have the opportunity to review the results of the monitoring and to participate in the independent audits of the easement holder's monitoring and enforcement performance. A written protocol for the monitoring is under development and will be subject to State approval as a condition of grant funding pursuant to the proposed WCB Grant Agreement.

#### 48. Q: What does "in perpetuity" mean to the CRT?

**A:** "Forever."

#### 49. Q: What is in their fine print?

A: CRT's obligations to the state would be those contained in the WCB Grant Agreement, a draft of which is posted on this website. Copies of CRT's corporate records can be requested from the California Secretary of State (<a href="http://www.ss.ca.gov/business/corp/pdf/ircform.pdf">http://www.ss.ca.gov/business/corp/pdf/ircform.pdf</a>)

### 50. Q: What happens if California Rangeland Trust doesn't do their job enforcing or monitoring the easement?

A: The state could exercise its remedies under the WCB Grant Agreement. See Article 4 of the draft WCB Grant Agreement posted on this website.

# 51. Q: Regarding the perpetuity of the easement, Al Wright cited California law. Can this law be repealed or amended by the Legislature or the courts?

A: Conservation easements are provided for in and governed by California Civil Code Section 815 *et seq.*, as well as by federal tax law. As with any statute, the conservation easement law and tax law are subject to interpretation by the courts and to modification or repeal through the legislative process. The WCB Grant agreement prohibits amendment or termination of the easement without state approval.

### 52. Q: Why does Caltrans need to hold/purchase a scenic easement over land that State Parks owns?

A: Caltrans is paying for the easement to protect the viewshed from Highway

1. It will prohibit future development by State Parks that would impact that viewshed.

#### 53. Q: Can't DPR protect the views on its land?

**A:** The scenic easement ensures that future managers can not develop the property in conflict with the scenic restrictions.

### 54. Q: Is C.R.T. required by law, or will the State require C.R.T. to meet in public and conduct its business in public?

A: As a California nonprofit public benefit corporation, California Rangeland Trust is not required to conduct its business in public. As a matter of practice, however, California Rangeland Trust welcomes members of the public to attend its meetings, except for the executive session portions thereof. Information about upcoming meetings is posted on the California Rangeland Trust website (<a href="www.rangelandtrust.org">www.rangelandtrust.org</a>) at the "calendar" link.

#### 55. Q: Are C.R.T.'s meetings publicly noticed and open to the public?

**A:** See preceding answer.

#### 56. Q: How often is the Board required to meet and where?

A: The bylaws of California Rangeland Trust require an annual meeting, the location of which is not fixed. As a matter of practice, the Board meets six times a year at varying locations around the state (most frequently at its offices in Sacramento).

### 57. Q: How many votes are required to amend the monitoring protocol or monitoring and enforcement policies?

A: The specific monitoring protocol for the Hearst Ranch Conservation Easement will be an element of the WCB Grant Agreement; as such, any amendment will require approval by WCB as well as approval by a majority of a quorum of the Board of Directors of California Rangeland Trust, upon a recommendation by the Conservation Committee.

#### 58. Q: Are C.R.T.'s financial documents and tax returns publicly available?

A: As a nonprofit public benefit corporation, California Rangeland Trust is required to make available for public inspection copies of its annual returns that have been filed with the Internal Revenue Service (IRS Form 990) for the last three years, and copies of its application to the Internal Revenue Service for tax exempt status (IRS Form 1023), and certain related documentation including the Internal Revenue Service's written determination letter. Such materials may be inspected in person at the California Rangeland Trust principal office during its regular business hours, and copies of such materials must be provided by California Rangeland Trust upon written request and payment of applicable reproduction and postage charges.

In addition, copies of annual returns (IRS Form 990) are filed by California Rangeland Trust with the Registrar of Charitable Trusts, and are available to the public through the Office of the California State Attorney General, Registry of Charitable Trusts (including through its website at <a href="http://justice.doj.ca.gov/charitysr/default.asp">http://justice.doj.ca.gov/charitysr/default.asp</a>).

Copies of such annual returns and documentation regarding the application and determination of tax exempt status of California Rangeland Trust are also available for public inspection through the Internal Revenue Service.

- 59. Q: Are members of the Board required to disclose any conflicts of interest or business relationship with the landowners it monitors?
- A: Yes.

### 60. Q: Why does the State not have third party enforcement status on the easement?

- A: This conservation easement transaction is being undertaken on a voluntary basis. The landowner, like most landowners with whom California Rangeland Trust has entered into working landscape conservation easement transactions, is not willing to enter into a direct contractual relationship with the State. California Rangeland Trust will serve as the easement holder while being accountable to the public through its contractual relationship with the Wildlife Conservation Board and its general obligations as a non-profit public benefit corporation under federal and state laws. The proposed WCB Grant Agreement is posted on the Resources Agency website.
- 61. Q: John, you stated that WCB can reassign the easement in case of default. Page 24 on the easement says the "Grantor" shall have 180 days to reassign. Who chooses a new easement holder in case of default WCB or Hearst?
- A: The Default provisions of the WCB Grant Agreement would give WCB the right to require the easement holder to transfer its interest in accordance with Section 18 of the East Side Conservation Easement. If WCB were to exercise that right, the East Side Conservation Easement would require the easement holder notify the landowner and allow the landowner 180 days to designate a successor who meets the specified qualification requirements. The landowner and easement holder would be obligated to consult with WCB in selecting any transferee, and the transfer would be subject to WCB's determination that the identified easement holder is qualified. See Article 4 of draft WCB Grant Agreement and Section 18 of draft East Side Conservation Easement, each posted on this website.
- 62. Q: Easement says they can have a winery for grapes grown "predominately" on the ranch. Define predominately, please.
- A: In this context, it means that a majority of the grapes processed must be grown on the Easement Area.
- 63. Q: Please look into the future to year 2050 and relate how successful the Conservation Easement (CE) has been over the 46 years of its existence. Project into the future and relate how the CE has favorably impacted the Hearst Ranch. Has the CE realized its purpose?

- A: Unanswerable.
- 64. Q: How many easements are there? Who will hold them? How are they acquired?
- A: Please refer to the Overview of Transaction and the East Side Transaction Summary, West Side Transaction Summary and Summary of Realignment Area Transaction, each posted on this website.
- 65. Q: Please list those facilities and uses that are explicitly prohibited on the east side, e.g., equestrian facilities, bed and breakfast, shooting range/club.
- A: Please refer to Sections 9 and 11 and Exhibits F-1 and F-2 to the draft East Side Conservation Easement posted on this website.
- 66. Q: What are the details on oil and gas drilling and on mining? Where would they be permitted? What minerals are of interest in particular? Would oil/gas drilling to extend to offshore resources be permitted?
- A: Please refer to the East Side Transaction Summary and Section 7 of the draft East Side Conservation Easement, each posted on this website.
- 67. Q: Can the Hearst Corp. sell the 27 new lots and homes to non-Hearst family members?
- A: Nothing in the proposed East Side Conservation Easement would prohibit transfer of any new owner home site parcel outside of the Hearst family. However, the parcel transferred will still remain subject to the restrictions of the easement. Limitations on sale, transfer and subdivision of the Easement Area are contained in Sections 4 and 5 and Exhibit H of the draft East Side Conservation Easement posted on this website.
- 68. Q: Why wasn't the plan for additional employee housing revealed along with the 27 private homes?
- A: Provision for limited employee homes conforms to the conservation framework which includes the goal of ensuring continued agricultural operations. New ranch employee housing can be occupied only by the

family of a bona fide ranch employee. The easement limits ranch employee housing on the ranch to a net increase of 10 units (according to the property owner, over 200 additional units would be allowable under current zoning). New ranch employee housing is strictly limited to existing employee housing areas and areas where agricultural uses in the future may need employee presence. (See east side easement Section 9(c) and Exhibit D-4). Providing ranch employee housing avoids commuting to/from offsite communities where nearby affordable housing is difficult to find. The employee housing units are not separately saleable.

#### 69. Q: Will employee housing be visible from Highway 1?

A: New ranch employee housing is required to be screened from view from Highway 1 and the Hearst Castle.

## 70. Q: I notice that facilities such as a winery and antennas could be built upon approval. Could you discuss the approval process and criterion?

A: If proposed, a winery would be limited to producing wine from grapes produced predominately on the ranch (East Side Easement, Exhibit f-2). There is a cap of 300 acres of vineyards on the ranch. The approval process for a winery or antenna includes:

- All normal regulatory permit approvals, including environmental review and coastal development permit approvals.
- Property owner is required to give written notice to easement holder of applications for land use permits. (Easement Section 3)
- Easement holder is required under the grant agreement to notify the state of any applications for land use permits.
- The easement requires written consent of the easement holder based on a demonstration that proposed construction is in support of permitted uses and will not impair conservation values. (Easement Section 3(b))

### 71. Q: Can you explain the so-called "Fallback Option" described in the easement?

A: See East Side Easement Summary, Page 5 and East Side Easement Sections 3(d), 4 and Exhibit H. The purpose of the "fallback right" is to

assure that the landowner has retained a meaningful opportunity to seek approval for up to 25 owner homesites in the event that the landowner cannot obtain regulatory approval of 25 of the eligible "clustered" owner homesites identified in the easement.

### 72. Q: Why were the home lot locations so spread out, requiring so many new roads?

A: Eligible homesites were selected to satisfy siting criteria including resource protection to avoid sensitive areas, protection of views from Highway 1 and Hearst Castle and utilizing existing roads so as to minimize the need for new road construction.

### 73. Q: Are they all clustered in one location?

A: 25 of the 27 proposed new owner homesites are to be located within up to 5 clusters on the 82,000 acre ranch. 2 new owner homesites may be located outside of these clusters, but subject to all other siting criteria, including viewshed protection, resource protection and utilization of existing roads.

### 74. Q: Do all home sites have to be screened, even if they are more than five miles from Highway 1 but still visible?

**A:** Yes. Homes greater than five miles from Highway 1 and the Castle must be screened to avoid skylining.

### 75. Q: Specifically, how has the unrestricted access by inholders to their property been protected?

A: The easement affects only property owned by Hearst, not that of inholders. The easement does not address access by inholders through Hearst Ranch and neither restricts nor expands access arrangements by inholders through Hearst.

#### 76. Q: Four special non-profit events per year – where? Access via?

A: See Easement Section 14(g). These events, including location and access, will be determined by the property owner subject to not impairing

conservation values and being consistent with limits customarily prescribed by Hearst in the past.

- 77. Q: How will the "easement holder" assure that native plant communities, especially grasses, remain "healthy"? They're doing well now.
- A: The easement holder will protect native plant communities through its monitoring and enforcement of the landowner's compliance with the protections of such elements of the Conservation Values provided under the proposed East Side Conservation Easement. Relevant provisions include Recital D, Section 1 and Section 6 of the proposed East Side Conservation Easement.
- 78. Q: What is going to be done to make sure forest resources are properly managed? The ponderosa pine on the coastal ridges are the only stands in SLO County. These stands have been poorly managed in the past and have suffered serious losses. Fire and livestock have taken a great toll.
- A: The provisions of Subsection 6(b) of the proposed East Side Conservation Easement are directed specifically at the management of woodland resources.
- 79. Q: What is the dollar value of the wildlife corridor this agreement will protect?
- A: The connectivity providing wildlife corridors to other large natural open areas is among the defined Conservation Values the proposed East Side Conservation Easement would protect. Please see the East Side Transaction Summary and Recital D to the draft East Side Conservation Easement, each posted on this website. The appraiser based the market value of the land on the highest and best use of the Hearst Ranch property based on varying qualities of land throughout the Ranch, in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Please see the Independent Appraisal Review and Summary posted on this website.
- 80. Q: Can the deal be modified through the public process?

- A: The state agencies participating in negotiations will consider all comments, questions and concerns raised during the public process in evaluating the current proposal, including the need for any modifications. However, this is a voluntary transaction and it is impossible to predict the outcome of any further negotiations. Public funding by WCB and the State Coastal Conservancy and state acceptance of donated property interests will not be committed until after noticed public hearings with further opportunity for public input. The documents posted reflect the tentative agreement between the state agencies, Hearst, ALC and CRT which all parties recommend for approval to the decision makers at the public hearings.
- 81. Q: What corporations, politicians and political groups are for backing (the Hearst project) now and/or opposition to the Hearst project. In other words, who and what organizations, corporation are spending their money for the Hearst project or against the project.
- A: A group supporting the transaction, Hearst Ranch Conservation NOW lists supporters on their website at <a href="www.hearstranchconservation.org">www.hearstranchconservation.org</a>. There are groups raising issues with the proposed transaction, including the Sierra Club and other environmental groups and additional information may be obtained at <a href="www.ecoslo.org">www.ecoslo.org</a>.
- 82. Q: Do you think this conservation agreement is a once in a lifetime opportunity that should not be allowed to slip away?
- A: There was substantial public testimony and written comments addressing this question at the July 15 public workshop in Cayucos.
- 83. Q: Friends of the Elephant Seal has worked well with Caltrans and Hearst for the past 7 years to provide education and stewardship at the vista point near Piedreas Blancas. Will the Friends of the Elephant Seal docent program with Caltrans be allowed to continue its important work at the elephant seal site?
- A: Yes. Friends of the Elephant Seal have current agreements with Caltrans for their successful elephant seal program and there is no indication that Caltrans intends to terminate this program.
- 84. Q: As owners of Piedras Blancas Resort, our concern is how will our property be affected by this project? Restrictions, etc.?

**A:** The transaction covers only Hearst owned property.

- 85. Q: Of the thousand acres that the State is buying west of Highway 1, how many acres erode annually and how long will it be until it has all eroded away?
- A: The state is buying none of the property west of Highway 1. Caltrans is acquiring a scenic protection easement using federal Transportation Enhancement funds. Hearst is donating approximately 13 miles of coastline to the state. The number of acres that erode each year is unknown. However, as part of the transaction, Hearst is also making an offer of dedication to the state that will provide 518 acres of land inland of the current alignment to allow inland realignments of Highway 1 that may be necessitated by bluff erosion.
- 86. Q: I was told that the Hearst Corp. purchased some 30+ acres of land from the U.S. around 1998. If this is true is that land included in the 128 square miles being discussed?

**A:** Insufficient information in question to respond.

- 87. Q: How is it that 1,500 acres is worth 95 million dollars when the whole ranch, 80,000 acres, is not even worth 4 times that?
- A: The proposed funding would not just result in the State's acquisition of over 1,500 hundred acres, but also significant protection for the remainder of the ranch's over 80,000 acres.

### 88. Q: Please summarize the current development rights that Hearst is giving up with this deal.

A: The size, configuration, and existing amenities of the Hearst Ranch provide for significant development opportunities, as discussed in the review appraisal report of July 7, 2004, by Michael Waldron, MAI, available on this website. Currently, the ranch's development potential is legally limited by its zoning and other regulatory constraints that include the San Luis Obispo County Local Coastal Program (LCP). The proposed project would restrict the potential development to 27 primary residential rights and 100 lodging units, and subject any development to further restrictions as described in the transaction summaries and draft conservation easements available on this website.

#### 89. Q: How many homes can they build now?

A: The maximum number of homes that could be built on the property is limited by legal, financial, and physical constraints. The precise number that might legally be allowed could only be determined through the permit process, which would involve review by San Luis Obispo County and regulatory agencies. The state's review appraisal report recognizes a potential for up to 412 primary residences.

### 90. Q: How many legal parcels can they sell-off now without asking the county or Coastal Commission?

A: The Hearst Ranch currently contains 271 legal lots per in-hand Certificates of Compliance, certified by San Luis Obispo County. These are, effectively, "legal parcels," which could be individually conveyed.

### 91. Q: Does the current zoning and coastal plan still allow the 650 room resort hotel and golf course?

A: The current LCP, certified by the California Coastal Commission and approved by San Luis Obispo County, provides for 650 rooms of lodging and a golf course on the ranch.

#### 92. Q: How are these rights restricted?

A: The LCP does not guarantee that the above level of visitor-serving development could be built. Development proposals would still be subject

to the permit process, which would require findings that they conform to the San Luis Obispo County certified Local Coastal Plan and other regulations.

## 93. Q: I want to know that I'm getting a good and fair value for the public dollars being spent. Is this amount in line with what has been spent for conservation easements?

A: There can be no set value for a conservation easement—the value depends on the easement terms and the underlying value of the property that will be encumbered by the easement. The range of values for conservation easements varies widely among different properties. The appraised value of the fee and easement interests proposed for acquisition is \$230 million. The cost to the State of this transaction is \$95 million.

#### 94. Q: For how long is the \$95 million price?

A: The \$95-million price, negotiated by the American Land Conservancy and Hearst, was due to expire in February 2004 but has been extended to allow the State to proceed with the acquisition process.

### 95. Q: You've said that this deal is a bargain for the people of California. Can you explain this further?

A: The independent appraiser hired by the State estimated the value of the interests proposed for State acquisition to be \$230 million. The price the State would pay for those interests is \$95 million.

# 96. Q: How does the price per acre compare with other recent transactions such as Ahmanson Ranch, Playa Vista, or the upcoming Bolsa Chica project?

A: The prices paid for these three properties are not comparable to the price that would be paid for the public interests in the Hearst Ranch. The three properties were all purchased in fee—the State now owns them. The Hearst Ranch project would result in the State's ownership of only a small portion of the ranch, about 1,500 acres, while Hearst would retain ownership of the remainder. Hearst's uses and development of its property, however, would be severely restricted.

# 97. Q: If the same price per acre that was paid for the SF Bay mud/salt beds is applied to the Hearst Ranch deal, how much would the State be paying for Hearst?

A: The South Bay Salt Ponds properties are very different from the Hearst Ranch and, as with the properties named in the previous question, the salt ponds were purchased in fee. Their price, therefore, is not comparable to the price for the Hearst Ranch interests proposed for purchase.

### 98. Q: Did the appraisal of the ranch include the real probability that the certificates of compliance could be built upon? If not, why?

A: The appraiser certainly considered the possibility that the Hearst Ranch certificate of compliance lots could be developed, but he recognized that their development would be subject to legal, physical, and economic constraints. Legal constraints would include the necessity to obtain county building permits and in some cases coastal development permits.

### 99. Q: Did the State's appraisal assume development rights from the certificates of compliance?

**A:** Please see the answer to the previous question.

### 100. Q: Was there an analysis regarding how the Coastal Act might affect such alleged development rights?

A: Yes. In the review appraisal report prepared by Michael Waldron, the Highest and Best Use Section on Pages 13 and 14 discusses the appraiser's investigations and considerations regarding the ranch's development potential. The review report indicates there are numerous references in the appraisal to open interviews, discussions and analyses with/of the County of San Luis Obispo, California Coastal Commission, property owner and other consultants, interested parties, studies and documents. Most of the Hearst Ranch acreage and most of the 271 certificate of compliance parcels are outside the Coastal Zone.

# 101. Q: It would seem that the easement increases the values of the remaining mansion lots. Will this reduce the amount of the tax deductibility of the donated part of the easement?

A: The appraiser estimated the value of the proposed conservation easement by first estimating the values of the ranch in its "before," or as-is condition, and then in its "after" condition, as if encumbered by the easement. The value of the conservation easement was taken as the difference between the ranch's "before" and "after" values. (This is a standard and generally accepted methodology for valuing a proposed conservation easement.) The "before" and "after" values were estimated independently, so any effect of the proposed easement on the value of the allowed residential lots in the "after" condition was taken into account in the appraiser's analysis.

### 102. Q: Please explain the difference between SCC appraisal and General Services appraisal.

A: The State Coastal Conservancy hired an independent appraiser to estimate the value of the Hearst Ranch interests proposed for acquisition. The State Department of General Services must review that appraisal.

### 103. Q: How does this expenditure compare to 2003 price paid by WCB for Ahmanson Ranch, near Los Angeles?

A: As noted in answers to questions above, the prices for the two properties are not comparable. The Ahmanson Ranch was purchased by the State in fee, while the proposed interests in the Hearst Ranch include both fee interests and a conservation easement.

## 104. Q: Will water be allowed to be transferred off the site? If so, how will the decisions be made to assure protection of steelhead trout habitat?

A: Water rights are addressed in Section 12 of the proposed Conservation Easement. The landowner may transfer water or water rights from the Easement Area for use outside the Ranch only with the prior written permission of the easement holder based upon determinations by the easement holder that the transfer will not impair Conservation Values, particularly fish and wildlife, either at the time of transfer or following the exercise of other retained rights on the Easement Area. In addition, any proposed transfer of water or water rights will also be subject to all applicable regulatory requirements.

### 105. Q: I understand there are to be orchards, vineyards, hotel, homes, etc. Where is the water coming from?

A: The easement does not specify what water resources on the ranch will be used for what retained uses. All uses retained in the easement are subject to the provisions of the easement; including the requirement in Section 1 that no use or activity shall be permitted that would result in the impairment of conservation values protected by the easement's conservation purpose. These retained uses substantially reduce uses allowed under current regulations which would otherwise create higher water use demands.

# 106. Q: I also have heard Hearst Corp. will be selling water. Does this have anything to do with the new desal plant proposed near San Simeon Creek or on Hearst property?

A: Hearst has not indicated any intention to sell water. The East Side Conservation Easement has specific restrictions on transfers of water off the ranch. (See prior answer and East Side Conservation Easement Section 12.)

#### 107. Q: Where will the water come from?

A: SEE ANSWER ABOVE

### 108. Q: Will any part of the Hearst property or property sold to any agency be receiving or anticipate receiving desal water from Cambria?

A: The easement (Section 12) contains a representation by Hearst that the water and water rights associated with the easement area are and shall be sufficient to sustain present and future agricultural productivity, other retained rights and conservation values on the easement area. Neither Hearst nor any of the agencies involved in this transaction has indicated any intention to receive water from Cambria.

# 109. Q: Is Hearst planning or supporting a desalination plant in Cambria as a direct or indirect source of water for their proposed development plans?

**A:** The Hearst Corporation has indicated it is neither supporting or planning for a desalination plant in Cambria.

### 110. Q: Does Hearst regard the current proposed agreement as a "final offer", or is this hearing a meaningful process?

**A:** Please refer to question and answer #80 above.

# 111. Q: What would happen if the easement is purchased and the north coast area plan is amended to prohibit development at San Simeon Village?

A: Under the provisions of the proposed Old San Simeon Village Conservation Easement, the landowner would be allowed to seek regulatory approval to undertake development of the Old San Simeon Village Historic Conservation Project, as defined in Section 5 of the proposed Conservation Easement. Because the existing zoning applicable to Old San Simeon Village does not allow hotel rooms, in order to pursue the Old San Simeon Village Historic Conservation Project, the landowner will first have to obtain approval of a zoning change, which will involve amendment of the Local Coastal Plan. In addition to being authorized to pursue regulatory approvals of the Old San Simeon Village Historic Conservation Project, the landowner retains the right under the proposed Conservation Easement, subject to the restrictions on structures set forth in Section 5 of the Conservation Easement, to engage in any use of the Old San Simeon Village Easement Area identified as a "principally permitted use," an "allowed use," or a "special use" in the Agricultural land use designation under the Applicable Rules (defined in Section 29 of the Conservation Easement).

#### 112. Q: What will the zoning look like?

A: The current zoning of the proposed Old San Simeon Village Easement Area is a combination of commercial retail, recreation and agriculture. As noted above, under the proposed Old San Simeon Village Conservation Easement, the landowner would be allowed to seek approval for the Old San Simeon Village Historic Conservation Project and to engage in any use of the Old San Simeon Village Easement Area identified as a

"principally permitted use," an "allowed use," or a "special use" in the Agricultural land use designation under the Applicable Rules (defined in Section 29 of the Conservation Easement). The authorizations and restrictions under the Conservation Easement would be merely private contractual agreements binding on the landowner. In any event, any development of the Old San Simeon Village Conservation Easement Area would remain subject to all applicable laws and regulations, including local land use restrictions.

### 113. Q: Will any potential/planned development still need county review approval?

A: Yes. The easement is an agreement between the property owner and easement holder to restrict uses. The regulatory process is a separate process that the easement agreement does not, and can not, bypass. Hearst will need to go through the full regulatory permitting process with the county and, where applicable, the coastal commission for permits required for the limited uses that the property owner retains the right to seek in the easement.

#### 114. Q: What about "quick claims" to unused land, etc.?

A: Approximately 1,577 acres of land would change ownership in this transaction, including approximately 949 acres proposed to be transferred by grant deed to the State Department of Parks and Recreation and approximately 628 acres to be offered for dedication to Caltrans. No land would be transferred by quit claim deed. The current landowner will retain ownership of, and the right to use, the balance of the Hearst Ranch subject to conservation easements. See the Overall Transaction Summary, East Side Transaction Summary, West Side Transaction Summary and Summary of Realignment Area Transaction posted on this website.

#### 115. Q: What environmental review is required for this project?

A: The transaction is exempt from environmental review as described in the WCB's staff report found at <a href="www.wcb.ca.gov">www.wcb.ca.gov</a>. Projects such as public access improvements, and development of uses the easement does not prohibit, such as the inn at OSSV and owner homesites will be subject to environmental review as part of the normal permitting process.

#### 116. Q: Is an EIR being prepared?

#### A: SEE ANSWER ABOVE

- 117. Q: On the Old San Simeon Village Easement Area Map What is the meaning of the orange broken lines (called "Infrastructure & Reconfiguration Boundary Alternative")?
- **A:** See OSSV Easement Section 3(d) for the limited allowable uses in this area.

#### 118. Q: Does this allow for further buildings, parking lots, outbuildings?

**A:** See OSSV Easement Section 3(d). Buildings and parking must be located within an envelope not exceeding 39 acres.

#### 119. Q: What is "Infrastructure"?

**A:** Support utility infrastructure includes water, electrical distribution, sewage treatment system, and distribution pipelines.

#### 120. Q: What will be built here?

A: See OSSV Easement Section 3(d) for the limited allowable uses in this area.

### 121. Q: Will SLO Land Conservancy be the local group to hold the OSSV easement?

A: ALC will be the initial easement holder. No decisions have been made concerning any successor easement holder. Provisions concerning easement holder succession are in OSSV easement Section 17.

#### 122. Q: How much is the ALC getting for this action upfront and ongoing?

- A: ALC is proposing to receive \$57 million in grant funding, pursuant to the proposed WCB grant agreement, for its acquisition of the east side conservation easement. Under the proposed WCB grant agreement, this grant funding could be used only for acquisition funding and not to reimburse ALC's costs and expenses in facilitating the proposed conservation transactions. ALC's is not receiving any other public funding as part of the proposed transactions.
- 123. Q: If we are paying for this east side easement to protect all these wonderful assets, why can't we see any of it? Most of us will not be part of the privileged who get in on the 4 times a year.
- A: This easement is like any other working landscape agricultural conservation easement which protects in perpetuity defined conservation values, including preservation of vast natural resources and protecting a scenic viewshed for over 4 million travelers along Highway 1 and a million visitors a year to Hearst castle.
- 124. Q: You said that orchards and vineyards will be allowed in the 20-acre buffers around the homes. Do they also allow recreational and agricultural development; i.e., barns, swimming pools, tennis courts, riding rings, etc.?
- A: In each 20-acre homesite buffer area, fencing, agricultural accessory structures and facilities and private uses related to agriculture separate from the common ranch operation would be allowed subject to all applicable requirements of the East Side Conservation Easement. Accessory structures not related to agricultural uses are to be located within the 5 acre homesite improvement area, i.e. swimming pools, tennis courts, basketball courts, etc. Please see East Side Transaction Summary and Sections 1 4 and 6, and Exhibits F-1, F-2 and H to the draft East Side Conservation Easement, each posted on this website.

#### 125. Q: Who pays for the roads on the east side of the Ranch?

A: Under the East Side Conservation Easement, the landowner would remain responsible for the roads. Please see Sections 8 and 15 of the draft East Side Conservation Easement posted on this website.

#### 126. Q: Who arbitrates if conservation easement conditions are violated?

A: The parties would be required to meet with a Certified Rangeland Manager or other expert, such as a wildlife biologist, fisheries biologist, botanist or plant ecologist, qualified to address the violation, to attempt to agree on appropriate corrective action. See Section 16 of the draft East Side Conservation Easement posted on this website for the dispute resolution process.

### 127. Q: Besides quarterly quided tours, what would be the use at Ragged Point?

A: See Caltrans Scenic Conservation Easement posted on this website at tab 4B, section 3 and State Parks Public Access Easement at tab 4C.

- 128. Q: On property along coast (west side) where Hearst is permitted development, will the access easements be 10-20' wide through narrow corridors between buildings? This is not acceptable. Easements must be open spaces with parking available.
- A: The only area on the west side where Hearst retains the right to seek limited development is at OSSV. Exhibit F to the OSSV easement posted on this website provides access parameters for this easement area, including a corridor within which to locate the California Coastal Trail and a trail connection to the proposed San Simeon Point trailhead. Precise public access siting will be the subject of planning and environmental review processes.

### 129. Q: Regarding Ragged Point, San Simeon Point and Peggy's Cove: Can Hearst Corp. build on these sites?

A: No. See Caltrans Scenic Conservation Easement Section 3 posted on this website. "Peggy's Cove" is assumed to refer to Pico Cove.

### 130. Q: Isn't it that the conservation easement buys more than just "a pretty view"?

A: The purpose of the East Side Conservation Easement would be to "achieve protection of the Conservation Values by sustaining in perpetuity a combination of agricultural operations and natural habitats within the Easement Area" as provided in the East Side Conservation Easement.

Please see the East Side Transaction Summary and Section 1 of the draft East Side Conservation Easement, each posted on this website.

- 131. Q: How much habitat and how many species of plant and animals are there on the ranch and how will they be protected?
- A: The Conservation Values the East Side Conservation Easement would protect include more than 1,000 plant and wildlife species, at least 28 of which hold special status classification (federal or state endangered, threatened or rare). In addition, at least 17 plants listed by the California Native Plant Society are known to occur. Several species are endemic to the Easement Area. Please see the Resources Information Summary, the East Side Transaction Summary and the draft East Side Conservation Easement, each posted on this website.
- 132. Q: When will the Management Plan be completed and will it be subject to public comment and State agency approval?
- A: See Question and Answer #13.
- 133. Q: To State Parks: Shouldn't there be a role for a local non-profit to play in the planning, management and operations at San Simeon Point and other areas along the 18 mile Hearst Ranch coastline? Wouldn't that be a good way for the State to save some money and make use of local expertise?
- A: The American Land Conservancy will hold the Conservation Easement over OSSV. The Public Access Easement allows for State Parks to assign the easement, therefore there may be an additional role for non-profits in the future.
- 134. Q: Why have State Parks oversee the coastal property when they have repeatedly demonstrated a disregard for public access?
- **A:** State Parks provides for public access consistent with staffing, natural and cultural resource constraints.
- 135. Q: Why is there no local advisory committee to represent local concerns and mediate?
- **A:** Opportunities for local participation are available through public meeting processes and future planning efforts.