

MONTEREY COUNTY PLANNING COMMISSION

Meeting: August 10, 2011 Time: 9:00 a.m.	Agenda Item No.: 2
Project Description: Approve a Four-year extension request for the previously approved Combined Development Permit for the September Ranch Subdivision Project (PLN050001) consisting of: 1) a Vesting Tentative Map for the subdivision of 891 acres into 73 market-rate residential lots and 22 affordable housing lots (15 inclusionary and 7 deed-restricted workforce housing lots) for a total of 95 residential lots; a 20.2 acre existing equestrian facility and accessory structures related to that use (Parcel E); 300.5 acres of common open space (Parcels A & C); 242.9 acres of public open space for donation/dedication (Parcel D); 250.7 acres of private open space (conservation and scenic easement) on each lot outside of the building envelope; 6.9 acres of open space reserved for future public facilities (Parcel B); annexation to the Carmel Area Wastewater District for sewage disposal; 2) a Use Permit for the public/commercial use of the equestrian center & stables for a maximum of 50 horses and a maximum water use of 3.0 acre-feet per year; 3) a Use Permit for an on-site water system including new wells, backup well(s), booster pumps, water tanks and piping for fire suppression and residents of the subdivision; 4) a Use Permit for removal of a maximum of 819 protected Coast live oaks; 5) an Administrative Permit for up to 100,000 cubic yards of grading in an "S" (Site Plan Review) Overlay Zoning District for subdivision infrastructure and improvements including, but not limited to, development of roads, water tanks, water system, and drainage detention areas; 6) a Use Permit to allow development on slopes greater than 30 percent for affordable housing on Lots 5 through 11, subdivision infrastructure and subdivision improvements; and 7) an Administrative Permit for affordable housing, equestrian center Caretaker's Unit/public office, a tract sales office and a security gatehouse. The property is located approximately 2.5 miles east of Highway 1 on the north side of Carmel Valley Road, between Canada Way and Valley Greens Drive, Mid-Carmel Valley area, Carmel Valley Master Plan area.	
Project Location: Approximately 2.5 miles east of Highway 1 on the north side of Carmel Valley Road, between Canada Way and Valley Greens Drive, Mid-Carmel Valley area	APN: 015-171-010-000, 015-171-012-000, 015-361-013-000, and 015-361-014-000
Planning File Number: PLN110173	Owner: September Ranch Partners Agent: Lombardo and Gilles
Planning Area: Carmel Valley Master Plan	Flagged and staked: No
Zoning Designation: LDR/2.5-D-S-RAZ and RDR/2.5-D-S-RAZ	
CEQA Action: Previously Certified Final Revised EIR	
Department: RMA - Planning Department	

RECOMMENDATION:

Staff recommends that the Planning Commission adopt a resolution (**Exhibit C**) to:

- 1) Consider the previously certified Final Revised EIR for the September Ranch Subdivision Project; and
- 2) Approve the four year extension, through November 9, 2016, of the Combined Development Permit for the September Ranch Subdivision Project, based on the findings and evidence and subject to the previously approved conditions of approval in Board of Supervisors Resolution No. 10-312 (**Exhibit C.2**).

PROJECT OVERVIEW:

On November 9, 2010, the Board of Supervisors certified the Final Revised EIR including the Final Revised Water Demand Analysis for the September Ranch Subdivision Project and approved the application for the Combined Development Permit consisting of a: Vesting Tentative Map for the subdivision of 891 acres into 73 market-rate residential lots and 22 affordable housing lots (15 inclusionary and 7 deed-restricted workforce housing lots) for a total of 95 residential lots, equestrian center, water system, grading for site improvements on slopes of over 30% and the removal of up to 189 Oak trees (see complete project description above).

On April 7, 2011 the applicant applied for a four year extension of the Combined Development Permit for the subdivision of 891 acres into 73 market-rate residential lots and 22 affordable housing lots to allow additional time to secure funding for the project and allow the market demand to pick up for the lots generated from this subdivision. The approval would have expired on November 9, 2012; however, the applicant is requesting an additional four years through November 9, 2016. Under the Subdivision Map Act (Government Code Section 66452.6 (a) and 66452.6 (e)), the County may approve the extension. The County could, alternatively, allow an extension for less time or require applicant to make the request for the extension closer to the permit's original expiration date. Staff is recommending granting the extension request on condition that any automatic extension the state legislature may enact during the extended life of the tentative map be subsumed into this grant of the extension and not added to this extension.

The project will continue to be subject to all of the conditions of approval of the November 9, 2010 Combined Development Permit as set forth in Board of Supervisors' Resolution Number 10-312. (NOTE: Conditions of approval for this extension will be processed under this planning file number, PLN110173, not the previous planning file number, PLN050001.)

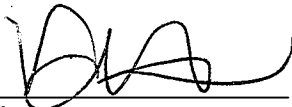
OTHER AGENCY INVOLVEMENT: The following agencies and departments reviewed this extension request:

- √ RMA - Public Works Department
- √ Environmental Health Bureau
- √ Water Resources Agency
- √ Carmel Valley Fire Protection District
- √ Monterey County Sheriffs Department
- √ Redevelopment Agency
- √ Parks Department

Agencies that submitted comments are noted with a check mark ("√"). The agencies are continuing to require all of conditions of approval of Resolution Number 10-312.

Note: The decision on this project is appealable to the Board of Supervisors.

/S/ Valerie Negrete



Valerie Negrete, Assistant Planner
(831) 755-5227, negretev@co.monterey.ca.us
July 26, 2011

cc: Front Counter Copy; Planning Commission; Carmel Valley Fire Protection District; Public Works Department; Parks Department; Environmental Health Bureau; Water Resources Agency; Parks Department, Redevelopment Department, Sheriffs Department; Laura Lawrence, Planning Services Manager; Valerie Negrete, Project Planner; Carol Allen, Senior Secretary; September Ranch Partners, Owner; Lombardo and Gilles, Shandell Brunk, Agent; Planning File PLN110173

Attachments: Exhibit A Project Data Sheet
Exhibit B Project Discussion
Exhibit C Draft Resolution, including:
1. Vesting Tentative Map

2. Board of Supervisors Resolution (10-312) dated November 9, 2010 (on CD)

Exhibit D Vicinity Map
Exhibit E Extension Justification Letter dated April 15, 2011
Exhibit F Certified Final Revised EIR (on CD)

Planning Commission members were given electronic copies of Exhibits C.2 and F. Exhibit C.2 and F are available upon request at the Monterey County Planning Department.

This report was reviewed by Laura Lawrence, Planning Services Manager *WLL*

Exhibit A Project Information for September Ranch Partners (PLN110173)

Project Title: September Ranch Partners	Primary APN: 015-171-010-000; 015-171-012-000; 015-361-013-000; and 015-361-014-000	
Location: Approximately 2.5 miles east of Highway 1 on the north side of Carmel Valley Road, between Canada Way and Valley Greens Drive, Mid-Carmel Valley area	Coastal Zone: Inland	
Applicable Plan: Carmel Valley Master Plan Area	Zoning: LDR/2.5-D-S-RAZ and RDR/2.5-D-S-RAZ	
Permit Type: Combined Development Permit	Plan Designation: Residential	
Environmental Status: Certified Draft EIR and Water Demand Analysis	Final Action Deadline: 07/06/2011	
Advisory Committee: Carmel Valley LUAC		

Project Site Data:

Lot Size: 891 acres	Coverage Allowed: 25%	
	Coverage Proposed: NA	
Existing Structures (sf): None	Height Allowed: 30'	
Proposed Structures (sf): 95 Lots	Height Proposed: 15'	
Total Square Feet: NA	FAR Allowed: NA	
	FAR Proposed: NA	

Resource Zones and Reports

Environmentally Sensitive Habitat: Yes	Erosion Hazard Zone: II, Undetermined	
Botanical Report #: EIR	Soils/Geo. Report #: EIR	
Forest Mgt. Report #: NA	Geologic Hazard Zone: NA	
	Geologic Report #: EIR	
Archaeological Sensitivity Zone: High	Traffic Report #: EIR	
Archaeological Report #: EIR		
Fire Hazard Zone: Very High		

Other Information:

Water Source:	Well	Sewage Disposal (method):	Septic
Water District/Company:	NA	Sewer District Name:	NA
Fire District:	Carmel Valley Fire Protection	Grading (cubic yds):	100,000 cubic yards of grading
Tree Removal (Count/Type):	819 Coast Live Oak		

EXHIBIT B PROJECT DISCUSSION

On November 9, 2010 the Board of Supervisors certified the Final Revised EIR including the Final Revised Water Demand Analysis for the September Ranch Subdivision Project and approved the Combined Development Permit.

CEQA

The above-referenced EIR was certified by the Board of Supervisors on November 8, 2010. According to CEQA Guidelines, Section 15162, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines that, on a basis of substantial evidence in the light of the whole record, one of more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

In this case, no changes are proposed to the project which will require major revisions to the previously adopted EIR. The project has not changed and there are not proposed changes to the project with this application.

- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

In this case, no substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions. The applicants are applying for an extension to allow them additional time to comply with their conditions of approval and give the housing market time to recover, enabling them to recover their costs and be able sell lots.

- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted.

No new information was brought forth with the extension request. Therefore, nosupplemental environmental analysis is required.

No subsequent environmental review document was generated because circumstances have not changed since the adopting of the EIR on November 8, 2010. The project has not changed and no new information was presented with the extension request that would warrant further environmental review.

Extension Request

The Subdivision Ordinance (Title 19) allows for a two-year period for the initial approval of standard subdivisions. Absent the requested extension, the September Ranch approval expires on November 6, 2012.

The Subdivision Map Act provides that, upon application filed by the subdivider prior to the expiration of the map, the appropriate decision-making body may extend the map for a period (or periods) not exceeding a total of six years. (Gov't Code section 66452.6(e).) The County's subdivision ordinance requires that the request for extension be made at least 60 days before the map is due to expire. The County's subdivision ordinance does not preclude the applicant from making a request for extension sooner, nor does the County's ordinance require that the extensions be granted in smaller time increments. Under the Map Act, the County has discretion to grant the requested extension, grant the extension for a lesser increment of time, or deny the request now as premature and require applicant to make the request closer to the expiration date of the tentative map.

Staff is in support of the four year extension request because there have been no significant changes in circumstances in the area of the project since the approval of the project. The County's discretion is limited to time considerations; it does not allow a reevaluation of the tentative map and does not allow imposition of new conditions based on the intervening passage of new local regulations. However, under Government Code section 66474.3, the County can impose a new condition or deny an extension of a tentative map if it determines one of the following:

- "1) a failure to do so would place residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety, or both" or
- "2) the condition or denial is required, in order to comply with state or federal law." (Gov't Code sec. 66474.3(c).)

In this case, no condition dangerous to health or safety has been identified and no change in state or federal law has occurred requiring new conditions or denial of the extension. The applicant has explained the reasons why they are requesting the four year extension now. (See Exhibit E). The applicant states that there is little to no financing available for new development at this time. Staff does recommend making clear that, if the legislature were to enact an automatic extension during the extension period, such automatic extension would be subsumed under the extension granted by the County; any extension beyond the November 2016 date granted by this County action would require additional consideration by the County.

Although the Planning Commission has the discretion to grant less than the requested four years that the applicant is requesting, staff finds no reasons to support less time.

**EXHIBIT C
DRAFT RESOLUTION**

**Before the Planning Commission in and for the
County of Monterey, State of California**

In the matter of the application of:

September Ranch Partners (PLN110173)

RESOLUTION NO. [REDACTED]

Resolution by the Monterey County Hearing Body:

- 1) Consider the Previously Certified Final Revised EIR;
- 2) Approve a Four-year extension request for the previously approved September Ranch Partners Combined Development Permit for [PLN110173, September Ranch Partners, Approximately 2.5 miles east of Highway 1 on the north side of Carmel Valley Road, between Canada Way and Valley Greens Drive, Mid-Carmel Valley area, Carmel Valley Master Plan Area (APN: 015-171-010-000, 015-171-012-000, 015-361-013-000, and 015-361-014-000)]

The September Ranch Partners application for a four year extension (PLN110173) came on for public hearing before the Monterey County Planning Commission on August 10, 2011. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission finds and decides as follows:

FINDINGS

1. FINDING: **EXTENSION REQUEST** – September Ranch Partners request a four year extension to the Combined Development Permit for the September Ranch Subdivision Project which was approved on November 9, 2010 by the Board of Supervisors. The Board of Supervisors certified the Final Revised EIR including the Final Revised Water Demand Analysis for the September Ranch Subdivision Project and approved the application for the Combined Development Permit consisting of a: 1) Vesting Tentative Map (Exhibit 1) for the subdivision of 891 acres into 73 market-rate residential lots and 22 affordable housing lots (15 inclusionary and 7 deed-restricted workforce housing lots) for a total of 95 residential lots; a 20.2 acre existing equestrian facility and accessory structures related to that use (Parcel E); 300.5 acres of common open space (Parcels A & C); 242.9 acres of public open space for donation/dedication (Parcel D); 250.7 acres of private open space (conservation and scenic easement) on each lot outside of the building envelope; 6.9 acres of open space reserved for future public facilities (Parcel B); annexation to the Carmel Area Wastewater District for sewage disposal; 2) a Use Permit for the public/commercial use of the equestrian center & stables for a maximum of 50 horses and a maximum water use of 3.0 acre-feet per year; 3) a Use Permit for an on-site water system including new wells, backup well(s),

booster pumps, water tanks and piping for fire suppression and residents of the subdivision; 4) a Use Permit for removal of a maximum of 819 protected Coast live oaks; 5) an Administrative Permit for up to 100,000 cubic yards of grading in an "S" (Site Plan Review) Overlay Zoning District for subdivision infrastructure and improvements including, but not limited to, development of roads, water tanks, water system, and drainage detention areas; 6) a Use Permit to allow development on slopes greater than 30 percent for affordable housing on Lots 5 through 11, subdivision infrastructure and subdivision improvements; and 7) an Administrative Permit for affordable housing, equestrian center Caretaker's Unit/public office, a tract sales office and a security gatehouse.

- EVIDENCE:**
- a) The Subdivision Ordinance (Title 19) allows for a two-year period for the initial approval of standard subdivisions. Absent this extension, the September Ranch approval expires on November 6, 2012.
 - b) The Subdivision Map Act provides that, upon application filed by the subdivider prior to the expiration of the map, the appropriate decision-making body may extend the map for a period (or periods) not exceeding a total of six years. (Gov't Code section 66452.6(e).) The County's subdivision ordinance requires that the request for extension be made at least 60 days before the map is due to expire. The applicant applied for an extension on April 7, 2011.
 - c) Staff is in support of the four year extension request because there have been no significant changes in circumstances in the area of the project since the approval of the project. The County's discretion is limited to time considerations; it does not allow a reevaluation of the tentative map and does not allow imposition of new conditions based on the intervening passage of new local regulations. However, under Government Code section 66474.3, the County can impose a new condition or deny an extension of a tentative map if it determines one of the following:

"1) a failure to do so would place residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety, or both" or

"2) the condition or denial is required, in order to comply with state or federal law." (Gov't Code sec. 66474.3(c).)

In this case, no condition dangerous to health or safety has been identified and no change in state or federal law has occurred requiring new conditions or denial of the extension. The applicant is requesting an extension for economic reasons in securing funding. (See applicant's letter of April 15, 2011.)

- d) With this extension request, if the legislature were to enact an automatic extension that would have the effect of extending the life of the September Ranch tentative map to 2016, such automatic extension would be subsumed under the extension granted by the County; any extension beyond the November 2016 date granted by this County action would require additional consideration by the County.

2. **FINDING:** CEQA (EIR) – The Planning Commission has considered the Final Revised EIR for the September Ranch Subdivision Project.

EVIDENCE:a) The California Environmental Quality Act (CEQA) requires preparation of an environmental impact report if there is substantial evidence in light of the whole record that the project may have a significant effect on the environment.

b) On November 9, 2010, the Board of Supervisors certified the Final Revised EIR including the Final Water Demand Analysis for the September Ranch Subdivision Project. The Revised EIR and Final Water Demand Analysis are on file in the offices of the Planning Department, and these were provided to the Commissioners as part of the staff report for the extension request.

c) Draft Revised EIR dated December 2004, Re-circulated Draft Revised EIR dated February 2006, Final Revised EIR dated July 2006, and Final Revised Water Demand Analysis dated August 2010.

d) According to CEQA section 15162, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines that, on a basis of substantial evidence in the light of the whole record, one of more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

In this case, no changes are proposed to the project which will require major revisions to the previously adopted EIR. The project has not changed and there are not proposed changes to the project with this application.

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

In this case, no substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions. The applicants are applying for an extension to allow additional time to comply with their conditions of approval and give the housing market time to recover enabling them to recover their costs and be able sell lots.

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted.

No new information was brought forth with the extension request.

Therefore, no new analysis is required.

- e) The Monterey County Planning Department, located at 168 W. Alisal, Second Floor, Salinas, California, 93901, is the custodian of documents and other materials that constitute the record of proceedings upon which the decision is based.

3 **FINDING:** **NO VIOLATIONS** - The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of the County's zoning ordinance. No violations exist on the property.

- EVIDENCE:**
- a) Staff reviewed Monterey County RMA - Planning Department and Building Services Department records and is not aware of any violations existing on subject property.
 - b) Staff conducted a site inspection on April 21, 2011 and researched County records to assess if any violation exists on the subject property.
 - c) There are no known violations on the subject parcel.
 - d) The application for the extension request is found in Project File PLN110173.

4 **FINDING:** **APPEALABILITY** - The decision on this project may be appealed to the Board of Supervisors.

- EVIDENCE:** a) Section 19.16.020.C Monterey County Subdivision Ordinance.

DECISION

NOW, THEREFORE, based on the above findings and evidence, the Planning Commission does hereby:

- A. Approve an extension for the previously approved September Ranch Partners Combined Development Permit through November 9, 2016, subject to the conditions of Resolution Number 10-312, attached hereto and incorporated herein by reference (**Exhibit 2**, see attached CD.); and
- B. Require that, in the event that the state legislature enacts an automatic extension that would have the effect of extending the life of the September Ranch tentative map during this extension period (November 9, 2012 through November 9, 2016), such automatic extension would be subsumed under the extension granted by the County, and any extension beyond the November 9, 2016 date granted by this County action would require additional consideration by the County.

PASSED AND ADOPTED this 10th day of August, 2011 upon motion of _____, seconded by _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mike Novo, Secretary

COPY OF THIS DECISION MAILED TO APPLICANT ON

THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE CLERK TO THE BOARD ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE

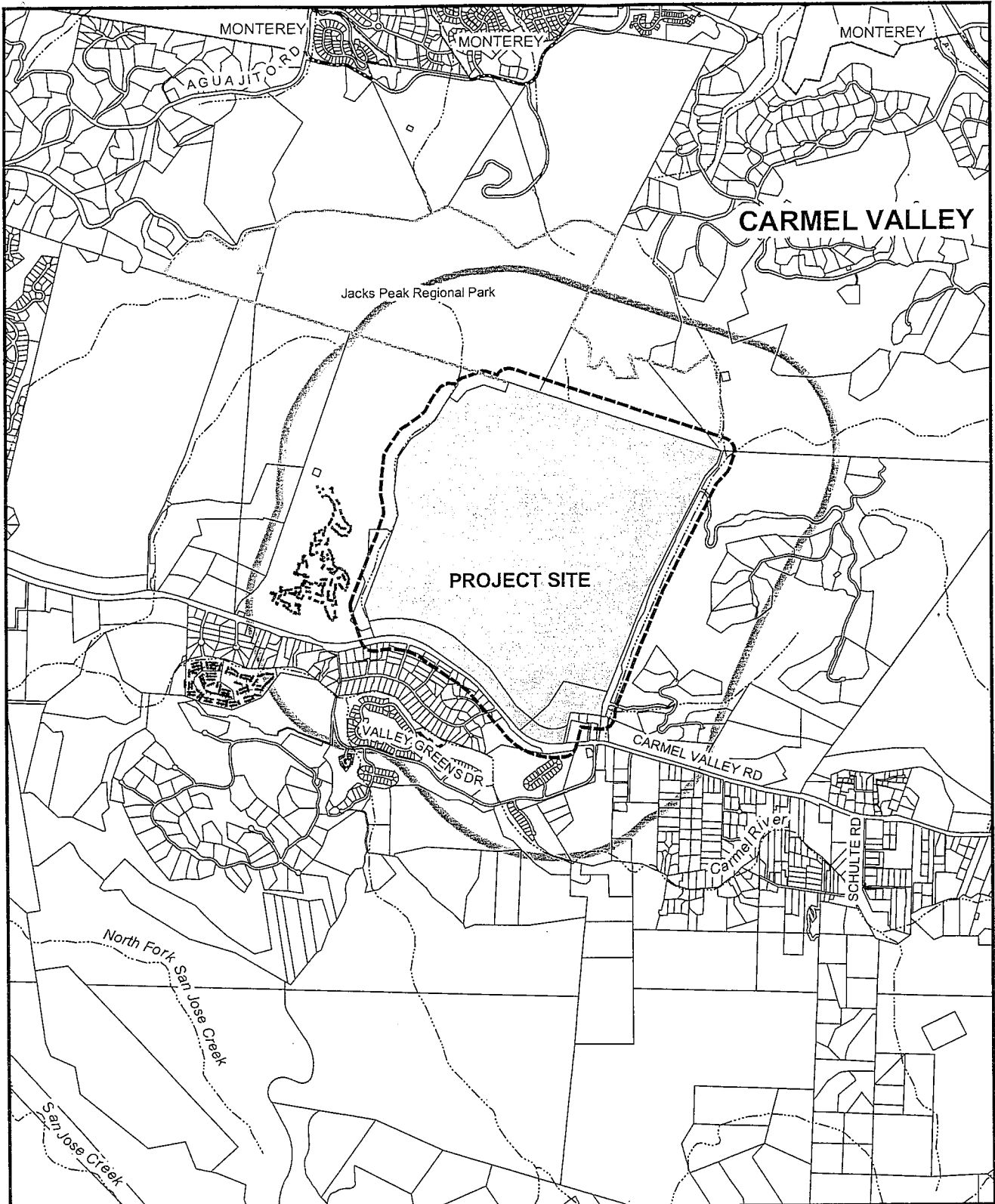
This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from the Monterey County Planning Department and Building Services Department office in Salinas.



APPLICANT: SEPTEMBER RANCH PARTNERS

APN: 015-171-010-000M

FILE # PLN050001 & GPZ050001



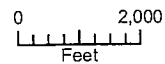
300' Limit



2500' Limit



City Limits



PLANNER: KNASTER

EXHIBIT D

SEPTEMBER RANCH PARTNERS

3562 Knollwood Dr., Atlanta, GA 30305
P.O. Box 222255, Carmel, CA 93922

P: 404-364-0967 F: 404-261-7821
P: 831-626-3601 F: 831-626-3261

Ms. Valerie Negrete
Monterey County Planning Department
168 W. Alisal Street, Second Floor
Salinas, CA 93901

April 15, 2011

Re: September Ranch Tentative map approval extension

Dear Valerie:

We respectfully request an extension of the approval of the September Ranch tentative map, which was approved by the Monterey County Board of Supervisors on Nov. 9, 2011.

After 15 years of process, the uncontested approval of September Ranch has come in the depths of the most severe recession since the Great Depression. There is currently a surfeit of developed lots in Carmel Valley and very little demand. Moreover, there is little prospect that demand will pick up enough within the next year and a half, the life of the existing unextended tentative map, to absorb the current inventory and justify adding more lots to the market in September Ranch.

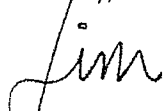
Obviously, it is wise for us to time our development to the needs of the market. In addition, there is little or no financing available for a new development at this time, and there won't be until the current inventory of lots in Carmel Valley is largely absorbed. Therefore, not only would it be unwise to begin developing toward the end of next year, it is unlikely that the financing environment would permit it.

The market will need September Ranch's lots sometime after our current two-year approval window, and therefore we request the extension to allow for that additional time.

Rest assured that our commitment to the project has not lessened. After 15 years and countless dollars expended in studies, air's, lawsuits, and carrying costs, we are not about to abandon or unnecessarily delay the September Ranch project. We just want to move forward at the proper time. In fact, in preparation for that time, in late March we applied for the required water system permit from the Monterey Peninsula Water Management District.

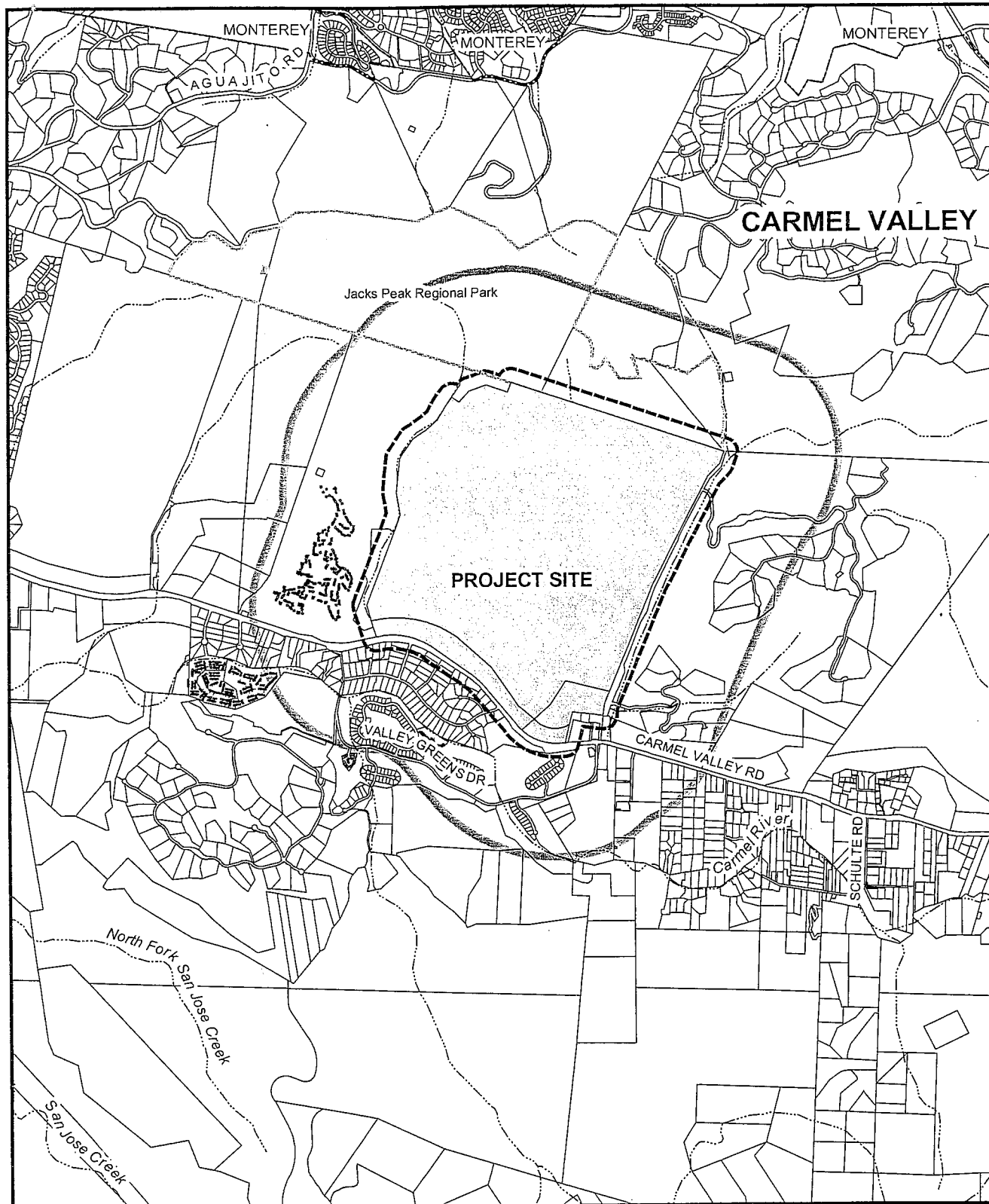
Thank you for your consideration of our request.

Sincerely,






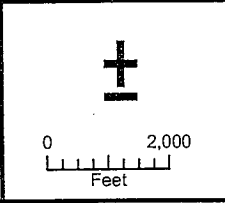
James H Morgens
Partner

EXHIBIT E



APPLICANT: SEPTEMBER RANCH PARTNERS
APN: 015-171-010-000M **FILE #** PLN050001 & GPZ050001

 300' Limit
  2500' Limit
  City Limits



PLANNER: KNASTER

EXHIBIT D

SEPTEMBER RANCH PARTNERS

3562 Knollwood Dr., Atlanta, GA 30305
P.O. Box 222255, Carmel, CA 93922

P: 404-364-0967 F: 404-261-7821
P: 831-626-3601 F: 831-626-3261

Ms. Valerie Negrete
Monterey County Planning Department
168 W. Alisal Street, Second Floor
Salinas, CA 93901

April 15, 2011

Re: September Ranch Tentative map approval extension

Dear Valerie:

We respectfully request an extension of the approval of the September Ranch tentative map, which was approved by the Monterey County Board of Supervisors on Nov. 9, 2011.

After 15 years of process, the uncontested approval of September Ranch has come in the depths of the most severe recession since the Great Depression. There is currently a surfeit of developed lots in Carmel Valley and very little demand. Moreover, there is little prospect that demand will pick up enough within the next year and a half, the life of the existing unextended tentative map, to absorb the current inventory and justify adding more lots to the market in September Ranch.

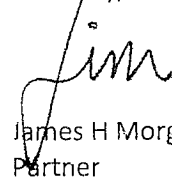
Obviously, it is wise for us to time our development to the needs of the market. In addition, there is little or no financing available for a new development at this time, and there won't be until the current inventory of lots in Carmel Valley is largely absorbed. Therefore, not only would it be unwise to begin developing toward the end of next year, it is unlikely that the financing environment would permit it.

The market will need September Ranch's lots sometime after our current two-year approval window, and therefore we request the extension to allow for that additional time.

Rest assured that our commitment to the project has not lessened. After 15 years and countless dollars expended in studies, eir's, lawsuits, and carrying costs, we are not about to abandon or unnecessarily delay the September Ranch project. We just want to move forward at the proper time. In fact, in preparation for that time, in late March we applied for the required water system permit from the Monterey Peninsula Water Management District.

Thank you for your consideration of our request.

Sincerely,



James H Morgens
Partner

EXHIBIT E