

Exhibit 6: Newspaper articles concerning the project

Posted on Tue, Apr. 26, 2005

Non-profits rescue coast plan

PACKARD FOUNDATION HELPS TRUST PURCHASE CENTRAL COAST EYESORE

By Paul Rogers
Mercury News

It's not exactly the Ritz-Carlton or the Four Seasons.

But state officials were elated Monday after learning that their efforts to purchase a 1950s-era motel on one of the most scenic sections of California's central coast have been saved from collapse.

The saviors: The David and Lucile Packard Foundation in Los Altos and a San Francisco environmental group, the Trust for Public Land.

Hoping to put the finishing touches on the state's \$95 million deal to preserve the rural character of the massive Hearst Ranch, the California Coastal Conservancy, a state agency based in Oakland, has spent months attempting to purchase the 14-room Piedras Blancas Motel. The motel -- a lone outpost of peeling paint, plastic flowers and a cat named Mr. Pee -- is the only private development along 13 miles of Hearst oceanfront in northern San Luis Obispo County set to become a string of new state parks.

The conservancy hoped to turn the motel, situated on 20 acres with half a mile of sandy beach, into a youth hostel.

In December the agency committed \$2 million in state parks bond funds to the purchase, with the understanding that another San Francisco environmental group, the American Land Conservancy, would complete the deal and raise \$2.5 million toward the \$4.5 million price. But the deal fell apart after the American Land Conservancy had difficulty raising the money in time.

The Trust for Public Land, armed with a Packard Foundation loan, stepped in to help.

"We are thrilled," said Debra Geiler, director of central coast programs for the Trust for Public Land. "It is of the utmost importance. It is a missing piece on the coast."

Private developers had been trying to acquire the motel from its owner, Stuart Sidney of San Bernardino. That would have limited public access, said Geiler.

The trust will own the property for about 18 months, and plans to remove a gas station there and tear down several rooms undercut by beach erosion. Then the land will go to the state parks department, and will probably become a youth hostel, possibly with a campground or visitor center, said Dick Wayman, spokesman for the Coastal Conservancy. The motel property is surrounded on three sides by Hearst Ranch. Earlier this year, the Schwarzenegger administration paid the Hearst Corp., which publishes the San Francisco Chronicle and numerous magazines, \$80 million in cash along with a \$15 million tax credit. In exchange, Hearst gave the public 13 miles of shoreline for new state beaches and gave up most development rights to the 82,000-acre ranch -- a sprawling property three times the size of San Francisco. Hearst is limited to building 27 homes and a 100-room hotel.

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SanLuisObispo.com

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Piedras Blancas Resort is a step closer to second life

Nonprofit enters escrow on 20 acres near Hearst Ranch that could become a hostel

Kathe Tanner
The Tribune

Those who want to prevent further commercial development of the last half-mile of privately owned oceanfront property between San Simeon and Ragged Point have another chance.

A national nonprofit conservation organization says it has entered escrow on the 20-acre Piedras Blancas Resort, about 15 miles north of Cambria.

Purchase of the 1950s motel, gas station, gift shop, overnight RV spot and coffee shop could lead to a publicly held overnight hostel or camping facility, a use prohibited on nearly all the coastal land given to the state in the Hearst Ranch conservation deal.

The Trust for Public Land says its deal could be complete sometime in May. Plans call for the land to eventually end up in the hands of state parks department.

An earlier plan for the resort from the American Land Conservancy failed to come up with enough money to close the deal by the end of January.

A subsequent escrow with a private developer also fell through.

The roadside property is perched west of Highway 1 north of Piedras Blancas Lighthouse. State parks and Hearst own the adjacent land.

'Public-friendly' plan

The deal would ensure more public access to a portion of the coastal strip, as well as two sandy beaches.

The nonprofit would own the land for a year to 18 months with plans to open parts of it to the public as soon as possible, according to Trust spokeswoman Mary Manees.

"We'll make public-friendly additions, like restrooms," Manees said. "We'll probably get rid of the gas station."

She's not sure what the final plan for the land would include, but campsites are definitely in the mix.

The closest publicly owned campgrounds are at San Simeon State Beach about 12 miles to the south and a U.S. Forest Service campground at Plaskett Creek in Big Sur about 23 miles to the north.

Deed restrictions in the recent gift of 13 miles of coastal land by the Hearst Corp. to state parks bans overnight use of that strip by campers on all but a tiny chunk of the southernmost portion, part of the former Junge Ranch.

Manees said the Trust plans to hand off the property to state parks, though state parks said the deal is far from done.

"We have no funds at this time to buy or operate it, so it is a concept we are looking at and exploring," said Roy D. Stearns, deputy director for communications for state parks.

Short term

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The resort has been operated for more than 20 years by Valerie and Tim Burres of Cambria. It is owned by Stuart Sidney, father of Valerie Burres.

The resort was advertised at \$5,195,000 in March, but Manees declined to reveal the purchase price until the deal closes.

The American Land Conservancy's price for the deal was \$4.5 million.

In December, the state Coastal Conservancy approved a \$2 million grant toward the Piedras purchase. The Trust for Public Land is looking to get a loan to make up the difference, said Sam Schuchat, Coastal Conservancy executive director.

"And we have to figure out how to help them pay it back," he said. "This would be a big deal when we pull it off."

The Coastal Conservancy will help the Trust "show we have a plan to pay for operation and maintenance of that land," a requirement that must be fulfilled before state parks could take ownership.

"The best way to do that is find someone to operate a revenue-generating facility there," Schuchat said. "The missing piece is an economic study and business plan, (including) how many visitors could you reasonably expect there and what would they be willing to pay."

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