

Naples plan faces hurdles

54-home project heads for environmental review

By [MELINDA BURNS](#)

NEWS-PRESS SENIOR WRITER

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A long-simmering proposal to develop historic ranchland on the eastern end of the Gaviota coast will come to a boil next month as the county kicks off its review of 54 luxury homes proposed for Naples.

Also known as the Santa Barbara Ranch, Naples is a "ghost" township that was mapped by speculators more than a century ago. Environmentalists say the proposal for 54 homes here would open the door to the "mansionization" of the coast west of Goleta.

Naples lies at the gateway to one of the most scenic coastal drives in the state. Its bluffs overlook a beach that draws dozens of surfers when the waves are good.

"This is a point of no return for the Gaviota coast," said Philip McKenna, treasurer of the Gaviota Coast Conservancy, one of six environmentalist groups in a coalition opposed to the Naples plan. "If the project is approved as proposed, the character and integrity of the coast will be forever compromised. It will become suburban."

On Jan. 4, the county Board of Supervisors is expected to give a green light to the URS Corp., a consulting firm chosen by the developer, to prepare an \$850,000 environmental report on the project. The firm will examine how the construction of 54 homes at Naples would affect the water and air quality, wildlife habitat, public access to the beach and grazing land.

In addition, the consultants will study project alternatives, including the transfer of development rights off Naples and into the urban areas of the South Coast. A public hearing to consider the scope of the study is tentatively scheduled for Jan. 27.

But even before the review begins, the coalition and Matt Osgood, the Corona del Mar developer of Naples, are submitting alternative proposals, jockeying for position before the race. And it will be a race: The county is aiming for a board decision on the project by the end of next year.

On Tuesday, Mr. Osgood and Henry Schulte, owner of the Dos Pueblos Ranch, turned in a joint plan to the county that would move 14 of the 54 proposed homes at Naples inland and out of sight onto Dos Pueblos. In the original plan, the 14 homes are slated for the north side of 101. Mr. Osgood's plans to build 24 homes at Naples on the north side of the freeway, plus 16 homes on the south side, would remain unchanged.

"It's an amazing proposal," Mr. Osgood said. "It's far superior to our original project. It would be very, very benign."

But the coalition does not agree. Next week, its members will submit an alternative for review that would move all but a few of the 54 homes proposed for Naples onto the Dos Pueblos Ranch.

"What the coalition is trying to do is configure the Naples development so that it is not this sprawling,

out-of-scale despoilment of the environment," Mr. McKenna said. "All we can do is minimize it. It's a very disheartening process that we're going through. We're swallowing hard, and we'll see where we can get."

The environmental study also will look at a third transfer idea, one that would move some or all of Mr. Osgood's development rights to an urban area on the South Coast. This alternative would allow Mr. Osgood to build more than 54 homes, to make up for the loss of prime real estate on the coast. It's the first choice of the coalition, but Mr. Osgood doesn't think it's realistic.

"I'd like to see a show of hands of who wants more housing next to them," he said.

PAPER TOWNSHIP

The story of how the county wound up entertaining a proposal for 54 homes on coastal ranchland outside the urban boundary begins with the Morehart family of Carpinteria. The Moreharts, who formerly owned all of Naples, seized on an opportunity in the subdivision map that was created for the property in 1888. It was for a township with hundreds of small lots.

The township was never built and exists today only on paper. But after a 20-year legal battle against county planners, who were trying to enforce modern zoning rules by merging these lots, the Moreharts emerged victorious. The county was forced to recognize 233 legal lots at Naples, and the family put the lawsuits on hold.

In 1998, Mr. Osgood began to buy the property from the Moreharts. He built one large home for himself on the north side of the freeway. He proposed to build 88 more homes on the north side and sell the south side to a land trust. But he was unable to make a deal with a conservationist buyer.

Today, Mr. Osgood owns 75 percent of Naples and the Moreharts own 25 percent. Mr. Osgood declined last week to estimate what the property might sell for now, but in mid-2002, he was asking \$580,000 per acre on the ocean bluffs. There were no takers, and later that year, Mr. Osgood and the county entered into an agreement giving him the right to submit an application for 54 homes.

Since then, the environmentalist coalition, made up of the conservancy, Surfrider Foundation, Sierra Club, League of Women Voters, Audubon Society and Citizens Planning Association, has been negotiating with Mr. Osgood -- an unprecedented step for local environmentalists so far in advance of formal project review.

Both sides are uneasy about each other, and they both credit Mr. Schulte for helping them to find some common ground.

Mr. Schulte is running one of the few profitable ranch operations on the Gaviota coast for his three siblings and his father, Rudi Schulte, who is now 72. The ranch, 2,780 acres in all, is planted in avocados, cherimoya, lavender and macadamia nuts. The family also operates an abalone farm.

Under the Osgood-Schulte proposal, Mr. Schulte would place 1,980 acres, or about 70 percent of his ranch, into an agricultural preserve in perpetuity. He would sell 200 acres to Mr. Osgood for 14 homes. He would reduce the future development potential on his piece of coast to six homes, down from 20, transferring 10 of the family's coastal lots to the north side of 101.

The development on Dos Pueblos would thus total 17 homes, counting one on the ranch preserve. That's six fewer than what could potentially be built there now.

The family members would live on the coast and sell off the inland lots to pay inheritance taxes, Mr.

Schulte said.

"It gives us the chance, when that day does come, to try to protect the whole ranch," he said. "We love it. There isn't a day that goes by that I don't realize what we really have here and how great it is."

Mr. Schulte said many landowners on the coast, like his family, want to stay in ranching and have no desire to be speculators.

"We are automatically labeled as one big group that all anybody wants to do is build houses, get rich and walk away," he said. "That has never been our intention."

Mr. Osgood is hoping that the joint plan with his neighbor will gain him enough support to push his own project through.

"It's far superior to our original proposal," Mr. Osgood said. "The combination of the two of us together is a historic opportunity. Together, our proposals are more powerful standing together than they would have been on their own."

As for the coalition's idea of moving most of the 54 homes inland to Dos Pueblos, that's "an absolute long shot," Mr. Osgood said. He would have to be compensated for the loss of nine blufftop lots, he said, and that means building more than 54 homes on the Schultes' property.

"It ends up putting a lot more houses up there," Mr. Osgood said. "And just one minor detail: I don't own that land."

Mr. Schulte said he was not sure his family would want 54 homes on the ranch.

"The truth is, we're not in the development business," he said.

LARGER HOMES

The environmental review of the Naples project is expected to take six months, with a final report due by the end of June. Among other things, the consultants will look at Mr. Osgood's proposal to install septic systems for the 16 northernmost homes.

The state Regional Water Quality Control board has recommended against the use of septic systems on the property, expressing concern for groundwater quality. Mr. Osgood contends that the systems would be safe. He is planning to build a small sewage treatment plant for the rest of the homes at Naples. The treated water would be used for irrigation.

The size of the homes at Naples is another point of contention. A conservancy study of 40 homes in and around El Capitan and Refugio canyons shows an average size of 2,900 square feet. Mr. Osgood is proposing homes of between 3,500 and 13,300 square feet, for an average of 5,800 square feet, twice as large as what's there now.

Finally, any proposed transfer of residential development from Naples to Dos Pueblos will be scrutinized as to its precedent-setting potential. County zoning in rural areas generally calls for no more than one home per 100 acres, and successive boards have stood by that rule. The proposed lot size for the Naples homes on the Dos Pueblos Ranch is 14 acres.

"I call Naples 'The Monster,'" said Ariana Katovich, a local Sierra Club organizer. "It's forming all these different heads. We think it's one thing, and then it's going into all these different properties."

"It is very frustrating because the resounding sentiment of the community is clear, that the Gaviota coast should remain open. It's a very difficult job to hold the line."