

Appendix F
Statement of Reasons



December 20, 2010

Dr. John Parrish, State Geologist
Office of the State Geologist
801 K Street, MS 12-30
Sacramento, CA 95814

State Mining & Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

Mayor
Peter Herzog

Mayor Pro Tem
Richard Dixon

Council Members
Kathryn McCullough
Marcia Rudolph
Mark Tetterer

City Manager
Robert C. Dunek

Re: Statement of Reasons, Public Resources Code §§ 2762-2763

Dear Dr. Parrish and Honorable Members of the State Mining & Geology Board:

The City of Lake Forest submits this Statement of Reasons, pursuant to sections 2762 and 2763 of the California Public Resources Code, in connection with its consideration of a proposed Sports Park and Recreation Center (Project). A more detailed analysis of the Project, including its potential impact on mineral resources, is contained in the Draft Environmental Impact Report (SCH #2009061020) that has been prepared for the Project and circulated to state agencies through the State Clearinghouse. This Statement of Reasons sets forth the City of Lake Forest's reasons for considering the Project despite its potential impact on the development of mineral resources.

Description of Project

The City of Lake Forest (City), located in Orange County, proposes to develop a new sports park and recreation center on approximately 90 gross acres of land in the northeastern portion of the City. The proposed Project consists of active and passive recreational uses, including sports fields, hard courts, playgrounds, and a recreation center, that may be phased as private property acquisitions are negotiated and funding is secured. (See attached Figure 2-4.) The City is the lead agency for the proposed project environmental impact report (EIR) pursuant to the California Environmental Quality Act (CEQA).

Land uses surrounding the Project site include residential, commercial, and light industrial uses. Light industrial complexes are located to the west, State Route 241 is located to the north, Saddleback Church and commercial uses are located east, and residential uses are primarily to the south. (See attached Figure 2-3.)

Description of Mineral Resources on the Project Site and in the Region

Aggregate production in Orange County has averaged approximately 4.5 million tons since 1980. Mine operations permitted by the state over the last two decades have included mining from the Santiago Creek Channel, Lake Irvine, Capistrano Formation along Aliso Creek (the proposed project area), and Sespe Formation on the south side of Santa Ana Canyon (Update of Mineral Land Classification of Portland Cement Concrete Aggregate in Ventura, Los Angeles, and Orange Counties, California, Part III – Orange County (Miller 1994) (DMG 1994): 12 and 13).

Orange County has one of the state's greatest expected needs for aggregate resources. The Temescal Valley-Orange County area is expected to need 1 billion tons by 2055 (California Geological Survey 2006:3),¹ yet aggregate in Orange County is nearly depleted (California Geological Survey 2006:8) and the County has permitted only 32% of the aggregate resources it is expected to need over the next 50 years (California Geological Survey 2006:4). The County's anticipated need for aggregate over the next 50 years is 1,122 million tons, while the permitted amount for the same timeframe is 355 million tons (California Geological Survey 2006, map). In addition, Orange County has had a significant decrease in permitted aggregate resources (California Geological Survey 2006:11).

Portions of the Project site, known as the Baker and Rados properties, are located in an MRZ-2 zone. (DMG 1994:10 and plate 1). Those properties are designated for commercial and business park use, respectively, with a mineral resources overlay in the City's General Plan. According to the General Plan, "This overlay provides for the management and utilization of mineral resources on an interim basis. The underlying land use designation represents the future planned use of the land following reclamation from mining."

The El Toro Materials Company (ETMC) has been mining in the project vicinity since 1965. ETMC originally began mining operations on the property immediately north of the Baker Ranch parcel. When the resources on that parcel were depleted, ETMC then started mining on the Baker Ranch parcel. (DMG 1994:10.)

Until recently, the Baker Ranch parcel contained an active sand and gravel mine (DMG 1994:10 and plate 1). The mining operation was permitted under the Surface Mining and Reclamation Act (SMARA) and a local Sand and Gravel Mining Permit (S&G 89-01 and S&G 89-02 originally issued by the County, and Changed Plan [CP] 2005-08 issued by the City). Portland cement concrete (PCC)-grade aggregate was mined at the site. The quality of the material on site varied, however, and the coarser fraction was used as PCC sand. Because of the variability in the quality of the mined material, the quality of

¹ Orange County relies on Temescal Valley, in adjacent Riverside County, for most of its aggregate resources so the two areas were grouped into a single aggregate study area (California Geological Survey 2006:8).

the material in surrounding areas is unknown. (DMG 1994:10). ETMC estimates the total production of sand from the site at approximately 2,350,000 tons. The mine has an approved Reclamation Plan in place. All of the mineral resources on the Baker site have largely been depleted.

Immediately adjacent to the Baker parcel is the Rados parcel, which is also in the MRZ-2 zone. While mineral resources at the Rados parcel are believed to be similar in kind to those on the Baker parcel, the parcel has not been mined and no permit is in place. The quality and quantity of mineral resources that may exist on the Rados parcel is unknown.

The remaining portion of the proposed Project site, immediately south of the Baker and Rados parcels and known as the Glass Creek parcel, is not in the MRZ-2 zone.

The City's General Plan Provisions Regarding Mineral Resources

The Recreation and Resources Element of the City's General Plan contains the following goals and policies providing for the development of mineral resources and minimizing impacts to surrounding land uses:

Goal 3.0: Extraction of mineral resources and reclamation of mined land, while preserving the City's plans for future use as described in the Land Use Element.

Policy 3.1: Provide for the conservation and development of significant identified mineral resource sites within Lake Forest.

Policy 3.2: Provide for the reclamation of mineral resource sites in concert with future use as described in the Land Use Element and required environmental mitigation.

Policy 3.3: Regulate mineral extraction activities to minimize hazards and conflicts with other land uses by the issuance of sand and gravel site permits.

Policy 3.4: Address and mitigate the significant environmental effects of surface mining operations.

Policy 3.5: Promote land use decisions that ensure, to the greatest extent possible, compatibility between mineral resource extraction and adjacent land uses.

Requirements of the Public Resources Code

Section 2762(d) of the Public Resources Code provides that where mineral resources have been designated in a general plan, "prior to permitting a use which would threaten the potential to extract minerals in that area, the lead agency shall prepare... a statement specifying its reasons for permitting the proposed use, and shall forward a copy to the State Geologist and the board for review." Further, section 2763 provides: "Lead agency land use decisions involving areas designated as being of [regional or statewide] significance shall be in accordance with the lead agency's mineral resource management policies and shall also, in balancing mineral values against alternative land uses, consider the importance of these minerals to their market region as a whole and not just their importance to the lead agency's area of jurisdiction" or if the resources are of statewide significance "consider the importance of the mineral resources to the state and nation as a whole." Together, these statutes require: (1) a statement explaining the reasons for proposing the non-mining use, (2) the proposed use to be consistent with the General Plan's mineral resource management policies, and (3) the value of the proposed use be balanced against the mineral values, considering its larger regional, state, and national context.

While there is no definition of the phrase "threaten the potential to extract minerals," the City notes that section 3675 of Title 14 of the California Code of Regulations defines "compatible land uses" as those "uses inherently compatible with mining and/or that require a minimum public or private investment in structures, land improvements, and which may allow mining because of the relative economic value of the land and its improvements ... [including] ... recreational ... and open space." In light of this definition of "compatible land uses," the statements called for in sections 2762 and 2763 may not be required. Nevertheless, consistent with the conservative approach taken in the EIR, and in order to provide full disclosure, the City has prepared this statement of reasons and submits it to the State Geologist and State Mining Board for their review.

Statement of Reasons

The City is proposing the Project in order to partially alleviate a significant need for public parks. As documented in the City's Recreation and Resources Element, even with implementation of all planned parks, the City is projected to have a shortfall of approximately 160 acres of parkland. If approved, the Project will provide approximately 90 park acres.

Not only must park facilities be developed in order to meet the City's park needs, but the Project site itself is necessary to maximize the value of those park facilities for City residents. First, the Baker and Rados parcels are relatively centrally located within the City. Second, the proposed Project design incorporates an existing open space area recently acquired from the County, which allows for the creation of a large, uninterrupted park space, and is consistent with the location of park facilities illustrated

in the City's Recreation Plan (General Plan, Recreation and Resources Element, Figure RR-1). Conversely, since the Rados parcel sits between the Glass Creek open space parcel and the Baker parcel, mining on the Rados parcel, or preserving it for future mining, would bisect the park area and diminish the value of the area as a park.

The City also notes that, according to the Guidelines for Classification and Designation of Mineral Lands, since the Baker parcel has largely been depleted of its mineral resources, the Rados parcel considered on its own would likely qualify for the economic exclusion from designation as an aggregate resource area as it is surrounded by urban development and is less than 40 acres. (California Department of Conservation, Division of Mines and Geology, "Guidelines for Classification and Designation of Mineral Lands," California Surface Mining and Reclamation Policies and Procedures, Special Publication 51, at page 7.) Further, since the area is to be developed as a public park, it would also qualify for the social exclusion. In sum, the Rados parcel, if considered today, would no longer warrant inclusion in an Aggregate Resource Area.

As indicated above, the City's General Plan includes policies addressing the extraction of mineral resources. Notably, the General Plan does not require the development of mineral resources, nor does it prohibit development on parcels containing such resources. Rather, as set forth in Policy 3.1, the General Plan provides for the conservation and development of such resources through the creation of the Mineral Resources Overlay. The Overlay allows mining to occur as an interim use.

Since the General Plan does not call on the City to engage in mining itself, the General Plan necessarily relies on private parties to develop such resources. ETMC has in fact largely depleted the resources on the Baker property. Though the Mineral Resources Overlay was created in 1996, no mining applications have been submitted to develop the mineral resources on the Rados parcel since that time. Given that property immediately adjacent to the Rados parcel has been mined, and that in the fourteen years since its inclusion in the Mineral Resources Overlay, no applications have been submitted for the Rados parcel, development of those potential resources in the future is not reasonably foreseeable. Therefore, the proposed Project is consistent with the City's General Plan.

Finally, since the EIR for the Project identifies a significant and unavoidable impact to mineral resources, the City Council will have to weigh the benefits of the Project against those significant impacts in a statement of overriding considerations if it chooses to approve the Project. The City preliminarily notes, however, that the Project is necessary to address a parkland deficit in the City and to implement the Recreation and Resources Element of its General Plan. On the other hand, the City notes that the quality and quantity of mineral resources on the Rados parcel is unknown. Further, even the much larger parcels that were mined by the ETMC yielded only a small fraction of total anticipated aggregate need within Orange County. Thus, while the value derived from mineral resources and recreational facilities is not capable of precise comparison, the City finds that the value of developing the Project site with park uses

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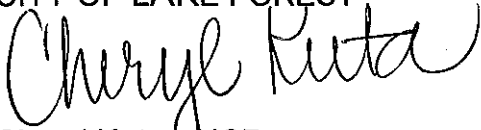
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outweighs the potential future value of mineral resources that may be precluded by the Project's implementation.

If you need any additional information regarding this project, please feel free to contact me at (949) 461-3479 or via email at ckuta@lakeforestca.gov.

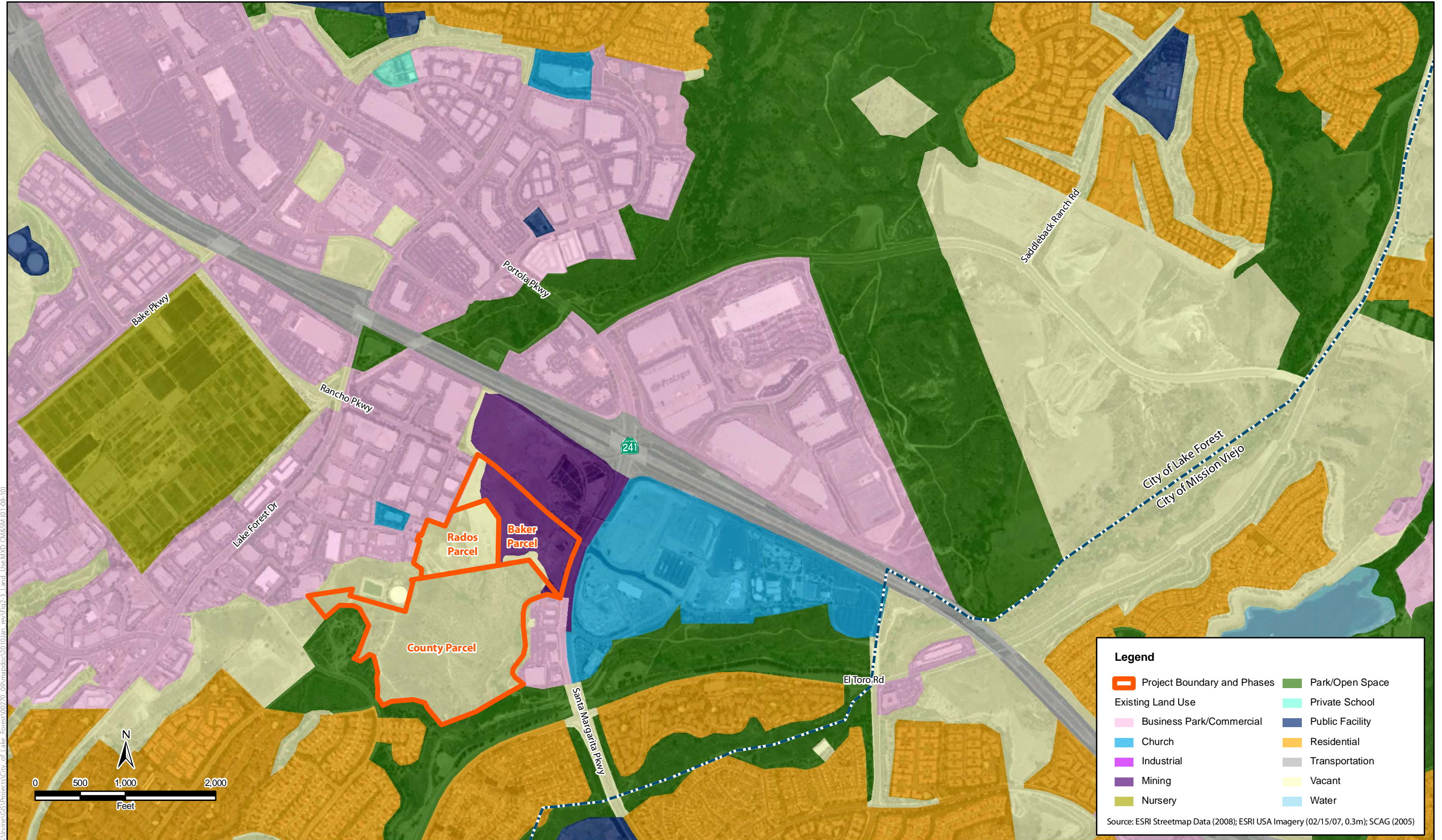
Sincerely,

CITY OF LAKE FOREST

A handwritten signature in black ink that reads "Cheryl Kuta". The signature is written in a cursive style with a large initial "C".

Cheryl Kuta, AICP
Planning Manager

Enclosures



Legend

Project Boundary and Phases	Park/Open Space
Existing Land Use: Business Park/Commercial	Private School
Church	Public Facility
Industrial	Residential
Mining	Transportation
Nursery	Vacant
	Water

Source: ESRI Streetmap Data (2008); ESRI USA Imagery (02/15/07, 0.3m); SCAG (2005)

Figure 2-3
Project Site and Surrounding Land Uses

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Source: RJM (7/16/09)

Figure 2-4
Consensus Master Plan

