



RICK J. CARUSO
CHIEF EXECUTIVE OFFICER

March 11, 2010

Santa Barbara County Board of Supervisors
123 East Anapamu Street
Santa Barbara, CA 93101

Dear Members of the Board:

**Re: Case Nos. 10TEX-00000-00005, 10TEX-00000-00008, 10TEX-00000-00009,
10TEX-00000-00010, and 10TEX-00000-00011**

As you are aware, we are seeking time extensions for the Coastal Development Permit and Conditional Use Permits originally granted by the Board of Supervisors on December 8, 2008. We remain strongly committed to this project, and while the financial position of our company remains strong, the severe economic downturn has made moving forward at this moment in time infeasible. There simply is no market for luxury hotels. We are optimistic that the economy will improve to the point we can proceed with this project, but we require the requested extensions in order to be in position to proceed at the appropriate time.

As you may also be aware, some concerns have been raised about the condition of the site. The hotel was closed by a previous owner about 10 years ago and it has remained shuttered since. There was an intervening owner, and my company has owned the site for the past three years. During that time we have made our best efforts to maintain the site in the condition in which we purchased it while we sought entitlements. During that time we have taken the following steps:

- Regularly abated the weeds on the site, approximately quarterly;
- Maintained an ongoing pest management contract;
- Regularly removed graffiti from the site;
- Removed excess debris from the site;
- And maintained the fence surrounding the property to discourage illegal entry.



Recently we have been working with Habitat for Humanity and others to remove usable building materials from the site (they have already taken 11 tractor trailers full of blue roofing material, and a pallet of brick), and with members of the community to remove a few of the cottages for alternative uses. In addition, to further address concerns about the safety of the site, if granted the extension of both the CDP and CUPs, we are prepared to take the following steps (in addition to the maintenance efforts listed above which will continue):

- Remove remaining site debris once Habitat for Humanity and others have removed the materials they find useful (as well as remove other unused materials such as left over paint cans, etc.);
- Trim overgrown trees and hedges around the site;
- Board window and door entrances to prevent access into buildings;
- Maintain weekly site tour by my staff to check that buildings remain sealed and to inspect fences for holes and have them fixed.

We believe that these additional steps, in combination with the steps already taken will keep the property secure and clean. Again, we remain strongly committed to this project, and when built, we believe the project will be an extraordinary asset for Santa Barbara County and the Montecito community.

Thank you for your consideration.

Sincerely,

Rick J. Caruso

Cc: Glenn Russell
Dave Ward