



Middlebury Institute of International Studies at Monterey

Center for the Blue Economy

April 25, 2017

Gavin Newsom, Chair
State Lands Commission
c/o State Capitol, Suite 1114
Sacramento, CA 95814

Dear Lieutenant Governor Newsom,

Hello and greetings from the Center for the Blue Economy at the Middlebury Institute of International Studies. Our mission is to provide leadership in research, education and analysis regarding the overall economic contribution of the oceans and coastlines, promoting the sustainability of these assets. We write to you today in your role as Chair of the State Lands Commission regarding the CEMEX sand mine in Marina, California.

It has been clear for many years that the negative economic impacts of the CEMEX/Lapis Sand Mine are much greater than the benefits. In August of 2012, two of our students in the International Environmental Policy program at the Middlebury Institute performed a very rudimentary analysis for a class project that highlighted the incredible cost impacts to the Southern Monterey Bay region from the Lapis sand mine¹. Later that year, Dr. Phil King, Chair of the Economics Department at San Francisco State University, co-authored a study entitled *Evaluation of Erosion Mitigation Alternatives for Southern Monterey Bay*. In this paper (pages 111-113), Dr. King estimates the loss in recreational value to Monterey County due to sand mining at ~\$726 million (2010 dollars, over 100 years). That equates to more than \$8-10 million per year in today's dollars if sand loss continues at the current rate—the highest rate of sand loss in the state of California.

The CEMEX plant does not pay royalties for the mining of this public good. The company contributes a nominal amount in taxes to Monterey County each year, roughly \$200,000.00, and provides 19 full-time jobs. These contributions are dwarfed by the economic losses due to the intensive loss of sand to beaches south of the mine.

It is our conclusion that the negative economic impacts of the CEMEX/Lapis Sand Mine far outweigh the benefits to the Monterey Bay economy under even the most conservative estimates. We urge you to consider these tremendous environmental and economic costs in your deliberations about the future of the mine.

Sincerely,

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¹ *Lapis Sand Dollars: An Economic Analysis of Non-Market Impacts of Lapis Sand Mine in Southern Bay*