

Exhibit A

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DISCUSSION

The proposed project is for an additional 27 visitor-serving units, resulting in the maximum allowed lodge units (208). This increase in visitor-serving units (181 to 208) would be accomplished through the demolition of seven single-story buildings containing 29 lodge units and the construction of seven two-story buildings containing 56 lodge guest units. The seven replacement buildings would be located among similarly sized structures at the “Valley Suites”. Construction of the replacement visitor-serving buildings would impact slopes in excess of 25% and require the removal of seven Oak trees.

Tree Removal and Biological Resources

The 1975 EIR for the Carmel Valley Ranch Specific Plan analyzed impacts to vegetation and wildlife, recommended mitigations, and acknowledged: “There will be a loss of wildlife habitat, loss of hunting area, loss of grazing land, and removal of trees and natural vegetation.” Protection and retention of trees in “visually sensitive areas” was among the recommended mitigations.

As described in the Biological Assessment commissioned for the project (County of Monterey Doc. No. LIB240063): “The proposed project site is on a slope facing north and northwest entirely comprised of one plant community: Coast Live oak woodland. The original Hotel buildings here were built into the slope and carefully placed within the oak woodland which adds to the character of the facility and brings the woodland right into the structures.”

Seven Oak trees would be removed to accommodate the project, including three “landmark” Oak trees of 26”, 18/12” (split trunk), and 23/29” diameter. Therefore, a Use Permit is required to authorize the proposed tree removal. These seven trees range in health from “good” to “poor”. One Landmark Oak proposed for removal is within the proposed footprint of Building 13. Five Oaks proposed for removal, two of which are landmarks, are located within 5 feet of the proposed replacement visitor serving structures and thus will be negatively impacted by the proposed development. Removal of these five trees, however, does reduce fuel loads within close proximity of the structures. The remaining three Oaks proposed for removal are within the footprint of the proposed parking structure and thus require removal to accommodate needed parking. Twenty other Oaks were identified by the project arborist as being “moderately impacted” with implementation of the project. However, as conditioned, and per the project arborists recommendations, these 20 trees and all other protected trees within proximity to the proposed development will be retaining and protected throughout construction. No tree removal is proposed to accommodate hardscape improvements such as decks and patios.

The proposed project includes removal of the minimum necessary number of trees to accommodate the development. Accordingly, the tree removal is the minimum required under the circumstances and will not involve a risk of adverse environmental impacts. Pursuant to the recommendation of the report by the project arborist (LIB250045; **Exhibit N**) and in accordance with Title 21 section 21.64.260.D.2, these trees would be replaced onsite at a one-to-one ratio (Condition of Approval #10). Protective measures will also be installed prior to construction to protect nearby trees from inadvertent impacts (Condition #6).

The Biological Assessment also notes: “The Project will not impact any special status plants or animals and will have minor impacts to Coast Live oak woodland on the outside fringes of the project construction envelope. Replacing the trees and avoiding potential impacts to nesting birds

by timing the tree removal outside of the bird nesting season will reduce the impacts to a less than significant level.” Conditions of Approval are included to protect potential impacts to birds and bats during their nesting season (Condition Nos. 11 and 12).

The Biological Assessment concludes: “The potential biological impacts from the demolition of seven existing single-story buildings and rebuilding seven new 2-story buildings in their place will be substantially less than if the new rooms were to be built in a previously undeveloped portion of the Ranch.”

Slopes and Geological Concerns

Steeper slopes are located north of the existing structures. Approximately 7,600 square feet of development is proposed on slopes in excess of 25%, with nearly all to occur on previously-disturbed areas directly beneath, or directly adjacent to, the footprints of existing buildings (See sheet A 1.3 of the plan set – **Exhibit B2**). A Use Permit is required to authorize such development on steeper slopes, pursuant to General Plan Policy OS-3.5. The project meets the primary finding for approval of said Use Permit, in that there is no feasible alternative which would allow development to occur on slopes of less than 25%. In this case, the proposed structures will be sited primarily within existing development footprints. However, the existing structures do not have slab foundations and instead are elevated over crawl space (See **Figure 2**). Although these soils are previously disturbed, the crawl space slopes exceed 25% in certain areas (see **Figure 1**). To achieve more units while staying within the same general structure footprint, the crawl spaces will be developed into visitor serving units. There would be only a modest addition of height over the existing structures to be replaced, with approximately three additional feet of elevation on two of the seven buildings. Constructing the units within the crawl space, rather than on top of the existing units ensures the proposed project complies with applicable visual resource protection policies of the Carmel Valley Master Plan (see below *Visual Resources* discussion).

Siting the additional units in any other area of the “Valley Suites” would require greater quantities of development on slopes and alteration of natural landforms. Siting development primarily with existing building footprints - thereby minimizing disturbance of the existing terrain – is also consistent with CVMP Policy CV-3.4 and General Plan Policy OS-5.5, which requires preservation, and where necessary, minimal alter natural landforms and existing terrain in visually sensitive areas.



Figure 1. Development on slopes of 25%+ highlighted in blue - Approximately 7,600 square feet to occur almost entirely beneath or adjacent to the footprint of existing structures.

A Geotechnical and Geological Hazards Report (County of Monterey Library No. LIB250163) has been commissioned to analyze the proposed construction site. The Report notes, in the “Conclusions of Investigation”: “In general, the suitable *in-situ* native sandstone bedrock and certified engineered fill are acceptable for foundation purposes and display engineering properties adequate for the anticipated soil pressures...”

Water

Carmel Valley Ranch currently has 8.837-acre feet of available water credits. The additional 27 units will utilize an estimated 1.91-acre feet per year, leaving a remaining water credit balance of 6.927-acre feet. Accordingly, the project is not considered by the Monterey Peninsula Water Management District (MPWMD) as an intensification of use, as existing water credits will be utilized. A large portion of the existing water allowance was transferred as unused credits from 25 approved, but never constructed, residential units in “Area F” of Carmel Valley Ranch, per 2006 Board Resolution 06-366 (PLN020280).

An updated can-and-will serve letter indicating Cal-Am’s ability to provide potable water was provided on June 3, 2025 (**Exhibit M**). No new water meters will be required to support the increase in units, and Cal-Am has confirmed that water service will continue to be provided pursuant to applicable requirements of the California Public Utilities Commission (CPUC), the MPWMD, and the California State Water Resources Control Board (SWRCB). The MPWMD is the agency responsible to determine whether sufficient fixture credits are available prior to issuance of construction permits.

Sewage

Sewer service is provided by an on-site wastewater treatment facility (Carmel Valley Ranch Wastewater Treatment Plant - constructed 1980), which is owned and operated by Cal-Am. The State Water Resource Control Board estimates that the site discharges approximately 40k gallons

per day (GPD) of the facility's 100k GPD capacity. Cal-Am has stated in a November 16, 2023 letter that it "has reviewed the Carmel Valley Ranch project to increase the hotel inventory from 181 to 208 and determined the treatment facility has sufficient capacity."

Traffic

Traffic impacts that are expected to result from this project have been previously evaluated in a prior Environmental Impact Report (EIR) and Negative Declaration for the Carmel Valley Ranch Specific Plan (CVRSP) which analyzed the Ranch's full build out, including 208 visitor-serving units. Additionally, given that the CVRSP is incorporated into the 2010 General Plan through Policy CV-1.22, the Ranch's full build out and its traffic was also analyzed in the Final EIR for the 2010 County General Plan. Conditions that were applied to the Specific Plan have required improvements to mitigate for future buildout.

The 1975 Carmel Valley Ranch Specific Plan Environmental Impact Report (CVRSP EIR) analyzed potential traffic impacts for a proposed buildout to include 855 residential units and 200 lodge units, including impacts to Carmel Valley Road and Highway 1. In 1996, a Negative Declaration was adopted for the CVRSP Amendment and found that increasing visitor serving units from 200 to 208 and reducing residential units from 375 to 311 would have no traffic-related impacts. The Final EIR (FEIR) of the 2010 Monterey County General incorporated the Carmel Valley Master Plan (Chapter 9.B), which included the Carmel Valley Ranch Specific Plan as a Special Treatment Area and analyzed it as existing development in the EIR's traffic analysis. Noting that the residential unit cap has subsequently been reduced from 855 to 311, traffic generated by the 208 visitor-serving units identified in the Specific Plan is not "new traffic" within the context of the current environmental review, as it was identified within the FEIR of the 2010 General Plan.

Roadway improvements required as mitigation for traffic impacts identified in the CVSRP EIR have been implemented by the applicant following the adoption of the 1975 Carmel Valley Ranch Specific Plan. Specifically, the 1996 amendment to the Specific Plan included a Condition of Approval requiring that Carmel Valley Ranch "financially participate proportionally in the construction of the Carmel Valley – Robinson Canyon Road intersection (CVR's primary access point), and to construct Carmel Valley Road to a width of four lanes between Via Petra and Robinson Canyon Road" (CVRSP Condition A.1). Accordingly, the Carmel Valley Road/Robinson Canyon underpass has been constructed - entirely with Carmel Valley Ranch funding - to eliminate left-turn movements from Robinson Canyon Road to westbound Carmel Valley Road. The second requirement, for four-lane widening of Carmel Valley Road, has since been rendered unworkable according to 2010 Carmel Valley Master Plan policy CV-2.18(a)(1): *In order to preserve the rural character of Carmel Valley, improvements shall be designed to avoid creating more than three through lanes along Carmel Valley Road.* (emphasis added). A third Condition required Carmel Valley Ranch to "dedicate a substitute right-of-way and reconstruct the northerly end of Holt Road at its intersection with Robinson Canyon Road." This intersection has been re-aligned accordingly.

The above-mentioned improvements were specifically designed to satisfy the mitigation requirements for the traffic-related impacts of 208 visitor-serving units and 311 residential units as approved within the Carmel Valley Ranch Specific Plan. The additional visitor serving units

proposed with this application do not exceed the scope of work analyzed in the EIR or subsequent Negative Declaration.

A traffic-specific memorandum has been prepared for this project, dated July 18, 2023, and amended June 6, 2024 (**Exhibit E**). Noted in this memorandum:

- Carmel Valley Ranch is not a typical “single use” hotel or motel, but rather an “all-inclusive” resort with on-site amenities (spa, golf, restaurants, tennis, hiking/equestrian trails, corporate meeting spaces, etc.) allowing guests to remain on site throughout a vacation. Accordingly, most of the trips generated by the expansion would remain on-site, between the guest units and on-site amenities.
- The 27-unit expansion would generate an estimated 225 gross trips per day. Most of these new trips are expected to remain within the Carmel Valley Ranch complex.
- The project would generate an estimated 45 external trips per day, including two external trips during the AM peak hour and two trips during the PM peak hour. These additional trips would not significantly impact existing traffic operations on Carmel Valley Road, Robinson Canyon Road, and Highway 1.
- Most off-site trips would typically be for guest arrivals and departures. A 2013 survey by CVR indicated that 9% of daily check-outs occurred during the AM peak commute hour and 16.7% of check-ins occurred during the PM peak commute hour. A shuttle between the resort and the Monterey Regional Airport is available on an as-needed basis, serving to mitigate these specific impacts.
- The number of weekday employees is not expected to increase, and two additional housekeeping employees may be required on weekends. No other additional on-site staff is anticipated to be required, and the current number of deliveries to the site should remain the same.
- Carmel Valley Ranch will pay a Regional Development Traffic Impact Fee to the Transportation Agency for Monterey County (TAMC) according to General Plan “Circulation” Policy C-1.11: “...the County shall require new development to pay a Regional Traffic Impact Fee developed collaboratively between TAMC, the County, and other local and state agencies to ensure a funding mechanism for regional transportation improvements...”
- Concluding note of the June 6, 2024, memorandum: “The proposed additional 27 guest units are consistent with the 208 guest units allowed by the Carmel Valley Ranch Specific Plan that has already been subject to environmental review and full mitigation. No further traffic analysis is required.”

HCD-Engineering Services has reviewed the proposed project and raised no comments or concerns. Condition No. 14 has been applied to require payment of the Regional Traffic Impact Fee, and Condition No. 15 has been applied to require the preparation of a Construction

Management Plan.

Visual Impacts

The project is consistent with Policy CV-1.20 of the Carmel Valley Master Plan in that the proposed materials and colors, which will match the existing structures, are consistent with the rural character of the valley and are compatible and appropriate for the immediate surrounding area. There would be only a modest addition of height over the existing structures to be replaced, with approximately three additional feet of elevation on two of the seven buildings. Note, also, that there would also be modest height reduction on two of the buildings (See Sheet 3.2 of the plans - **Exhibit B2**).

The site is located a half-mile distant - and uphill from - the nearest public viewing area on Carmel Valley Road. Staff conducted a site visit on May 5, 2025, to determine the proposed project's visibility from common public viewing areas. While other development within the Carmel Valley Ranch is visible, with upper portions of structures exceeding heights of surrounding tree canopies, the existing visitor serving units within the "Valley Suites" area are not visible. Only three of the seven structures will increase in height, by approximately three feet. This increase in height was not visible from Carmel Valley Road. As the site is at a higher elevation than most nearby roads, and due to the extensive tree cover, which serves as natural screening (see Figure 2, below, and **Exhibit K**), the project will not result in adverse visual impacts and is consistent with the applicable scenic resource policies of the 2010 General Plan and the Carmel Valley Master Plan.

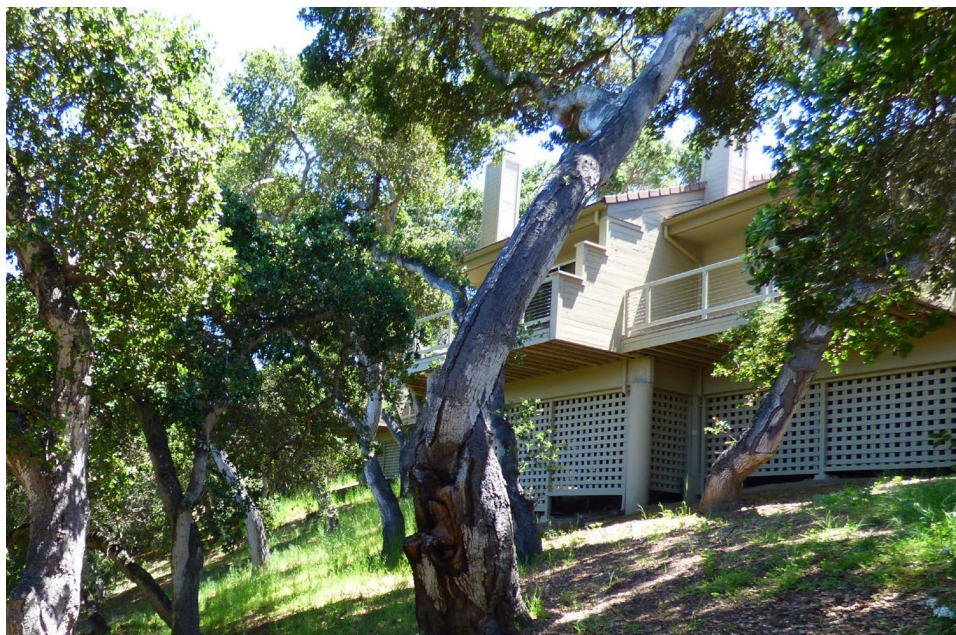


Figure 2. Replacement units will utilize what is currently unconditioned floor space beneath the existing units – allowing for 2-story units of approximately the same elevations as existing structures.

Carmel Valley Master Plan

The proposed project is consistent with the applicable policies of the Carmel Valley Master Plan, and is notably consistent with policies CV-1.15.a and e:

- *CV-1.15.a: Expansion of existing hotels, motels, and lodges should be favored over the development of new projects.*
- *CV-1.15.e: There shall be a maximum of 110 additional visitor accommodation units approved east of Via Mallorca, including units at Carmel Valley Ranch.*

The project is an expansion of an existing facility, as “favored” by Policy CV-1.15.a. Per Policy CV-1.15.e, current County records indicate that 59 of the 110 additional visitor accommodation units east of Villa Mallorca had been approved. Approval of the 27 units proposed herein would result in 86 of the 110 additional visitor-serving accommodations being accounted for. However, Policy CV-1.15.e was implemented with the 2010 General Plan and thus became effective after adoption of the most current iteration of the CVRSP (1996), which allowed 208 visitor-serving units. Accordingly, the aforementioned 110-unit cap on visitor-serving accommodations excludes the Carmel Valley Ranch’s authorized 208 units. Therefore, the proposed 27 visitor-serving units do not impact the visitor-serving units cap east of Villa Mallorca, and 51 available units remain.

Inclusionary Housing/Employee Housing

The Carmel Valley Ranch was subject to environmental review and approved in 1975, pre-dating the 1980 establishment of the County’s Inclusionary Housing Ordinance. In any event, the Inclusionary Housing Ordinance (Monterey County Code Chapter 18.40) applies to residential development and not visitor-serving units. Given that only visitor-serving units are proposed, this project is not subject to the requirements of Chapter 18.40. Nonetheless, questions regarding CVR’s past compliance with Chapter 18.40 were raised at the Carmel Valley LUAC meeting on May 5, 2025, and thus the following brief summary is provided: When the CVRSP underwent revisions in the 1990s, it became subject to the requirements of Chapter 18.40. According to County records, the applicant has paid “in-lieu” fees to satisfy inclusionary housing requirements as part of their previously approved residential projects, including \$499,498.65 in 1996 for the Oakshire subdivision. Monterey County HCD – Housing has indicated that Carmel Valley Ranch has satisfied all of their requirements pertaining to inclusionary housing.

Questions regarding on-site employee housing were also raised at the LUAC meeting. County Code does not require on-site employee housing for the project. Carmel Valley Master Plan Policy CV-1.15 states that “As a provision for lower cost housing and a contribution toward lessening traffic in the valley, large-scale visitor-serving development requiring employees should comply with the provisions of the Inclusionary Housing Ordinance.” The proposed project results in a net increase of 27 visitor-serving units. However, the proposed project will not exceed the total visitor serving units approved with the 1996 CVRSP Amendment, which allowed 208 lodge units. No employee housing was required with approval of the 1996 CVRSP Amendment. Further, the applicant has indicated that no more than two additional employees would be required as a result of the proposed expansion, with these additional workers typically only being needed on weekends.

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