

Attachment B-3

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ATTACHMENT B-3 DISCUSSION

The project is a proposal to construct a world class resort at the site, which is located west of Greenfield and southwest of Soledad (**Attachment D**). The site has been in use for centuries by Native Americans, by the Soledad Mission as a vineyard area, and later as a resort from the 1880s through the 1990s. The existence of hot springs flowing on the property is one of the primary reasons for the use of the site as a resort. The two valleys that make up the proposed development portion of the site is located about 900 feet above sea level, resulting in views of the Salinas Valley through vegetation and from the hillside between the valleys. In addition, the site does not have the significant winds found in the Salinas Valley from spring through fall. The site also has shallow groundwater and hot springs. These reasons have made the site attractive over the years. The history of the site is described in the 2018 Recirculated Draft EIR (**Attachment H-1**) on pages 3-134 through 3-145.

Appeal

The appeal and response to appellant contentions are included as **Attachments B-2a and B-2b**, respectively.

Project Description

The property consists of three parcels totaling approximately 235 acres, with about 47 acres proposed for development of the resort. Proposed development is primarily located on the Paraiso Valley floor (hotel and guest amenities), Indian Valley (timeshare units), and the hill between the two valleys (timeshare units and hiking trails/solarium area).

A detailed project description is included in 2018 Recirculated Draft Environmental Impact Report (2018 RDEIR) Chapter 2 (2018 RDEIR pages 2-1 through 2-61). The staff report summarizes the proposed project on page 1 (also see **Attachments C through G**).

Phasing Proposed for Project Implementation

The applicant has proposed that the project be constructed in phases, as follows:

Lot Numbers	Use	Phase 1 No. of Units	Phase 2 No. of Units	Phase 3 No. of Units	Phase 4 No. of Units	Total Units
1,2	Hotel Units	60	15	15	13	103
20-23	Timeshare Condos	18	14	14	14	60
3-19	Timeshare Villas	5	4	4	4	17
	Totals	83	33	33	31	180

Note: All of the non-living unit amenities will be constructed in Phase 1.

Off-site improvements to Paraiso Springs Road are proposed, as follows, per project phase:

- Phase 1: Install all advance curve warning, “ROAD NARROWS,” delineators and advisory speed signs.
- Phase 2: Widen roadway sections E and F to 18 and 20 feet, respectively, where feasible, and include associated pavement striping.
- Phase 3: Widen roadway sections C and D to 20 feet where feasible and include associated pavement striping.
- Phase 4: Widen roadway sections A and B to 20 feet where feasible and include associated pavement striping.

Roadway sections identified in this phasing schedule are depicted in Exhibit 13 of the traffic report (**Attachment H-1**, 2018 RDEIR Appendix K). Staff recommends a condition that all road improvements be conducted in Phase 1 and that the road be widened to 20 feet along its entire width from Clark Road to the project entrance.

The proposal includes creating separate parcels as part of the project design (see Vesting Tentative Map – **Attachment E**). Parcels are created on commercial areas typically to assist in obtaining financing. The project includes a subdivision, which is often used as a term for residential lot creation, but by state law is required for any division of land. For this project, the subdivision is for commercial purposes, including establishing legal boundaries for each of the timeshare units. Filing of the Final Map may occur in phases as the development proceeds in phases.

Project Operations

The project will be operated as a resort, with most of the uses associated with the site provided for overnight guests. The type of programs offered for the site is expected to have guests stay for four to seven days. The resort will manage the hotel units, timeshare units, and all the facilities, including providing guest services, maintenance, security, food services, landscaping, vegetation management (for fire protection), and interior cleaning of the units. All of these services are provided to the hotel and timeshare guests. Only overnight guests of the site can participate in events; no public events are proposed for the site. The environmental review of the site included an assumption that occupancy rates would be 70% for the hotel and 85% for the timeshare units; the other components (public areas) of the resort were assumed to be 100% in use (see 2018 RDEIR page 2-20). This level of occupancy is similar to what is seen on the Monterey Peninsula.

The resort will also include some uses that are available to those not staying overnight. These public use areas include a separate day spa, “hamlet” (commercial) area, gardens, visitor center, and activity terrace (between the day spa and the “hamlet”). See General Development Plan pages 3 and 4 for the full list of uses for guests versus uses open to the public (**Attachment G**). A few guest units will be located in the “hamlet” area.

Timeshare units (Attachments E and F)

The project proposes the construction of 60 timeshare condominiums and 17 timeshare “Villas.” Each of the proposed “Villa” and condominium units are timeshare units; the applicant expects that a couple of the proposed units may be allowed to provide permanent housing for employees, such as the general manager and maintenance manager, as determined by the resort operator.

Villa units are detached structures that would have the appearance of a single family dwelling. The resort will provide the same guest services to the timeshare unit guests as are provided to the hotel guests. Timeshare units may be used by the timeshare purchaser or may be rented out as part of the resort operations when the timeshare owner does not utilize their time period.

Recommended Modifications to Project Site Design

The project is recommended to be modified through the conditions of approval for the project, to approve Alternative #5, Timeshare Relocation Alternative, as described in the 2019 Recirculated Draft Environmental Impact Report (**Attachment H-2**, pages 75 and 76). This alternative would involve the following modifications to the site plan:

1. Relocate 13 Villa timeshare units to the hillside between Paraiso Valley and Indian Valley (Lots 21 and 22). The Villa timeshare units would be redesigned as single story structures;
2. Relocate the timeshare condominium units on Lots 21 and 22 from their current location along a hillside in an area that requires encroachment onto 30 percent slopes to Indian Valley in the location of the villa lots;
3. Relocate the timeshare condominium units on Lot 23 to Indian Valley in the location of the originally designed villa lots area; and
4. Relocate road alignment from hillside timeshares (northwest corner of Lot 22) to more directly connect the cul de sac to the rear of the hotel area rather than to the area vacated by the relocated timeshare condominiums on Lot 23 (reduces area of thirty percent slope encroachment and avoids High geologic hazard area).

The result of these changes would be the retention and relocation of the 60 timeshare condominium units and the relocation of 13 of the 17 timeshare Villa lots. A total of four Villa timeshare units would be eliminated. This results in a two percent reduction in visitor serving units being constructed on site (from 180 to 176). Elimination of these units results in a drop in the number of visitor-serving rooms from 310 to 298 (4%). The outcome would be a reduction in height of development at higher and more visible locations, a smaller development footprint (elimination of development on proposed Lot 23) and related less environmental effects, a reduction in grading, tree removal and development activities on steeper slopes, and location of units closer to the project entrance.

In addition, a condition of approval has been included that the wastewater treatment plant building be located to provide a 100 foot setback to a nearby spring. The relocation is to conform with Table 3 of State Water Resources Control Board Order No. 2014-0153-DWQ, which provides setbacks from impoundments to wells and/or streams. The County also is requiring that Paraiso Springs Road be constructed to a 20 foot width from Clark Road to the project entrance in Phase 1. The recommended conditions also allow up to two units to be used for employee housing.

These project changes will enhance fire safety, reduce the encroachment on slopes greater than thirty percent, reduce the amount of tree removal, remove guest units from the narrow part of the Paraiso Valley and place them closer to the project exit, reduce the amount of grading for the

project, and provide a greater setback between the wastewater facility and a spring water collection area.

Analysis

Topic areas are discussed below, including a summary of information from the 2018 RDEIR and 2019 RDEIR, as applicable, for that topic.

History of the Project Site

Prior to settlement of the Spanish and Mexican governments in this area, Native Americans used this site. In the period when Spain controlled the area, during the Mission Period, the site was utilized as a vineyard in support of the Soledad Mission. In the late 1800s, the site was developed as a resort, which operated in different configurations until 2003. Many of the structures utilized during the mid to late 20th Century are still found on the property. Eighteen structures, including nine historic cottages, constructed around the years between 1880 and 1890, were removed without permits in 2003. The remaining structures on the property were determined to not be of historic significance.

The approximately 235 acre site is a privately owned property located at the western terminus of Paraiso Springs Road, southwest of Soledad. The property consists of a former resort on the eastern portion of the site. The property consists of hills and valleys, with the historic resort found within the Paraiso Valley. Much of the property consists of steeper slopes retained in a natural condition. The property also has another valley area, called Indian Valley, north of the former resort area. Much of the proposed development is within these two valleys, with some timeshare units proposed for the hill between the two valleys. The western portion of the property is bordered by the steep mountains of the Sierra de Salinas mountain range. No development is proposed in this western area of the site.

Land Use and Planning-Regulatory Setting

General Plan Applicability

As the application includes a subdivision of the property, the application is subject to Government Code section 66474.2, which requires that the county review the project against the ordinances, policies, and standards applicable on the date the County deemed the application “complete” pursuant to the Permit Streamlining Act (Government Code section 65943). The project is subject to the 1982 General Plan, not the 2010 General Plan (see RDEIR page 2-1, Site Characteristics, second paragraph). The application for the project was deemed complete on August 28, 2005.

In addition, the 2010 General Plan includes Land Use Policy LU-9.3, which states (pertinent language underlined):

Tentative subdivision maps for both standard and minor subdivision that were approved prior to the adoption of this [2010] general plan may record final maps subject to meeting all conditions of approval and other legal requirement for the filing of parcel or final maps. Applications for standard and minor subdivision maps that were deemed complete on or

before October 16, 2007 shall be governed by the plans, policies, ordinances and standards in effect at the time the application was deemed complete. Applications for standard and minor subdivision maps that were deemed complete after October 16, 2007 shall be subject to this General Plan and the ordinances, policies, and standards that are enacted and in effect as a result of this General Plan.

While the project application is not subject to the 2010 General Plan and its policies, it would be consistent with the 2010 General Plan land use designation and a specific policy related to the Paraiso Hot Springs property, if approved:

CSV-1.1 Special Treatment Area: Paraiso Hot Springs - The Paraiso Hot Springs properties shall be designated a Special Treatment Area. Recreation and visitor serving land uses for the Paraiso Hot Springs Special Treatment Area may be permitted in accordance with a general development plan and other discretionary approvals such as subdivision maps, use permits, and design approvals. The Special Treatment Area may include such uses as a lodge, individual cottages, a visitor center, recreational vehicle accommodations, restaurant, shops, stables, tennis courts, aquaculture, hiking trails, vineyards, and orchards. The plan shall address cultural resources protection, fire safety, access, sewage treatment and disposal, water quality, water quantity, drainage, and soil stability issues. (APN: 418-361-004, 418- 361-009, 418-381-021, 418-381-022)

General Plan Consistency

As discussed earlier, the project is subject to review against the 1982 General Plan and its Central Salinas Valley Area Plan. The site has land use designations of “Commercial” and “Permanent Grazing” in the applicable General Plan (1982). The area proposed for development is included in the Commercial designation, except an area of a trail and appurtenant soaking tubs and uses associated with the trail, which is located in the Permanent Grazing designation. A General Plan consistency analysis is provided in the 2018 Recirculated Draft EIR (**Attachment H-1**) in Table 3.9-1, Consistency Analysis with the Monterey County General Plan and Central Salinas Valley Area Plan, pages 3-263 through 3-279. The project was determined to be consistent with the plans and their policies.

Zoning

The property is in the Visitor Serving/Professional Office (“VO”), Farmlands (“F”), and Permanent Grazing (“PG”) zoning districts. The development portion of the project, except the trail and natural solarium area, is found in the VO zoning district. Monterey County Code Section 21.22.060.A allows visitor serving (e.g., hotels) uses within the VO zoning district. Other applicable sections of the zoning ordinance include code sections relating to development on slopes greater than thirty percent, tree removal, timeshare units, biological resources, archaeological resources, and hazards. Other significant sections of the County Code to be considered for this project include Chapter 18.25, Preservation of Historic Resources, and Title 19, Subdivisions.

Surrounding properties are in the Permanent Grazing and Farmlands zoning districts. Property to the west consists of steep hillsides (Sierra de Salinas mountain range) with little to no development. Nearby property to the north, southeast, and east are used for livestock grazing,

agriculture (primarily vineyards), and rural residential uses. Property near the Clark Road/Paraiso Springs Road intersection, approximately one mile east, and farther away to the northeast and east are in row crop or vineyard production.

Findings Required to Approve the Project

For this project, the Appropriate Authority, in this case the Board of Supervisors, must make Findings for several topic areas.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) requires certain findings for certification of an EIR, including a Statement of Overriding Considerations when a project has a significant and unavoidable impact. (Note: See discussion at end of this **Attachment** – beginning on page 29 - for a discussion on CEQA and required findings.)

Subdivision Map Act/County Subdivision Ordinance

The project application includes a subdivision of the project property to accommodate timeshare areas as well as to allow financing of portions of the property as development occurs in phases. A subdivision is required, pursuant to the State of California Subdivision Map Act (Map Act), for any circumstance where a portion of a property is to be sold, leased, or to be used for financing, with some exceptions. This includes requirements to prepare subdivision maps for common interest subdivisions, such as timeshare units. Findings are required by the Map Act pursuant to sections 66474 and 66474.02 to approve a subdivision of this property. These findings are also required by the County Code (Chapter 19.03) and are included in the draft resolution (**Attachment C**).

Zoning Ordinance-Required Findings

Thirty Percent Slope: There is no feasible alternative which would allow development to occur on slopes of less than thirty (30) percent;

or

that the proposed development better achieves the goals, policies and objectives of the Monterey County General Plan and the Central Salinas Valley Area Plan than other development alternatives.

Tree Removal: The tree removal is the minimum required under the circumstances and the removal will not involve a risk of adverse environmental impacts, such as soil erosion, water quality, ecological impacts, noise pollution, air movement, or wildlife habitat.

Use Permit: The establishment, maintenance, or operation of the use or structure applied for, will not, under the circumstances of the particular case, be detrimental to health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use; or be detrimental or injurious to property and improvement in the neighborhood; or to the general welfare of the County.

and

The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any applicable provisions of this Title and any zoning violation abatement costs have been paid.

Timeshare Units:

1. That the project is compatible with adjacent land uses and is adequately buffered by open space and/or landscaping from any less intense use.
2. That the development plan is consistent with all goals and policies of the General Plan.
3. That adequate access for high density dwellings is available or attainable through the conditions of the development.
4. That all structures, existing or proposed, meet presently established minimum structural, health, safety and fire standards.
5. That the project does not significantly adversely impact: water use, sewer use, energy use, traffic, police protection and other County services, fire protection, employment opportunities in the planning area, the visitor serving economy of the planning area, the stock of hotel and other visitor serving accommodations including but not limited to, that which serves low and moderate income persons, and the stock of the hotel and other visitor accommodations for stays of less than one week within the planning area.
6. That the project will not have a significant adverse impact on the health, safety, and welfare of the general public.

Each of these required findings and supporting evidence is included in the Resolution prepared for this project (**Attachment C**).

General Development Plan

No specific findings are required by the County Code, but a General Development Plan should describe the operational aspects of the project sufficiently for the operator and the County to understand the specific uses and operations that are allowed by the permits. The General Development Plan adequately describes the proposed uses, including the portions of the site to be used by guests versus areas open to the general public for day use. It also provided an adequate project description to allow staff to prepare an EIR, while seeking additional technical information during the EIR preparation process.

Project Discussion

Aesthetics and Visual Resources

The project site is located in an area (the foothill slopes of the Sierra de Salinas) of the county designated as a “highly sensitive” visual area (1982 General Plan, Central Salinas Valley Area Plan Figure 5, Scenic Highway and Visual Sensitivity and supplemental policy 26.1.6.1 (CSV)). The site was not zoned with a Visually Sensitive Overlay Zoning District. While development on the site is allowed to be visible from common public viewing areas, sensitivity to the visual environment is required by policy 26.1.6.1 (CSV):

Development shall have appropriate review where it is permitted in sensitive or highly sensitive areas as shown on the Scenic Highways and Visual Sensitivity Map.

County staff analyzed the proposed project by developing a Visual Analysis Report in 2016. The report was used as the basis for the analysis contained in the 2019 Recirculated Draft Environmental Impact Report (2019 RDEIR, **Attachment H-2**). Chapter 3.1 of the 2019 RDEIR analyzes all potential environmental effects related to aesthetics and visual resources. Long-Range Visibility, Medium-Range Visibility, and Near Visibility views were analyzed for the project using visual simulations (**Attachment H-1**, 2018 RDEIR Appendix C). The Chapter identifies a mitigation measure related to degradation of existing visual character (2019 RDEIR Impact 3.1-1, pages 33 through 41). The conclusion of the analysis is that, with the mitigation measure and standard conditions of approval identified and required for the project, the project will not have a significant effect on the aesthetic environment.

The visual analysis demonstrates that the site will be visible from common public viewing areas, primarily from Medium Range and Long Range view locations. The site would be most visible from near visibility locations, but those areas are not frequented by the general public and would be viewed through existing vegetation. The following provides general visibility features from different viewing locations, as identified in the Visual Analysis (2018 RDEIR Appendix C):

<i>Viewing Location (2019 RDEIR Figure 3.1-3)</i>	<i>Project Features Visible</i>
7 (Near Visibility)	Roofs of the hotel, spa and day use areas.
6 (Near Visibility)	Portions of the hotel, spa and day use areas; hillside condominiums.
5 (Near Visibility)	Hillside condominiums
4 (Medium Range Visibility)	Rooftops of various buildings
3 (Medium Range Visibility)	Rooftops of various buildings
2 (Medium Range Visibility)	Break in vegetation; Rooftops of various buildings
1 (Long Range Visibility)	Disruption in natural vegetation pattern

The General Plan and County Code requirement is not that the site is not visible, but that the development has an appropriate level of review to ensure that the visual sensitivity of the area is preserved.

The project design includes most of the development on two valley floor areas, Paraiso Valley and Indian Valley. Some hillside development, particularly related to timeshare condominiums, has been proposed (**Attachments E and F**). Mitigation Measure 3.1-1 (2019 RDEIR page 39) requires techniques to break up visual massing of the project as seen from common public viewing areas. Near visibility locations will generally have major aspects of the project obstructed from view by existing vegetation, topography, and proposed landscaping. Views of the project from Medium and Long Range Visibility locations will be reduced through the requirements of Mitigation Measure 3.1-1, which requires roof colors that are closer to background vegetation colors from those distances, earth tone paint colors, installing landscaping that assists in breaking up structure mass, and appropriate locations for replanting oak trees to break up structure mass, where development replaces oak woodland areas.

Lighting has the potential to create a significant visual impact at night if not designed and installed consistent with County policy (see 2019 RDEIR analysis in Impact 3.1-2, Increase in Light and Glare). In this case, lighting controls imposed by the Building Code (Title 24) and the County's standard condition of approval for lighting in Visually Sensitive Areas, in conjunction with the architectural design will ensure that off-site property and the night sky will be protected from light pollution. See Final EIR (**Attachment I**) Response to Letter 10, Number 5 for a discussion on this topic. The County hired a technical consultant, Michael Baker International, to analyze the County's position that the impact would be sufficiently controlled by the County's policy, standard conditions, and the state building code. The consultant concurs that potential lighting impacts would be controlled to protect visual resources, including the night sky. Their memorandum was utilized by County staff in the rewriting of Chapter 3.1 for the 2019 RDEIR and is found in 2019 RDEIR Appendix 3.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89), with a reduction in structure visibility from common public viewing areas. The villa timeshare units will be redesigned as single story structures and located on the hillside where two story structures were proposed as part of the project application. This will reduce visibility from common public viewing areas. A reduction in visibility from common public viewing areas will also occur as a result of relocating the access road across a hillside in the rear of the project development area. This relocation of the access road will lead to less grading and road cuts on the hillside north of Paraiso Springs Valley, which will reduce visibility from Medium- and Long-Range views.

Air Quality

Project construction and operations would have effects on air quality. 2018 RDEIR Chapter 3.2 analyzed the potential impacts and recommended mitigation measures to ensure that impacts are less than significant. Only construction impacts were identified as requiring mitigation. The proposed Project could emit criteria air pollutants from construction activities in excess of air district standards and result in the demolition of structures within the project site that may contain asbestos and/or lead and result in the release of hazardous airborne contaminants. Mitigation measures have been included for these potential impacts that will reduce their impacts to a less than significant level.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would result in less grading, mostly related to the relocation of the access road to the rear of the hotel area. Less grading will lead to less short-term, construction related, air quality impacts. Operational impacts to air quality would be incrementally less with fewer guest units. To ensure that wood-burning stoves/fireplaces/ barbecues are prohibited, a condition of approval is being recommended that prohibit wood-burning stoves/fireplaces/barbecues.

Biological Resources

Biological Habitat Areas

During project design, the project applicant hired biologists to assist in identifying sensitive areas of the site. Pursuant to Section 21.66.020 of the Zoning Ordinance, biological surveys were required as part of the application packet. Additional surveys have been prepared as a result of specific issues identified as well as updates to ensure the County's environmental analysis considered current environmental conditions (see pages 3-51 and 3-52 of the 2018 Recirculated Draft Environmental Impact Report, **Attachment H-1**, for a full list of the assessments/surveys). The reports detailed the known site history, provided biological assessments that looked at existing conditions, identified potential impacts, and recommended mitigation measures. The 2018 Recirculated Draft Environmental Impact Report (RDEIR) details the environmental setting, regulatory background, threshold criteria and methodology, and potential environmental impacts and mitigation measures.

Biological assessments were conducted by the following biologists:

- Rana Creek in 2005 and 2008
- Regan Biological and Horticultural Consulting—same biologist for Rana Creek studies—in 2013 and 2016
- Forest City Consulting in 2005
- Central Coast Bat Group in 2008
- Bryan Mori in 2010 and 2016
- WRA Environmental Consultants in 2012 and 2016
- CH2MHill in 2013
- EMC Planning Group, Inc. conducted site assessments and peer reviews as part of its County contract to prepare the RDEIR.

The 2018 RDEIR, in section 3.3.5 (pages 3-80 through 3-104) describes the potential environmental effects of the project on the environment. Consistent with the California Environmental Quality Act (CEQA) Guidelines, mitigation measures, recommended in the biological reports, as well as determined by independent review conducted by the County and its EIR consultant, are recommended to ensure the impacts of project construction and operation would have a less than significant effect on biological resources, both as a direct impact of the project, and on a cumulative basis. The 2018 RDEIR assessment included assumptions that habitat along the project periphery would be reduced due to fuel management activities related to providing safe buffers to flammable vegetation.

Potential disturbance to several special status animal species was identified (2018 RDEIR Impacts 3.3-1 and 3.3-2, pages 3-80 through 3-92). The project site provides suitable habitat for special status bat species, Monterey dusky footed woodrat, coast horned lizard and burrowing owl. Habitat loss also could affect other special status species. Project activities such as vegetation removal, grading, building demolition and equipment movement may result in unintentional harm to these special status species. Mitigation measures have been described in the EIR and incorporated into the project conditions of approval to reduce potential impacts to a less than significant level (2018 RDEIR Mitigation Measures 3.3-2a through 3.3-2e). These mitigation measures, in part, require an environmental awareness training session for

construction personnel, on-site biological monitoring during initial clearing and grading activities, conducting pre-construction surveys for bats, construction of artificial roost structures if needed, protection of maternity colonies, and the development of exclusion methods if necessary. For woodrats, a pre-construction survey will be conducted, nests will be flagged for avoidance and, if avoidance were not possible, nests would be dismantled by the biologist, unless occupied. For burrowing owls, pre-construction surveys would be conducted and, if burrows are occupied, the project biologist will consult with the California Department of Fish and Wildlife to develop avoidance/ minimization approaches. For coast horned lizards, a preconstruction survey will be conducted unless no suitable habitat is identified in the specific construction area. A relocation program will be prepared. In addition, the project biologist will protect any lizards found during construction activities. Any individuals found will be relocated or the habitat will not be disturbed until the individual has left the area.

Potential disturbance to nesting birds is described in 2018 RDEIR Impact 3.3-3 (pages 3-92 and 3-93). Mitigation Measure 3.3-3 requires a preconstruction survey. If nests are found, a plan for avoidance will be prepared to determine an adequate temporary, protective buffer area around the nest. No disturbance or construction activities (fire risk) would be allowed within the buffer area until the nests is cleared.

Fuel Management

The 2018 RDEIR assessment included assumptions that habitat/vegetation along the project periphery would be affected due to fuel management activities implemented to provide adequate buffer zones to flammable vegetation.

Wetlands and Riparian Habitat

The site contains 0.71 acres of wetland areas, 0.40 acres of non-wetland waters, and a small amount of riparian habitat. The project will result in the loss of 0.04 acres of potentially jurisdictional seasonal wetland and 0.04 acres of potentially jurisdictional non-wetland waters. The project proposes a 0.30 acre mitigation pond. 2018 RDEIR Impact 3.3-4 (pages 3-94 through 3-99) describes the potential impact and mitigation measures to ensure that potential impacts will be reduced to a less than significant level. Mitigation Measures 3.3-4a and 3.3-4b require that a biologist prepare a detailed wetland mitigation plan with performance and success criteria outlined in the measure, including use of adaptive management techniques. The measures also require that the project proponent obtain required permits from state and federal agencies prior to issuance of county permits that involve disturbance to those areas.

Tree Removal

The project will remove oak woodland habitat and individual oak trees. The property contains approximately 11,000 trees, the majority of which are oak trees. A request to remove 185 trees is included as part of the project application. The recommended project would likely remove less oak trees, as the area of the timeshare condominiums being relocated is located in a dense oak woodland area. 2018 RDEIR Impact 3.3-6 analyzes the potential impacts related to the tree removal and identifies Mitigation Measures 3.3-6a through 3.3-6c to ensure that impacts to oak woodlands will result in a less than significant impact. While much of the project is located within the disturbed area of the previous resort, the development footprint is larger and areas of the project site will be subjected to extensive grading operations, which will cause tree removal.

The primary area of tree removal will occur in the area further up Paraiso Springs Valley than the former resort footprint.

Mitigation identified to reduce impact to oak woodlands requires a final forest management plan be prepared that shows efforts to minimize tree removal and includes a replacement program (Mitigation Measures 3.3-6a and 3.3-6b). The mitigation measures include performance standards, success criteria, and adaptive management techniques. The mitigation measures also include implementation of tree protection measures, review of construction plans by county staff to determine if tree removal can be reduced through plan adjustments, collocation of utilities in trenches, and techniques for protecting root vitality and tree branches.

The California Environmental Quality Act has special requirements for the loss of oak woodland (Oak Woodlands Conservation Act). Mitigation Measure 3.3-6c requires tree replacement for fifty percent of the impact to oak woodlands. Remaining mitigation for the loss of oak woodland requires that the applicant either dedicate a conservation easement over a suitable on site area or contribute funds to an oak woodlands conservation fund. The applicant has proposed a conservation easement to comply with this requirement.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The design being recommended by staff will lessen the removal of oak trees. The relocation of the timeshare units at the rear of the hotel will remove development from an oak woodland area. Other biological resources would have reduced impacts compared to the proposed project, with less disturbance area.

Findings Required for Biological Resources to Approve the Project

- Tree Removal Finding, as required by the Zoning Ordinance. (See **Attachment C**, Finding 13)
- Subdivision Map Act Findings. (See **Attachment C**, Findings 11, 12 and 24)

Climate Change

2018 RDEIR Chapter 3.4 analyzes the project's potential impacts regarding climate change. The project applicant proposes to fully offset greenhouse gas emissions, including a number of on-site measures (**Attachment H-1**, 2018 RDEIR page 3-128) and the purchase of carbon credits to fully offset greenhouse gas emissions beyond what can be achieved by on site reductions. The project will result in no increase in greenhouse gas emissions over the baseline condition. With the applicant-proposed measures, no environmental impact would occur.

Relationship to Staff Recommendation

The recommended project design would also have greenhouse gas emissions fully offset. Therefore, staff's recommendation would result in the same level of climate change effects as the proposed project.

Cultural Resources

Archaeology and Tribal/Cultural Resources

Monterey County Geographic Information System (GIS) indicates that the subject property is located in a high archaeological sensitivity zone. In addition, two known archaeological sites are found on the property and another site is located in the off-site road construction areas.

Consistent with the Monterey County Zoning Ordinance, archaeological reports were submitted as part of the application materials and during project review and preparation of the environmental documents. Site specific archaeological studies confirm that the project site, as well as the off-site road improvement area, contains known archaeological resources.

Tribal consultation, although not required for this project, was done and mitigation measures included to address tribal concerns. Although technically not subject to Assembly Bill 52 (Codified in CEQA Statute section 21080.3.1), which established that a consultation occur between Native American tribes and lead agencies for all Negative Declarations and EIRs, staff consulted with the Ohlone Costanoan Esselen Nation (OCEN) to allow the tribe to make recommendations for the protection of sacred places of cultural significance. OCEN notified staff that this area was a site used by the Native Americans. OCEN recommended a mitigation measure that an approved Tribal Monitor be onsite during earth disturbance activities to protect their sacred cultural resources. OCEN also requested that cultural items found on site be provided to them. That will need to be done through an agreement between the owner and OCEN.

Conditions of approval, in addition to the identified mitigation measures, require placing known archaeological resource locations within conservation and scenic easement areas, in conjunction with those required for slopes greater than thirty percent. By combining the resources being protected into a single easement, the locations of archaeological resources will not be identified on recorded documents.

Historic Resources

The site has operated as a resort since the late 1800s. Much of the resort was constructed during that period, which was served by rail and stagecoach in those early days. Over time, the resort was modified with new structures, later including mobile homes, yurts, and an RV campground area. During the most extensive operations at the site, up to 61 visitor units were rented. In accordance with MCC chapter 18.25, Preservation of Historic Resources, and the requirements of the California Environmental Quality Act, studies were conducted to analyze the historic significance of the property (2018 RDEIR pages 3-133 and 3-134). The conclusion of the reports was that nine historic structures were removed without permits in 2003 (see **Attachment C**, Finding 5).

Summary of Cultural Resources

2018 RDEIR Chapter 3.5 addresses cultural resources. Impacts to archaeological resources were identified as less than significant with mitigation, including avoiding known resources and utilizing on-site monitors during grading activities. Environmental impacts to historic resources, specifically related to nine of the cottages demolished in 2003, are considered Significant and Unavoidable, as the historic structures cannot be reconstructed.

Mitigation measures require that a professional historian prepare a catalog of known historic information, develop digital historic displays to be used on site and in off-site locations, that funds be provided to the Monterey County Historical Society to help them with collecting and archiving materials, and that a printable brochure be developed and available to the public. For archaeological resources, on site and off site, mitigation measures require that a Phase I assessment be conducted if known resources are not avoided, that a monitoring plan be developed, that archeological and tribal monitors monitor earth disturbance, that monitoring reports be submitted to the County, and that all construction plans include specific information regarding actions to take if resources are accidentally discovered.

The mitigation measures further require that, if new resources are discovered and determined to be unique, the project will be modified to avoid the resource either through elimination of that portion of the project, or through relocation of the use/structure through a process as described in the mitigation measures.

Historic Resources Review Board Recommendation

The Monterey County Historic Resources Review Board requested that additional measures be included in the Final EIR (**Attachment J**):

1. That the mitigation measures from Recirculated Draft Environmental Impact Report (2018) are included in the project resolution.
2. Mitigation measures be added to the Final EIR as follows:
 - a. A Context Statement for Recreation/Leisure and Tourism Resources shall be prepared pursuant to the Office of Historic Preservation standards prior to issuance of construction permits.
 - b. An interpretive trail plan shall be prepared incorporating a physical presentation of digital historic interpretive brochure.
 - c. The interpretive trail shall be constructed in one of the public areas of the resort and include construction of three representative Jacks Cabins, including interpretation of the history of the site for all four periods of significance. Representative Cabins include: Evergreen, Julia Morgan, Spreckels and Buena Vista cabins.
3. Mitigation Measure 3.5-1a – d from the DEIR and the Context Statement (recommended for inclusion as a mitigation or condition in 2.a, above) shall be completed prior to issuance of construction permits for the first phase.
4. Should the resort project not be approved or constructed, the portions of Mitigation Measures 3.5-1a through 3.5-1d that do not involve actual construction, and preparation of the Context Statement, shall be required for the demolition permit.
5. The Context Statement, trail plan, and cabin reconstruction plans are subject to review by the HRRB, with approval by the RMA-Director of Planning.

Staff did not include the HRRB measures as FEIR mitigation measures, as feasible measures directly related to the impact of removing the nine historic structures were included in the RDEIR. Staff determined that the recommendations of the HRRB did not provide additional mitigation for that specific impact. Related to the specific requests from the HRRB, staff recognizes that number 1 is required by the CEQA Guidelines and has been incorporated in the

draft resolution (**Attachment C**). The interpretive trail requested in number 2 is included in Mitigation Measure 3.5-1d as a back up measure if the digital display cannot be feasibly maintained. Staff has not determined that a nexus exists to require that this project fund the preparation of a Context Statement. As to number 3, the existing mitigation measures have different triggers (prior to issuance of permits, prior to occupancy, and related to an appropriate phase of the project) for different steps of the mitigation measures, with the intent that the requested mitigation will be in place at the appropriate time. As such, staff does not recommend changes to the timing. Staff concurs that recommendation number 4 should be implemented, except for the Context Statement. However, the proposal is that this measure would be implemented if the project does not proceed, which makes inclusion in the project resolution ineffective as the resolution would not apply unless the project proceeds. As to number 5, all mitigation measures involving design of historic displays require HRRB review with approval by the RMA-Director of Planning (Mitigation Measures 3.5-1a, 3.5-1c and 3.5-1d).

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would result in less grading, which reduces the potential to adversely affect archaeological resources. Impacts to historical resources would be the same as those for the proposed project.

Geology and Soils

The geologic and geotechnical report prepared for the project identifies geologic hazards for the site (see 2018 RDEIR Figure 3.6-4, Relative Geologic Hazards). Detailed discussion related to this topic is found in 2018 RDEIR Chapter 3.6, Geology and Soils. As can be seen on project plans, the majority of development is found on valley floors. Pursuant to the General Plan and Monterey County Code, any development proposed in high hazard areas requires the preparation of an environmental or geotechnical report and “shall be sited and designed to minimize risk from geologic, flood, tsunami, or fire hazards to a level generally acceptable to the community.” The applicant submitted a geologic and geotechnical report (Geologic and Soil Engineering Feasibility Report prepared by Landset Engineers, Inc., 2004). This report was peer reviewed for the EIR by consultants under contract to the County. The project was designed to avoid landslide areas.

The project site is not located within an identified fault area. The nearest fault, the Rinconada Fault, is approximately a mile east of the site. This fault has a predicted maximum magnitude earthquake of 7.5, with a recurrence interval of 1,764 years. For a full description of the existing faults in the project vicinity, see 2018 RDEIR pages 3-175 through 3-177.

As can be seen on 2018 RDEIR Figure 3.6-4, Relative Geologic Hazards, project development is located on the following areas for the recommended project design, 2019 RDEIR Alternative #5, Timeshare Relocation Alternative:

Low Geologic Hazard Potential (Area 1)	Majority of Hotel Units Majority of Timeshare Units (including original location of relocated timeshare condominiums)
Minor Geologic Hazard Potential (Area 2)	Some Timeshare Units Sports Activity Areas
Moderate Geologic Hazard Potential (Area 3)	Conference Center Hamlet (public area) Day Spa (public area) Some Hotel Units Amphitheater Visitor Center (public area) Vineyards
High Geologic Hazard Potential (Area 4)	Hiking Trail Solarium Area (outdoor hot tubs) Small area of parking lot for Hamlet (public area)

Flood Hazards

The project site is not located within a special flood hazard area, as mapped by the federal government. Localized flooding during large storm events has affected the site in the past, due to clogged culverts, which are being removed as part of the project. Debris avalanches on steep slopes also can occur from large storm events. Such an event in 1995 deposited 0.5 to 1.0 foot of mud and sand on portions of the valley floor. Engineering solutions for possible debris flows have been proposed with the application.

Thirty Percent Slope

The project includes application for development on slopes exceeding 30%. Figure 3.1-4 in the 2019 RDEIR shows the areas of the property that would include development on slopes over thirty percent. These include transition areas between shallow slope areas, four hillside timeshare condominium buildings (Lots 21 and 22), a proposed road connecting the hillside timeshare units with the timeshare units to the rear of the property, a corner of the hamlet parking area, and a corner of the parking lot adjacent to the main hotel entrance.

Staff’s recommended modifications reduce the amount of development on slopes greater than 30%. This design significantly reduces the area that an access road traverses thirty percent slopes, while retaining the site design with most of the structural development along the valley floors of Paraiso Springs Valley and Indian Valley. The remaining development on slopes over thirty percent involve traversing slopes in the road leading from the hillside condominium area (Lots 1 and 22 as shown on the Vesting Tentative Map) to the rear of the hotel area, which provides necessary secondary access for fire safety. Two parking lots also will have a relatively small percentage of their parking lots encroaching into slopes greater than thirty percent: a corner of the hamlet parking lot area and main parking lot, as explained below.

The realignment of the road from the hillside timeshare units to the rear of the hotel will eliminate a several hundred foot section of the road crossing a thirty percent slope. The realignment of this section of road will also avoid a small encroachment into a High Geologic Hazard area (category 4S), as shown on 2018 RDEIR Figure 3.6-4. For the reason cited, allowing secondary access for fire safety, and the ability to relocate and shorten the road to significantly reduce the encroachment on thirty percent slope, the realigned access road better meets goals and policies of the general plan.

The hamlet parking area is proposed to be located on an existing terraced area of the site used for parking in the past. This parking area is proposed to be expanded, which requires encroachment into thirty percent slopes as designed. Staff analyzed the potential to move the parking area more to the east to lessen the intrusion into thirty percent slopes; however, this creates a problem with connecting the parking lot to the access road for the site, which could require a short, but steep driveway connection of 15% or more. The area of the parking lot encroaching on thirty percent slopes consists of a portion of the access road and approximately six parking spaces. The rest of the parking lot relies on a previous parking area. In addition, relocating the parking lot further to the east would encroach on native vegetation, as opposed to removing eucalyptus trees found in the area proposed for 30% slope encroachment. As the proposed location would remove non-native vegetation and allow a more logical, and relatively flat connection to the access road, the proposed location better meets the goals and policies of the general plan.

The main hotel parking area includes a western portion that encroaches on slopes greater than thirty percent. This encroachment affects less than 15% of the total parking lot. Two primary reasons to avoid development on slopes over thirty percent is to reduce visual impacts and to ensure slope stability. The area of these steeper slopes for this parking area is located within the Low Geologic Hazard area (Category 1; see 2018 RDEIR Figure 3.6-4) and is not visible from off site. One option considered for avoiding the steep slopes was to expand the parking lot to the south; however, this area has a seasonal creek that will remain and would not be affected by the current project design. Reducing encroachments into creek areas preserves habitat and causes less potential for obstructing flows during high rainfall events. The encroachment into the slope preserves habitat, does not create a visual impact, and is in a geologically stable area, which better meets General Plan policies and County regulations.

Compared to the project analyzed in the EIR, the adopted design will provide reduced or similar impacts to all environmental resource topic categories. The impact comparison to the proposed Project is found in 2018 RDEIR Table 5-1 as amended by and shown in the 2019 RDEIR, pages 85 through 91. The adopted design will have reduced impacts in most categories compared to the proposed project, including but not limited to reduced impacts related to biology (including reduced tree removal) and to aesthetics (reduced visibility from public viewing areas) (see 2019 RDEIR Table 5-1, Comparison of Project Alternatives to the Proposed Project).

See discussion above (page 3), under the title **Recommended Modifications to Project Site Design**, for a description of the environmental and safety advantages related to adopting the Timeshare Relocation Alternative (2019 RDEIR, Alternative #5, pages 75 through 90). In

addition, see information contained in Finding 1, Evidence a, Finding 6, Evidence h, and evidence related to Finding 9 in **Attachment C**.

Summary for Geologic Hazards

The project can be safely constructed on the site by complying with the state Building Code, and with proper engineering techniques outlined in the site specific geotechnical report, as modified by mitigation measures identified in the RDEIR (Mitigation Measures 3.6-1a and 3.6-1b, 3.6-3a through 3.6-3c, 3.6-4a and 3.6-4b, and 3.6-5). These mitigation measures require a Seismic Design Report, grading monitoring by a geologist, attachment of interior appliances and large free standing objects, preparation of a Supplemental Liquefaction Investigation, slope stability analysis for the final grading plans, use of the current building code, preparation of a Final Geologic and Soil Engineering Feasibility Report, and preparation of a Storm Water Pollution Prevention Plan.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would result in less grading, mostly related to the relocation of the access road to the rear of the hotel area. This realignment also removes the portion of this road across a High Geologic Hazard Potential area.

Findings Required to Approve the Project

Thirty Percent Slope (See **Attachment C**, Finding 4)

Hazards/Hazardous Material

2018 RDEIR Chapter 3.7, as amended by the 2019 RDEIR, addresses hazards and hazardous materials associated with construction and operation of the project. Most of the potential hazards discussed are related to the potential that hazardous materials from the former use of the site may be disturbed during demolition and construction activities. Sufficient existing regulations exist for use of hazardous materials, resulting in a determination of a less than significant impact.

Fire Hazards

The project site is located within High and Very High Fire Hazard zones (2018 RDEIR Figure 3.7-1). The majority, if not all, of the proposed development is located in the high fire hazard zone area. The steep slopes surrounding the site consist of oak and chaparral covered hillsides. A preliminary fire protection plan was reviewed by the Mission-Soledad Rural Fire Protection District (Fire District). That preliminary plan had been developed in consultation with CalFire and the Fire District. The project proposes a system of hydrants, an approximately 500,000 gallon water storage tank, fire resistant construction, and fuel (vegetation) modification along the project periphery to address fire hazards. A final Fire Protection Plan was analyzed in, and attached as Appendix B to, the 2019 RDEIR. The final Fire Protection Plan was approved by the Mission-Soledad Rural Fire Protection District in August 2019, but will undergo a final review by the County in consultation with fire personnel.

The County has committed to consider increasing the property tax share for this property to ensure additional funding, at a tax rate higher than other properties in the district, is provided to the Fire District. The Board of Supervisors would make such a decision if the project is approved

and when a draft agreement is presented to the Board. This would be implemented as part of the annexation of the entire site into the Fire District's boundaries, which will occur through an application process and decision from the Monterey County Local Agency Formation Commission. The funding from increasing the property tax share on this property would not be sufficient, alone, to construct a fire station. The Fire District will need to consider other methods to increase funding from other district property or obtain alternative funding to construct and operate a station.

The City of Soledad has plans and a program to expand their fire station, which also provides firefighting services for Mission-Soledad Rural Fire Protection District. County staff have applied a condition that the developer make a fair share contribution to expansion of the fire station that currently serves the site.

The construction component of the project includes grading, installation of infrastructure (on-site and off-site), demolition of existing structures, construction of buildings, tree removal, installation of landscaping and hardscapes, and preparation and maintenance of vegetation management around the project perimeter. The operational component of the project includes a proposed fire protection system and maintenance activities. Conditions of approval have been derived from discussions between County staff and fire personnel from Mission-Soledad Rural Fire Protection District and CalFire. Fire risk exists during every phase of the project, including demolition, vegetation removal, and grading, as well as construction of new structures and infrastructure.

The Fire District is served by a fire station and personnel located in Soledad, with a response time of between 15 and 16 minutes to the project site. The Fire District has requested that a fire station be built within five miles of the project site, or on the project site; however, construction of a fire station is not necessary for this project from a service level aspect, as described in the EIR.

CalFire and the California Department of Justice (Attorney General Office) submitted comments on the 2018 RDEIR analysis related to potential wildfire environmental impacts. Their position is that CalFire is the authority to review the project and also approve project plans. Fire regulations require that dead-end roads not be over one mile in length for this project site unless a secondary access is provided. No such secondary access currently exists to the project site. Regulations allow a project that cannot meet regulations to go through an exception process. The Attorney General Office has stated that they do not see sufficient justification at this time to approve an exception to the dead-end road standard. The applicant has not yet applied for an exception; however, condition 153 is required to ensure that the project meets the applicable regulation. The 2019 RDEIR was prepared to address these comments and others related to wildfire for potential environmental effects to the physical environment.

The Final EIR responds to the comments related to wildfire risk in numerous sections. To summarize, the Final EIR includes mitigation measures to ensure that potential environmental effects relating to wildfire will be less than significant. In addition, the project will need to comply with applicable law prior to issuance of permits, including conditions of approval recommended by the Fire District. The Final EIR also includes a Construction Fire Prevention

Plan and an Operational Fire Prevention Plan in Appendices 6.1 and 6.2, as requested by comments on the 2019 RDEIR and as required by mitigation measures. Review of these plans demonstrate that they are documents that will be used by the resort, if the project is approved, during construction and operations and do not themselves cause any physical environmental impacts. The mitigation measures require that they undergo an approval process from the County in consultation with fire personnel.

As stated earlier, fuel modification activities along the project periphery, as well as all physical components of the Fire Protection Plan, were taken into account in the environmental analysis. The project, as conditioned, will ensure standardized basic emergency access and fire protection pursuant to Section 4290 et seq. of the Public Resources Code, the California Fire Code, and Monterey County Code requirements.

The project applicant submitted recent correspondence related to application of the state and local regulations applicable to the project (Attachment K-1). The applicant's attorneys have studied the regulations and contend that the dead-end road requirement is not applicable to this project. Additionally they state that, even if the regulations are applicable, the authority that should review the fire plans is Mission-Soledad Rural Fire Protection District, not CalFire. CalFire Chief Fulcher has informed County staff that they are the applicable authority. The conditions of approval have been drafted to allow that conversation to continue between the applicant and CalFire. County staff's position is that we follow the recommendations of the CalFire Fire Chief. See the following section describing the regulation history and applicability to this project.

Fire Regulations Applicability to Paraiso Hot Springs Project

In 1992, the Monterey County Board of Supervisors adopted Ordinance No. 3600, enacting Chapter 18.56 of the Monterey County Code, to implement Public Resources Code sections 4117 and 4290. The purpose of the ordinance is to establish wildfire protection standards in conjunction with building, construction, and development in State Responsibility Areas (SRAs) within the unincorporated area of the County and within the direct fire protection authority of the California Department of Forestry (Chapter 18.56, sec. 18.56.010.A.). These standards require that future design and construction of development in SRAs provide for emergency access and perimeter wildfire protection measures. Chapter 18.56 was added to Title 18 of the Monterey County Code where it has remained since 1992. In 1992, the Board of Forestry and Fire Protection (the Board of Forestry) certified the Ordinance.

The County deemed the application for the proposed project complete pursuant to Government Code section 65493 on August 28, 2005. Government Code section 66474.2 (Approval of tentative map; ordinance, policies and standards applicable), provides that, with limited exception, when considering "whether to approve or disapprove an application for a tentative map, the local agency shall apply only those ordinances, policies, and standards in effect at the date the local agency has determined that the application is complete . . ."

Staff has met with the Fire District and CalFire representatives to ensure that the project complies with the requirements of state law. The project is required to be designed, constructed, and operated pursuant to the California Building and Fire Codes, adopted by the

County of Monterey. The Fire District's representative has reviewed the project and stated that the project can be constructed under the current state law (Public Resources Code and California Fire Code), as long as the project is constructed to code requirements. CalFire has stated that the project needs to obtain a secondary access, for emergency purposes, or obtain an exception as provided in the SRA regulations.

When the County processed the application and drafted the RDEIR, it was the County's understanding that the dead-end road and road-width requirements were not applicable as the road had been in place for many years and predated the code requirements (effective in February 1991 by the State). CalFire and the Fire District had deemed the application complete and did not raise any issue with the road length or width. Ordinance No. 3600 states the following:

“2. Regulations contained in this chapter do not apply to the following building, construction or development activities requiring ministerial or discretionary permits;

a. Existing structures, roads, streets and private lanes or facilities.”

The County read this ordinance language to mean that the dead-end road and road-width standards would not apply to this project. All proposed onsite roads are designed to comply with County Code and State regulations for dead-end road length and for road width. A condition of approval requires that Paraiso Springs Road be widened to twenty feet by the project applicant, which meets local and state regulations.

Recent discussions with the Board of Forestry resulted in them stating, informally, that our local ordinance may no longer be certified. We have asked for a formal determination on that comment. Whether Chapter 18.56 is currently in effect, the SRA regulations are essentially the same regulations as the County standards applicable to this project, except 1) the road exception section described above, and 2) the road width requirement has been increased to twenty feet. Until 2013, the State SRA regulations also exempted existing roads from the regulations using the same language as our local ordinance (See California Code of Regulations, Title 14, § 1270.02 (Scope), Register 91, No. 27 “[t]hese regulations do not apply to existing structures, roads, streets and private lanes or facilities.”).

County staff has been discussing the issue regarding provision of secondary road access with CalFire and the Fire District. State law requires that secondary access be provided when a dead-end road exceeds a certain length (California Code of Regulations, Title 14, § 1273.08). The applicant's representative asserts that these regulations do not apply to the project for a number of legal reasons, including the application being deemed complete in 2005, the County's certified ordinance exemption for existing roads, and some of the language contained in the state and local statutes (Attachment K-1). However, County staff has discussed this topic with CalFire, which says that the standards do apply. The property lies within a State Responsibility Area, which provides jurisdiction to the CalFire Chief to interpret the regulations. The Chief does not see an exemption in the current law for the dead-end road requirement. The State law and County ordinance provide an exception process to be pursued if a project cannot satisfy a regulation. CalFire's position is that either a secondary access is provided that meets the standard or that an

exception process be pursued. Final EIR Master Response No. 8 discusses the details of the applicability of the state law to this project.

Staff has drafted a condition for the Board of Supervisors' consideration (see draft condition 153). The condition establishes a process where the applicant must acquire an exception to the dead-end road standard or meet the regulation for a secondary access. If an exception is required and not granted, the developer would be required to enter into an agreement with a private property owner in the vicinity to secure a secondary access for use during an emergency. The condition states that the agreement requires the developer to improve the road to an all-weather standard, as outlined in state law, and maintain the all-weather condition of the road for the life of the project. A secondary access agreement could be difficult to obtain as the most likely property that could be used is owned by neighbors in opposition to the project.

The State of California Subdivision Map Act has a provision (section 66462.5) stating that the County

“shall not postpone or refuse approval of a final map because the subdivider has failed to meet a tentative map condition which requires the subdivider to construct or install offsite improvements on land in which neither the subdivider nor the local agency has sufficient title or interest, including an easement...”

This approach generates concerns for the County. If the applicant is unable to acquire the easement, the Map Act requires that the County acquire the easement through negotiation or commence proceedings (eminent domain) to acquire the interest in the land. Under that scenario, the County would then hold an interest in the easement. If the County does not pursue this provision to negotiate for the easement, the condition is deemed to be waived. If that occurs at that point in the process, the project would still not meet state standards for development within a State Responsibility Area, which would result in the project not being able to proceed. Even with these concerns, staff is recommending this approach through the conditions of approval to ensure that the project is able to comply with the SRA regulations and provide a safe site for the public and safety for the neighbors.

Alternatively, the Board could elect not to require this condition. In that case, if the project is required to obtain an exception and is unable to do so, construction could not commence until a solution and any implementing steps to that solution were determined. Possible solutions could be that the applicant propose a method that would meet the code or other methods that could be done to provide the “same practical effect” through an exception process. That may include amendments to the permits and, potentially, additional environmental review.

The Attorney General Office submitted correspondence subsequent to the Planning Commission hearing (Attachment K-2). They wanted to clarify that they did not offer an opinion on Condition 153. They state that a factual basis has not yet been presented for an exception and, therefore, they support providing a secondary access road. Condition 153 recommended by staff allows the applicant to proceed through the procedures outlined in state law: to obtain either an exception or a secondary road. The condition of approval also allows the applicant the flexibility to present their findings to CalFire that either the regulation is not

applicable or that the local Fire District is the appropriate authority. As staff stated at the Planning Commission hearing, the County is following the determination of CalFire.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would improve fire safety for the site. The relocation of timeshare units from the rear of the property, in the narrowest part of the valley, was a redesign that the Fire District felt was important, as is the need to keep a second access road to the rear of the hotel grounds. The project will have to meet all Fire Code requirements, and has proposed shelter in place (“temporary refuge areas”) and evacuation plans into the final fire protection plan, which has been approved by the Fire District, with final approval required by the Monterey County Resource Management Agency Director. CalFire has informed County staff that temporary refuge areas are designed to be used by fire personnel, not civilians. Conditions recommended requiring compliance with code requirements, which include greater fire resistant construction methods, as well as evacuation plans, will provide additional fire safety measures when the resort is under construction or in operation. Plans to reduce fire risk during construction and operation have been prepared. Conditions of approval require that these plans be reviewed and approved prior to either construction or vegetation removal, whichever occurs first.

In addition to the County’s commitment to provide additional annual revenue to the Fire District to help fund operations, County staff is recommending a condition of approval that the project applicant is required to pay a fair-share contribution to the Mission-Soledad Rural Fire Protection District for facility and equipment needs.

Findings Required to Approve the Project

Subdivision Map Act (see **Attachment C**, Findings 11, 12 and 24)

Hydrology and Water Quality

Todd Groundwater prepared a comprehensive hydrogeological report for the proposed development, dated January 16, 2018 (**Attachment H-1**, Appendix H of 2018 RDEIR). This report was reviewed and accepted by the Environmental Health Bureau and the Monterey County Water Resources Agency. Said report concludes that:

- The project site overlies an aquifer with approximately 1000 acre-feet of capacity.
- The aquifer underlying the site is connected to the Forebay Aquifer Subbasin, which is one of the basins that makes up the Salinas Valley Groundwater Basin.
- The project will utilize approximately 15.5 net acre-feet per year, 17.8 net acre-feet per year if water is needed to provide supplemental water for environmental mitigation.
- The project’s underlying aquifer has sufficient capacity to serve the project, even during dry periods.
- The project’s water use will not substantially affect neighbors’ wells or springs (also see 2018 RDEIR chapter 3.8 discussion).
- The project’s contribution to overdraft in the Salinas Valley Groundwater Basin would be approximately nine acre-feet per year.

- Hot Springs water utilized in the pools and tubs of the facility will return to the environment as it has done throughout the resort’s history.
- The proposed project would not contribute to seawater intrusion. (In addition to the Todd Groundwater 2018 Comprehensive Hydrogeologic Report prepared for the project, see concurrence from Bierman Hydrogeologic, *Technical Memorandum-Hydrogeologic Evaluation of Recirculated Draft Environmental Impact Report (RDEIR) – Paraiso Springs Resort Project*, April 25, 2018, page 11, presented as attachment to Fenton and Keller RDEIR Comment Letter #12-**Attachment I**)
- The project’s water use will not have an adverse effect on the environment due to groundwater pumping as described in the Todd Groundwater report and as analyzed in the RDEIR. The proposed development will extract additional water, but there will be a less than significant effect as demonstrated.

The Sustainable Groundwater Management Act of 2014 (SGMA) contains legislatively required mandates to bring the aquifer into balance (2018 RDEIR pages 3-231 and 3-232). The Final EIR provides responses to comments related to the SGMA legislation as additional information related to how the Groundwater Sustainability Agency, formed in 2017, has begun preparing a Groundwater Sustainability Plan, as required by SGMA for the Salinas Valley. A draft Groundwater Sustainability Plan has been circulating for public comment and is expected to be adopted by January 2020.

The project will pump groundwater from two existing wells to provide potable water for resort operations. A wastewater treatment plant will treat all wastewater to a tertiary level; all treated wastewater will be stored and used to irrigate all project landscaping at buildout. A water balance was prepared in 2018 and is discussed in 2018 RDEIR Chapter 3.8, specifically in Impact 3.8-4, Long-Term Water Supply, pages 3-241 and 3-242. The project is projected to utilize a net of between 15.5 to 17.8 acre-feet of water per year, depending on mitigation requirements (summarized on 2018 RDEIR pages 3-248 and 3-249). The net water loss to the regional aquifer, the Forebay Aquifer Subbasin, is estimated to be nine acre-feet per year. County staff has determined that overdraft in the Salinas Valley Groundwater Basin has an existing cumulatively significant effect, but that the water loss to the Salinas Valley Groundwater Basin from this project would not substantially contribute to the cumulative impact, resulting in a determination of a less than significant impact.

Best management practices, known as “low impact development” (LID) techniques, are proposed to control runoff and drainage to protect water quality on the site. This technique includes dispersion of these LID systems throughout the site. A retention or detention pond is not expected to be needed as part of the overall drainage system, but sufficient area exists on the site if detailed drainage plans show that such a pond is required for the project to meet water quality standards.

The project is not expected to have significant adverse effects on neighboring wells or springs, as explained on 2018 RDEIR pages 3-249 through 3-252. A spring on the project site, near the project entrance, provides water to neighboring property through a one-inch pipe collecting water in a spring box. See discussion in the RDEIR for Impact 3.8-6, Well Interference and for Impact 3.8-7, Potential Spring Impact. The conclusion for both was a less than significant impact

on the environment. Predicting effect on spring flows is difficult. The project hydrogeologist determined that lowering of the water levels in the spring area from project water use could be approximately 0.5 feet. However, even if drawdown occurred in the general vicinity of the spring, the spring discharge might not be affected. See more discussion on RDEIR pages 3-251 and 3-252.

No significant environmental effects were determined, with mitigation measures proposed for short-term erosion, long-term surface water runoff, long-term surface water quality, groundwater water quality (to control certain types of water softening equipment), and monitoring and adaptive management if wetlands or riparian habitat is affected.

For additional information related to water and drainage for the site, see **Attachment C**: Finding 1, Evidence o; Finding 3, Evidence e; Finding 7, Evidence i; Finding 11, Evidence f; and Finding 14.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would reduce the project by four units, which will minimally reduce the water use for the project site. It would also reduce impervious surfaces by a minimal amount, as well, reducing the potential to capture that runoff through low impact development techniques proposed for the project. These slight reductions in water use numbers and runoff water capturing would be very small and not create a different conclusion for the less than significant environmental impact determined for the full project.

Land Use and Planning

The project is subject to the 1982 General Plan and Central Salinas Valley Area Plan, as explained on 2018 RDEIR page 2-1. To summarize, the project involves a subdivision. As part of the California Subdivision Map Act, the local agency may only apply ordinances, policies and standards in effect when the project application was deemed “complete,” which occurred in 2005. As such, the project is subject to the 1982 General Plan and was analyzed against that document. This requirement applies to local regulations. State regulations, as they exist at the time of construction, will be applicable to this project, if approved.

2018 RDEIR Chapter 3.9 provides an analysis of the project’s consistency with General Plan and Area Plan policies in Table 3.9-1 (pages 3-263 through 3-279). No impacts requiring mitigation, other than those identified in other topic areas of the RDEIR, were identified for the Land Use and Planning analysis. The project was determined consistent with County planning documents.

The project will require a number of permits, as described below. The findings described here are described above (pages 6 and 7) and found in the project resolution (**Attachment C**).

Subdivision Map Act and County Subdivision Ordinance

The project application includes a subdivision of the project property to accommodate timeshare uses and for financing purposes. A subdivision is required, pursuant to the State of California Subdivision Map Act, for any circumstance where a portion of a property is to be sold, leased, or

financed, with some exceptions. The Subdivision Map Act and County Code require that specific findings be made to approve a subdivision.

Use Permit for Development on Slopes Greater than Thirty Percent

To approve development on slopes greater than 30%, Monterey County Code requires that the Board of Supervisors issue a Use Permit and consider specific findings for allowing development on steeper slopes.

Use Permit for Resort Use

To approve a Use Permit for the project application, including the timeshare uses, Monterey County Code requires that the Board of Supervisors consider a finding for a Use Permit and findings for timeshare uses.

Use Permit for Tree Removal

To approve tree removal for the project, Monterey County Code requires that the Board of Supervisors issue a Use Permit and consider specific findings for tree removal.

Relationship to Staff Recommendation

Staff is recommending that all findings to approve the modified project can be made, as discussed in the applicable topic areas in this Attachment.

Noise and Vibration

Vibration related to transportation and construction was analyzed in a technical report prepared by a County consultant. 2018 RDEIR Impact 3.10-1 analyzes the potential impacts related to vibrations caused by traffic and by construction equipment and determined that environmental impacts to off site receptors would be less than significant. See Final EIR Chapter 4.0 related to additional information related to vibration, which remains below the threshold for vibration effects.

The project will generate noise from construction and operations. 2018 RDEIR Chapter 3.10 describes studies prepared to analyze potential noise impacts. Noise from the project was analyzed in a technical report prepared by a County consultant. RDEIR Impact 3.10-2 analyzes the potential impacts related to traffic noise and determined that environmental impacts would be less than significant.

The resort is proposed to be a quiet resort for the guests, so noise increases are primarily related to construction, but with some potential for operational noise at the property line closest to neighbors (see 2018 RDEIR pages 3-296 through 3-302 for a discussion on potential environmental impacts). Because the project is subject to regulations in place when the application was deemed complete in 2005, a mitigation measure to follow the County's more recently adopted noise ordinance, controlling nighttime noise, is included and made a condition of approval. Mitigation is also included for potential short-term construction noise impacts; this mitigation will control hours for noise-generating construction, the location of stationary noise equipment and staging areas, ensure equipment is used and maintained with proper noise reduction mufflers, and designate a disturbance coordinator to resolve any complaints.

On-site events will be limited to only overnight guests, so noise generation will not occur from the resort being used as an event site. The outdoor amphitheater area is approximately 1000 feet from the nearest property line to the east, with neighbors farther away down Paraiso Springs Road. The project and neighbors are in a valley, where noise may carry, but amphitheater uses and all site uses will be consistent with a quiet resort site. The requirements of the nighttime noise regulations, as implemented by the mitigation measure, will ensure quiet operations at night.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89). The recommended project design would result in a slight reduction in the number of vehicles travelling to and from the site, maintenance activities on site, and fewer guests occupying the site, resulting in slight noise and vibration reductions.

Public Services and Utilities

The project will provide its own basic services, including water and wastewater services. The project site does not require the construction of additional fire, police or ambulance services. They will be provided by existing facilities located primarily in Soledad or by the County Sheriff. Due to a request by the fire district, the potential environmental impacts of building a fire station on site or in the area are discussed in the 2018 RDEIR on pages 3-307 and 3-308. Other public services are also discussed in 2018 RDEIR Chapter 3.11. Other than water demand, all potential environmental impacts to public services were identified as less than significant.

For more detail on fire concerns, see discussion above under Hazards and Hazardous Materials section and **Attachment C**, Findings 11, 12 and 24. The County Sheriff provides law enforcement services for the unincorporated areas, with mutual aid provided by local cities (Soledad and Greenfield) and the California Highway Patrol. Emergency law enforcement activities would be provided to the site through mutual aid procedures in case a Sheriff Deputy is not near the project site. The County Sheriff would handle routine investigations or non-emergency calls.

Electricity will be provided through PG&E lines that serve the project site. Energy usage was calculated in 2018 RDEIR Chapter 3.13, Energy. On site energy production and efficiency measures will offset up to 20% of energy usage. On site electricity distribution lines will be undergrounded. No infrastructure improvements to the electrical system are expected for off site areas. Natural gas will be provided by propane delivery to the site. Energy star appliances will reduce the need for natural gas at the site.

For additional information related to fire concerns for the site, see **Attachment C**, Finding 1, Evidences n and r; Finding 3, Evidence c; Finding 6, Evidences p and w; Finding 7, Evidence h; Finding 24, Evidence a; and Finding 12.

Relationship to Staff Recommendation

The project being recommended by staff will have reduced impacts as identified in the 2019 RDEIR (Table 5-1, pages 85 through 89).

Transportation and Traffic

Roadways in the project area are lightly traveled rural roads, with levels of service at LOS A except with one road segment near Highway 101 at LOS B¹, under cumulative buildout conditions (summarized in 2018 RDEIR Table 3.12-3). The project proposes to limit trips to an annual average of 406 daily trips, which will not change these levels of service. The applicant proposes a shuttle program for non-management employees, for guest pick up at the San Jose Airport and for day trips by guests to wineries, parks, or the Monterey Peninsula. Employee pick up would be at specific locations, such as park and ride lots in Soledad and/or Greenfield. No potential environmental impacts were identified from operation of the project.

Paraiso Springs Road, from Clark Road to the project site, has some sections where the road is less than 18 feet wide, at least as it existed in 2011 when a survey of the entire length from Clark Road to the project site was completed. Recent walking investigations have surmised that some of the earlier identified narrow areas may not be as narrow as in 2011. As part of the application, the applicant has proposed improvements to Paraiso Springs Road, described above on pages 1 and 2.

The RDEIR analyzed the potential impacts from the off-site road widening. Potential impacts were identified for archaeological resource impacts, with the impact being less than significant with the mitigation measures identified. No impacts were determined associated with vehicle travel.

Relationship to Staff Recommendation

County staff is recommending conditions that modify the project design to enhance fire safety. A condition requires that all road widening occur prior to issuance of construction permits or recording of the first final map, whichever occurs first, including 20 foot width along the entire Paraiso Springs Road length from Clark Road to the project site. County staff coordinated with Fire District staff to ensure that improvements and timing were appropriate for development and use of the site.

The recommended project design would result in fewer trips, overall, but likely not enough to be noticeable to the area. Level of Service will not be affected on a cumulative basis for the area between the project site and Highway 101.

Energy

The project will utilize energy. As discussed on page 3-345 of the 2018 Recirculated Draft Environmental Impact Report (2018 RDEIR), an EIR is required to minimize significant adverse impacts, including where relevant, inefficient and unnecessary consumption of energy. Chapter 3.13 in the RDEIR describes the energy use of the project. As concluded by the RDEIR, the project will be required to comply with county policies and county and state regulations related to energy efficiency (discussed also in 2018 RDEIR Chapter 3.4, Climate Change). In addition, the project has proposed measures to reduce net energy consumption (see RDEIR page 3-128) and proposed Mitigation Measures 3.4-1a and 3.4-1b to reduce energy consumption and to fully offset all greenhouse gas emissions, which would reduce off-site energy consumption.

¹ For a discussion on Level of Service, see 2018 RDEIR page 3-333, last paragraph.

Relationship to Staff Recommendation

The recommended project design would result in slightly less energy consumption, both during construction (with less grading and construction activities) and also during operations.

California Environmental Quality Act Process and Requirements

Background

The California Environmental Quality Act (CEQA), the state law governing environmental review for this project, requires that a project's potential environmental impacts be disclosed to the public and decision makers by providing "...decision makers with enough information which enables them to make a decision which intelligently takes account of environmental consequences" (CEQA Guidelines section 15151). Potential environmental impacts from a project are "...direct physical changes in the environment which may be caused by the project and reasonably foreseeable indirect physical changes in the environment which may be caused by the project" (CEQA Guidelines section 15064(d)). Determination of whether a project has a significant effect on the environment "shall be based on substantial evidence" (CEQA Guidelines section 15064(f)).

The California Environmental Quality Act describes that "...courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure" (CEQA Guidelines section 15151).

A public hearing is not required on the EIR prepared for this project (CEQA Guidelines section 15202(a)); however, it is standard county practice to allow a discussion on the environmental document at the public hearing, which is encouraged by CEQA Guidelines section 15202(b).

Process

The County, as Lead Agency, in addition to what was described above, has the responsibility to ensure that potential environmental impacts are avoided, or that the impacts are reduced to the extent feasible. An Environmental Impact Report is required when a project may cause a significant effect on the environment (CEQA Guidelines sections 15060(d), 15063(b)(1), and 15065(b)(1)). In the case of this project, a significant effect on historic resources was determined, requiring preparation of an Environmental Impact Report. Staff and its consultants have prepared the Recirculated Draft EIRs, as explained below, and the Final EIR with the intent to disclose all potential project impacts. Staff has followed all required procedures for preparation and notice for the Recirculated Draft Environmental Impact Reports and the Final EIR.

A Draft EIR was prepared for the Paraiso Springs Resort (Project) in 2013 and circulated for public comment. Based on comments received at that time, the County determined that the DEIR should be revised and recirculated. This 2013 DEIR was superseded and replaced by the February 23, 2018 Paraiso Springs Resort Recirculated Draft EIR (RDEIR) (SCH#2005061016). A Notice of Availability (NOA) was prepared for the RDEIR and established a public review/comment period from February 28 through April 28, 2018. The NOA for the RDEIR

specifically clarified for the public and reviewing agencies that the RDEIR superseded the 2013 DEIR.

A second Recirculated Draft Environmental Impact Report (“2019 RDEIR”) was circulated for public review from June 7, 2019 to July 9, 2019. The 2019 RDEIR consists of revised portions of the 2018 RDEIR, including but not limited to a revised introduction, miscellaneous edits to specific sections of the 2018 RDEIR, and a revised Aesthetics and Visual Resources chapter. The State Clearinghouse approved a shortened review period for the 2019 RDEIR on May 23, 2019 (email from Christine Asiata, State Clearinghouse, to project planner Mike Novo, May 23, 2019). The public review of the 2018 and 2019 RDEIRs, together the RDEIR, was conducted pursuant to CEQA Guidelines section 15087.

A Final EIR (FEIR) was presented to the Planning Commission, Board of Supervisors and to commenting agencies on October 16 and 17, 2019. The document was also made available to the public at the same time, including providing notice to all commenting individuals and agencies. The FEIR was also available at the Soledad and Greenfield libraries, as well as at the front counter of the Monterey County Resource Management Agency on Schilling Place in Salinas.

Environmental Baseline Conditions

As part of the analysis required pursuant to CEQA, a baseline (existing condition) against which the project is analyzed is established. As stated in the CEQA Guidelines, “An EIR must include a description of the physical environmental conditions in the vicinity of the project, as they exist at the time the notice of preparation is published...from both a local and regional perspective. This environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact is significant.”

In the case of this project, the previous demolition of historic structures has been included as part of the environmental baseline conditions. The existing condition of the site (baseline) established for the CEQA analysis is that of a caretaker unit and occasional use by the property owner. The assumptions used for the analysis are a baseline of 22 vehicle trips per day for purposes of the traffic analysis. No water use was assumed for the existing use as it is a small increment of the project’s calculated water use. The biological baseline included the historic developed area as not providing suitable biological habitat for many species, except for wetlands, birds and bats. Noise measurements were taken in the area to establish the existing baseline for the noise analysis.

Analysis

The RDEIR analyzed all potential environmental impact areas, after an initial screening through an Initial Study process and information received from the 2013 DEIR public review period. The RDEIR identified potentially significant impacts in a number of areas: Aesthetics and Visual Resources, Air Quality, Biological Resources, Climate Change, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, and Public Services and Utilities. Feasible mitigation measures have been identified to reduce the potential environmental effects on these topic areas to a less than significant level, except for impacts to historic resources.

The potential impact to Climate Change is proposed to be fully offset (no impact) through applicant proposed mitigation measures as identified in the RDEIR (see 2018 RDEIR Chapter 3.4). The impacts to historic resources cannot be reduced to a less than significant environmental impact as the structures are gone and cannot be replaced. See 2018 RDEIR Chapter 3.5 and Final EIR Master Responses 2, 3 and 4 for detailed discussions related to the loss of the historic resources. When a significant environmental impact cannot be avoided or reduced to a less than significant level, a Statement of Overriding Considerations must be made by the Lead Agency (see below).

A Final Environmental Impact Report (Final EIR-**Attachment I**) was provided to the Planning Commission and Board of Supervisors, as well as all agencies that commented on the RDEIR, on October 16 and 17, 2019. Staff also provided Final EIRs to all persons who commented on the RDEIR. The Final EIR consists of the Recirculated Draft EIRs and the Response to Comments document as described in CEQA Guidelines section 15132. CEQA requires that the Lead Agency (County) provide written response to all comments submitted on the RDEIRs from public agencies at least ten days prior to a decision to certify the Final EIR (CEQA Guidelines section 15088). The Final EIR was provided to all commenting agencies and the Board of Supervisors at least ten days prior to the October 30, 2019 Planning Commission hearing.

The EIR was prepared in accordance with CEQA Guidelines section 15084, which 1) requires that the EIR be prepared by, or under contract to, the Lead Agency (County), 2) allows that the Lead Agency may require the project applicant to provide data and information, and 3) allows any person, including the applicant, to submit information or comments to the Lead Agency to assist in the preparation of the Draft EIR. EMC Planning Group, Inc., under contract to the County, prepared the 2018 Recirculated Draft EIR and assisted the County in preparing the Final EIR. The County prepared the 2019 Recirculated Draft EIR. The applicant provided input throughout the process but the EIR reflects the independent judgment and analysis of Monterey County, as Lead Agency, pursuant to CEQA Guidelines section 15090(a)(3).

CEQA Findings Required

CEQA requires that findings be made for certification of the EIR (Guidelines sections 15090 and 15091) and that a Statement of Overriding Considerations be adopted for any significant and unavoidable impacts (Guidelines section 15093). Certification can only be done when the Lead Agency determines that 1) the EIR has been completed in compliance with CEQA, 2) the Final EIR was presented to the decision making body and that they reviewed and considered the information prior to approving the project, and 3) the Final EIR reflects the Lead Agency's independent judgment and analysis. Findings required by these sections are found in the resolution (**Attachment C**).

A Statement of Overriding Considerations, required only when a project has significant and unavoidable effects on the environment, is a statement that the Lead Agency (County) is balancing the benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. Staff is recommending that project benefits

outweigh the remaining significant environmental impact, the removal of nine historic cottages (**Attachment C**, Finding 10):

- The project will provide additional property taxes and transient occupancy tax to the County and provide additional revenue for the Mission-Soledad Rural Fire Protection District.
- The project will provide substantial employment for an area of the County where there is higher local unemployment than the rest of the County and the state, with greater population growth rates. Other jobs, including visitor-serving jobs, in the County require commuting to other areas of the County, primarily the Monterey Peninsula and Salinas, or out of the County to provide a substantial number of non-agricultural employment opportunities.
- The project will support wine related industries in the Salinas Valley by providing local accommodations in the area identified for an economic program to help keep the wine industry viable. This economic program was included as a section of the 2010 Monterey County General Plan: the Agricultural and Winery Corridor Plan.
- The project will implement Policy CSV 1-1 of the 2010 Monterey County General Plan, Central Salinas Valley Area Plan, which designates the property for reconstruction of a resort on the site.

All mitigation measures are required to be fully enforceable through permit conditions, agreements, or other measures (CEQA Statute section 21081.6(b)). In this case, all mitigation measures have been incorporated into the project conditions of approval (**Attachment C**).

Project Alternatives Considered in the EIR

Several alternative project designs were analyzed in 2018 RDEIR Chapter 5, Alternatives, as amended by the 2019 RDEIR. As required by the California Environmental Quality Act, the RDEIRs analyzed a reasonable range of alternatives that could avoid or substantially lessen any of the significant effects of the project. The following feasible alternatives were studied in the 2018 RDEIR, Section 5.2 (pages 5-4 through 5-45), as amended by the 2019 RDEIR (pages 73 through 91):

Alternative #1	No Project Alternative
Alternative #2	Valley Floor Alternative One
Alternative #3	Valley Floor Alternative Two
Alternative #4	Reduced Project Alternative – Phases 1 and 2 Project
Alternative #5	Timeshare Relocation Alternative

The RDEIR evaluated a reasonable range of potentially feasible project alternatives to the proposed project in compliance with CEQA Guidelines section 15126.6. The RDEIR identified that the No Project Alternative was the environmentally superior alternative. In accordance with the CEQA Guidelines, when the no project alternative is selected as the environmentally superior alternative, another alternative must be identified as environmentally superior. The Reduced Project Alternative (Alternative 4) is the environmentally superior alternative. None of the alternatives would reduce or avoid the significant and unavoidable impact relating to the

demolition of the nine historic structures. Each alternative reduces impacts compared to the project, as described in RDEIR Section 5.2 (2018 RDEIR pages 5-4 through 5-37, and summarized in RDEIR Table 5-1 (pages 5-39 through 5-45), as amended by the 2019 RDEIR (pages 85 through 91).

Pursuant to CEQA Guidelines section 15126.6(c), alternatives may be eliminated from consideration if they 1) fail to meet most of the basic project objectives, 2) are infeasible, or 3) are unable to avoid significant environmental impacts. 2018 RDEIR section 5.1.3, Alternatives Eliminated from Detailed Analysis, as amended by 2019 RDEIR (pages 73 and 74), outlines alternatives that were screened out pursuant to this section of the CEQA Guidelines. 2018 RDEIR section 5.1.4, as amended by the 2019 RDEIR, presents the alternatives analyzed, with the analysis presented in RDEIR section 5.2 as amended.

The CEQA Guidelines requires analysis of a range of alternatives that are governed by the “rule of reason.” “The alternatives shall be limited to ones that would avoid or substantially lessen any of the significant effects of the project. Of those alternatives, the EIR need examine in detail only the ones that the lead agency determines could feasibly attain most of the basic objectives of the project.” The County identified two of its own objectives for this project, in addition to objectives identified by the applicant. The County, as Lead Agency, considers the County’s objectives to be “basic” objectives, as described in the CEQA Guidelines. The objectives are listed on 2018 RDEIR pages ES-3 and ES-4, with the last two being the County’s objectives (also found on 2018 RDEIR page 5-2), as listed here:

Provide visitor serving amenities identified in the Agricultural and Wine Corridor program from the 2010 Monterey County General Plan; and

Maximize development of this previously disturbed site to reduce pressure to convert agricultural land to visitor supporting uses related to the Agricultural and Wine Corridor, which is identified as an economic program in the 2010 Monterey County General Plan.

Staff is recommending that the Timeshare Relocation Alternative, described in the 2019 RDEIR as Alternative #5, be approved, as explained below.

Staff Recommendation

Staff recommends the Board of Supervisors adopt a resolution (**Attachment C**) that would Deny the Appeal, Certify the Environmental Impact Report, Adopt a Statement of Overriding Considerations, Approve a Combined Development Permit, with conditions of approval that modify the project to eliminate or relocate timeshare units and reduce development on slopes greater than 30%, and Adopt the Mitigation Monitoring and Reporting Program.

Staff recommends that the project be modified through the conditions of approval for the project, to approve Alternative #5, Timeshare Relocation Alternative. The Timeshare Relocation Alternative was described and analyzed in 2019 RDEIR section 5.2.4.5 (pages 75 through 83). This alternative would involve the following modifications to the site plan:

1. Relocate 13 Villa timeshare units to the hillside between Paraiso Valley and Indian Valley (Lots 21 and 22). The Villa timeshare units would be redesigned as single story structures;
2. Relocate the timeshare condominium units on Lots 21 and 22 from their current location along a hillside in an area that requires encroachment onto 30 percent slopes to Indian Valley in the location of the villa lots;
3. Relocate the timeshare condominium units on Lot 23 to Indian Valley in the location of the villa lots; and
4. Relocate road alignment from hillside timeshares (northwest corner of Lot 22) to more directly connect the cul de sac to the rear of the hotel area rather than to the area vacated by the relocated timeshare condominiums on Lot 23 (reduces area of thirty percent slope encroachment and avoids High geologic hazard area)

The result of these changes would be the retention and relocation of the 60 timeshare condominium units and the relocation of 13 of the 17 timeshare Villa lots. A total of four Villa timeshare units would be eliminated. This results in a two percent reduction in visitor serving units being constructed on site (from 180 to 176). Elimination of these units results in a drop in the number of rooms from 310 to 298 (4%). The outcome would be reduction in height of development at higher and more visible locations, a smaller development footprint (elimination of development on proposed Lot 23), and less related environmental effects, a reduction in grading and development activities on steeper slopes, and units closer to the project entrance.

In addition, a condition is recommended that the wastewater treatment plant building be located to provide a 100 foot setback to a nearby spring. The relocation is to conform with Table 3 of State Water Resources Control Board Order No. 2014-0153-DWQ, which provides setbacks from impoundments to wells and/or streams. The County also is requiring that Paraiso Springs Road be constructed to a 20 foot width from Clark Road to the project entrance, unless right-of-way is not available for the widening. The recommended conditions also allow up to five units to be used for employee housing.