Introduced: 1/16/2020 **Current Status:** Agenda Ready

Version: 1 **Matter Type:** BoS Resolution

Public hearing to consider:

a. An appeal by Cynthia Pura from the October 30, 2019 Planning Commission decision approving a Combined Development Permit allowing the reconstruction of a resort (Paraiso Hot Springs Resort/PLN040183).
b. Certification of the Final Environmental Impact Report for the Paraiso Springs Resort and adoption of CEQA Findings and Statement of Overriding Considerations (Historic Resources); and
c. Approval of a project for the reconstruction and expansion of a resort, including after-the-fact permit to demolish nine historic cottages to clear a code violation and Use Permit, General Development Plan, Vesting Tentative Map, and associated Use Permits to construct a resort with 103 hotel rooms, 77 timeshare units, and a variety of amenities available for resort guests, and a public use area with spa, visitor center, and commercial uses.

Project: PLN040183/ Paraiso Springs Resort LLC (Paraiso Hot Springs Resort)
Project Location: 34358 Paraiso Springs Road, Soledad, Central Salinas Valley Area Plan (Assessor's Parcel Numbers 418-381-021-000, 418-361-004-000, and 418-381-022-000)
Proposed CEQA Action: Certify an Environmental Impact Report for the Paraiso Springs Resort (SCH#2005061016).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution making findings to:

1) Deny the appeal by Cynthia Pura from the October 30, 2019 Planning Commission decision approving a Combined Development Permit allowing the reconstruction of a resort (Paraiso Hot Springs Resort/PLN040183);
2) Certify the Paraiso Springs Resort Environmental Impact Report (SCH#2005061016) and adopt CEQA findings for project approval and a Statement of Overriding Considerations; (Historic Resources);
3) Approve a Combined Development Permit consisting of the components listed below:
    a. "After The Fact" permit to demolish nine historic cottages removed from the Paraiso Hot Springs Resort, November 2003 (to clear Code Violation Case CE030404/PLN040488);
    b. Use Permit and General Development Plan for the reconstruction and expansion of the historic resort with the following amenities: a 103 room hotel consisting of single and two-story clustered visitor-serving hotel units; 60 two-to-three bedroom timeshare units and 13 timeshare villas (as modified by the conditions of approval); lodge; visitor center; restaurants; culinary training center; wine pavilion; shops; tennis courts; swimming pools; golf instruction center; racquetball pavilion; spa center with massage,

beauty, therapeutic services and outdoor/indoor fitness center; a wellness/education center with lecture and conference facilities; cultural center for music, art and literature; outdoor amphitheater; vineyards; laundry and maintenance facilities; wastewater treatment system; and re-landscaping of the grounds including new trees, paths, hiking trails, pedestrian and vehicle bridges, gardens and pergolas. Architectural treatments, materials, colors, and landscaped grounds are intended to echo the Paraiso Hot Springs' former affiliation with Mission Soledad;

c. Standard Subdivision (Vesting Tentative Map) to create 19 parcels and a condominium map for 73 timeshare units;
d. Use Permit for removal of 185 protected oak trees;
e. Use Permit for development on slopes in excess of 30%;
f. Grading of 162,073 cubic yards; and
g. Off site road improvements to Paraiso Springs Road.

4) Adopt a Mitigation Monitoring or Reporting Program.

The attached draft resolution includes findings and evidence for consideration (**Attachment C**). Staff recommends approval subject to the recommended conditions of approval attached to the resolution. **Attachment B-2a** is the appeal filed by Cynthia Pura. **Attachment B-2b** includes a discussion of the appeal contentions and responses to the appeal contentions. **Attachment B-3** is a discussion of the project as well as staff's recommendations for the project.

PROJECT INFORMATION:

Agent: Anthony Lombardo
Property Owner: Paraiso Springs Resort LLC
APN: 418-381-021-000, 418-361-004-000, and 418-381-022-000
Parcel Size: Approximately 235 acres (approximately 47 acres of development area)
Zoning: Visitor Serving/Professional Office and Permanent Grazing, 40 acre minimum
Plan Area: Central Salinas Valley Area Plan
Flagged and Staked: No (Visual Simulations prepared)

SUMMARY:

On October 30, 2019, the Planning Commission certified an Environmental Impact Report, made findings for a Statement of Overriding Considerations, approved a Combined Development Permit (Paraiso Hot Springs/PLN040183), and adopted a Mitigation Monitoring or Reporting Program by a vote of 9-0, to allow reconstruction and expansion of a resort.

The subject property is located on the northwestern slopes of the Santa Lucia Range, west of Arroyo Seco Road. The project site is at the terminus of Paraiso Springs Road, approximately seven miles west of the city of Greenfield and approximately eight miles southwest of the city of Soledad. The project site has been used as a resort since the late 1800's, but has been closed since 2003. Many of the old resort structures still exist on the site.

The proposed project includes the demolition of the former resort, which has been closed for almost 20 years. Nine structures, later determined to have been historical resources, were removed. A code enforcement case was opened as the demolition was done without obtaining demolition permits. It was

later determined that some of the removed structures were historic. An Environmental Impact Report was prepared for the impact on these historic resources. The proposed project includes clearance of the code enforcement case.

The Board of Supervisors hearing on the project is *de novo* under County Code; therefore, a full discussion of the project is included in this staff report. A project description is found in **Attachment B-3**, with a detailed description found in the 2018 Recirculated Draft Environmental Impact Report (2018 RDEIR) as Chapter 2 (**Attachment H-1**). A brief summary of the proposed project is presented here:

The proposed resort includes 103 hotel units, 77 timeshare units, resort facilities, spas, restaurants, conference facilities, hiking trails, outdoor amphitheater, a commercial area open to the public, a water system, and a wastewater treatment plant. Most resort facilities are for the use of those staying at the resort, except for the commercial area, including a day spa. Grading of approximately 162,073 cubic yards is proposed. Wastewater will be treated and reused on site for irrigation of landscaping, including vineyard areas.

The project also includes off-site road improvements to include a more consistent road cross section along Paraiso Springs Road, a county road. The resort will operate a shuttle system to reduce vehicle trips to the project site, including a shuttle utilized for employees from neighboring communities, such as Soledad and Greenfield. A shuttle system will also be provided for guests for use as transportation to San Jose International Airport and to other visitor serving locations in the county, such as Pinnacles National Park, wineries, and the Monterey Peninsula.

The project includes phasing for 1) the off-site road improvements (described on 2018 RDEIR page 3-341 and depicted on 2018 RDEIR Figure 2-10, Paraiso Springs Road Improvement Area), and 2) for the project construction (and recording of associated final map phases) as shown on page 2 of staff report **Attachment B-3**.

During its review, staff analyzed the opportunities and constraints of the subject property. In looking at the project's design and the findings required for the project, staff is recommending the adoption of Alternative #5 as shown in the 2019 RDEIR (**Attachment H-2**):

The project is being 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) (four Villa timeshare units are eliminated). 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 some 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).
5. Reduce the number of lots from 23 to 19 to reflect the elimination of four Villa timeshare units.

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 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. 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.

The project is located in a high and very high fire hazard area at the end of a 1.4 mile long dead-end road (Paraiso Springs Road), leading to concerns about public safety. The project applicant has prepared a Fire Protection Plan, Construction Fire Prevention Plan, and Operational Fire Prevention Plan. County staff have held extensive discussions with the Mission-Soledad Rural Fire Protection District, CalFire Chief, California Board of Forestry and Fire Protection, and California Attorney General Office. The project proposes offsite road improvements, on site fire prevention measures, and defensible space. The project is also subject to updated Building and Fire Code requirements that provide enhanced construction techniques for fire safety. Mitigation measures have been prepared that will result in less than significant potential environmental impacts as they relate to wildfire risk. Conditions of approval ensure that the project will meet local and state fire regulations. State law includes length limitations for dead-end roads-in this case 1 mile. The applicant disagrees with the applicability of the dead-end road regulations to this project. The conditions of approval implement the CalFire Chief's determination that the state regulation applies but allows flexibility should applicant and Fire Chief reach a consensus. The project will also pay a fair-share contribution to planned improvements at the fire station in Soledad, which serves this project. County staff will discuss an increase in property tax share with the Mission-Soledad Fire Protection District, which would be

presented to the Board of Supervisors as a future separate action if this project is approved.

An appeal from the Planning Commission's decision was timely filed on November 27, 2019 on behalf of Cynthia Pura (**Attachment B-2a).** The appeal challenges the Planning Commission's approval and contends the findings or decision or conditions are not supported by the evidence or that the decision is contrary to law. A detailed account of contentions and responses are provided in **Attachment B-2b** and the attached resolution (**Attachment C**). Staff recommends denial of the appeal and granting of the Combined Development Permit. The Board of Supervisors hearing on the project is *de novo*. Staff has prepared a draft resolution denying the appeal and granting entitlements subject to conditions of approval. The resolution includes findings to deny the appeal, certify the Environmental Impact Report, make a Statement of Overriding Considerations, approve the Combined Development Permit, and adopt a Mitigation Monitoring or Reporting Program.

DISCUSSION:
For the Appeal, see **Attachments B-2a (Appeal) and B-2b (County Response)**. The project discussion is found in **Attachment B-3**.

CEQA
In accordance with the California Environmental Quality Act, an Environmental Impact Report (EIR) was prepared and circulated by staff. Initially, a Draft EIR was circulated for public review in 2013. In response to comments received on that document, a Recirculated Draft EIR (2018 RDEIR) was prepared, which was circulated for public review from February 28, 2018, through April 26, 2018 **(Attachment H-1**). The 2018 RDEIR completely replaced the original 2013 Draft EIR. A second Recirculated Draft Environmental Impact Report (2019 RDEIR), consisting of amendments to some sections of the 2018 RDEIR, was circulated for public review from June 7, 2019 to July 9, 2019 (**Attachment H-2)**. 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 RDEIRs identified conditions of approval and mitigation measures that, when implemented, would reduce potential impacts to a less than significant level, except for impacts related to historic resources, which were identified as having a Significant and Unavoidable Impact on the environment. Staff received comment letters on the RDEIRs from individuals and agencies, which are included in the Final Environmental Impact Report (Final EIR) (**Attachment I)**. These comments have been addressed and clarified in the Final EIR, attached discussion and the draft resolution's findings and evidence (see **Attachments B-3, C and I**). The earlier released March 2019 Final EIR is replaced by the October 2019 Final EIR.

Summary of Appeal
The following is a brief summary of the appeal contentions. The detailed responses to the appellant's contentions can be found in **Attachment B-2b** and in the draft resolution **- Attachment C**, Finding 25.

The appeal is found in **Attachment B-2a**. Responses to the appellant's contentions can be found in **Attachment B-2b** and in the draft resolution **- Attachment C**, Finding 25. The appellant contentions

were discussed and responded to within the existing administrative record, including the Final EIR, and the Planning Commission's Findings and Evidence that were adopted in approving the project. As described in the response to each appeal contention, staff has identified the location where the Final EIR addressed each of the contentions as well as demonstrating the technical information that supports the Final EIR's analysis and conclusions. Staff recommends that the Board of Supervisors find that the Final EIR is adequate as it 1) meets the requirements of the California Environmental Quality Act, 2) reflects the County's independent judgment and analysis, and 3) is supported by substantial evidence found in the administrative record for this project.

As explained in **Attachments B-2b and C**, the Final EIR meets the requirements of state law and local procedures, properly analyzes all potential environmental impacts of the project, including those to jurisdictional waters such as wetlands, and prescribes mitigation measures intended to avoid or reduce potential environmental impacts of the project to the extent feasible. Finally, the well testing met County requirements. The Board of Supervisors consideration is *de novo*, so the Planning Commission's findings will be replaced by findings adopted by the Board of Supervisors (**Attachment C).**

OTHER AGENCY INVOLVEMENT:
In addition to those commenting on the EIR, the following agencies have reviewed the project, have comments, and/or have recommended conditions:

Environmental Health Bureau
RMA-Public Works
RMA-Environmental Services
Water Resources Agency
Mission-Soledad Rural Fire Protection District
Monterey County Treasurer/Tax Collector
Monterey County Chief Administrative Office

FINANCING:
Funding for staff time associated with this project is included in the FY2019-20 Adopted Budget for RMA-Planning.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This action represents effective and timely response to our RMA customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources.

Check the related Board of Supervisors Strategic Initiatives:

X Economic Development
__Administration
__Health & Human Services
__Infrastructure
__Public Safety

Prepared by: Mike Novo, Management Specialist, x5176

Reviewed by: Brandon Swanson, RMA Acting Chief of Planning
Approved by: John Dugan, FAICP, Deputy Director, RMA Land Use and Community Development

The following attachments are provided, except the Planning Commission Resolution, attachment to the appeal, detailed Project Plans, and the EIR, which are provided by link to the County's website or by CD:

The following attachments are on file with the Clerk of the Board:

A - Project Data Sheet
B-1 - Planning Commission Resolution - Adopted October 30, 2019 (CD)
B-2a - Appeal (cover letter; attachment on CD)
B-2b - Appeal Response
B-3 - Project Discussion
C - Draft Resolution

- Findings
- Draft Conditions of Approval/Mitigation Monitoring or Reporting Program

D - Vicinity Map
E - Vesting Tentative Map
F - Complete Set of Project Plans (CD; or at <http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/planning/current-major-projects/paraiso-springs-resort>)
G - General Development Plan
H-1 - 2018 Recirculated Draft Environmental Impact Report (CD; or at <http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/planning/current-major-projects/paraiso-springs-resort>)
H-2 2019 Recirculated Draft Environmental Impact Report (CD; or at <http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/planning/current-major-projects/paraiso-springs-resort>)
I - Final Environmental Impact Report (Response to Comments), including comments submitted on Recirculated Draft Environmental Impact Reports (CD; or at <http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/planning/current-major-projects/paraiso-springs-resort>)
J - Historic Resources Review Board Resolution
K - Correspondence (CD)

K-1 Recent Applicant Correspondence
K-2 Post Planning Commission Public and Agency Correspondence
K-3 Correspondence Provided to Planning Commission

cc: Front Counter Copy; Board of Supervisors: John Dugan, RMA Deputy Director; Brandon Swanson, Acting Chief of Planning; Craig Spencer, RMA Planning Services Manager; Mike Novo, Management Specialist; John Thompson, Applicant/Owner; Anthony Lombardo, Agent; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director and John Farrow); Local Agency Formation Commission; City of Soledad; Mission-Soledad

Rural Fire Protection District; Monterey County Historical Society; Louise Miranda Ramirez, Ohlone/Costanoan-Esselen Nation; Carlene Bell, the Soledad Mission Board; Charles DeWeese; Graig Stephens, Soledad Historical Society; Judy & Frank Berti; Joe & Misty Panziera; Lois Panziera; Cynthia Pura; Yvette & Dennis Blomquist; Victor & Shayna Selby; Alex J Lorca, Fenton & Keller; James McCord, Alliance of Monterey Area Preservationists; Hanna Muegge, Monterey Bay Air Resources District; Donna Galletti, Monterey County Sheriff's Office; Heather Leslie, California Department of Justice; Edith Hannigan, California Board of Forestry; Tom Nason; Chief Fulcher, CalFire (Garden Road, Monterey); Project File PLN040183