

Exhibit B

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EXHIBIT B

PROJECT 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 (Exhibit 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 springs. These reasons have made the site attractive over the years. The history of the site is described in the Recirculated Draft EIR on pages 3-134 through 3-145.

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 Recirculated Draft Environmental Impact Report (RDEIR) Chapter 2 (RDEIR pages 2-1 through 2-61). The following summarizes the project (also see Exhibits C through G):

- a. "After The Fact" permission 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 seventeen (17) timeshare villas; lodge; visitor center; restaurants; culinary training center; wine pavilion; shops; tennis courts; swimming pools; golf instruction center; racquetball pavilion; spa centers 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; water system; 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 23 parcels and a condominium map for 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;
- g. Off site road improvements to Paraiso Springs Road.

Staff is recommending changes to the timeshare unit location and number, as explained below in the section titled Recommended Modifications to Project Site Design.

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 (RDEIR Appendix K).

The proposal includes creating separate parcels as part of the project design (see Vesting Tentative Map – Exhibit 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. 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 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 (Exhibit G). A few guest units will be located in the “hamlet” area.

Timeshare units (Exhibits 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

County staff is recommending the following modifications to the project description through imposition of the conditions of approval found in Exhibit C:

- Relocate (or eliminate) timeshare condominiums from the rear of the hotel to some of the Timeshare Villa lots (reduces thirty percent slope encroachment and tree removal)
- Relocate road alignment from hillside condominium timeshares (northwest corner of Lot 22) to more directly connect the cul de sac to the rear of the hotel area (reduces area of thirty percent slope encroachment and avoids High geologic hazard area)
- Ensure Villa Timeshare Lot 3 structure does not encroach on thirty percent slope areas
- Relocate wastewater treatment facility to location of adjacent parking area

These project changes will enhance fire safety by removing guest units from the narrow part of the Paraiso Valley, reduce the encroachment on slopes greater than thirty percent, reduce the amount of tree removal, reduce the amount of grading for the project, and provide a greater setback between the wastewater facility and a spring water collection area. The number of units would be reduced by between seven and 14 timeshare units.

Staff is recommending the elimination or relocation of seven (7) timeshare condominium buildings (14 units) located at the rear of the property, as shown on Vesting Tentative Map Sheet CT-1.6 (Lot 23). The units shall either be eliminated or relocated to the villa timeshare unit

location. Each two timeshare condominium units, if relocated, would replace one villa timeshare unit. The property owner has the discretion to decide whether to replace each villa timeshare unit with two condominium timeshare units relocated from the area described above. This modification will result in a reduction of between 7 and 14 timeshare units, depending on the property owner's choice of product for the proposed villa timeshare location.

The adopted project design is similar to the Valley Floor Alternative Two option but with the relocation of the rear condominium timeshare units rather than those found on a hillside. This relocation will provide a more fire safe project design. The adopted design will have reduced impacts compared to the Valley Floor Alternative Two for biology (including reduced tree removal), slightly higher visibility related to aesthetics compared to the Valley Floor Alternative Two, and similar impacts compared to the Valley Floor Alternative Two for all other categories (see RDEIR Table 5-1, Comparison of Project Alternatives to the Proposed Project).

Analysis

Topic areas are discussed below, including a summary of information from the RDEIR 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 Recirculated Draft EIR (Exhibit H) 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.

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 Planning Commission, must make Findings for a number of topic areas.

- 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 Exhibit B – beginning on page 25 - for a discussion on CEQA and required findings.)
- The State of California Subdivision Map Act and Monterey County Code requires findings to approve subdivisions, including condominium maps
- The Monterey County Code requires that the decision-making body make findings for this project, as listed here:
 - Use Permit for the resort components
 - Development on slopes greater than thirty percent
 - Tree Removal
 - Timeshare uses

Subdivision Map Act

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 condominiums, otherwise known as common interest subdivisions. 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 (Exhibit 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 (Exhibit 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 provides 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 the site is allowed to be visible from common public viewing areas, sensitivity to the visual environment is required by the following policy:

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 Recirculated Draft Environmental Impact Report (RDEIR). Chapter 3.1 of the 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 (RDEIR Appendix C). The Chapter identifies a mitigation measure related to degradation of existing visual character (RDEIR Impact 3.1-1, pages 3-14 through 3-24). 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 (RDEIR Appendix C):

<i>Viewing Location (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 (Exhibits E and F). Mitigation Measure 3.1-1 (RDEIR page 3-20) 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 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 conditions 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 (Exhibit 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 is found at the end of the responses to Letter 10 (Exhibit I).

Relationship to Staff Recommendation

The project being recommended by staff will have essentially the same impacts as identified in the RDEIR, with a minor reduction in visibility 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 certain Medium- and Long-Range views.

Air Quality

Project construction and operations would have effects on air quality. 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 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 Recirculated Draft Environmental Impact Report 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 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 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 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 (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 (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 and nesting birds, 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 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 would be allowed within the buffer area until the nests is cleared.

Fuel Management

The 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. 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 description 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 191 trees is included as part of the project application. As identified on RDEIR page 5-23, the Valley Floor Alternative Two is estimated to remove less oak trees (approximately 175) than the proposed project. The recommended project would likely remove even less oak trees, as the area of the timeshare condominiums being relocated is located in a denser oak woodland area. 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. The mitigation measures include performance standards, success criteria, and adaptive management techniques. 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, colocation 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.

Relationship to Staff Recommendation

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 be affected similar to the proposed project.

Findings Required for Biological Resources to Approve the Project

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

Climate Change

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 (Exhibit H-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 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. At 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 (RDEIR pages 3-133 and 3-134). The conclusion of the reports was that nine historic structures were removed without permits in 2003 (see Exhibit C, Finding 5).

Summary of Cultural Resources

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 in the FEIR 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 (Exhibit 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.

Relationship to Staff Recommendation

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 (Exhibit 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. 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, this would be implemented if the project does not proceed, which makes inclusion in the project resolution ineffective. Staff has not determined that a nexus exists to require that this project fund the preparation of a Context Statement. 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).

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 RDEIR Figure 3.6-4, Relative Geologic Hazards). Detailed discussion related to this topic is found in 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 geologic and geotechnical reports (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 RDEIR pages 3-175 through 3-177.

As can be seen on RDEIR Figure 3.6-4, Relative Geologic Hazards, project development (for Valley Floor Alternative 2) is located on the following areas:

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 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.

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 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 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.

The hillside condominium timeshare units clustered on Lots 21 and 22 include four buildings that encroach on slopes greater than thirty percent (see RDEIR Figure 3.1-4). The buildings are being retained as they 1) are found in a cluster of buildings that will be served by infrastructure in that area serving nine other timeshare buildings, 2) will cluster development in the area while relocation could encroach into other resources, such as biological resources or causing a less fire safe overall design, 3) are proposed to be constructed stepped with the topography, rather than by creating flat building pads. The clustering of the timeshare condominiums in this area will also locate many of the guests closer to the site entrance on a two lane road, assisting in site evacuation if required for a wildfire in the area. For these reasons, maintaining these units in this clustered timeshare area near the project entrance better meets the goals and policies of the general plan regarding public safety and resource protection.

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 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 Exhibit C, Finding 4)

Hazards/Hazardous Material

RDEIR Chapter 3.7 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 for use of hazardous materials for resort operations results in potential impacts being determined to be less than significant.

The project site is located within a Very High Fire Hazard zone (RDEIR Figure 3.7-1). 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 (RDEIR page 2-57). 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. As stated earlier, fuel modification activities along the project periphery were taken into account in the environmental analysis.

Fire Hazards

The project is located in a very high risk area for fire hazards. The project site is located within a State Responsibility Area. The design and location of each lot in the project, and the project as a whole, are and must be consistent with any applicable regulations adopted by the State Board of Forestry and Fire Protection. 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 Fire District is served by a fire station and personnel located in Soledad, with an approximately 15 minute response time. 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 a requirement of this project, as described in the RDEIR.

Staff has met with the Mission-Soledad Rural Fire District 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. Compliance with the law will have to occur prior to permits being issued for construction.

The County has committed to increasing the property tax share for this property to ensure additional funding, at a rate higher than others in the district, is provided to the Fire District. This will 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 a station. In addition, the Fire District will collect a one-time fee with each building permit issued (Monterey County Code section 10.80).

RDEIR Chapter 3.8, Hazards and Hazardous Materials, with specific discussion found on pages 3-204 through 3-209 and pages 3-215 and 3-216. RDEIR Chapter 3.11, Public Services and Utilities, also analyzes potential impacts related to fire, with specific discussions found on pages 3-304 through 3-308, and on pages 3-318 and 3-319. The project's contribution to potential cumulative impacts related to fire are discussed on RDEIR pages 4-15 and 4-16. The EIR identified that no significant impacts would result from the project, either at the project level or from a cumulative standpoint. A mitigation measure (MM 3.7-6) to provide a final fire protection plan has been included to ensure that the fire protection system design meets current regulations. In addition, the final plan will include sheltering in place and evacuation components.

The Fire District, staffed and represented by CalFire, has provided a letter commenting on the Recirculated Draft EIR. Responses to the letter were provided in the Final EIR and conditions of approval have been incorporated to ensure compliance with requests of the fire district and the California Fire Code.

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. Conditions of approval have been derived from discussions between County staff and fire personnel from Mission-Soledad Rural Fire Protection District. Fire risk exists during every phase of the project, including demolition, vegetation removal, and grading, as well as construction of new structures and infrastructure.

In addition, see Final Environmental Impact Report responses to comments related to fire hazards.

Relationship to Staff Recommendation

The recommended project design would improve fire safety for the site. The relocation (or elimination) of 14 lodging 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 will incorporate shelter in place and evacuation plans into the final fire protection plan, which will be reviewed by the Fire District. Conditions recommended to include temporary refuge areas and plans for evacuation will provide additional fire safety measures when the resort is under construction or in operation.

Findings Required to Approve the Project

Subdivision Map Act (see Exhibit C, Findings 11 and 12)

Hydrology and Water Quality

A comprehensive hydrogeological report, dated January 16, 2018, was prepared for the proposed development by Todd Groundwater (Exhibit H, Appendix H to 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 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 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-Exhibit 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 (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.

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 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 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 to meet water quality standards.

The project is not expected to have significant adverse effects on neighboring wells or springs, as explained on 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 Exhibit 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 recommended project design would reduce the project by 7 to 14 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 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, such as the newer Building and Fire Codes, even as adopted by the County, are applicable to the construction that will occur under this application, if approved.

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 found in the project resolution (Exhibit 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 in order 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 Planning Commission issue a Use Permit and consider specific findings for allowing development on steeper slopes, as explained above in “Zoning - Findings Required to Approve the Project” section on pages 6 and 7, above.

Use Permit for Resort Use

To approve a Use Permit for the project, including the timeshare uses, Monterey County Code requires that the Planning Commission consider a finding for a Use Permit and findings for timeshare uses, as explained above in “Zoning - Findings Required to Approve the Project” section on pages 6 and 7, above.

Use Permit for Tree Removal

To approve tree removal for the project, Monterey County Code requires that the Planning Commission issue a Use Permit and consider specific findings for tree removal, as explained above in “Zoning - Findings Required to Approve the Project” section on pages 6 and 7, above.

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 Exhibit.

Noise and Vibration

Vibration related to transportation and construction was analyzed in a technical report prepared by a County consultant. 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. 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 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 will be 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 recommended project design would not cause a change in noise or vibration effects, except any related to a slight decrease in the number of vehicles travelling to and from the site.

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. 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 RDEIR on pages 3-307 and 3-308. Other public services are also discussed in 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 Exhibit C, Findings 11 and 12. 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 come to the project site. Energy usage was calculated in 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 Exhibit C, Finding 1, evidences n and r; Finding 3, evidence c; Finding 6, evidence o; Finding 7, evidence h; Finding 11, evidence k; and Finding 12.

Relationship to Staff Recommendation

The project design recommended by staff will incrementally lessen the need for public services and energy needs.

Transportation and Traffic

Roadways in the project area are lightly traveled rural roads, with levels of service at LOS A with one road segment near Highway 101 at LOS B¹, under cumulative conditions (summarized in 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, as follows, per project phase:

- Phase 1: Install all advance curve warning, “ROAD NARROWS,” delineators and advisory speed signs.

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

- 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.

The RDEIR analyzed the potential impacts from the off-site road widening. Potential impacts were identified 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. 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 Recirculated Draft Environmental Impact Report (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 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.

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 EIR and the Final EIR with the intent to disclose all project impacts. Staff has followed all required procedures for preparation and notice for the Recirculated Draft Environmental Impact Report and the Final EIR.

A Draft Environmental Impact Report (DEIR) was prepared and circulated for comment in 2013. Based on comments received at that time, the County determined that the DEIR should be revised and recirculated. A Recirculated Draft Environmental Impact Report (RDEIR-Exhibit H) was prepared and circulated for comment from February 28, 2018 to April 26, 2018. The RDEIR was written to completely supersede the 2013 Draft EIR as a new stand-alone document. The public review of the RDEIR was conducted pursuant to CEQA Guidelines section 15087.

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; in other words, the CEQA analysis assumes the nine historic structures are extant on the property. 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 topics to less than significant, except for impacts to historic resources and climate change.

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 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 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-Exhibit I) was provided to the Planning Commission and Board of Supervisors, as well as all agencies that commented on the RDEIR, on March 15, 2019. Staff also provided Final EIRs to all persons who commented on the RDEIR. The Final EIR consists of the Recirculated Draft EIR 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 RDEIR 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 more than ten days prior to the March 27, 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 Recirculated Draft EIR and assisted the County in preparing the Final EIR.

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 consideration 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 (Exhibit C).

A Statement of Overriding Considerations, required only when the 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 (Exhibit C, Finding 10).

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 (Exhibit C).

Project Alternatives Considered in the EIR

Several alternative project designs were analyzed in RDEIR Chapter 5, Alternatives. As required by the California Environmental Quality Act, the RDEIR 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 RDEIR, Section 5.2 (RDEIR pages 5-4 through 5-45):

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

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 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 (RDEIR pages 5-4 through 5-37, and summarized in RDEIR Table 5-1 (pages 5-39 through 5-45)).

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. RDEIR section 5.1.3, Alternatives Eliminated from Detailed Analysis, outlines alternatives that were screened out pursuant to this

section of the CEQA Guidelines. RDEIR section 5.1.4 presents the alternatives analyzed, with the analysis presented in RDEIR section 5.2.

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 RDEIR pages ES-3 and ES-4, with the last two being the County’s objectives (also found on RDEIR page 5-2).

The recommended project design is similar to the Valley Floor Alternative Two option but with the relocation of the rear condominium timeshare units rather than those found on a hillside. This relocation will provide a more fire safe project design. The adopted design will have reduced impacts compared to the Valley Floor Alternative Two for biology (including reduced tree removal), slightly higher impacts related to aesthetics compared to the Valley Floor Alternative Two, and similar impacts compared to the Valley Floor Alternative Two for all other categories (see RDEIR Table 5-1, Comparison of Project Alternatives to the Proposed Project).

Compared to the proposed project, the recommended design will provide reduced or similar impacts to all environmental categories. The impact comparison to the proposed Project would be similar to the conclusions found in the Alternative #3 column in RDEIR Table 5-1, except it would have similar (rather than reduced) impacts related to Impacts 3.1-1 and 3.1-2 (Aesthetics).

Final EIR Errata

Staff has identified a typographical error in Master Response 3. The modification is to add the word “not.”

If reconstruction were to be recommended, the project’s historian has determined that “documentary and physical evidence to permit accurate reconstruction with minimal conjecture” is not available, as required by the Secretary of the Interior. County staff concur with this conclusion.

Staff Recommendation

Staff recommends the Planning Commission adopt the resolution found in **Exhibit C**, which would 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 condominium units and reduce development on slopes greater than 30%, and Adopt the Mitigation Monitoring and Reporting Program.

Staff has prepared a resolution (**Exhibit C**) based on a staff recommendation to approve the Project with modifications similar to the Valley Floor Alternatives. The Valley Floor Alternatives were analyzed in RDEIR sections 5.2.2 and 5.2.3 (pages 5-11 through 5-29). The difference between the alternatives analyzed in the RDEIR and the recommended project is that the timeshare condominiums located at the rear of the property, rather than some of the units located on the hillside, would either be eliminated or relocated to Indian Valley, where the Villa timeshare units are proposed.

To summarize this recommendation, it eliminates either up to 14 condominium timeshare units or up to 7 villa timeshare units through the elimination or relocation of the seven timeshare condominium buildings (14 units) located at the rear portion (west) of the hotel. Flexibility is provided for the project developer to decide whether to construct fewer condominium or villa timeshare units, depending on market demands as the project phases are constructed. The 14 condominium timeshare units would have to be eliminated from the rear of the property. They can be constructed at the villa timeshare unit area at a rate of two condominium units for any one villa unit eliminated. This would result in a reduction in the project size from 7 to 14 units, depending on the developer's choice of units to be eliminated.

The recommendation also includes the relocation and shortening of an access road, proposed across steep slopes, to Lot 23. In addition, structural development on Lot 3 would need to ensure location off of slopes greater than 30%.

This recommended design 1) substantially reduces the amount of development on slopes greater than 30 percent, which results in less grading, 2) reduces overall number of units of the project by seven to 14 units, 3) reduces tree removal, and 4) provides better fire safety by relocating the condominium units from the narrowest portion of the Paraiso Valley to near the project entrance. A seven to 14 unit reduced project size also would result in slightly fewer impacts to the environmental resources on the site, in the vicinity, and in the Salinas Valley.