



COUNTY OF SANTA BARBARA PLANNING AND DEVELOPMENT

MEMORANDUM

TO: Montecito Planning Commission
FROM: Travis Seawards, Deputy Director, Development Review Division
STAFF CONTACT: Alia Vosburg, Planner, (805) 934-6259
DATE: March 31, 2023
HEARING DATE: April 5, 2023
RE: Coral Casino Amendment Project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, 1260 and 1281 Channel Drive

Introduction:

The Biltmore Hotel and Coral Casino Amendment Project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, is scheduled for the April 5, 2023 Montecito Planning Commission hearing. The Staff Report, dated March 7, 2023, provides staff's analysis of the proposed project. Following release of the Staff Report, the Applicant proposed updates to the language in Project Description, which is contained in the Staff Report and Staff Report Attachments B and C-1, Conditions of Approval and EIR Addendum, respectively. Specifically, the Applicant proposed further edits to Condition No. 22 in order to clarify that, for the purposes of Condition No. 22, registered Biltmore hotel guests will be considered members of the public. The updated Project Description is provided in full below with edits shown in red text.

Project Description:

The proposed project is a request for an Amendment to the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) and approval of an associated Coastal Development Permit to modify Condition Nos. 3 and 22 of the Development Plan conditions of approval, as detailed below. Condition No. 3 will be modified to reduce the maximum number of permitted Biltmore Hotel guestrooms/keys to 192. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide site/floor plans to Planning and Development for review and approval. The site/floor plans shall depict the layout of existing Biltmore Hotel guestrooms and the proposed reduction in guestrooms to 192. The reduction in the existing number of Biltmore Hotel guestrooms will be accomplished with interior alterations only to combine adjacent separate guestrooms into singular, larger guestrooms (including suites and junior suites). Condition No. 22 will be modified to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, and eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests. Additionally, use of the existing 2,050-sq. ft. event/meeting room at the Biltmore Hotel (currently identified as the La Marina banquet room) will be limited to non-dining

entertainment and other activities for hotel guests only. This proposed Amendment does not involve any new structural development or exterior alterations to existing development, and no additional services or access will be required. The property will continue to be served by the Montecito Water District, the Montecito Sanitary District, and the Montecito Fire Protection District. Access is provided from Channel Drive. The proposed project is located on a 19.28-acre property, zoned C-V and shown as Assessor's Parcel Numbers 009-352-009, 009-354-001, 009-351-012 and 009-353-015, located at 1260 and 1281 Channel Drive in the Coastal Zone of the Montecito Community Plan Area, First Supervisorial District.

Changes to 03DVP-00000-00002 Conditions of Approval (deleted text shown in strikethrough font and new text shown in underlined font):

3. The number of guestrooms or keys shall not exceed ~~229~~192.

22. Coral Casino Conditions:

- a) The Coral Casino shall remain a private club.
- b) Guest membership shall be limited to:
 - 1) 600 – permanent members
 - 2) ~~50 – seasonal members, for guest of the Biltmore Deleted~~
 - 3) Up to ~~120-60~~ members per month from reciprocal clubs located at least 75 miles away from the Coral Casino
- c) With the exception of the 2nd floor restaurant, regular use of the facility shall be limited to club members and their guests, and registered overnight Biltmore Hotel guests only. Guests of registered Biltmore Hotel guests may also use the second story restaurant when accompanied by the registered hotel guest. Such regular use also includes guest privileges afforded to the general manager of the club, for business purposes incidental to the operation of the club. Outside groups may use the facility for special functions. The 2nd floor restaurant shall be available for club members and their guests, and registered hotel guests, including 34 indoor seats reserved only for club members. In addition, the 2nd floor restaurant shall be available by reservation for up to 265 members of the public per day by reservation (for the purposes of this condition registered hotel guests are considered members of the public). Reservation data shall be maintained by the operator and provided to County Planning and Development staff, upon request.
- d) No outdoor music after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight.
- e) Activities at the Coral Casino shall be those normally associated with a social, swim, and tennis club.
- f) Use of the restaurant roof sundeck shall only be during daylight hours, through sunset, and during night time hours not more than four times annually.

Staff reviewed the proposed Project Description updates and found the proposed project remains consistent with all applicable policies and standards of the Comprehensive Plan and Article II Coastal Zoning ordinance, as discussed in detail in Sections 6.2 and 6.3 of the Staff Report, dated March 7, 2023. Additionally, the proposed project remains within the scope of the previously certified EIR, and the previous EIR, as amended, may be used to fulfill the environmental review requirements of the proposed project. The Revised Conditions of Approval and Revised EIR Addendum, incorporating the revised Project Description, are included as Attachments B and C of this Staff Memorandum, respectively. Additionally, Revised Findings with updated references to the revised Conditions of Approval and EIR Addendum, are included as Attachment A of this Staff Memorandum.

Recommended Action:

With the revisions discussed above, Staff recommends that the Montecito Planning Commission take the following action:

1. Make the required findings for approval of the proposed project as specified in Attachment A of the Staff Memorandum and Attachment A-2 of the Staff Report, including CEQA findings.
2. Approve the Addendum to 04EIR-00000-00006, as provided in Attachment C of the Staff Memorandum, pursuant to CEQA Guidelines Section 15164, and determine that as reflected in the CEQA findings, no subsequent environmental document is required for the proposed project.
3. Approve the proposed project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, subject to the conditions of approval included as Attachment B of the Staff Memorandum.

Attachments:

- A. Revised Findings
- B. Revised Conditions of Approval
- C. Revised EIR Addendum

Cc: Case File (to Planner)
Hearing Support

**ATTACHMENT A: REVISED FINDINGS FOR CASE NOS. 22AMD-00000-00005 AND
22CDP-00000-00079**

1.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS

1.1 ADDENDA TO ENVIRONMENTAL IMPACT REPORT (EIR) OR NEGATIVE DECLARATION

FINDINGS PURSUANT TO PUBLIC RESOURCES CODE SECTION 21081 AND THE STATE CEQA GUIDELINES SECTIONS 15162 AND 15164:

1.1.1 CONSIDERATION OF THE ADDENDUM AND FULL DISCLOSURE

The Montecito Planning Commission has considered the Addendum dated March 31, 2023, together with the previously certified Environmental Impact Report (EIR) Case No. 04EIR-00000-00006 (Attachment C of the Staff Memorandum dated March 31, 2023, and Attachment C-2 of the Staff Report dated March 7, 2023, incorporated herein by reference). The Addendum reflects the independent judgement of the Montecito Planning Commission and has been completed in compliance with CEQA. The Addendum, together with the previously certified EIR, is adequate to fulfill the environmental review requirements of the proposed project. On the basis of the whole record, including the Addendum, the previously certified CEQA document, and any public comments received, the Montecito Planning Commission finds that the proposed project changes described in the Addendum will not create any new significant effects or a substantial increase in the severity of previously identified significant effects on the environment nor present new information of substantial importance pursuant to the State CEQA Guidelines Section 15162.

1.1.2 LOCATION OF DOCUMENTS

The documents and other materials which constitute the record of proceedings upon which this decision is based are in the custody of the Planning and Development Department located at 123 East Anapamu Street, Santa Barbara, CA 93101.

Additionally, documents and other materials are available online at the following link:
<https://cosantabarbara.app.box.com/s/o4z9ifqj3h2gp4h9u3zfjicvz4qcld/folder/200968383241>

1.1.3 ENVIRONMENTAL REPORTING AND MONITORING PROGRAM

Public Resources Code Section 21081.6 and State CEQA Guidelines Section 15091(d) require the County to adopt a reporting or monitoring program for the changes to the project that it has adopted or made a condition of approval in order to avoid or substantially lessen significant effects on the environment. The approved project description and conditions of approval, with their corresponding permit monitoring requirements, are hereby adopted as the reporting and monitoring program for this

project. The monitoring program is designed to ensure compliance during project implementation.

1.1.4 FINDINGS ADDRESSING ADDENDUM ISSUE AREAS

The Addendum prepared for the proposed Development Plan Amendment addresses the following issues: historic resources, aesthetics/visual resources, air quality, archaeological resources, biological resources, geologic processes, land use, noise, transportation and parking, and water resources/drainage. There are no substantial changes to the Revised Development Plan (Case No. 03DVP-00000-00002) that will cause new significant environmental effects or a substantial increase in severity of previously identified significant effects. As discussed in detail in the Addendum prepared for the proposed Amendment (Attachment C of the Staff Memorandum dated March 31, 2023, incorporated herein by reference), the Amendment will modify Condition Nos. 3 and 22 of the Development Plan conditions of approval to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests, and reduce the maximum number of permitted Biltmore Hotel guestrooms/keys. The Addendum provides substantial evidence that the proposed Amendment is within the scope of the previously certified EIR, and that it will not result in new significant effects or a substantial increase in the severity of previously identified significant effects as compared to the Development Plan analyzed in the EIR (Attachment C-2 of the Staff Report dated March 7, 2023, incorporated herein by reference).

No substantial changes have occurred with respect to the circumstances under which the project is being undertaken, no new significant effects have been identified, and there will be no substantial increase in severity of previously identified significant effects. No new information of substantial importance shows that the proposed Amendment will have significant effects not discussed under the previous environmental review for the approved Development Plan, no significant effects will be substantially more severe than previously shown, and no new mitigation measures or alternatives have been found feasible that the applicant has declined to adopt. Therefore, the County of Santa Barbara as the Lead Agency for the proposed project prepared an Addendum to the previously certified EIR, pursuant to the State CEQA Guidelines Section 15164, to reflect the changes to the EIR required by the Amendment.

2.0 ADMINISTRATIVE FINDINGS

2.1 DEVELOPMENT PLAN AMENDMENT FINDINGS

A. *Development that may be appealed to the Coastal Commission. In compliance with Section 35-174.10.2 of Article II, the Coastal Zoning Ordinance, prior to the approval or conditional approval of an application for an Amendment to an approved Final Development Plan that would allow for development that may be appealed to the Coastal Commission the decision-maker shall first make all of the following findings:*

- 1. That the findings required for approval of the Final Development Plan, including any environmental review findings made in compliance with the California Environmental Quality Act, that were previously made when the Final Development Plan was initially approved remain valid to accommodate the project as revised with the new development proposed by the applications for the Amendment and the Coastal Development Permit.***

The Montecito Planning Commission finds that the original findings required for approval of the Development Plan, 03DVP-00000-00002, included as Attachment A-2, to the Staff Report dated March 7, 2023, incorporated herein by reference, remain valid to accommodate the project as revised by the proposed Amendment. As discussed in Sections 6.2 and 6.3 of the Staff Report, the proposed Amendment is consistent with all applicable requirements of Article II, the Coastal Zoning Ordinance, and the Comprehensive Plan, including the Coastal Land Use Plan and the Montecito Community Plan. The proposed Amendment will modify conditions of approval related to ongoing operation of the existing Biltmore Hotel and Coral Casino. The proposed Amendment does not involve any change of use of the existing permitted development and will make no change to neighborhood compatibility. Additionally, the proposed Amendment does not involve any new structural development or exterior alterations to existing development, and no additional services or access will be required as a result of the proposed Amendment.

Furthermore, as discussed in the Addendum, Attachment C, to the Staff Memorandum dated March 31, 2023, incorporated herein by reference, the proposed Amendment will not create any new significant effects or a substantial increase in the severity of previously identified significant effects on the environment and therefore the previous environmental review findings remain valid.

- 2. That the environmental impacts related to the development proposed by the application for the Amendment are determined to be substantially the same or less than those identified during the processing of the previously approved Final***

Development Plan.

The Montecito Planning Commission finds that the environmental impacts related to the development proposed by the Amendment are substantially the same or less than those identified during the processing of the previously approved Development Plan. As discussed in the Addendum, Attachment C, to the Staff Memorandum dated March 31, 2023, and incorporated herein by reference, the proposed Amendment will not create any new significant effects or a substantial increase in the severity of previously identified significant effects on the environment. The existing mitigation measures remain applicable to the project. Therefore, the environmental impacts related to the proposed Amendment will be substantially the same as those identified under the previously approved Development Plan.

2.2 COASTAL DEVELOPMENT PERMIT FINDINGS

- A. *Findings required for all Coastal Development Permits. In compliance with Section 35-60.5 of the Article II Coastal Zoning Ordinance, prior to issuance of a Coastal Development Permit, the County shall make the finding, based on information provided by environmental documents, staff analysis, and/or the applicant, that adequate public or private services and resources (i.e., water, sewer, roads, etc.) are available to serve the proposed development.***

The Montecito Planning Commission finds that as discussed in Section 6.2 of the Staff Report dated March 7, 2023, and incorporated herein by reference, existing public services are adequate to serve the proposed project. No new or additional services or access will be required for the proposed project. The property will continue to be served by the Montecito Water District, the Montecito Sanitary District, and the Montecito Fire Protection District. Additionally, the project site will continue to be accessed from Channel Drive. The proposed project was reviewed by the County Transportation Division and the existing roads providing access to the project site were determined to be adequate to support proposed project traffic.

- B. *Findings required for Coastal Development Permit applications subject to Section 35-169.4.3 for development that may be appealed to the Coastal Commission. In compliance with Section 35-169.5.3 of the Article II Coastal Zoning Ordinance, prior to the approval or conditional approval of an application for a Coastal Development Permit subject to Section 35-169.4.3 for development that may be appealed to the Coastal Commission the decision-maker shall first make all of the following findings:***

- 1. *The proposed development conforms:***
 - a. *To the applicable provisions of the Comprehensive Plan, including the Coastal Land Use Plan;***

b. The applicable provisions of this Article or the project falls within the limited exceptions allowed in compliance with Section 161 (Nonconforming Use of Land, Buildings and Structures).

The Montecito Planning Commission finds that, as discussed in Section 6.2 and 6.3 of the Staff Report dated March 7, 2023, and incorporated herein by reference, the proposed project, as conditioned, complies with the applicable provisions of the Article II Coastal Zoning Ordinance and the Comprehensive Plan, including the Coastal Land Use Plan.

2. The proposed development is located on a legally created lot.

The Montecito Planning Commission finds that the proposed project is located on a legally created lot. The property is recognized as a legal lot through the extensive permit history beginning with the approval of 37-CP-1 in 1937.

3. The subject property and development on the property is in compliance with all laws, rules and regulations pertaining to zoning uses, subdivisions, setbacks and any other applicable provisions of this Article, and any applicable zoning violation enforcement fees and processing fees have been paid. This subsection shall not be interpreted to impose new requirements on legal nonconforming uses and structures in compliance with Division 10 (Nonconforming Structures and Uses).

The Montecito Planning Commission finds that as discussed in Sections 5.2, 6.2, and 6.3 of the Staff Report dated March 7, 2023, and incorporated herein by reference, the subject property and development on the property is in compliance with all laws, rules, and regulations pertaining to zoning uses, subdivisions, setbacks, and any other applicable provisions of the Article II Coastal Zoning Ordinance. All development on the property has been permitted in accordance with the County ordinances in effect at the time of development.

4. The development will not significantly obstruct public views from any public road or from a public recreation area to, and along the coast.

The Montecito Planning Commission finds that the proposed project will not significantly obstruct public views from any public road or from a public recreation area to, and along the coast. The proposed project does not involve any new structural development or exterior alterations to existing development. Accordingly, the proposed project will have no effect on existing public views.

5. *The proposed development will be compatible with the established physical scale of the area.*

The Montecito Planning Commission finds that the proposed project is compatible with the established physical scale of the area. The Biltmore Hotel has been in operation since 1927, and the Coral Casino since 1937. Both the hotel and beach club have received various permits for additions and expansions, which have found that the development and uses are compatible in scale and character with the surrounding neighborhood. The proposed project does not involve any new structural development or exterior alterations to existing development. Additionally, the proposed project does not involve any change of use of the existing permitted development. Accordingly, the proposed project will make no change to neighborhood compatibility.

6. *The development will comply with the public access and recreation policies of this Article and the Comprehensive Plan including the Coastal Land Use Plan.*

The Montecito Planning Commission finds that, as discussed in Section 6.2 of the Staff Report dated March 7, 2023, incorporated herein by reference, the project will comply with the public access and recreation policies of the Article II Coastal Zoning Ordinance and the Comprehensive Plan including the Coastal Land Use Plan. Vertical and lateral access from the project property to and along the beach below is existing and accessible to the public. The proposed project does not involve any new structural development, exterior alterations to existing development, or alterations to existing coastal access. As such, the proposed project will not interfere with the public's right of access to the sea.

ATTACHMENT B: REVISED CONDITIONS OF APPROVAL

Project Description

- 1. Proj Des-01 Project Description.** This Development Plan Amendment (22AMD-00000-00005) and Coastal Development Permit (22CDP-00000-00079) are based upon and limited to compliance with the project description, the hearing exhibits marked A-G, dated March 15, 2023, the revised hearing exhibits marked A-C, dated April 5, 2023, and all conditions of approval set forth below, including mitigation measures and specified plans and agreements included by reference, as well as all applicable County rules and regulations. Additionally, all conditions of approval on 03DVP-00000-00002 (as amended by 05AMD-00000-00005, 07AMD-00000-00011, and 13AMD-00000-00005) remain in effect as approved, with the exception of Condition Nos. 3 and 22, which are amended herein.

The proposed project is a request for an Amendment to the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) and approval of an associated Coastal Development Permit to modify Condition Nos. 3 and 22 of the Development Plan conditions of approval, as detailed below. Condition No. 3 will be modified to reduce the maximum number of permitted Biltmore Hotel guestrooms/keys to 192. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide site/floor plans to Planning and Development for review and approval. The site/floor plans shall depict the layout of existing Biltmore Hotel guestrooms and the proposed reduction in guestrooms to 192. The reduction in the existing number of Biltmore Hotel guestrooms will be accomplished with interior alterations only to combine adjacent separate guestrooms into singular, larger guestrooms (including suites and junior suites). Condition No. 22 will be modified to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, and eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests. Additionally, use of the existing 2,050-sq. ft. event/meeting room at the Biltmore Hotel (currently identified as the La Marina banquet room) will be limited to non-dining entertainment and other activities for hotel guests only. This proposed Amendment does not involve any new structural development or exterior alterations to existing development, and no additional services or access will be required. The property will continue to be served by the Montecito Water District, the Montecito Sanitary District, and the Montecito Fire Protection District. Access is provided from Channel Drive. The proposed project is located on a 19.28-acre property, zoned C-V and shown as Assessor's Parcel Numbers 009-352-009, 009-354-001, 009-351-012 and 009-353-015, located at 1260 and 1281 Channel Drive in the Coastal Zone of the Montecito Community Plan Area, First Supervisorial District.

Changes to 03DVP-00000-00002 Conditions of Approval (deleted text shown in strikethrough font and new text shown in underlined font):

3. *The number of guestrooms or keys shall not exceed ~~229~~192.*

22. *Coral Casino Conditions:*
 - a) *The Coral Casino shall remain a private club.*
 - b) *Guest membership shall be limited to:*
 - 1) *600 – permanent members*
 - 2) *~~50 – seasonal members, for guest of the Biltmore Deleted~~*
 - 3) *Up to ~~120~~60 members per month from reciprocal clubs located at least 75 miles away from the Coral Casino*
 - c) *With the exception of the 2nd floor restaurant, regular use of the facility shall be limited to club members and their guests, and registered overnight Biltmore Hotel guests only. Guests of registered Biltmore Hotel guests may also use the second story restaurant when accompanied by the registered hotel guest. Such regular use also includes guest privileges afforded to the general manager of the club, for business purposes incidental to the operation of the club. Outside groups may use the facility for special functions. The 2nd floor restaurant shall be available for club members and their guests, including 34 indoor seats reserved only for club members. In addition, the 2nd floor restaurant shall be available by reservation for up to 265 members of the public per day (for the purposes of this condition registered hotel guests are considered members of the public). Reservation data shall be maintained by the operator and provided to County Planning and Development staff, upon request.*
 - d) *No outdoor music after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight.*
 - e) *Activities at the Coral Casino shall be those normally associated with a social, swim, and tennis club.*
 - f) *Use of the restaurant roof sundeck shall only be during daylight hours, through sunset, and during night time hours not more than four times annually.*

Any deviations from the project description, exhibits, or conditions must be reviewed and approved by the County for conformity with this approval. Deviations may require approved changes to the permit and/or further environmental review. Deviations without the above described approval will constitute a violation of permit approval.

2. **Proj Des-02 Project Conformity.** The grading, development, use, and maintenance of the property, the size, shape, arrangement, and location of the structures, parking areas and landscape areas, and the protection and preservation of resources shall conform to the project description above and the hearing exhibits and conditions of approval below. The property and any portions thereof shall be sold, leased or financed in compliance with

this project description and the approved hearing exhibits and conditions of approval thereto. All plans must be submitted for review and approval and shall be implemented as approved by the County.

County Rules and Regulations

- 3. Rules-02 Effective Date-Appealable to CCC.** This Coastal Development Permit shall become effective upon the expiration of the applicable appeal period provided an appeal has not been filed. If an appeal has been filed, the planning permit shall not be deemed effective until final action by the review authority on the appeal, including action by the California Coastal Commission if the planning permit is appealed to the Coastal Commission. [ARTICLE II § 35-169].
- 4. Rules-03 Additional Permits Required.** The use and/or construction of any structures or improvements authorized by this approval shall not commence until the all necessary planning and building permits are obtained.
- 5. Rules-05 Acceptance of Conditions.** The Owner/Applicant's acceptance of this permit and/or commencement of use, construction and/or operations under this permit shall be deemed acceptance of all conditions of this permit by the Owner/Applicant.
- 6. Rules-11 CDP Expiration-With CUP or DVP.** The approval or conditional approval of a Coastal Development Permit shall be valid for one year from the dated of decision-maker action. Prior to the expiration of the approval, the review authority who approved the Coastal Development Permit may extend the approval for one year if good cause is shown and the applicable findings for the approval required in compliance with Article II Section 35-169.5 can still be made. Prior to the expiration of a time extension noted above, the review authority who approved the time extension may approve two additional time extensions for two years each if good cause is shown and the applicable findings for the approval required in compliance with Article II Section 35-169.5 can still be made. A Coastal Development Permit shall expire two years from the date of issuance if the use or structure for which the permit was issued has not been established or commenced in conformance with the effective permit.
- 7. Rules-23 Processing Fees Required.** Prior to issuance of the Coastal Development Permit, the Owner/Applicant shall pay all applicable P&D permit processing fees in full as required by County ordinances and resolutions.
- 8. Rules-29 Other Dept Conditions.** Compliance with Departmental/Division letters required as follows:
 - a. Environmental Health Services Division letter dated September 15, 2022

- 9. Rules-30 Plan Requirements.** The Owner/Applicant shall ensure all applicable final conditions of approval are printed in their entirety on applicable pages of grading/construction or building plans submitted to P&D or Building and Safety Division. These shall be graphically illustrated where feasible.
- 10. Rules-32 Contractor and Subcontractor Notification.** The Owner/Applicant shall ensure that potential contractors are aware of County requirements. Owner/Applicant shall notify all contractors and subcontractors in writing of the site rules, restrictions, and Conditions of Approval and submit a copy of the notice to P&D compliance monitoring staff.
- 11. Rules-33 Indemnity and Separation.** The Owner/Applicant shall defend, indemnify and hold harmless the County or its agents or officers and employees from any claim, action or proceeding against the County or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the County's approval of this project.
- 12. Rules-35 Limits-Except DPs.** This approval does not confer legal status on any existing structures(s) or use(s) on the property unless specifically authorized by this approval.
- 13. Rules-37 Time Extensions-All Projects.** The Owner/Applicant may request a time extension prior to the expiration of the permit or entitlement for development. The review authority with jurisdiction over the project may, upon good cause shown, grant a time extension in compliance with County rules and regulations, which include reflecting changed circumstances and ensuring compliance with CEQA. If the Owner/Applicant requests a time extension for this permit, the permit may be revised to include updated language to standard conditions and/or mitigation measures and additional conditions and/or mitigation measures which reflect changed circumstances or additional identified project impacts.

ATTACHMENT C: REVISED EIR ADDENDUM

TO: Montecito Planning Commission

FROM: Gwen Beyeler, Supervising Planner
Development Review Division, Planning and Development
Staff Contact: Alia Vosburg

DATE: March 31, 2023

RE: State CEQA Guidelines Section 15164 Addendum for the Biltmore Hotel and Coral Casino Revised Development Plan Amendment, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079

CEQA DETERMINATION: Section 15164 of the State CEQA Guidelines applies to the Biltmore Hotel and Coral Casino Revised Development Amendment, Case Nos. 22AMD-00000-00005 and associated 22CDP-00000-00079. Section 15164 allows an addendum to a previously certified Environmental Impact Report (EIR) to be prepared when some changes or additions are necessary but none of the conditions described in Section 15162 of the State CEQA Guidelines have occurred. The EIR (04EIR-00000-00006) prepared for the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) is hereby amended by this EIR Addendum for Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079.

Background

On July 5, 2005, the Board of Supervisors approved the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002), and certified the Final EIR (04EIR-00000-00006). The Revised Development Plan allowed renovations and various additions to the Coral Casino, as well as related modifications to the Biltmore Hotel, including a reduction in the number of guestrooms/keys from 232 to 229 to offset the planned operations at the Coral Casino. The Revised Development Plan superseded all prior permits for the Biltmore Hotel and Coral Casino. The Final EIR evaluated the net change in environmental impacts between the specifically permitted uses allowed under the prior operating Development Plan (98-DP-031), against reasonable foreseeable impacts of the Revised Development Plan (03DVP-00000-00002). The EIR identified significant impacts on the environment with respect to historic resources and identified significant but mitigable impacts on the environment in the following categories: aesthetics/visual resources, air quality, archaeological resources, biological resources, geologic processes, land use, noise, transportation and parking, and water resources/drainage. Mitigation measure were adopted as conditions of approval on the Revised Development Plan.

Proposed Project

The proposed project is a request for an Amendment to the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) and approval of an associated Coastal Development Permit to modify Condition Nos. 3 and 22 of the Development Plan conditions of approval, as detailed below. Condition No. 3 will be modified to reduce the maximum number of permitted Biltmore Hotel guestrooms/keys to 192. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide site/floor plans to Planning and Development for review and approval. The site/floor plans shall depict the layout of existing Biltmore Hotel guestrooms and the proposed reduction in guestrooms to 192. The reduction in the existing number of Biltmore Hotel guestrooms will be accomplished with interior alterations only to combine adjacent separate guestrooms into singular, larger guestrooms (including suites and junior suites). Condition No. 22 will be modified to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, and eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests. Additionally, use of the existing 2,050-sq. ft. event/meeting room at the Biltmore Hotel (currently identified as the La Marina banquet room) will be limited to non-dining entertainment and other activities for hotel guests only. This proposed Amendment does not involve any new structural development or exterior alterations to existing development, and no additional services or access will be required. The property will continue to be served by the Montecito Water District, the Montecito Sanitary District, and the Montecito Fire Protection District. Access is provided from Channel Drive. The proposed project is located on a 19.28-acre property, zoned C-V and shown as Assessor's Parcel Numbers 009-352-009, 009-354-001, 009-351-012 and 009-353-015, located at 1260 and 1281 Channel Drive in the Coastal Zone of the Montecito Community Plan Area, First Supervisorial District.

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1) *600 – permanent members*

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3) *Up to ~~120~~60 members per month from reciprocal clubs located at least 75 miles away from the Coral Casino*

c) *With the exception of the 2nd floor restaurant, regular use of the facility shall be limited to club members and their guests, and registered overnight Biltmore Hotel guests only. Guests of registered Biltmore Hotel guests may also use the second story restaurant when*

~~accompanied by the registered hotel guest.~~ Such regular use also includes guest privileges afforded to the general manager of the club, for business purposes incidental to the operation of the club. Outside groups may use the facility for special functions. The 2nd floor restaurant shall be available for club members and their guests, including 34 indoor seats reserved only for club members. In addition, the 2nd floor restaurant shall be available by reservation for up to 265 members of the public per day (for the purposes of this condition registered hotel guests are considered members of the public). Reservation data shall be maintained by the operator and provided to County Planning and Development staff, upon request.

- d) No outdoor music after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight.
- e) Activities at the Coral Casino shall be those normally associated with a social, swim, and tennis club.
- f) Use of the restaurant roof sundeck shall only be during daylight hours, through sunset, and during night time hours not more than four times annually.

Changes in Project Impacts

The proposed Amendment (22AMD-00000-00005) to the Coral Casino and Biltmore Hotel Revised Development Plan (03DVP-00000-00002) requests modification of the Development Plan conditions of approval (Nos. 3 and 22) related to Coral Casino membership, use of the Coral Casino second floor restaurant, and the maximum number of permitted Biltmore Hotel guestrooms/keys. The requested Amendment does not include any new structural development or exterior alterations to existing development, and the requested changes will not result in a need for new or altered services. As such, the proposed Amendment will have no effect on aesthetics/visual resources, archaeological resources, biological resources, geologic processes, land use, and water resources/drainage. Changes in project impacts related to transportation and parking, air quality, and noise are discussed further in this Addendum. As discussed below, the proposed changes will not create any new significant effects or a substantial increase in the severity of previously identified significant effects.

I. Transportation and Parking

The EIR evaluated potential transportation impacts associated with temporary construction traffic and parking, as well as permanent operational traffic and parking. The EIR concluded that potentially significant transportation and parking impacts may result from the Revised Development Plan, but these impacts would be reduced to a level of less than significant through required mitigation. The identified mitigation measures were adopted as conditions on the Revised Development Plan, and these conditions will remain applicable under the proposed Amendment. A detailed discussion of the changes in transportation and parking impacts resulting from the proposed Amendment is provided below, broken down by impact area. In summary, transportation impacts will remain less than significant under the proposed Amendment and EIR's analysis remains adequate.

Temporary Construction Traffic and Parking

The proposed Amendment does not include any new structural development or exterior alterations to existing development. Under the scope of the proposed Amendment, the reduction in the existing number of Biltmore Hotel guestrooms will be accomplished with minor interior alterations only to combine adjacent separate guestrooms into singular, larger guestrooms. Any temporary construction traffic and parking associated with the minor interior guestroom alterations would be minimal in nature due to the limited scope of alterations and would be mitigated through ongoing application of the existing mitigation measures identified in the EIR and adopted in the Revised Development Plan conditions (Condition Nos. 60 and 61). Therefore, transportation impacts associated with temporary construction traffic and parking will remain less than significant under the proposed Amendment and EIR's analysis remains adequate.

Permanent Operational Traffic

The proposed Amendment will result in a net decrease in traffic and parking demand associated with the Biltmore Hotel and Coral Casino operations, and the existing and ongoing operational traffic and parking demand will be further mitigated by existing Development Plan conditions.

As discussed above, the EIR evaluated the net change in environmental impacts between the specifically permitted uses allowed under the prior operating Development Plan, 98-DP-031, against reasonable foreseeable impacts of the Revised Development Plan, 03DVP-00000-00002. The scope of Revised Development Plan included a reduction in the number of Biltmore Hotel guestrooms/keys, and the EIR identified a traffic reduction of -7 Average Daily Trips (ADT), -2 AM Peak Hour Trips (PHT), and -1 PM PHT as a result of the Revised Development Plan. Although the EIR did not identify a significant impact associated with operational traffic, the EIR included a recommended mitigation measure involving development of a Transportation Demand Management Program to address the Revised Development Plan's potential addition to cumulative air quality impacts (discussed further below). This mitigation measure was adopted as Condition No. 34 of the Revised Development Plan's conditions, and will remain applicable under the proposed Amendment.

The proposed Amendment will modify the Revised Development Plan's conditions to allow limited public use of the existing second floor Coral Casino restaurant. Currently, the Coral Casino restaurant is limited to use by club members, club member guests, registered Biltmore Hotel guests, and guests of registered Biltmore Hotel guests, as provided in Condition No. 22 of the Revised Development Plan conditions. Due to the existing limitations on the type of patrons that have access to the Coral Casino restaurant, the restaurant has been operating below its permitted capacity. Condition No. 62 of the Revised Development Plan establishes the maximum number of seats associated with the Coral Casino restaurant¹. Under the proposed Amendment,

¹ Condition No. 62 states: *Indoor restaurant seating in the new second story restaurant, including the member's dining room, private dining room, bar and lounge areas and regular restaurant seating, shall not exceed 97 seats at any given time, and up to 113 seats for peak events. Outdoor dining area shall not exceed 62 seats associated with restaurant service (not including cabana, Raft, or pool deck lounge service).*

the maximum number of restaurant seats, as established by Condition No. 62, will remain unchanged. However, the proposed Amendment will modify Condition No. 22 with respect to the *types* of patrons that have access to the existing Coral Casino restaurant seats. Under the proposed Amendment, existing restaurant seats will be made available to up to 265 members of the public per day by reservation. Additionally, under the proposed Amendment, registered Biltmore Hotel guests and guests of registered Biltmore Hotel guests (which were previously allowed access to the restaurant) would be considered members of the public (i.e., counted as part of the allotted 265 members of the public per day maximum).

Associated Transportation Engineers (ATE) prepared an Updated Traffic, Parking, and VMT Analysis, dated June 10, 2022, and an Addendum, dated March 2, 2023, which evaluated the average daily trips (ADT) and peak hour trips (PHT) that would be generated by the proposed public use of the existing Coral Casino restaurant. As detailed in the ATE report, the proposed public use of the Coral Casino restaurant would generate approximately 172 new ADT and 18 new PM PHT. To offset the new ADT and PHT generated by the proposed public use of the restaurant, the proposed Amendment will also modify Condition No. 22 to reduce the Coral Casino monthly membership allowance for members of reciprocal clubs from 120 to 60, and modify Condition No. 3 to reduce the maximum number of Biltmore Hotel guestrooms or “keys” in the Development Plan entitlement from 229 to 192. As detailed in the ATE report, the proposed reduction in Coral Casino reciprocal memberships and the proposed reduction in the Biltmore Hotel key entitlement would result in a reduction of 300 ADT and 22 PM PHT. Accordingly, the net change as a result of the proposed Amendment is a reduction of 128 ADT and 4 PM PHT.

Additionally, in 2018, after certification of 04EIR-00000-00006, California Natural Resources Agency certified and adopted revisions to the State CEQA Guidelines that included new criteria for determining the significance of a project’s transportation impacts based on a Vehicle Miles Traveled (VMT) metric. Consistent with the revisions to the State CEQA Guidelines, the County adopted VMT screening criteria and thresholds of significance, against which project-level transportation impacts are evaluated. Projects meeting any of the screening criteria, absent substantial evidence to the contrary, will have less than significant VMT impacts and will not require further analysis. The proposed Amendment will result in a net decrease in ADT, and as such, meets the screening criteria for small projects (i.e., projects that generates 110 or fewer average daily trips).

In conclusion, transportation impacts associated with permanent operational traffic will remain less than significant under the proposed Amendment and EIR’s analysis remains adequate.

Permanent Operational Parking

Similarly, the ATE report evaluated parking demand that would be generated by the proposed public use of the existing Coral Casino restaurant. As detailed in the ATE report, the proposed public use of the Coral Casino restaurant would generate a new peak parking demand of

approximately 26 spaces. However, the proposed reduction in Coral Casino reciprocal memberships and the proposed reduction in the Biltmore Hotel key entitlement would result in a reduction in peak parking demand of approximately 64 spaces. Accordingly, the net change as a result of the proposed Amendment is a reduced peak parking demand of approximately 38 spaces.

In conclusion, impacts associated with permanent operational parking will remain less than significant under the proposed Amendment and EIR's analysis remains adequate.

II. Air Quality

The EIR evaluated potential cumulative air quality impacts associated with the Revised Development Plan. The EIR concluded that potentially significant air quality impacts may result from the Revised Development Plan, but these impacts would be reduced to a level of less than significance through required mitigation. The identified mitigation measures were adopted as a conditions on the Revised Development Plan, and these conditions will remain applicable under the proposed Amendment. Further, as discussed above, the proposed Amendment will result in a net decrease in ADT and PHT. Therefore no new opportunities for cumulative air quality impacts will be introduced as a result of the proposed Amendment and the EIR's analysis remains adequate.

III. Noise

The EIR identified potentially significant impacts to noise associated with temporary construction activities as well as long-term operational activities. The proposed Amendment does not include any new structural development or exterior alterations to existing development. Therefore, the proposed Amendment has no effect on noise associated with temporary construction activities.

Additionally, under the proposed Amendment, there will be no change to the number of restaurant seats or hours of operation. The existing mitigation measures and conditions prohibiting amplified outdoor music at the second story restaurant (mitigation measure adopted as Condition No. 47), and prohibiting all outdoor music after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight (Condition No. 22) will remain applicable. Therefore, the proposed Amendment has no effect on noise associated with long-term operational activities, and the EIR's analysis remains adequate.

Findings:

It is the finding of the Planning and Development Department that the proposed Amendment is within the scope of the previously certified EIR, and that the previous environmental document as herein amended may be used to fulfill the environmental review requirements of the current project. Because the current project meets the conditions for the application of State CEQA Guidelines Section 15164 and none of the conditions described in Section 15162 have occurred, preparation of a subsequent EIR is not required.

Coral Casino Renovations Amendment; Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079

Hearing Date: April 5, 2023

Attachment C: Revised EIR Addendum

Page C-7

Discretionary processing of the Biltmore Hotel and Coral Casino Amendment Project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, may proceed with the understanding that any substantial changes in the proposal may be subject to further environmental review.