

**ATTACHMENT 1-B: ORIGINAL FINDINGS FOR THE BILTMORE
HOTEL AND CORAL CASINO REVISED DEVELOPMENT PLAN
CASE NO. 03DVP-00000-00002**

ATTACHMENT C-1

BOARD OF SUPERVISORS FINDINGS

JULY 5, 2005

1.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS

FINDINGS PURSUANT TO PUBLIC RESOURCES CODE SECTION 21081 AND THE CEQA GUIDELINES SECTIONS 15090 AND 15091:

1.1 CONSIDERATION OF THE EIR and FULL DISCLOSURE

The Board of Supervisors has reviewed and considered the Final Environmental Impact Report (EIR), 04-EIR-00000-00006, dated April 2005, and its appendices pursuant to CEQA Guidelines Section 15096, and the environmental effects of the project as shown in the EIR prior to approval.

The Board has determined that the document is adequate for this proposal. In addition, all voting Board members have reviewed and considered the complete record before it, including testimony and additional information presented at or prior to the public hearing of July 5, 2005. The Board further finds that the EIR analyzes a reasonable range of alternatives to the proposed project. The EIR reflects the independent judgment of the Board of Supervisors.

1.2 FULL DISCLOSURE

The Board of Supervisors finds and certifies that the Final EIR constitutes a complete, accurate, adequate and good faith effort at full disclosure under CEQA. The Board further finds and certifies the Final EIR has been completed in compliance with CEQA.

1.3 LOCATION OF RECORD OF PROCEEDINGS

The documents and other materials which constitute the record of proceedings upon which this decision is based are in the custody of the Clerk of the Board, 105 East Anapamu Street, and related files with the Secretary of the Montecito Planning Commission, Mr. Steve Chase, and with the Secretary of the Historic Landmarks Advisor/ Commission, Ms. MaryLouise MorganWard, both of Planning and Development, located at 123 E. Anapamu St., Santa Barbara, CA 93101.

1.4 FINDINGS THAT CERTAIN UNAVOIDABLE IMPACTS ARE MITIGATED TO THE MAXIMUM EXTENT FEASIBLE

The Final Environmental Impact Report for the Coral Casino project identifies environmental impacts within the historic resources area that cannot be mitigated to a level of insignificance and are therefore considered unavoidable. The project has substantially lessened these impacts by the incorporation of changes or alterations into the project where feasible, including retention of a bench around the northern portion of the pool deck and adaptive reuse of building features related to the second floor cabanas. To the extent the impacts remain significant and unavoidable, such impacts are acceptable when weighed against the overriding social, economic, legal, technical, and other considerations set forth in the Statement of Overriding Considerations included herein. The "Class I" impacts identified by the Final EIR are discussed below, along with the appropriate findings as per CEQA Section 15091:

- 1.4.1 Historic Resources: The relocation of a restaurant to the second floor contributes to the loss of historic fabric including, without limitation, the second floor cabanas and is considered significant and unavoidable due to the removal of original historic fabric from portions of the Coral Casino building, an identified historic resource. This removal, in part, would not comply with the *Secretary of the Interior's Standards for Rehabilitation*.

To address this impact, mitigation measures identified in the Final EIR, Section 5.7.5, were adopted on May 5, 2005 by the MPC and on May 16, 2005 by the HLAC as conditions of approval, cited below. These mitigation measures are summarized below, with full text of conditions provided in Attachment D (MPC Action Letter) and Attachment E (HLAC Notice of Action Letter) to the Board Letter, and are adopted by the Board as provided in Attachment C:

Mitigation

- a. The applicant shall complete a documentation survey of the property in accordance with the Historic American Building Survey (HABS) standards, including archival quality photographs of significant interior and exterior features, and elevations with an emphasis placed on historic features to be demolished, and preparation of detailed "as built" site and floor plans. *(Mitigation Measure 5.7.5.B.1/MPC Condition 39/HLAC Condition 2)*
- b. A County approved historic preservation professional shall review treatments for non-structural building components and refurbishments and shall review project plans prior to issuance of applicable permits. *(Mitigation Measure 5.7.5.B.2/ MPC Condition 40/ HLAC Condition 3)*
- c. A County approved architect specializing in historic preservation shall review project working drawings to assure the retention of historic building fabric where it is not specifically slated for removal, and that alterations comply with the Secretary of the Interior's Standards as much as possible. To the extent feasible, the landscape plan for the property shall be based upon documented historical and forensic evidence, retaining on site extant plantings from the period of significance or replacing them in-kind with compatible, suitable substitute plant materials. *(Mitigation Measure 5.7.5.B.3/ MPC Condition 41/ HLAC Condition 4)*
- d. Create an interpretive plan for the property for display in a permanent, publicly accessible on-site or off-site location. *(Mitigation Measure 5.7.5.B.4/ MPC Condition 42/HLAC Condition 5)*
- e. Prepare a historic preservation protocol plan for construction personnel that specifies how treatments of interior and exterior building fabric must be handled during site construction activities, including hazardous material abatement, and provide for the presence of a P&D approved historic resources professional on site during these stages. *(Mitigation Measure 5.7.5.B.5/ MPC Condition 42/ HLAC Condition 6)*
- f. The MBAR, in conjunction with HLAC, shall meet jointly and review and approve in separate actions the Preliminary and Final working drawings with architectural, landscape and building plans prior to the approval of applicable Coastal Development Permits for the project. HLAC's review shall be limited to the historical aspects of the project, consistent with County Code Section 18A, Section 5. *(Not included in EIR/ MPC Condition 82/ HLAC Condition 7)*

However, such mitigation measures may not significantly reduce the identified Class I impacts to the building below a level of insignificance.

1.5 FINDINGS THAT CERTAIN IMPACTS ARE MITIGATED TO INSIGNIFICANCE BY CONDITIONS OF APPROVAL

The Final EIR, 04-EIR-00000-00006 identified several subject areas for which the project is considered to cause or contribute to significant, but mitigable environmental impacts. Each of these impacts is discussed below along with the appropriate findings as per CEQA Section 15091. To address these impacts, applicable mitigation measures identified in the Final EIR were adopted on May 5, 2005 by the MPC and on May 16, 2005 by the HLAC (where applicable) as conditions of approval, summarized below and specifically cited parenthetically. These measures are adopted by the Board of Supervisors on July 5, 2005 (Attachment C):

1.5.1 Aesthetics.

Potentially significant aesthetic impacts that can be feasibly mitigated or avoided are associated with visual impacts from relocation of the restaurant to the second story, building massing as seen from the beach, visibility of umbrellas on the first floor, awnings outside the second floor restaurant, and potential impacts of night lighting both on and off-site (lighting of the ocean in front of the Coral Casino). The project would contribute incrementally to potentially significant aesthetic impacts from reasonably foreseeable cumulative development.

Applicable policies incorporated as mitigation measures in section 5.1.5 of the FEIR, as well as those provided in the adopted Montecito Architectural Guidelines and Development Standards, would mitigate these impacts to a level of insignificance, are summarized below:

Mitigation Measure

- a. The design, scale, and character of the project architecture shall be compatible with vicinity development, with particular attention to color, visibility, design of the proposed 2nd story restaurant and proposed restaurant roof sundeck, including awnings and umbrellas. (*Mitigation Measure 5.1.5.1/ MPC Condition 26*)
- b. Future structures, including rail treatments around the relocated restaurant on the second floor, shall not exceed the heights identified in the project description and on the project plans. (*Mitigation Measure 5.1.5.2/ Reflected in MPC Condition 1*)
- c. Shade structures on the restaurant roof sundeck shall be limited to chairs with individualized canopies/awnings, and no umbrellas shall be permitted on this restaurant roof sundeck. (*Mitigation Measure 5.1.5.3/ MPC Condition 28*)
- d. The applicant shall prepare a Tree Protection Plan designed to preserve during construction all trees and specimen plantings identified to remain, as indicated on the project landscape plans. (*Mitigation Measure 5.1.5.4/ MPC Condition 29*)
- e. Night-lighting and its intensity shall be minimized to the extent feasible for security and safety purposes and night-lighting shall be reduced following the close of activities on-site any given day. Any exterior night lighting installed on the project site shall be of low intensity, low glare design, and, with the exception of in-ground uplights, shall be hooded to direct light downward onto the subject parcel and prevent spill-over onto adjacent parcels. (*Mitigation Measure 5.1.5.5/ MPC Condition 30*)
- f. A trash storage area shall be installed which is architecturally compatible with the project design. The storage area shall be enclosed with a solid wall or gate of sufficient height to screen the area and shall include a gate. (*Mitigation Measure 5.1.5.6/ MPC Condition 31*)

Mitigation measures including, but not limited to, the measures identified above have been found to mitigate this impact to a level of insignificance.

1.5.2 Air Quality

Potentially significant project impacts related to the use of motor vehicles by employees, members and guests of the Coral Casino facility are not expected to create air quality impacts. Due to the project involving primarily remodeling, limited grading, and few operational changes in the future, it is not expected to cause ambient air quality to degrade below federal and state standards. Long term operational emissions of NO_x, ROG and CO normally associated with increased vehicle trips are considered adverse but less than significant. Air Pollution Control District (APCD) staff indicated that

the project could be found consistent with the Clean Air Plan due to the insignificant contribution to air quality impacts resulting from the project.

Mitigation

- a. Applicant shall complete the "Asbestos Demolitions/Renovation Notification form, provided with APCD memo dated March 17, 2003. (*Mitigation Measure 5.2.5.1/ MPC Condition 32*)
- b. Dust generated by the development activities shall be retained onsite and kept to a minimum by dust control measures listed in section 5.2 of the FEIR. Reclaimed water shall be used whenever possible. (*Mitigation Measure 5.2.5.2/ MPC Condition 33*)
- c. The applicant shall develop or document a Transportation Demand Management Program for the combined Coral Casino and Biltmore Hotel sites. Components of such a program shall be designed to effectively reduce vehicle demand and peak hour trips associated with the project, and could include purchase of, or discounts on, Metropolitan Transit District (MTD) bus passes, provision of employee amenities that encourage alternative transportation use, including bicycle storage lockers, and an employee lunchroom, refrigerator, microwave oven, sink, food preparation area, tables, and chairs. (*Recommended Measure 5.2.5.3.a., b., and d only/ MPC Condition 34*)
- d. Orientation of employees regarding the Ridesharing Program or similar successor programs administered by the Santa Barbara County Association of Governments or successor agency. (*Mitigation Measure 5.2.5.3.c/ MPC Condition 34 a., b., and d.*)
- e. The Hotel operator shall participate in any shuttle pass program developed by the County of Santa Barbara. (*Mitigation Measure 5.2.5.3.e/ MPC Condition 35 f*)
- f. The Coral Casino shall continue to maintain employee work shifts that avoid the peak hours of adjacent street traffic (7-9 a.m. and 4-6 p.m.). (*Mitigation Measure 5.2.5.3.f/ MPC Condition 34 g*)

Mitigation measures including, but not limited to, the measures identified above have been found to mitigate this impact to less than significant levels

1.5.3 Archaeology:

Potentially significant archaeology impacts that could be feasibly mitigated or avoided are associated with the potential for significant, unknown buried cultural remains to be encountered within the project site during grading.

Mitigation

- a. In the event that archaeological remains are encountered during grading, work shall be stopped and the applicant shall fund evaluation of the resources encountered and shall implement recommended mitigation, consistent with County Archaeological Guidelines. (*Mitigation Measure 5.3.5.1/ MPC Condition 35*)

Mitigation measures including, but not limited to, the measure identified above have been found to mitigate this impact to less than significant levels.

1.5.4 Biological Resources:

The Coral Casino site is not located near an Environmentally Sensitive Habitat area or riparian corridor and does not contain significant biological habitat area, although it is located adjacent to the Pacific Ocean. A number of trees are proposed to be replaced with similar species, but in smaller sizes, including the series of Giant Yuccas located in front of the building. These plants are a non-native

species that are neither threatened nor are host to other biological resources such as butterflies or raptors. One 28-inch Monterey Pine tree is proposed to be removed at the northeastern corner of the building. No significant wildlife has been documented near the project site, and since the facility has existed with night lighting and activity next to the existing ocean environment for many years, indirect impacts associated with noise and night lighting are considered adverse, but less than significant. Overall, biological resource impacts can be considered less than significant.

The improvement of the storm drain system through the Coral Casino site, as well as the re-direction of pool drain discharge to the Montecito Sanitary District system will improve surface runoff conditions that have gone to the ocean previously.

Mitigation

- a. During construction, washing of concrete, trucks, paint, or equipment shall occur only in areas where polluted water and materials can be contained for subsequent removal from the site. Wash water shall not be discharged to the storm drains, street, drainage ditches, creeks, or wetlands, and shall not be allowed near sensitive biological resources. Areas designated for washing functions shall be identified. (*Mitigation Measure 5.4.4.1/ MPC Condition 54*)
- b. To minimize pollutants impacting the sea, storm drain filters/inserts, inline clarifiers, or separators shall be installed in the project area storm drain inlets and/or paved areas. The filters/inserts shall be maintained in working order. (*Mitigation Measure 5.4.4.2/ MPC Condition 52*)

Mitigation measures including, but not limited to, the measure identified above have been found to mitigate this impact to less than significant levels.

1.5.6 Geology

Potentially significant geologic impacts that can be feasibly mitigated or avoided are associated with ground shaking from potential earthquakes (potential structural impacts), and potential erosion, sedimentation and runoff as a result of grading and construction activities.

Mitigation

- a. Buildings shall be designed consistent with California Building Code or the State Historic Building Code requirements. (*Mitigation Measure 5.6.4.1/ MPC Condition 37/ HLAC Condition 15*)
- b. Erosion control measures shall be implemented in accordance with an approved Grading and Erosion Control Plan to prevent transport of sediment during construction. (*Mitigation Measure 5.6.4.2/ MPC Condition 38*)

The mitigation measures including, but not limited to, the measures stated above have been found to mitigate these impacts to less than significant levels.

1.5.7 Historic Resources

The project proposes complete removal of an historic element of the Coral Casino that can not be mitigated to less than significant levels. Other areas of work may also create potentially significant impacts to historic features of the building, but many of these areas have either already been altered, or are not considered character defining features, and therefore such changes have not been determined to be inconsistent with the *Secretary's Standards*. Therefore, work on these areas (e.g. interior work in the La Pacifica ballroom, eastern cabanas) is considered potentially significant but mitigable with the conditions 39-43 and 82 of the MPC action, summarized above under Finding 1.4.1, as well as additional conditions provided below, incorporated as HLAC conditions as parenthetically referenced below:

- a. Detailed design recommendations from the 2002 Historic Structure Report by Preservation Planning Associates shall be incorporated. *(HLAC condition 8)*
- b. The project shall retain the 28" Monterey Pine tree and other historic landscaping character. *(HLAC condition 9)*
- c. The existing tower door shall remain understated in appearance and follow specified design restrictions. *(HLAC condition 10)*
- d. The concrete bench at the north end of the pool shall be retained, as offered by the applicant during HLAC hearings. *(HLAC condition 11),*
- e. The number of semi-permanent umbrellas that can be allowed adjacent to the La Pacifica ballroom shall be limited. *(HLAC condition 12)*
- f. Required storage of bar-b-que equipment and other portable items shall be located away from the viewshed between the clock tower and the members' lounge. *(HLAC condition 13)*
- g. The second floor and roof sundeck deck glass guardrails shall meet certain design restrictions (i.e. no cap, specified glass type). *(HLAC condition 14)*
- h. The structures shall be designed using the California or State Historic Building Code to the maximum extent feasible. *(HLAC condition 15)*

Mitigation measures including, but not limited to, the measures stated above have been found to mitigate historic impacts to less than significant levels.

1.5.8 Land Use

The project would maintain the use of the Biltmore Hotel and Coral Casino as a resort and visitor serving land use, consistent with its zoning designation. The Board of Supervisors finds that as an architectural projection and not a roofed structure, the rooftop sundeck railing does not result in an inconsistency with Policy CR-M-1.2 of the Montecito Community Plan. Other land use related issues such as noise, traffic, air quality have been addressed in those topical areas in these findings and in the EIR.

Mitigation

None required

1.5.9 Noise

Noise associated with creation of the outdoor seating area at the proposed second story restaurant would not represent a substantial increase in the ambient noise level. Potentially significant impacts that could be reasonably mitigated include short term construction noise and outdoor amplified music at the proposed second story restaurant.

Mitigation

- a. Construction activity for site preparation and construction equipment maintenance shall be limited to the hours between 7:00 a.m. and 4:30 p.m., Monday through Friday, with no construction on State holidays (e.g., Thanksgiving, Labor Day). *(Mitigation Measure 5.9.5.1/ MPC Condition 44)*

- b. Stationary construction equipment that generates noise which exceeds 65 dBA at the project boundaries shall be shielded, to P&D's satisfaction and shall be located as far as possible from occupied residences. (*Mitigation Measure 5.9.5.2/ MPC Condition 45*)
- c. Construction routes shall be limited to Olive Mill Road, Channel Drive, and North Jameson Lane, and notice shall be provided to County Permit Compliance of the construction activity, schedule and routes. (*Mitigation Measure 5.9.5.3, amended by MPC Condition 46*)
- d. No outdoor music shall be allowed on the first floor after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight. (*Mitigation Measure 5.9.5.4, Modified as MPC Condition 47*)
- e. Outdoor amplified music shall not be permitted at the outdoor dining area of the proposed second story restaurant, or on the restaurant roof sundeck, at any time. (*Mitigation Measure 5.9.5.5/ Modified as MPC Condition 47*)

Mitigation measures including, but not limited to, the measures stated above have been found to mitigate noise impacts to less than significant levels.

1.5.10 Public Services - Sewer

Potentially significant sewer impacts that can be feasibly mitigated or avoided are associated with required upgrades of the building and compliance with requirements of the Montecito Sanitary District. Such requirements also include future coordination with the District regarding maintenance of the pool and its drainage.

Sewer Mitigation

- a. The applicant shall submit final working drawings to the Montecito Sanitary District that include specifications for future wastewater flows, upgrades of kitchen equipment and grease interceptors consistent with District standards. (*Mitigation Measure 5.10.1.D.1/ MPC Condition 48*)
- b. Coordinate future timing of pool drainage with the Montecito Sanitary District. (*Mitigation Measure 5.10.1.D.2/ MPC Condition 49*)

Mitigation measures including, but not limited to, the measure stated above have been found to mitigate sewer impacts to less than significant levels.

1.5.11 Public Services - Solid Waste

The Coral Casino Historic Rehabilitation Plan would result in a net increase of floor area, which serves as the only basis for estimating solid waste impacts. The project may generate a total of 33.35 tons per year of new solid waste, based only on the net increase in floor area, calculated as an eating and drinking establishment, and not on specific programmatic details. This figure is below project specific and cumulative thresholds, so this impact is considered less than significant, but would contribute cumulatively to generation of increased solid waste going to area landfills.

Recommended Solid Waste Mitigation

- a. Preparation of a long term Solid Waste Management Plan and implementation of this plan for the life of the project. (*Mitigation Measure 5.10.2.E.1/ MPC Condition 50*)
- b. Demolition and/or construction material shall be separated and recycled. (*Mitigation Measure 5.10.2.E.2/ MPC Condition 51*)

Mitigation measures including, but not limited to, the measure stated above are recommended to address the project's contribution to cumulative solid waste generation, but is not required as the project is anticipated to have a less than significant impact in this issue area. .

1.5.12 Public Services – Water Resources/Flooding

During construction activities, the Coral Casino project is expected to create water quality impacts resulting from construction equipment, erosion and sedimentation. The project's long term improvements to drainage both off-site and on-site, along with filtration methods planned for onsite surface drainage, would be considered a beneficial impact of the project. While the project would not require its own National Pollution Discharge and Elimination System (NPDES) permit, it would be required to comply with the County's NPDES permit through application of best management practices and related water quality mitigation measures.

The project would not be increasing flooding hazards, and the conversion of the basement area to offices and storage space are expected to meet County flood control standards. Therefore, flooding impacts are considered less than significant.

The levels of facility use resulting from the project would not change substantially from today's condition, and due to the availability of adequate water supplies in the Montecito groundwater basin, the project would have a less than significant effect on groundwater resources.

Mitigation

- a. Implementation of related erosion control measures from the Geology findings.
- b. Installation of storm drain filters/inserts, clarifiers or separators in project area storm drain inlets and/or paved areas; design of a clearly defined permanent overland escape path, and implementation of a comprehensive drainage plan. (*Mitigation Measure 5.10.3.D.1/ MPC Condition 52*)
- c. Implementation of best available erosion and sediment control measures during grading and construction activities, including sediment basins, gravel bags, silt fences, geo bags or gravel and geotextile fabric berms and other tools. (*Mitigation Measure 5.10.3.D.2/ MPC Condition 53*)
- d. Limitation of washing of construction vehicles and prohibition of discharging any polluted water or materials to the storm drain system or street. (*Mitigation Measure 5.10.3.D.3/ MPC Condition 54*)
- e. Application of seal coat only during dry weather and covering of storm drains and manholes during this time. (*Mitigation Measure 5.10.3.D.4/ MPC Condition 55*)
- f. Use of water saving mechanisms for indoor water use, including water efficient laundry and dishwashing facilities, lavatories and drinking fountains. (*Mitigation Measure 5.10.3.D.5/ MPC Condition 57*)

Mitigation measures including, but not limited to, the measures stated above have been found to mitigate water quality impacts to less than significant levels.

1.5.13 Recreation

The Coral Casino project proposes construction of a new ramp, west of the Coral Casino western gate, which would connect to Biltmore Beach and be accessible per the Americans with Disabilities Act standards. Potential loss of lateral beach area to accommodate this ramp would be considered adverse, but less than significant. The creation of the accessible ramp, along with recordation of a vertical

easement that would connect with an existing lateral beach easement, is considered a beneficial impact of the project. Therefore, no mitigation measures are required for this issue area.

1.5.14 Transportation

Physical improvements to the Coral Casino include the creation of a valet parking queue area at the northwest corner of the building to more smoothly accommodate special event parking need at the club. Operational changes proposed in the project (allowance for guests of registered overnight Biltmore Hotel guests to access the new restaurant, and recognition of reciprocal member uses of the club) would generate 20 average daily trips (ADT) and 1 PM peak hour trip. However, this traffic would be mitigated through the project's simultaneous loss of three lodging spaces known as "keys", or rooms, at the Biltmore Hotel. Therefore, the overall project related traffic would be reduced by 7 ADT, 2 AM peak hour trips and 1 PM peak hour trip.

Parking demand associated with the operational changes cited above would increase by one space, which will be provided at the Biltmore in the parking lot serving the "back of house" uses, or the northwest parking lot. This new space would increase the total parking on site serving the Biltmore Hotel and Coral Casino from 454 spaces to 455 spaces. Peak parking demand occurs 3-5 times annually, when the hotel experiences 100% occupancy at the same time as many events are booked at the combined Biltmore and Coral Casino facilities. During these times, a parking demand of 432 in the afternoon, to 561 parking spaces in the evening, was identified in the EIR (Table 5.12-10, page 191). With additional valet services, the onsite parking supply could be increased by 49 spaces to a total of 504 on site spaces. This would leave a remaining parking deficiency of 57 spaces during peak demand periods which occur 3-5 times per year.

Such a deficiency has existed for over 25 years, based on the prior acknowledgement by the County and California Coastal Commission in its approval of 78-CP-014, authorizing an addition of hotel rooms and parking spaces. As noted in the EIR, Section 5.12.3.G (p. 186 of FEIR), The Coastal Commission, in approving Coastal Development Permit # 4-82-5/31909, recognized that a parking deficiency of 125 spaces would remain after the project, and following the provision of 454 parking spaces as required by 78-CP-014. During such busy periods, the hotel and club operators also implement increased incentives for employees to use alternative means of transportation or carpool to lessen staff use of the onsite parking supply, and will continue to do so under the revised Development Plan.

Mitigation

- a. Continued compliance with the conditions of approval carried forward from 98-CP-031 AM01, including specification of the number of Biltmore hotel guest rooms, Coral Casino memberships, and number of parking spaces; continued compliance in scheduling Hotel and Coral Casino activities to coincide with off-peak traffic and beach utilization periods, continued compliance with requiring reservations for Sunday Brunch; implementation of valet parking during specific events and prohibition of parking lot area use for special event staging areas. (*MPC Conditions 1, 3,4,5, 15 – 22*)
- b. Implementation of a construction period parking management plan and use of traffic control monitors during construction. (*Mitigation Measure 5.12.5.B.1 & 2/ MPC 60 and 61*)
- c. Limitation of indoor and outdoor seating capacity at the Coral Casino's second story restaurant to 97 (and up to 113) indoor seats, and 62 seats outdoors. (*Mitigation Measure 5.12.5.B.3/ MPC Condition 62*)
- d. Implementation on a long term basis of an operational parking plan, and collection of parking data after the first year of operation, for filing with County P&D and forwarding to the MPC as an informational item. (*Mitigation Measure 5.12.5.B.4/ MPC condition 63*)

- e. Preparation of a compliance report listing the number of members, member events, special events, fundraisers by outside groups, conference groups using the Coral Casino and the number of people using the new second story restaurant. The compliance report will be filed with P&D staff, and provided as information to the MPC. (*MPC Condition 64*)

Mitigation measures including, but not limited to, the measures stated above have been found to mitigate traffic, circulation and parking impacts to less than significant levels

1.6 FINDINGS THAT IDENTIFIED PROJECT ALTERNATIVES ARE NOT FEASIBLE

The Final EIR, 04-EIR-00000-00006, prepared for the project evaluated a no project/routine maintenance alternative, two alternative designs, and an alternative location as methods of reducing or eliminating potentially significant environmental impacts. These alternatives are infeasible for the following reasons:

1.6.1. No Project/Routine Maintenance Alternative

This alternative would achieve none of the project objectives and would forego all the project's benefits, itemized in the Statement of Overriding Considerations, and is therefore rejected.

1.6.2 Alternative F Redesign

Alternative F was identified by the applicant as an option that met some of the project objectives, including removal of the non-historic La Perla Circle addition and the entire La Perla Restaurant addition. This alternative would locate the replacement restaurant primarily in the existing bar and members' lounge area, and relocate these uses to the base of the tower. Alternative F would also provide new restrooms at the western edge of the La Pacifica ballroom (Banquet Room), and locate an expanded kitchen in the basement. While this alternative would reduce many impacts due to the omission of the second story restaurant, it could result in other impacts to the historic building by virtue of increased excavation needed to accommodate the kitchen in the basement.

Alternatives under CEQA are supposed to attain most of a project's basic objectives and avoid or substantially lessen the project's significant effects. The project's goals and objectives are set forth in Section 4.4, page 61 of the Final EIR as follows:

1. To rehabilitate the Coral Casino. The Club is in need of repairs, due to its age and proximity to the ocean which has taken its toll on the structural elements of the site. A comprehensive rehabilitation of the Coral Casino is required in order to preserve the building, address long-standing deferred maintenance and correct ill-designed additions that have occurred in the past which compromise the building's integrity.
2. To provide a first-class recreational experience, amenities and social functions that are typical of this beach club facility and that have historically been provided and required by a contractual obligation with members.
3. To return to the historic vision for the Coral Casino by removing certain building elements that compromise the original design of Gardner Dailey.
4. To provide a second-floor restaurant offering a first-class dining experience, and views of the Pacific Ocean, in place of the existing first floor dining area. The applicant has also indicated that it is necessary to have a kitchen on the same floor as the restaurant to provide the multi-star rating sought by the owner.

In the process of formulating the project, the applicant compiled a list of required uses for the Coral Casino Rehabilitation Project from three sources: (1) all uses contained in the original Gardner Dailey design; (2) uses that have been added over time; and (3) new elements required by current codes and

ordinances. These uses are set forth in Appendix A to David Van Hoy's letter of June 29, 2005 to the Board of Supervisors. As set forth below, Alternative F fails to meet many of the goals and objectives of the project and does not provide many of the required uses:

1. The original Coral Casino dining room had views from all seats. The majority of dining room seats in Alternative F will not have a view of the ocean. The northern half of the room has no windows. From the southern half of the dining room views are limited to the pool area on the east and views to the south are blocked by the yoga area, historic clock tower, and pool bar. The seating capacity is significantly less than the existing dining room.
2. The original dining room also had an enclosed open-air courtyard, which provided access to the sun and protection from the sea breeze. Alternative F does not provide a courtyard.
3. Alternative F's proposed dining room restrooms are inadequate in size and will require members and guests to traverse the banquet room to use the facilities.
4. Alternative F proposed the bar and lounge in the same plan location as the historic bar, however this area has been remodeled to become a windowless room with no light or view since the adjacent banquet room was created in 1958.
5. No additional kitchen or restroom space was provided when the banquet room was originally created. The specialized equipment required for large production banquet cooking is completely separate from the equipment required for an a-la-carte dining room. Alternative F proposes that the kitchen be located in a new basement. This location creates operational difficulties because of its distance from the dining room.
6. The construction of this new basement called for in Alternative F will cause additional stress and potential harm to the historic structure during construction, and may require partial demolition of the western wing of the existing building.
7. A major design element of the Coral Casino Rehabilitation Plan is the separation of member and non-member activities on-site. Alternative F does not separate member and non-member activities and does not provide for a guest entrance to the dining room, which are objectives of the project.
8. Alternative F proposes the removal of the existing exercise room addition but does not identify a new or replacement location.
9. Alternative F eliminates the existing private member lounge.
10. Alternative F does not provide a new location for the multi-purpose room which is displaced by the proposed bar/lounge.
11. Alternative F proposes the removal of the existing private members dining room, but no new location is identified for this element.
12. Alternative F does not provide for second level restrooms.
13. Alternative F does not provide for required ADA accessibility to the upper level or the proposed new basement functions.

In summary, Alternative F is incomplete, does not provide for many of the required functions and spatial relationships, does not meet the project goals and objectives and for these reasons is found to be infeasible and is therefore rejected.

1.6.3 Levikow/CCPC Alternative

The Levikow/CCPC alternative removes the non-historic La Perla Circle addition and half of the La Perla Restaurant addition, and places the relocated restaurant in the existing Bar and Member's Lounge. The Bar and Lounge function would move to the base of the tower (similar to Alternative F). The kitchen would remain in the same location, and be slightly enlarged by incorporation of areas now used for table and chair storage, a few new restrooms would be added adjacent to the kitchen, and the storage function would be relocated to the basement, along with additional restrooms, but without accessible elevators. Storage is also suggested to move offsite in this alternative. The entrance for banquet room functions would remain from the west end of the building under this Alternative.

Alternatives under CEQA are supposed to attain most of a project's basic objectives and avoid or substantially lessen the project's significant effects. The project's goals and objectives are set forth in Section 4.4, page 61 of the Final EIR as follows:

1. To rehabilitate the Coral Casino. The club is in need of repairs due to its age and proximity to the ocean, which has taken its toll on the structural elements of the site. A comprehensive rehabilitation of the Coral Casino is required in order to preserve the building, address long-standing deferred maintenance and correct ill-designed additions that have occurred in the past which compromise the building's integrity.
2. To provide a first-class recreational experience, amenities and social functions that are typical of this beach club facility and that have historically been provided and required by a contractual obligation with members.
3. To return to the historic vision for the Coral Casino by removing certain building elements that compromise the original design of Gardner Dailey.
4. To provide a second floor restaurant offering a first-class dining experience, and views of the Pacific Ocean, in place of the existing first floor dining area. The applicant has also indicated that it is necessary to have a kitchen on the same floor as the restaurant to provide the multi-star rating sought by the owner.

In the process of formulating the project, the applicant compiled a list of required uses for the Coral Casino Rehabilitation Project from three sources: (1) all uses contained in the original Gardner Dailey design; (2) uses that have been added over time; and (3) new elements required by current codes and ordinances. These uses are set forth in Appendix A to David Van Hoy's letter of June 29, 2005 to the Board of Supervisors.

The Levikow/CCPC alternative floor plan describes only the western half of the main level of the Coral Casino which constitutes approximately 25% of the club. The CCPC Alternatives does not provide a design for the remaining 75% of the facility. This leaves the resolution of the majority of the required program elements unresolved. No exterior elevation drawings are provided to illustrate the proposed design. The Levikow/CCPC Alternative fails to meet many of the goals and objectives of the project and does not provide many of the required uses as set forth below:

1. The original Coral Casino dining room had views from all seats. The majority of dining room seats in the CCPC alternative will not have a view of the ocean. The northern half of the room has no windows. From the southern half of the dining room views are limited to the pool area on the east and views to the south are blocked by the yoga area, historic clock tower, and pool bar, leaving only one or two windows on the west with an ocean view.
2. The original dining room also had an enclosed open-air courtyard, which provided access to the sun and protection from the sea breeze. The CCPC plan does not provide a courtyard.

3. The CCPC's proposed location of the dining room continues the status quo of a non-historic addition which blocks western views from the pool area, occupies space originally designed for pool related activities, and ignores the original historic building footprint.
4. The CCPC's proposed dining room restrooms are inadequate in size and will require members and guests to traverse the banquet room to use the facilities.
5. The CCPC Alternative proposes the bar and lounge in the same plan location as the historic bar, however this area has been remodeled to become a windowless room with no light or view since the adjacent banquet room was created in 1958.
6. No additional kitchen or restroom space was provided when the banquet room was originally created. The specialized equipment required for large production banquet cooking is completely separate from the equipment required for an a-la-carte dining room. The CCPC plan increases the space available for the kitchen, but does not create enough for the required equipment.
7. The CCPC Alternative proposes to provide banquet storage in a new basement creates operational difficulties and will require a large freight elevator, which is not shown on the plan. Incorporation of the freight elevator will further reduce the space available for the kitchen.
8. The CCPC's Alternative calls for locating banquet restrooms in a new basement, which is impractical given the restrooms must serve the 1st floor banquet room, which has a 300-person occupancy capacity.
9. In addition, the construction of the new basements called for by the CCPC plan will cause additional stress and potential harm to the historic structure during construction, and may require partial demolition of the western wing of the existing building.
10. A major design element of the Coral Casino Rehabilitation Plan is the separation of member and non-member activities on-site. The CCPC plan continues the conflicts that exist today, and does not provide for a guest entrance to the dining room, which is an objective of the project.
11. The CCPC's Alternative plan eliminates the existing exercise room addition, but does not identify a new location.
12. The CCPC's Alternative plan eliminates the existing private member lounge.
13. The CCPC's Alternative plan does not provide a new location for the multi-purpose room which is displaced by the proposed bar/lounge.
14. The CCPC's Alternative plan proposes to remove the existing private members' dining room, but does not identify a new location for this element.
15. The CCPC's Alternative plan does not provide for second level restrooms.
16. The CCPC's Alternative plan does not provide for required ADA accessibility to the upper level or the proposed new basement functions.

In summary, the Levikow/CCPC Alternative is incomplete, does not provide for many of the required functions and spatial relationships, does not meet the project goals and objectives and for these reasons is found to be infeasible and is therefore rejected.

1.6.4. Alternative Site Project Size

Provision of some of the project objectives, including the second story ocean view restaurant, may be realized at an alternative site. One such alternative location is the Biltmore Hotel, also owned by Ty Warner Hotels and Resorts. The Biltmore currently has an ocean view first floor restaurant, set back from Channel drive against an expanse of lawn. An addition to this portion of the structure may compromise the architectural or historic integrity of this alternative location. Additionally, due to the site specific nature and relation of some of the project objectives to members of the Coral Casino Beach and Cabana Club, provision of another restaurant off site would not meet several other primary project objectives, such as the *comprehensive* rehabilitation of the Coral Casino facility, and provision of a second floor ocean view restaurant. Therefore, this alternative is infeasible and is also rejected.

1.7 STATEMENT OF OVERRIDING CONSIDERATIONS

The Final EIR for the Coral Casino identifies project impacts to Historic Resources as significant environmental impacts which are considered unavoidable. The Board of Supervisors therefore makes the following Statement of Overriding Considerations which warrants approval of the project notwithstanding that all identified impacts are not fully mitigated. Pursuant to CEQA, Sections 15043, 15092 and 15093, any remaining significant effects on the environment, including cumulative impacts are acceptable due to the following overriding considerations:

1.7.1 Historical Resources Benefits.

- a. The Project will cause the rehabilitation of an historical landmark that is in need of repair and structural upgrades.
- b. The Project will cause the replacement of two cabanas constructed when the Coral Casino was originally built but removed during one of the subsequent remodels.
- c. The Project will result in the reinforcement of the historic tower structure.
- d. The Project will cause the Coral Casino building to be in full compliance with Americans with Disabilities Act standards.
- e. The Project will result in the removal of non-historic additions such as a second story fitness room, La Perla Circle and La Perla dining room.
- f. The removal of the La Perla Circle and the La Perla dining room addition will restore and recapture the original Gardner Dailey historic views of the ocean from the pool, deck and second floor cabanas.
- g. The Project will restore the historic bar area next to the clock tower.
- h. The Project will result in the restoration of historic landscape features.
- i. The Project will restore a portion of the sundeck and railings that were removed when the non-historic fitness room was added.

1.7.2. Environmental Benefits.

- a. The Project will result in the removal of all asbestos in the Coral Casino's buildings.
- b. The Project will result in a reduction of traffic due to the reduction of three (3) keys at the Biltmore Hotel, ensuring no significant increases in traffic would occur, and the project would be consistent with circulation policies. An improvement to on site parking supply,

and continuation of parking management strategies would be ensured with the project, addressing long-term parking deficiencies in the area.

- c. The Project will replace, upgrade and modernize the utility infrastructure for safety and efficiency, thereby conserving electricity, water and gas consumption.
- d. The Project will provide a pull-out area adjacent to the existing stone entry gate to be removed and reconstructed.
- e. The Project will improve water quality through the upgrading and diversion of existing drainage patterns such that off- and on-site surface runoff (including water on and around the pool deck) would be redirected to the storm drain system, and that pool water discharge will be treated with improved filtering systems and directed to the Montecito Sanitary District wastewater treatment facilities.
- f. The Project will cause the reduction of 687 square feet of meeting space thereby resulting in potentially fewer people at meetings and vehicle trips associated with that function.
- g. The Project will result in the removal of existing noisy roof-top equipment and the reduction of 60% of the heat extract (cooling capacity) off-site via the existing Biltmore central cooling plant.
- h. The Project will result in the removal of the terry cloth laundry which will further reduce the concentration of equipment and hot air exhaust on site.

1.7.3 Aesthetic Benefits.

- a. The Project will cause the concealment of the delivery area.
- b. The Project will restore historic landscape features.
- c. The Project will result in the repair of substantial deferred maintenance which, if left unattended, would cause significant damage to the historically designated portions of the Coral Casino buildings.

1.7.4 Recreation and Visitor Serving Benefits.

- a. The Project will result in the construction of an accessible ramp access to the beach in full compliance with the accessibility provisions of the California Building Code. An offer to dedicate public access over the ramp to the beach below will be provided.
- b. The Project will result in the provision of elevator service to the basement and second floor.
- c. The Project will result in the addition of bathrooms to the banquet facilities.
- d. The Project will be accomplished without any interference with lateral beach access routes.

1.7.5 Economic Benefits to Local Government.

- a. The new construction resulting from the rehabilitation of the Coral Casino's buildings will cause a reassessment of the improvements pursuant to the California Revenue and Taxation Code thereby resulting in increased property tax revenue to the County of Santa Barbara.

- b. The Project will create temporary construction jobs thereby benefiting the local economy.

1.7.6 Technological, Traffic, and Public Safety Benefits.

- a. The Project will result in improved fire access.
- b. The Project's buildings will be constructed to Uniform Building Code seismic zone 4 standards, or allowable standards contained within the State Historic Building Code.
- c. The Project's buildings will have improved noise insulation.
- d. The Project will cause the preparation of a Traffic Demand Management Plan.
- e. The Project will cause the preparation of a Parking Demand Management Plan.
- f. The Project will result in the storage of chemicals in a secure storage area.
- g. The Project will provide an additional parking stall in the "back-of-house" area on the Biltmore Hotel site.

1.8 ENVIRONMENTAL REPORTING AND MONITORING PROGRAM

Public Resources Code Section 21081.6. requires the County to adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of approval in order to mitigate or avoid significant effects on the environment. The approved project description and conditions of approval, with their corresponding permit monitoring requirements, are hereby adopted as the monitoring program for this project. The monitoring program is designed to ensure compliance during project implementation.

2.0 ZONING ORDINANCE FINDINGS

FINDINGS PURSUANT TO ARTICLE II, THE COASTAL ZONING ORDINANCE

2.1 FINDINGS REQUIRED FOR APPROVAL OF A DEVELOPMENT PLAN PURSUANT TO SECTION 35-174.7.1

A Development Plan shall only be approved if all of the following findings are made:

2.1.1 That the site for the project is adequate in size, shape, location, and physical characteristics to accommodate the density and level of development proposed.

The Biltmore and Coral Casino sites have been developed with hotel and recreational club uses for many decades and have received the review and approval of a variety of permits over the years as discussed in detail in the project EIR. The current operating permit 98-DP-031 AM01 was approved in February 2005. As part of that approval, the above finding was made by the Board of Supervisors regarding the sites appropriateness for the density and level of development proposed. The proposed project includes no new development on the Biltmore Hotel site and only minimal new development on the Coral Casino site. As a result, the finding can still be made that the site is adequate in size, shape, location, and physical characteristics to accommodate the density and level of development proposed.

2.1.2 That adverse impacts are mitigated to the maximum extent feasible.

All of the EIR mitigation measures have been incorporated into the project conditions of approval. These include measures identified in the EIR to reduce significant impacts to less than significant levels, as well as measures designed to minimize impacts identified as adverse, but less than significant. The remaining Class I significant unmitigable impacts will be addressed through decisionmakers' adoption of overriding considerations, provided in these findings. Additional review and requirements incorporated into the final grading, drainage, building and landscape plans in response to final plan review and sign-off by County departments and MBAR final approval will serve to further mitigate adverse impacts to the maximum extent feasible.

2.1.3 That streets and highways are adequate and properly designed to carry the type and quantity of traffic generated by the proposed use.

As identified in the EIR traffic section and the policy consistency discussion regarding circulation policies in section 6.2 of the staff report, the area street network is adequate and properly designed to carry the type and quantity of traffic generated by the project. Further, the project will cause a net reduction of 7 average daily trips, 2 AM peak hour trips and 1 PM peak hour trip due to the reduction of three keys at the Hotel.

2.1.4 That there are adequate public services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project.

Public services are currently serving the project site and would continue to provide service for the project as proposed, including, but not limited to treatment of swimming pool water by the Montecito Sanitary District, as the swimming pool water currently drains to the storm drain system.

2.1.5 That the project will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and will not be incompatible with the surrounding area.

The Biltmore and Coral Casino uses have existing in this neighborhood for nearly 70 years, prior to many of the residential uses established later. Further, the Biltmore and Coral Casino

operations have not been the subject of many complaints received by the County over the last ten years, indicating that on the whole, these institutions have been, and are expected to be, compatible with the surrounding neighborhood. The changes to the existing building and operational conditions would not significantly increase the level of activities documented in recent years at the Coral Casino.

2.1.6 *That the project is in conformance with the applicable provisions of Article II and the Coastal Land Use Plan.*

As discussed in the Issue Summary, Comprehensive Plan Consistency, and Ordinance Consistency sections of the April 20, 2005 MPC staff report, the project would be consistent with the applicable provisions of Article II and the Coastal Land Use Plan, including, but not limited to, the Montecito Community Plan. Modifications for the location of the proposed equipment well in the front yard setback and enclosure of the eastern alley are addressed in Finding 2.2.1 below.

2.1.7 *That in designated rural areas the use is compatible with and subordinate to the scenic, agricultural and rural character of the area.*

The project is not located within a rural area.

2.1.8 *That the project will not conflict with any easements required for public access through, or public use of a portion of the property.*

The project would remove existing concrete platforms existing along the beach below the Coral Casino, thereby improving lateral access along the beach. The project includes construction of a new accessible ramp to the beach and an offer to dedicate a public access easement will be given by the applicant. This "offer to dedicate" would connect to an existing lateral easement south of the seawall to the mean high tide line.

2.2 **FINDINGS REQUIRED FOR A DEVELOPMENT PLAN MODIFICATION PURSUANT TO SECTION 35-174.8.1**

In addition to the findings for Development Plans set forth in Sec. 35-174.7. (Development Plans), the Planning Commission or Board of Supervisors may modify setback requirements when justified by the project.

2.2.1 *The Board of Supervisors finds that the project justifies a modifications the required front and side yard setbacks.*

The proposed equipment well in the front yard setback is justified because it would be a minor extension of an existing access vent, would be used not more than once per year on average, and would be surrounded by landscaping that would screen the vent. The enclosure of the eastern alley is also justified because it would fill in a small alley that exists along the otherwise continuous length of this eastern façade of the building, which is not a highly visible side of the structure.

2.3 **FINDINGS REQUIRED FOR APPROVAL OF A DEVELOPMENT PLAN IN THE C-V ZONE DISTRICT PURSUANT TO SECTIONS 35-81.4.1 AND 35-81.4.2.**

In addition to the findings for Development Plans set forth in Sec. 35-174.7. (Development Plans), no Preliminary or Final Development Plan shall be approved for property zoned or to be rezoned to Resort/Visitor Serving Commercial unless the Planning Commission also makes the following findings:

- 2.3.1. *For development in rural areas as designated on the Coastal Land Use Plan Maps, the project will not result in a need for ancillary facilities on nearby land, i.e., residences, stores, etc.*

The project is not located in a rural area.

- 2.3.2. *For developments surrounded by areas zoned residential, the proposed use is compatible with the residential character of the area.*

The Biltmore and Coral Casino are long established and permitted uses within the neighborhood. The changes to the existing sites/permits would not substantially alter the existing level of development or activities on-site or within the surrounded residential area.

2.4. **ADDITIONAL FINDINGS REQUIRED FOR APPROVAL OF A DEVELOPMENT PLAN IN THE C-V ZONE DISTRICT PURSUANT TO SECTION 35-280.1**

- 2.4.1. *Improvements to resort visitor serving hotels have been designed to be consistent with the existing historic "Cottage Type Hotel" tradition from the early days of Montecito*

The proposed changes to the Coral Casino, in part a recreational component of the Biltmore, would provide repair and reconstruction to the aging historic facilities. The proposal would facilitate long-term preservation of this Historic Landmark from the "early days of Montecito."

- 2.4.2. *The facility is compatible in mass, bulk, scale, and design with the residential character of the surrounding neighborhoods.*

The surrounding neighborhood includes a variety of structures with regard to mass, bulk, scale and design. Besides the Biltmore and Coral Casino structures, residential development in the area varies, and includes multi-story, multi-unit condominiums, duplexes, smaller cottage type residences, as well as a number of large and visible estate residences. The appearance of the facility would not change substantially and would remain compatible with the residential character of the surrounding neighborhood.

2.5. **ADDITIONAL FINDINGS REQUIRED PURSUANT TO THE MON OVERLAY DISTRICT SECTIONS 35-215.1 AND 35-215.3.**

- 2.5.1. *In addition to the findings that are required for approval of a development project (as development is defined in the Santa Barbara County Coastal Plan), as identified in each section of Division 11 - Permit Procedures of Article II, a finding shall also be made that the project meets all the applicable development standards included in the Montecito Community Plan of the Coastal Land Use Plan.*

As discussed in the policy consistency section of the April 20 MPC staff report, section 6.2, the project would be consistent with all applicable development standards included in the Montecito Community Plan.

- 2.5.2. *For projects subject to discretionary review, a finding shall be made that the development will not adversely impact recreational facilities and uses.*

The project would remove existing concrete platforms located along the beach below the Coral Casino, thereby improving lateral access along the beach. The project would also provide a new accessible ramp to the beach and an offer to dedicate a public access easement will be given by the applicant.