

ATTACHMENT 3: EIR ADDENDUM

TO: Board of Supervisors

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DATE: June 28, 2023

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

CEQA DETERMINATION: Section 15164 of the State CEQA Guidelines applies to the Coral Casino Amendment Project, Case Nos. 22AMD-00000-00005 and 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, Case No. 04EIR-00000-00006¹, 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 The Revised Development Plan superseded all prior permits for the Biltmore Hotel and Coral Casino.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.

¹ A copy of the Final EIR, Case No. 04EIR-00000-00006, is in the custody of the Planning and Development Department located at 123 East Anapamu Street, Santa Barbara, CA, and is available online at the following link: <https://cosantabarbara.app.box.com/s/sysqt6rgubd7d371bk5mfueu6k3vez91>

Proposed Project

The 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, eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests, and eliminate the Coral Casino regular use allowance for registered overnight Biltmore Hotel guests. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide a revised Coral Casino site plan exhibit to Planning and Development for review and approval. The revised Coral Casino site plan exhibit shall depict the second floor restaurant area, including restrooms that serve the restaurant, as presented during the Montecito Planning Commission hearing of April 5, 2023. 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.

The Project 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.*

Changes in Project Impacts

The proposed Amendment (22AMD-00000-00005) to the Biltmore Hotel and Coral Casino 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 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, and the reasonably 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 restaurant². Under the proposed Amendment, 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

² 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).*

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 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.

Discretionary processing of the 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.