

January 7, 2009

Mr. Richard Coel
Community Development Department
Planning Division
255 N. Forbes St.
Lakeport, CA 95453

Re: Cristallago Draft Environmental Impact Report

Dear Mr. Coel:

Thank you for the opportunity to address areas of concern in the upcoming Cristallago Draft Environmental Impact Report. We have reviewed the DEIR, and have the following comments/questions.

General

The developers refer to facilities that are linked with (what we believe to be) the proposed Lyons Marina/Housing Development of 400 homes. In addition to senior-assisted living, the response to Policy 5.4.1.h on page IV.M-39 states, “the proposed project would include lakefront access ... available for use by residents.” This is in effect piece-mealing, and impacts from that project should be included as part of the draft EIR and potential cumulative affects.

Traffic:

The traffic report does not adequately address traffic issues. The report focuses on “turn-waiting-time” and not the effect that 11,872 trips per day will have on Lakeport and the surrounding area, nor the cumulative amount with other projects. As stated in Table IV.N-5 and N-3, 85% of current trips distributions are at SR29 North and South with a daily volume of 6,782 at these two locations. The Cristallago project alone - at 11,872 trips per day - would represent nearly 2.5 times an increase in traffic. Based on this:

- We do not feel that in-fill issues were adequately addressed. We would like to see the impact of the project on future traffic, including projects that have already been approved, potential in-fill development and the linked Marina project - this would include the Robin Hill subdivision plus the Sutter Lakeside 500+ parking facility/building expansion. This should focus on both the effect of the added trips to Lakeport and surrounding areas, and “turn waiting time” at the six locations.
- It does not appear that the 11,872 trips also include the projected 110 temporary construction employees and 560 permanent employees - we would like clarification on that, and if not, inclusion. This should also reflect traffic from increased seasonal employment - according to the economic analysis, Konocti Resort has a base employee count of 250 people that increases to 750 seasonally.
- Will the residences be allowed to have guest homes and/or granny units. If so, the potential added population needs to be included in the traffic studies.
- Lastly, we would like some type of traffic analysis/inclusion for ancillary services that would be utilized by 650 families living in \$600,000+ homes - housekeeping services, nannies,

cooks, ground maintenance, etc.

Parking:

- Page III-26 refers to remote parking. “Temporary remote parking (for events) would be utilized... the majority (80%) of parking for commercial uses would be provided at remote locations ... All staff parking will be remote.” Would like clarification of where the remote parking for 560 employees, added seasonal employees, commercial and overflow events would be located and how that would affect the traffic item above, and how it would interconnect with the proposed development. It was not apparent on the map.
- Page IV.N-16 refers to Lake County zoning ordinance standards for parking, which include “one space for every hotel room plus one recreational space for every four hotel rooms, plus two manager spaces.” According to Table IV.N-9, parking requirements for the 325 unit resort hotel portion would total 411. But, according to Table III-2, the 325 units will actually have 515 hotel rooms based on multi-bedrooms. We would like clarification on whether the parking requirements should actually be increased to 645.
- We would like clarification on whether the parking for each residence would be on each individual lot. If not, we would like to see where it will be located.

Aesthetics:

- The current general plan contains policies that will eventually limit impacts to scenic viewsheds caused by ridgeline and hilltop development and grading, and require these structures to be subject to design review. Additionally, the current general plan contains a policy that would locate trails along ridgelines. Highway 29 is currently Scenic Highway Eligible. According to Cristallago DEIR (Page IV.B-14), “Most of the ridges of the proposed site will be developed ... impacts ... noticeable and prominent in the scenic vista would be significant.” Mitigations referred to in the same paragraph are only ones that could be seen by gated community residents, and thus are not mitigations to the Lake County public. We would request the developers design the project so that hilltops and ridgelines are undisturbed.
- The project states houses shall be limited to two stories. Would the zoning allow a height allowance up to 36 feet?

Exclusivity:

Throughout the draft EIR, there are numerous references to amenities for the benefit of residents. It appears - but is not totally clear - that the Lake County public is excluded from access to many of the amenities that the project touts as being beneficial. If this is the case, then mitigations for the project that can be enjoyed only by gated community residents and visitors - particularly open space, lakefront access, marina, trails, parks, etc. - are not adequate. We would like clarification on exactly which amenities would be available to the general Lake County public.

Water Usage:

The study appears to be based on traditional water usage by Lakeport area residents at .43 acre feet per year per family. Is this figure adequate for a development of larger, very expensive homes, or should the California average of .5 acres + be utilized in the analysis.

Economic Impacts:

While the EIR does not specifically look at economic impacts, since this is included as backup in Appendix H, we feel it must be addressed.

- Most of the economic analysis benefits touted are based on full-buildout at year 2030 and then compared to economic factors of 2006 - this is misleading. For instance, according to the buildout schedule listed in the Appendices, by 2010 only 5% (15) of the resort units will be built, and by 2015, only 28% (93) of the resort units. Thus there will be minimal economic impacts from the resort portion for a number of years.
- Projected spending figures are based on 5% housing vacancy rate, while the Lake County average has been 27%. It is assumed with the current market depression, that this amount will increase due to foreclosures.
- Projected annual household incomes for the 650 residential units is \$150 to \$200K, with purchase prices on the homes at \$650K to \$800K. We question the economic soundness of the project. What assurances does Lake County have that the project will be implemented as a unified development - as presented - and not become a paper subdivision or sold off to others. Additionally, the fact there are no pending agreements/contracts with resort operators is troublesome.
- The economic analysis is based on three reports dated 2005-2006 prepared by Economics Research Associates and The Gregory Group (Appx. H, page 1). Footnote 1 questions some of the premises. Since the project scope and the housing/economic market have changed significantly in the last few years, we would like these reports included in the EIR.
- We would like to see a marketing analysis on the feasibility of a resort this size and type, particularly since the report prepared by the Gregory Group recommended a smaller resort size, and included the Marina site as integral to the project.
- We would like to point out that the vast majority of generated jobs are based on the resort portion, which will not occur for a number of years - and at that, they are on the lower end of the pay scale at \$25K per year. According to the Hausrauth Economic Analysis in Appx. H, the projected 110 temporary constructions jobs per year would "benefit the labor market in greater Lake, Mendocino, Sonoma, Napa and Yolo Counties."

We look forward to reviewing the responses to these questions in the next iteration of the Cristallago Environmental Impact Report.

Sincerely,

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