



**COUNTY OF SAN LUIS OBISPO  
DEPARTMENT OF PLANNING AND BUILDING  
STAFF REPORT**

**PLANNING COMMISSION**

*Promoting the wise use of land  
Helping build great communities*

<b>MEETING DATE</b> February 5, 2015	<b>CONTACT/PHONE</b> Holly Phipps / 781-1162 / hhipps@co.slo.ca.us	<b>APPLICANT</b> Halter Properties, LLC	<b>FILE NO.</b> DRC2010-00005
<b>SUBJECT</b> A request by Halter Properties, LLC for a Conditional Use Permit (CUP) to amend the existing winery operations/uses within existing structures to allow: <ul style="list-style-type: none"> <li>a) An increase to their existing special event program to allow 25 events with up to 200 people per year;</li> <li>b) A second tasting room (280 sf),</li> <li>c) A permanent farm stand (640 sf),</li> <li>d) A commercial and agricultural processing kitchen,</li> <li>e) Additional restrooms,</li> <li>f) A changing room and a bridal changing room.</li> </ul> All proposed uses would be located within the existing structures on-site. The proposed project may result in 0.25 acres of site disturbance on a 952 acre site to allow for leach field expansion if needed. A modification request is provided for the limitation of use standards in the ordinance to allow a second tasting room, the sale of prepackaged foods and increase the limits regarding floor space allowed for retail sales. The proposed project is within the Agriculture land use category and is located on the north side of Adelaida Road (at 8910 Adelaida Road), approximately 8 miles west of the city of Paso of Robles. The site is in the North County Planning Area, Adelaida sub area.			
<b>RECOMMENDED ACTION</b> Approve Conditional Use Permit DRC2013-00051 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
<b>ENVIRONMENTAL DETERMINATION</b> The Environmental Coordinator, after completion of the initial study, finds that there is no substantial evidence that the project may have a significant effect on the environment, and the preparation of an Environmental Impact Report is not necessary. Therefore, a Negative Declaration (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) has been issued on December 18, 2014 for this project. Mitigation measures are proposed to address aesthetics, cultural, hazards/hazardous materials, public services/utilities, transportation/circulation, and land use and are included as conditions of approval.			
<b>LAND USE CATEGORY</b> Agriculture	<b>COMBINING DESIGNATION</b> Historic (on the MacGillivray House only)	<b>ASSESSOR PARCEL NUMBER</b> 014-331-006, 032, 062, 063 and 014-331-047, 048, 049	<b>SUPERVISOR DISTRICT(S)</b> 1
<b>PLANNING AREA STANDARDS:</b> None applicable			
<b>SURROUNDING LAND USE CATEGORIES AND USES:</b> North: Agriculture; vineyards, grazing      East: Agriculture; dry farm South: Agriculture; grazing, vineyards, residential dwelling West: Agriculture; walnut trees, vines, grazing, residential dwelling			
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242			

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Environmental Health, Ag Commissioner, CAL FIRE, Air Pollution Control District (APCD), Regional Water Quality Control Board (RWQCB), and the City of Paso Robles.	
TOPOGRAPHY: Nearly level to steeply sloping	VEGETATION: Grasses, oak woodland, riparian, 280 acres of vineyards
PROPOSED SERVICES: Water supply: On-site wells Sewage Disposal: Individual septic systems Fire Protection: CAL FIRE	ACCEPTANCE DATE: March 14, 2014

**PROJECT DESCRIPTION**

A request by Halter Properties, LLC to allow a modification of the project’s previously approved Conditional Use Permit to allow the following:

- An increase to their existing special event program,
- A second tasting room wine club member use (280 sf),
- A permanent farm stand (640 sf),
- A commercial and agricultural processing kitchen,
- Additional restrooms,
- A changing room and a bridal changing room,

All proposed uses would be located within the existing structures on-site.

Proposed Special Event Program: The applicant is requesting a modification to their existing special event program that allowed 6 special events per year with up to 80 people. The applicant is now requesting to have a maximum of 25 special events in any calendar year to include the following:

- 25 special events with up to 200 people;
- Events to last no more than one day each;
- Events to occur between 11:00 am to 10:00 pm;
- No more than one event per day;
- Outdoor amplified music would not be allowed after 5 pm.

Existing Structures to be Utilized:

- Barn 1 historically called the Monitor barn (5,372 sf) – to hold winery events;
- Barn 2 historically called the Grain & Silo barn (2,519 sf) – to hold winery events;
- Wine Press Building (480 sf) to be converted into a commercial and agricultural processing kitchen;
- Existing tasting room (920 sf) to be used as farm stand and a tasting room for wine club members;
- Existing (3) silos to be used as a restroom (249 sf), a changing room (190 sf), and a bridal changing room (562 sf).

## ORDINANCE MODIFICATIONS

The project request includes several modifications to limitations on use and site design standards including:

1. Tasting Room. The applicant is requesting a modification to the ordinance to allow two tasting rooms (a 280 sf tasting room for wine club members only (for wine club pickup and tasting) and 6,500 sf public tasting room of interior space and 1,000 sf exterior area that was previously approved). Land Use Ordinance, Section 22.30.070.D.2.h states that one tasting room is allowed for each winery.

Section 22.30.020.d of the Land Use Ordinance allows for modifications to the special use standards set forth in Article 4 of Title 22. This provision allows a standard to be waived if it can be proven to be unnecessary or ineffective and the project meets all other development standards contained in the Land Use Ordinance.

2. Farm Stand-Ag Retail sales. Farm stands allowed under Section 22.30.075 of the Land Use Ordinance are defined as a structure or portion thereof, where at least 50 percent of the floor area of the stand is dedicated to selling fruits, vegetables, flowers, shell eggs, nuts, raw fiber, honey that is grown on-site or produced by the operator and the stand is located on the site where the produce offered for sale are grown or produced or the sale of prepackaged non-potentially hazardous food, including olive oil, from a state approved source grown or produced on-site. The remaining 50 percent of the floor area of the stand may be used for the selling of fruits, vegetables, flowers, shell eggs, nuts, raw fiber, honey that is grown off site.

The sale of prepackaged non-potentially hazardous food from a state approved source not grown or produced on-site and other non-food ancillary items is limited to 50 square feet (sf) of storage and sales area and may include bottled water and soft drinks. Food preparation is prohibited except for food sampling or tasting.

The applicant is requesting a modification to provide 640 sf of area devoted to pre-packaged food not grown or produced on-site.

Section 22.30.075.B.1. states that the floor area shall be limited to 500 sf unless authorized by Minor Use Permit approval. A Conditional Use Permit may be used to modify limitation on use and site design standards.

3. The applicant is requesting a modification to eliminate the requirement that at least 50 percent of the floor area be dedicated to selling produce grown on-site and 50 percent produce grown off-site (Section 22.30.075.2).

Section 22.30.075.E. states a Conditional Use Permit may be used to modify limitation on use and site design standards.

4. The applicant is requesting that the entire farm stand area be dedicated to pre-packaged food not grown on-site rather than 50 sf.

Section 22.30.075.A.2 states that only 50 sf may be devoted to storage and sales of pre-packaged food non-potentially hazardous food from a state approved source not grown or produced on-site and other non-food ancillary items

Section 22.30.075.E. states a Conditional Use Permit may be used to modify limitation on use and site design standards.

**PROJECT HISTORY:**

- 2002 – Minor Use Permit (D010225P) authorized a winery (3,000 sf) and tasting room;
- 2004 – Minor Use Permit authorized (DRC2003-00102) authorized the conversion of a 560 sf storage building to a tasting room, and a 500 sf addition, for a total of 1,060 sf of tasting room area;
- 2007 – Conditional Use Permit authorized 6 special events per year with up to 80 people (DRC2005-00234) and the following phased construction:
  - Phase I** – (completed in July 2011)
    - 35,680 sf winery
    - 14,500 sf of wine caves
    - 3,000 sf conversion of existing winery to storage
  - Phase II** – (vested and is scheduled for completion by 2016)
    - 7,500 sf tasting room located near the new winery building (Phase I)
  - Phase III** – (vested; 3,940 square footage of caves may be built at a later date with submittal of a building permit).
    - 9,700 sf of caves;
- 2010 – Conditional Use Permit (DRC2010-00005) authorized an 805 square-foot addition to an approved wine tasting room; and the continuation of the existing winery, tasting room and 6 special events with no more than 80 attendees is allowed as previously authorized under D010225P, DRC2003-00102 and the construction of a three-phased winery project (authorized under DRC2005-00234);
- 2013 – As of December 2013, Halter Ranch had the following buildings are built and operating:
  - Conversion of original winery to case good storage – 3,000 sf with 1,900 sf covered receiving area;
  - Original / existing tasting room – 920 sf;
  - New wine processing facility (41,622 sf) and storage facility (20,260 sf of wine caves).

**ORDINANCE COMPLIANCE**

The project is subject to Land Use Ordinance section 22.30.070D(2), section 22.30.610, section 22.18, and section 22.30.075 wineries. These sections set forth standards for development including but not limited to access, setbacks, parking, design, screening, height, lighting, special events, tasting rooms, retail sales, and location.

As conditioned, the project complies with the requirements of the Land Use Ordinance as follows:

<b>Agricultural Retail Sales / Farm Stands</b> (Section 22.30.075)			
<b>Standard</b>	<b>Allowed/Required</b>	<b>Proposed (or existing)</b>	<b>Compliance</b>
<b>Agricultural Retail Sales</b>	Sales area limitation shall be limited to a 500 sf; unless authorized by Minor Use Permit	640 sf of sales area;	Yes, modification requested
<b>Setbacks</b>	<ul style="list-style-type: none"> <li>• 50 feet from front setback</li> <li>• 30 feet from side setback</li> <li>• 30 feet from rear setback</li> <li>• no closer than 400 feet to any residence outside of the ownership of the applicant; unless authorized by Minor Use Permit</li> </ul>	<ul style="list-style-type: none"> <li>• &gt; 50 feet</li> <li>• &gt; 30 feet</li> <li>• &gt; 30 feet</li> <li>• &gt; 400 feet</li> </ul>	Yes
<b>Parking</b>	1 per 280 sf of structure or outdoor display area; (640 / 280 = 2.39)	Ample parking exists	Yes
<b>Location</b>	Access driveway shall be located within 1 mile of an arterial or collector if in a Residential land use category	<ul style="list-style-type: none"> <li>• NA, project is located within the Agricultural land use category</li> </ul>	Yes

**PROJECT ANALYSIS**

**Agricultural Retail Sales** (Section 22.30.075). Farm Stand-Ag Retail sales. Farm stands allowed under Section 22.30.075 of the Land Use Ordinance are defined as a structure or portion thereof, where at least 50 percent of the floor area of the stand is dedicated to selling fruits, vegetables, flowers, shell eggs, nuts, raw fiber, honey that is grown on-site or produced by the operator and the stand is located on the site where the produce offered for sale are grown or produced or the sale of prepackaged non-potentially hazardous food, including olive oil, from a state approved source grown or produced on-site. The remaining 50 percent of the floor area of the stand may be used for the selling of fruits, vegetables, flowers, shell eggs, nuts, raw fiber, honey that is grown off site.

The sale of prepackaged non-potentially hazardous food from a state approved source not grown or produced on-site and other non-food ancillary items is limited to 50 square feet (sf) of storage and sales area and may include bottled water and soft drinks. Food preparation is prohibited except for food sampling or tasting.

The applicant request includes ability to provide up to 640 sf of area devoted to pre-package food not grown on-site. The applicant has stated that the modification will allow the farm stand to be operational with products on the shelves year round, as well as provide a retail to market local agricultural and food producers. The farm stand will be in a location where wine tasters or other visitors can purchase fresh seasonal fruit and vegetables, locally made bread, cheeses, meats, etc.

### **Williamson Act**

The original project description included expanding the hospitality services to include a special events program for 25 events with up to 200 attendees, a second tasting room for wine club members only, a commercial kitchen, a farm stand, a *museum*, and restrooms. All of the proposed uses are to be located with existing accessory storage structures, tasting room, and parking areas.

The project is currently under a Williamson Act (land conservation) contract. The Williamson Act as amended by AB1492 requires that any development on property subject to a land conservation contract must be incidental to the primary use of the land for agricultural purposes and in compliance with local uniform rules or ordinances. A use is incidental when it is required for or is part of the agricultural use and is valued in line with the expected return of the agriculture on the parcel. A museum is not an allowed use for land subject to land conservation contracts and the project description was revised to delete the proposed museum.

Agricultural processing (including wineries, wine tasting facilities, and roadside stands), as well as special events, are allowed as “agricultural and compatible uses” by Table 2 of The San Luis Obispo County Rules of Procedure to Implement the Land Conservation Act of 1965. Terry Wahler (our county’s Williamson Act specialist) reviewed the proposed project and did not find any compliance concerns with the proposed project in relation to the Williamson Act or the county Rules of Procedure. In addition, the land owner will be maintaining substantial acreage in irrigated vineyards, consistent with the intent of the Williamson Act and the land conservation contract.

### **Response from Agricultural Department**

A referral was sent to the San Luis Obispo County Department of Agriculture (June 6, 2014, Lynda L. Auchinachie). The resulting comments stated that with the exception of the museum and convenience store (920 sf) the proposed uses appear consistent with Agriculture Element AGP 6 as they are beneficial to the local agricultural industry, the visitor serving uses are clearly secondary to the approved 60,000 sf winery production facility, the proposed uses are located within existing structures, and are compatible with future agricultural activities. The proposed uses would be located with existing structures and parking areas minimizing impacts to agricultural resources.

#### *Staff Comments:*

*The tasting room currently in use on-site is the 920 sf. The applicant is requesting to convert part of the tasting room into a 640 sf farm stand area with the remaining 280 sf to be used for a second tasting room.*

*The proposed 640 sf farm stand and second tasting room is incidental to the primary use of the land, these uses will be located within an existing structure, is an allowed use within the Agriculture land use category, and a Conditional Use Permit may be used to modify the limitation on size.*

**Tasting Room and Retail Sales** (Section 22.30.030 and Section 22.30.075) Tastings rooms and retail sales shall be clearly incidental, related and subordinated to the primary operation of wine production facility. Only one tasting room allowed for each winery. Section 22.30.020.d of the Land Use Ordinance allows for modifications to the special use standards set forth in Article 4 of Title 22 as stated above.

#### *Staff Comments:*

The applicant is requesting to have two tasting rooms. The applicant is requesting with this Conditional Use Permit to convert part of the existing 920 sf tasting room into a smaller 280 sf “second” tasting room with the remainder becoming a 640 sf farm stand.

The second 280 sf tasting room would be for wine club members only with the intention to provide a private space for wine shipment pick up and private tasting. The 7,500 sf tasting room will be the main public tasting room (currently under construction) and would be the only one open to the public.

<b>Winery / Tasting room and Special Events</b> (Section 22.30.070 and Section 22.30.610)			
<u>Standard</u>	<u>Required</u>	<u>Proposed</u>	<u>In Compliance</u>
Use Permit Required	CUP required for 6 or more events and where more than 80 individuals may attend	25 Special Events with up to 200 individuals	Yes, CUP submitted
Minimum Site Area	20 acres for wineries with special events	The subject property is approximately 952 acres	Yes
Access location	Wineries with tasting room, retail sales, special events located on or within 1 mile of arterial or collector	Winery is located on Adelaida Rd. a collector road.	Yes
Setbacks from property lines:	200 feet for Tasting Room	<b>Tasting Room 1 (280 sf):</b> Front: 202 feet Sides and Rear: >200 feet <b>Tasting Room 2 (7,500 sf)</b> All setbacks >1,000 ft	Yes
Setbacks from property lines:	100 feet required for wine processing buildings		
Setbacks from residences outside of the ownership of the applicant	200 feet for wine processing buildings  400 feet for tasting room	>200 feet  >400 feet for both tasting rooms	Yes
Height	35 feet	15 feet (280 sf Tasting Rm) and 35 feet (other winery buildings)	Yes
Screening	If visible from the public road wineries shall be screened.	Required by ordinance, applicant has submitted a landscape plan.	Yes
Lighting	Lighting fixtures are required to be shielded	Project has previously conditioned to meet this requirement	Yes
Solid waste disposal	Pomace may be used as fertilizer or soil amendment	Pomace will be used and composted on site; project conditioned to meet this requirement	Yes

<u>Standard</u>	<u>Required</u>	<u>Proposed</u>	<u>In Compliance</u>
Design Exterior	Wineries shall have an exterior design styles that is agricultural or residential in nature.	The proposed building has an agricultural design style.	Yes
Signs	Maximum of 100 sq ft of signage; one free standing or monument	Applicant is not proposing to go beyond what is allowed per LUO	Yes
Tasting room	One tasting room allowed for each winery	Two tasting rooms requested: 280 sf wine club - members only; 7,500 sf tasting room	Yes, modification requested, CUP submitted
Parking (Section 22.18)	1 per 200 sf of tasting room $280 / 200 = 1.4$ 1 per 250 sf of Ag retail sales $640 / 250 = 2.56$	No additional parking spaces required with the change of use	Yes
Design and Operation Standards / Special Event Parking (Section 22.30.610.D and E)	400 sf per vehicle; Located on open areas with slopes of 10 % or less, free of combustible material; 200 person event would require 32,000 sf	Ample space exists on-site and around winery buildings, and parking lots	Yes
Design and Operation Standards / Access (Section 22.30.610.D.1-4 and E)	Temporary Events shall be provided 2 access points;	The winery has an existing primary access and secondary access.	Yes
Liquid waste disposal (Section 22.30.070)	Winery wastewater - standards set through RWQCB	Currently has discharge permit from RWQCB	Yes
Limitation on Use / Noise (Section 22.30.070)	<ul style="list-style-type: none"> <li>Special events limited to 40 days per year;</li> <li>Outdoor amplified music shall not occur before 10 a.m. and after 5 p.m.;</li> <li>Standard may be waived where finding can be made that the noise will not exceed 65dB at property lines</li> </ul>	<ul style="list-style-type: none"> <li>25 special events per year proposed</li> <li>Applicant is not proposing any outdoor amplified music before 10 a.m. or after 5 p.m.</li> <li>Applicant not requesting standard to be waived</li> </ul>	Yes

### **PLANNING AREA STANDARDS**

The area plan standards requires that existing rock walls along Adelaida Road shall be preserved in the design and construction of road improvements. No rock walls are proposed for removal as a result of this permit.

### **ENVIRONMENTAL REVIEW**

The proposed project may result in 0.25 acres of site disturbance on the 952 acre site for a new leach field if required. The possibility remains that subsurface historic features or deposits may be present within the footprint of this portion of the proposed project. Prior to any earthmoving activities in this area a monitoring plan should be developed by a professionally qualified archaeologist and submitted for approval.

Previous modifications to the existing structures stabilized the buildings and used existing materials when they could. The proposed project would respect the existing layout of the building locations (no buildings will need to be moved).

Barn 1, Barn 2, Silos, Wine Press Building, and existing tasting room will require minor modifications to allow for the change of use. CAL FIRE reviewed the proposed project and will require minor modifications to allow the installation of a commercial fire sprinkler system for Barn 1, Barn 2, and the Wine Press building. No impacts to historic structures are proposed.

It is recommended that all earthmoving activity be monitored by a professionally qualified prehistoric archaeologist. A Native American monitor is also recommended should earthmoving activities occur. Prior to any earthmoving activities in this area a monitoring plan should be developed by a professionally qualified archaeologist and submitted for approval.

The implementation of the above summarized measures will avoid and mitigate cultural resource impacts to less than significant levels.

### **COMMUNITY ADVISORY GROUP COMMENTS**

None applicable.

### **AGENCY REVIEW**

Public Works - Project part of a cumulative impact at the intersection of Adelaida Road and Nacimiento Lake Drive; apply standards for driveway approach, fair share contribution is \$2,051.00 per peak hour (Friday afternoon) trip;

CAL FIRE – Fire safety letter provided dated May 27, 2014;

Environmental Health – An annual permit may be required for the water supply at this facility;

Ag Commissioner- No impacts to agriculture identified, concerned with size of farm stand;

APCD – A revised operational permit required; asbestos permit may be required;

RWQCB – No comments received

### **LEGAL LOT STATUS**

The lot was legally created by a recorded map at a time when that was a legal method of creating lots.

### **ATTACHMENTS:**

Exhibit A – Findings

Exhibit B – Conditions of Approval

Staff Report prepared by Holly Phipps and reviewed by Bill Robeson.