



Promoting the wise use of land  
Helping build great communities

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

**PLANNING COMMISSION**

MEETING DATE March 26, 2015	CONTACT/PHONE Megan Martin mamartin@co.slo.ca.us (805)781-4163	APPLICANT Villa San-Juliette Holdings, LLC	FILE NO. DRC2013-00097
SUBJECT Request by Villa San Juliette Holdings, LLC for a Conditional Use Permit to allow the phased expansion of a previously approved winery and tasting room, a six (6) room bed and breakfast and a limited food service facility (restaurant). The applicant is also requesting to expand the existing events program to allow 20 special events with up to 200 guests and 3 special events with up to 500 guests. At build out the winery facility would total approximately 23,000 square feet (sf). Wine production is estimated at 80,000 cases per year. The project will result in the disturbance of approximately 0.68 acres on a 169-acre parcel. The applicant is requesting modifications to ordinance standards to allow: adjustments to the required setbacks to allow a 100 foot side setback from the easterly property boundary, outdoor amplified music to play beyond 5 p.m. during special events, and to increase the allowable square footage of a proposed restaurant from 800 sf to 1,200 sf. The proposed project is within the Agriculture land use category and is located at 6385 Cross Canyon Road, approximately 3.14 miles east of the community of San Miguel. The site is in the El Pomar/Estrella Sub Area of the North County Planning Area.			
RECOMMENDED ACTION 1. Adopt the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq. 2. Approve Conditional Use Permit DRC2013-00097 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
ENVIRONMENTAL DETERMINATION 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 February 11, 2015 for this project. Mitigation measures are proposed to address air quality, biological, geology and soils, hazards/hazardous materials, noise, public services/utilities, transportation/circulation, water and land use and are included as conditions of approval.			
LAND USE CATEGORY Agriculture	COMBINING DESIGNATION None	ASSESSOR PARCEL NUMBER 019-051-041	SUPERVISOR DISTRICT(S) 1
PLANNING AREA STANDARDS: Areawide - Paso Robles Groundwater Basin			
SURROUNDING LAND USE CATEGORIES AND USES: North: Agriculture; vineyards, residential      East: Agriculture; residential South: Agriculture; vineyards      West: Agriculture; vineyards, residential			
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, Agricultural Commissioner, Building Division, CAL FIRE, San Miguel CSD (Water/Sewer), San Miguel Fire, Regional Water Quality Control Board, California Fish and Wildlife, and San Miguel Advisory Council	
TOPOGRAPHY: Relatively level to gently sloping	VEGETATION: Vineyards, ornamental landscaping
PROPOSED SERVICES: Water supply: On-site wells Sewage Disposal: Individual septic systems Fire Protection: CAL FIRE	ACCEPTANCE DATE: August 21, 2014

## PROJECT HISTORY

The Villa San Juliette Winery is currently operating under a Minor Use Permit (DRC2007-00076) which approved the conversion of two agricultural accessory buildings of 2,933 and 2,939 square feet each into a winery for the production of up to 25,000 cases of wine annually. It also included the conversion of 934 square feet within an existing 11,246 square foot residence into a tasting room. The Minor Use Permit also approved six (6) special events with up to 80 persons per event, in addition to participation in periodic wine industry-wide events.

## PROJECT DESCRIPTION

The proposed project is a request for a Conditional Use Permit to allow the phased expansion of the existing winery and tasting room, to allow a six (6) room bed and breakfast, a limited food service facility (restaurant), and the expansion of their special events. At build out the winery facility would total approximately 23,000 square feet with wine production estimated at 80,000 cases per year.

The project (all phases) will occur in areas already disturbed and developed with the previous approval of Minor Use Permit DRC2007-0076. Improvements for the bed and breakfast and restaurant will occur within the existing footprint of the residential building. Special events will continue to occur on the existing turf just south of the residential building. Expansion of the wine processing facility will result in the disturbance of approximately 30,000 square feet. Total site disturbance for the project (all phases) will result in the disturbance of approximately 30,000 square feet.

The expansion will include the following:

- Phase One:
  - Conversion of an existing residence (lower level) to a bed and breakfast inn which will include 6 bedrooms and 4 bathrooms. The upper level will remain private residential use only.
  - Conversion of the existing tasting room (400 square feet), kitchen (437 square feet), and outdoor covered veranda area (360 square feet) to allow a 1,200 square feet limited food facility (restaurant).

- Phase Two: Addition of 13,930 square feet indoor winery space to include:
  - 4,650 square foot barrel storage room;
  - 6,580 square foot fermentation room;
  - 2,700 square feet of administration offices.

Addition of 5,090 square feet outdoor winery space to include:

- 4,060 square foot outdoor crush pad;
  - 1,030 square foot porch (attached to the administrative offices).
- Phase Three. Relocate and convert a 3,000 square foot agriculture equipment building (Building D) to case goods storage.

The applicant is requesting to expand the existing events program to allow for 20 special events for up to 200 attendees and three (3) special events for up to 500 attendees and a request for a modification of the limitation on use standard (Section 22.30.070(D)(3)) to allow outdoor amplified music associated with special events beyond 5 p.m. to no later than 10 p.m.

The applicant is also requesting a modification of the ordinance standard limiting a restaurant to 800 square feet to allow a maximum of 1,200 square feet (which includes the kitchen and seating area).

The proposed winery processing expansion structure would be located 100 feet from the easterly property boundary; as such, the applicant is requesting a modification from the side setback requirement.

## PROJECT ANALYSIS

### *Ordinance Compliance:*

The project is subject to Land Use Ordinance section 22.30.260 Bed and Breakfast Facilities, Section 22.30.570 Restaurants in Non-Commercial Categories, and Section 22.30.070 Agricultural Processing/Wineries. As discussed below, 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.

Bed and Breakfast (22.30.260). Bed and breakfast facilities (B&B) when located in the Agriculture Land Use category with an existing conforming visitor-serving facility (e.g. winery), may be established in one structure, with an exterior design style that is residential or agricultural in appearance, built expressly for a B&B. The B&B is limited to 8 guestrooms and a family does not need to be in permanent residence. The B&B shall be located within 100 feet of the on-site winery, 200 feet from each property line and no closer than 400 feet to any existing residence outside the ownership of the applicant. The site of a B&B shall be located within 5 miles from an urban or village reserve line, on or within one mile of an arterial or collector. The inn must be clearly incidental, related, and subordinate to the primary operation of the winery as a production facility. A Conditional Use Permit approval is required for a B&B in the Agriculture Land Use Category.

*Staff Response: The site has an existing approximately 12,000 square foot two-story structure which includes two private residences and a 1,521 sq ft wine tasting room. The project requests the conversion of the lower floor of both residences to a B&B which will include 6 bedrooms and 4 bathrooms. The upper level will remain for private residential use only. The bed and breakfast meets the required setbacks and location requirements (see Table below).*

Restaurants in Non Commercial Categories (22.30.570). A “limited food service facility” is allowed in the Agriculture land use category provided there is an existing conforming visitor-serving use (e.g. winery) and the food facility is incidental to the primary visitor-serving operation. The limited food service facility may not exceed 800 square feet including the kitchen, dining area and any outside dining area. The hours of operation of the restaurant shall be restricted to the hours the wine tasting facility is open to the public.

*Staff Response: The applicant is requesting a 1,200 square foot limited food facility (restaurant) within the existing tasting room (400 square feet), kitchen (437 square feet), and outdoor covered veranda area (360 square feet.) The applicant is requesting a modification of the ordinance standard limiting a restaurant to 800 square feet to allow a total of 1200 square feet. A Conditional Use Permit approval is required for a restaurant when the subject property is located within the Agriculture land use category.*

*There is sufficient information for the review authority to approve the request to modify the ordinance standard limiting the food facility to 800 square feet to allow a 1,200 square foot restaurant because the proposed restaurant is incidental to the primary use on site which is the processing of wine and will be incidental to the primary visitor-serving operation. The kitchen, tasting room, and outdoor covered veranda area are currently existing and in use on site during regular business hours. It is anticipated that the restaurant patrons will also visit the tasting room during those hours.*

Ag Processing/Winery (22.30.070). The project is subject to Land Use Ordinance Section 22.30.070.D.(2), wineries. Section 22.30.070 sets forth standards for winery development including but not limited to access, setbacks, parking, design, screening, height, lighting, tasting rooms and special events. Conditional Use Permit approval is required for six or more special events or where there is the possibility that more than 80 individuals may attend.

Winery - setbacks. Where a winery has public tours, tasting, retail sales, or special events, the setback shall be increased from 100 to 200 feet from each property line and no closer than 400 feet to any existing residence outside the ownership of the applicant. These setbacks can be modified only after the Review Authority first determines that the request satisfies any of the following findings: (1) there is no feasible way to meet the required setbacks without creating environmental impacts or impacting prime agricultural land (SCS Class I, II and III); (2) the property fronts an arterial or collector street; (3) the setbacks are not practical or feasible due to existing topographic conditions or existing on-site vegetation or (4) is a legally constructed existing structure that was built prior to 1980 and it can be clearly demonstrated that the structure was intended for a legitimate agricultural or residential use.

*Staff Response: The existing winery processing structures and areas are currently located on the eastern portion of the parcel within the required setback. The applicant is requesting to expand its winery processing facility in this same location because it is located adjacent to the existing winery development where improvements (e.g. access and utilities) currently exist and because if an alternative location was chosen it could potentially cause environmental impacts including the loss of agricultural resources. Furthermore, the property fronts Cross Canyons Road (a collector road). There is sufficient information for the decision makers to make the required findings to allow for the modification to the setback requirement. All other structures on the property are consistent with county ordinance requirements.*

Special Events – Amplified music. The applicant is requesting to expand the existing events program to allow for 20 special events with up to 200 attendees and three (3) events with up to 500 attendees. The Ordinance states that outdoor amplified music shall not occur before 10 a.m. and after 5 p.m. This standard may be waived where a finding can be made that the noise will not exceed 65dB at property lines. The applicant is requesting outdoor amplified music

associated with special events beyond 5 p.m. The project as conditioned will allow outdoor amplified music beyond 5 p.m. to no later than 10 p.m.

*Staff Response: The standard in Land Use Ordinance Section 22.30.070(D)(2)(i)(3) applies to outdoor amplified music for winery special events only. It does not apply to other noise generated by a winery, which would be subject to the regular noise standards in Land Use Ordinance Section 22.10.120.*

*Section 22.30.070(D)(2)(i)(3) allows a maximum sound level of 65 dB for outdoor amplified music for winery special events, such music is only allowed between the hours of 10 a.m. and 5 p.m. unless otherwise waived or modified where the finding can be made by the Review Authority that the noise at the property line will not exceed 65 dB. This waiver would allow outdoor amplified music played at special events to be expanded to those hours before 10 a.m. or after 5 p.m.; where the finding can be made, based on a noise study, that the maximum sound level does not exceed 65 dB at the property line.*

*An acoustical analysis was performed by David Dubbink Associates. The acoustical analysis concluded that outdoor amplified music during special events will not exceed the county required threshold of 65 dB at adjacent property lines if recommended conditions are followed:*

- Outdoor amplified music will not exceed Lmax levels of 95 decibels, measured fifty feet from the source. This condition should be made part of any rental agreement for groups making use of the event site. An on-site manager shall be present during events and have a basic sound level meter to verify conformance with standards and to correct problem situations.*
- When events are held at the barrel room the events should take place within the structure and doors and other openings facing in the direction of the eastern property line should remain closed.*
- The projects neighbors shall be provided with a phone number for reporting problems to winery management and there shall be a reporting procedure to record complaints and actions taken to correct them.*

*The above recommendations from the acoustical analysis have been included as conditions of approval.*

*In a letter received March 18, 2014, it was brought to staff's attention that the events held at Villa San Juliette "have not been controlled" and "have gone on late into the night, been loud, and disruptive." Other complaints have been received related to noise and have been forwarded to Planning and Building Staff as well as code enforcement. Further investigation (COD2014-00190) indicated the activities in question may not have been an industry-wide or special event; in other words, they were not a part of the special events program approved with the Minor Use Permit DRC2007-00076. At this time, there is no open code enforcement case related to industry or special events at Villa San Juliette.*

*In a quiet and rural setting, the addition of special events may conflict with sensitive noise receptors (e.g. residences). The nearest off-site residences are approximately 1,161 feet upslope to the east and 1,953 feet to the north (refer to Attachment 3 Graphics). Allowing the modification to the winery noise ordinance to allow outdoor amplified music after 5 p.m. may be incompatible with the surrounding environment and uses; however, it has been demonstrated that outdoor amplified music would not exceed the county thresholds (65dB at the property lines). The project includes conditions recommended by the acoustic analysis listed above; therefore, sufficient information to allow amplified music beyond 5 p.m. to no later than 10 p.m. is justified.*

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

<b>Standard</b>	<b>Required</b>	<b>Proposed</b>	<b>In Compliance</b>
Use Permit Required	CUP required for 6 or more special events  CUP required for B & B (Ag) CUP required for Limited Food Service facility	20 Special Events with 200 attendees, 3 events with 500 attendees  6 Unit B&B 1,200 sf restaurant	Yes
Minimum Site Area	20 acres for wineries with special events  1 acre of B&B	Site is 169 acres	Yes
Access location	Wineries with tasting room, retail sales, special events - on or within 1 mile of arterial or collector  Limited food service facility and B&B - on or within 1 mile of arterial or collector or 5 miles from an urban area	Cross Canyons is collector road.  Site is with 5 miles of City of Paso Robles	Yes  Yes
Winery Setbacks from property lines:	Wine Processing Building – 200 feet	Front, Rear & West Side: >200 feet  *East Side – 100 feet	Yes, modification requested east setback
B&B Setbacks from property lines	200 feet	>200 feet	Yes
Setbacks from residences outside of the ownership of the applicant	Winery w/tasting and B&B - 400 feet	>400 feet	Yes
Height	35 feet	35 feet	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	None proposed	Yes, as conditioned
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

Design Exterior	Wineries shall have an exterior design styles that is agricultural or residential in nature.	The proposed building has a residential design style.	Yes
Signs	Maximum of 100 sf of signage; one free standing or monument	Applicant is not proposing to go beyond what is allowed per LUO	Yes
Parking	Winery: 1 per 2,000 sf of active use	$9,280/2,000 = 4.64$	Yes
	1 per 5,000 sf of passive use	$7,650/5000 = 1.53$	
	1 per 200 sf of tasting room	$1,521/200 = 7.60$	
	1 per 2,000 sf of active use (service area)	$948/2,000 = 0.47$	
	Winery total = 15		
Special Events: 400 sf per vehicle; open areas with slopes of 10 % or less; 500 person event would require 80,000 sf	Applicant proposing 80,000 sf		Yes
Limited Food Service : 1 per 100 sf of Kitchen	$437/100 = 4.31$		Yes
1 per 60 sf Customer area sales (dining)	$760/60 = 12.66$	Restaurant total = 17	
Bed & Breakfast Facility: 1 per unit	$6/1 = 6$		Yes
Residences: 2 per house	$2+2 = 4$		Yes
<u>Total Spaces Required = 42</u>	<u>Total Spaces Provided = 45</u>		
Secondary Access	Special Events shall be provided 2 access points	The winery has an existing primary and secondary access.	Yes
Liquid waste disposal (Section 22.30.070)	Winery wastewater - standards set through Regional water Quality Control Board (RWQCB)	Project is conditioned for proof of permit RWQCB	Yes

## PLANNING AREA STANDARDS

### *Paso Robles Groundwater Basin*

Outdoor water use. New development requiring discretionary land use permits is subject to the following requirements:

- a. Residential uses shall have no more than 25 percent of the area of irrigated, ornamental landscaping planted with turf.

- b. All landscaped areas shall be irrigated with automatic irrigation systems, including irrigation controllers and moisture sensors.
- c. All landscape plantings shall be low-water using.
- d. Non-irrigated, drought resistant landscaping is encouraged in lieu of irrigated landscaping. The portion of a parcel that is not used for structural development, landscaping or driveways is encouraged to be left in a native state.
- e. Rainwater capture or other alternative water systems are encouraged in compliance with Title 8 and 19 of the County Code, as applicable.
- f. In cases where these standards conflict with other provisions of this Title that are more stringent, the more stringent provisions shall apply.

Offset requirements. New development requiring discretionary land use permits shall offset the resulting net new water demand as follows:

- a. Land use permit applications shall include existing water use data, if it is available that is sufficient to calculate net existing water demand on the proposed project site. The land use applicant shall include descriptions of all proposed uses on the site in a level of detail adequate to calculate the proposed project's net new water demand. In any case, determinations of net new water demand, net existing water demand and net increase shall be the responsibility of the Planning Director or designee.
- b. The net new water demand shall be offset at a ratio of 2:1 through participation in water conservation programs listed in subsection c below. Any net existing water demand shall be taken into account in the calculation of required offsets of net new water demand.
- c. Programs to offset water used for non-agricultural purposes may include but are not limited to the following, but in any case, shall conserve only water used or potentially used for non-agricultural purposes:
  - 1. Retiring the development potential of lots in the Paso Robles Groundwater basin through an agreement with the County or qualified land trust.
  - 2. Retrofitting plumbing fixtures in the Paso Robles Groundwater Basin.
  - 3. Purchasing supplemental water for a water supplier that uses groundwater from the main Paso Robles Groundwater Basin.
  - 4. Participating in an approved water conservation program in the Paso Robles Groundwater Basin that results in water savings.
  - 5. Reducing water demand in the Paso Robles Groundwater Basin through other means approved by the Planning Director.
  - 6. Water from the Nacimiento or State Water Projects shall not be used for development in the rural area.
- d. Any required offset of net new water demand shall be completed at the time of final inspection or issuance of a certificate of occupancy unless an alternative completion time (which may be more or less time) is approved by the review authority. In any case, the review authority must find the offsets to be verifiable, permanent and enforceable.
- e. Agricultural Processing uses (as defined in the Land Use Ordinance), including outdoor and other appurtenant water use, shall be exempt from the preceding offset requirements for discretionary permits. Instead, agricultural processing uses shall be subject to project-specific land use and/or water conservation mitigation measures required by the review authority based on environmental review.

*Staff Response: A water demand analysis was prepared by Wallace Group (May 6, 2014). Based on the project description, the winery expansion will increase annual wine production by 55,000 cases, replace an existing four (4) bedroom residence with a six (6) room Bed and Breakfast, and add a 1,200 square foot restaurant within the existing tasting room.*

*The proposed project would require the following water usage:*

Winery. *Gross annual water use per finished case of wine varies with a relatively wide range of 6 gallons per case up to 20 gallons per case. A value of **10 gallons per case (0.34 acre-ft per year)** has been utilized for the proposed project (Wallace Group, May 6, 2014).*

Tasting Room. *A typical water demand value of **9 gallons per meal (0.06 acre-ft per year)** was calculated (Wallace Group, May 6, 2014).*

Limited Food Service Facility. *It is assumed that the water demand from the new restaurant would come from persons already visiting the tasting room and would therefore not be considered a new demand. Since average tasting room water demands are typically between 5 to 7 gallons per visit, a 25% reduction value was put on the proposed 10 meals per day anticipated for the restaurant, to account for existing tasting room patrons (Wallace Group, May 6, 2014.)*

Special Events. *Villa San Juliette is proposing to increase the number of events provided at the winery facility to serve approximately 5,500 people per year. The existing annual event population is approximately 480 patrons. It is anticipated that temporary sanitation facilities will serve the larger events, with an estimated annual population of 1,000 people. Temporary sanitation facilities will not require groundwater and the use is subtracted from the offset value provided by the permanent facility. It is assumed that event patrons will use **5 gallons of water per attendee (0.07 acre-ft per year)** (Wallace Group, May 6, 2014.)*

Estimated Increased Water Use		
Development Component	Basis of Demand Estimate	Estimated Increased Annual Water Use
Increased Wine Production	55,000 cases x 10 gal/case x 20%	110,000 gallons (0.34 acre-ft)
1,200 SF Restaurant	(9 gal/day/cust x 10 customers x 365 days/year x 20%) x 75%	19,710 gallons (0.06 acre-ft)
Increased Events	4,500 people x 5 gal/person	22,500 gallons (0.07 acre-ft)
Bed and Breakfast (w/in existing house)	(150 gal/day/unit x 70% occupancy x 6 units x 365 days/year x 20%) – (3 people x 70 gal/cap.day x 365 days/year x 20%)	30,660 gallons (0.09 acre-ft)
<b>Total Increased Demand</b>		160,370 gallons (0.56 acre-ft)

*Villa San Juliette currently owns and irrigates an on-site vineyard, with an estimated annual application rate of 1.25 feet of applied water per planted acre. The winery also maintains turf and landscaping (nonagricultural water uses) on the site to support outdoor special events. As part of the recent implementation of a water recycling system, Villa San Juliette removed 0.9 acres of irrigated vineyard to facilitate improved water management and provide for offset credits. The estimated water savings was 1.13 acre-feet per year which exceeds the minimum*

*required offset of 0.56 acre-feet per year needed to offset the proposed project (all phases). However, the county General Plan encourages maintaining water resources for production agriculture to prevent the loss of agriculture (Agriculture Element Policy 11; AGP11) and therefore does not recognize the removal of agriculture for use of future offset credits. As such, the proposed project will be required to offset water demands by removing turf and other nonagricultural water uses prior to the removal of irrigated vineyards to be consistent with AGP11 and ordinance requirements to mitigate for the increased water demand of the proposed project.*

*Wallace Group, in a memorandum dated June 13, 2014, estimated the volume of water needed to be offset for the proposed project (all phases) is 0.56 acre-feet per year. The applicant would be required to mitigate this new water demand by offsetting and removing turf grass and other nonagricultural water uses. Generic water application rates for turf grass irrigation are given in units of feet per year. When multiplied by an area (in acres) it yields the proposed volume covered in acre-feet per year. The average applied water usage for turf grass in Paso Robles is 2.5 feet per year (Todd Engineers "Approach and Methodology for Water Balance Estimation Paso Robles Groundwater Basin Model Update). To determine the area of turf grass needed to be removed for the proposed project, divide the increased demand of water by the 2.5 feet per year (0.56 acre-feet per year/2.5 feet = 0.22 acres).*

*Based on the proposed amount of water to be used with the expansion (0.56 AFY) and the calculation described above, the applicant is required to offset the increased water demand through removal of 0.22 acres of turf or equivalent (nonagricultural water uses). The applicant will provide at the building permit stage, calculations and a site map to show the 2:1 offset ratio has been achieved in accordance with the planning area standards.*

## LAND USE ISSUES

Williamson Act. This property is currently under a Land Conservation contract. Compatible uses for lands subject to Land Conservation Contracts include eating and drinking places according to *Table 2 – Agricultural and Compatible Uses For Lands Subject To Land Conservation Contracts and Farmland Security Zones in The Rule of Procedure to Implement the California Land Conservation Act of 1965 (Rules of Procedure)*. The Rules of Procedure do not state a maximum size limit for eating and drinking places instead relying on Section 22.30.570 of the Land Use Ordinance "Limited Food Service Facility" which limits restaurants in the Agriculture category to 800 square feet including the kitchen, interior dining area and any outside dining area. As previously stated, this application includes a request to modify the ordinance standard limiting the food facility to 800 square feet to allow a 1,200 square foot restaurant. Modification to the ordinance standard is allowed through Conditional Use Permit approval. A Bed & Breakfast Facility in the inland area of the county is an allowable use (as stated in Rules of Procedure) but may be subject to further recommendations from the Agriculture Preserve Review Committee (APRC).

Land Use Permits for eating and drinking places must be found by the review authority to not significantly displace or impair agricultural operations on the site or in the area. The proposed restaurant will use the existing commercial kitchen, tasting room, and veranda areas that will also be used during special events as allowed per the previously approved use permit. The dining area will be located in areas of the tasting room previously approved for public use. No parking improvements will be required and the site will provide a total of 45 parking spaces to accommodate existing and future uses on site. The primary use on-site is the processing of grapes grown on-site (140 acres) into wine within the approximately 6,000 square foot wine processing facility. With the proposed expansion of the existing processing facility (23,000

square feet and an additional 55,000 cases), the proposed restaurant will not displace or impair the existing agricultural operations on the site or in the area.

The APRC will consider the proposed project at a meeting to be held on March 16, 2015. Recommendations will be provided in a memorandum to this staff report, if applicable.

#### COMMUNITY ADVISORY GROUP COMMENTS:

San Miguel Advisory Council recommended approval of the proposed winery expansion with a request for staff to further consider traffic impacts, safety concerns with an increase in special events and fire hazard, and noise issues.

*Staff Response: Staff required the applicant to submit a Traffic Engineers Report and Roadway Safety Analysis to further assess traffic impacts from the proposed special events program. Public Works determined that no improvements were needed based on the increase in special events. Cal Fire will be requiring Villa San Juliette to provide a dedicated individual to function as a fire watch for all special events at the site regardless of the total amount of attendees. In addition, all events must take place on approved site and only within properly permitted and inspected structures, and, for all events exceeding 200 attendees, a trained/certified (within San Luis Obispo County) Emergency Medical Technician will be required on site.*

*Lastly, the applicant submitted an Acoustical Analysis prepared by David Dubbink Associates to assess the impact outdoor amplified music would have on the surrounding environment. Based on the information received from the analysis, test tones used in the analysis show that events at the winery with outdoor amplified music will not exceed the limits established in the ordinance (65dB) at the closest property line.*

#### AGENCY REVIEW:

Public Works – Required Traffic Engineers Report and Roadway Safety Analysis. Conditions requested. (Tim Tomlinson, May 20, 2014).

*Staff Response: The applicant submitted a Traffic Engineers Report and Roadway Safety Analysis prepared by Orosz Engineering Group, Inc., July 11, 2014. Michelle Matson with the Department of Public Works reviewed the report and analysis and concluded that no improvements were necessary (Michelle Matson, electronic mail, August 14, 2014.) Conditions regarding drainage, access and recycling included as project conditions.*

Environmental Health – Any modifications to existing food facility and construction of any new food facility (the Bed & Breakfast) will require a plan check with the Department of Environmental Health. In the event the facility has more than 25 persons per day on site for 60 days out of the year (guests, staff, etc.), an annual permit will be required for the water supply at this facility. (Leslie Terry, May 27, 2014)

*Staff Response: The applicant is aware of these requirements and as conditioned, will be required to comply with those specified in the May 27, 2014 letter from the Department of Environmental Health.*

Building Division – Comments submitted by the Building Division have been made a part of Exhibit B – Conditions of Approval, as applicable.

Air Pollution Control District (APCD) – The APCD has a permit to operate requirement for wine production over 10,000 cases. The winery does not currently have an APCD permit to operate. (Andy Mutziger, June 17, 2014)

*Staff Response: During the APCDs initial review of Minor Use Permit DRC2007-00076, the APCD did not require a “permit to operate.” DRC2007-00076 was approved and allowed case production of 25,000 cases per year. As conditioned, the applicant will be required to obtain a “permit to operate” from the APCD. All other comments included in the June 17, 2014 letter have been considered and discussed in the Mitigated Negative Declaration. Mitigation measures have been included in Exhibit B – Conditions of Approval.*

Ag Commissioner – The Agriculture Department’s review finds that the proposed project will have less than significant impacts to agricultural resources. (Lynda Auchinachie, June 6, 2014)

Cal Fire – Referral response letter was received from Clint Bullard on October 20, 2014.

*Staff Response:* Requirements have been included as mitigation measures in the Mitigated Negative Declaration and subsequently included as part of Exhibit B – Conditions of Approval.

San Miguel Community Services District – No response.

California Department of Fish and Wildlife – No response.

Public Comment Received – From a letter received March 18, 2014 from Bill and Teresa Hinrichs; itemized issues include: larger commercial operation in a rural agricultural area, road safety issues including unsafe driving conditions and additional vehicles, emergency response time (both fire and sheriff), expansion of special events program, blight on the landscape.

*Staff Response: The proposed project is subject to Land Use Ordinance section 22.30.260 Bed and Breakfast Facilities, Section 22.30.570 Restaurants in Non-Commercial Categories, and Section 22.30.070 Ag Processing/Wineries. As discussed within the staff report and as conditioned, the proposed project complies with the pertinent land use ordinance sections including but not limited to access, parking, design, screening, height, lighting, tasting rooms, sales, and location. The applicant is requesting modification from ordinance standards to allow the winery processing facility to be located within 100 feet of the easterly property boundary instead of 200 feet, a modification from the ordinance standards to allow outdoor amplified music beyond 5 p.m., and modification from the ordinance standard limiting a restaurant to 800 square feet and allow a 1,200 square foot restaurant within the existing tasting room. Based on an acoustical analysis, traffic and roadway safety analysis, and specific findings relating to the restaurant and required setbacks (refer to Exhibit A – Findings), it appears there is sufficient information to support the proposed development and the modification requests.*

#### LEGAL LOT STATUS:

The lot was legally created by deed and a Certificate of Compliance (C81-010) at a time when that was a legal method of creating lots.

Staff report prepared by Megan Martin and reviewed by Holly Phipps and Bill Robeson.

**ATTACHMENTS:**

**EXHIBITS**

- A. Findings
- B. Conditions
- C. Graphics
- D. Mitigated Negative Declaration
- E. Public Comment Received