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EXHIBIT B - CONDITIONS OF APPROVAL

Approved Development

1. This approval authorizes the
 - a. Construction of a 984 sf winery building that will include a 717 sf tasting room, 91 sf commercial kitchen, office, and restroom.
 - b. Conversion of the existing 110 sf tasting room to production use.
 - c. This approval authorizes a maximum of 6 Special Events per year with no more than 80 guests and Industry-wide Events as allowed per ordinance.
 - d. This approval authorizes amplified music for special events between the hours of 10 a.m. to 5 p.m. as allowed per Section 22.30.070.D.2.i.(3). No outside amplified music shall occur before 10 a.m. or after 5 p.m.
 - e. This approval authorizes an annual production of 10,000 cases of wine from on-site and off-site grapes.

Conditions required to be completed at the time of application for construction permits

Site Development

2. **At the time of application for construction permits** plans submitted shall show all development consistent with the approved site plan, floor plan, and architectural elevations.
3. **At the time of application for construction permits**, the applicant shall obtain the following permits if required, in addition to any and all other permits required by ordinance or code. Plans shall be prepared or certified by the licensed architect or engineer of record.
 - a. Permit to convert the existing 110 sf tasting room into production area.

Fire Safety

4. **At the time of application for construction permits**, all plans submitted to the Department of Planning and Building shall meet the fire and life safety requirements of the California Fire Code. Requirements shall include, but not be limited to those outlined in the Fire Safety Plan, prepared by the CAL FIRE/County Fire Department for this proposed project and dated August 10, 2015.

Lighting

5. **At the time of application for construction permits**, the applicant shall provide details on any proposed exterior lighting, if applicable. The details shall include the height, location, and intensity of all exterior lighting. All lighting fixtures shall be

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shielded so that neither the lamp nor the related reflector interior surface is visible from adjacent properties. Light hoods shall be dark colored.

Conditions to be completed prior to issuance of a construction permit

Fees

6. **Prior to issuance of a construction permit**, the applicant shall pay all applicable school and public facilities fees.

Health Department

7. **Prior to issuance of a construction permit** for the appropriate phase, the applicant shall obtain the appropriate Health Department permits. The Health Department will require at a minimum the following information:
 - a. A Hazardous Materials Questionnaire.
 - b. Evidence that there is adequate water to serve the proposal, on the site.
 - c. If plan review for a cross connection determines that a device is necessary, then an annual device test shall be provided.
 - d. The applicant shall require a health permit to function as a commercial kitchen. The applicant shall submit kitchen plans for review and approval by the Environmental Health Department.
 - e. If water is made available to 25 or more employees at any one time, or to members of the public, then the applicant shall be required to have public water supply system.
 - f. The applicant shall submit a site plan showing the location of water wells and the distance from wastewater systems.

Landscaping

8. **Prior to issuance of construction permits**, the applicant shall submit a landscape plan for review and approval by the Planning and Building Department. Plants used shall be from the county approved plant list and shall be drought tolerant and drip irrigated. Italian cypress and lawn turf shall not be included in the landscape plan. The landscape plan shall demonstrate partial screening of the winery structure and parking areas as seen from Highway 41.

Biological

9. **(BR-1) Prior to issuance of grading and/or construction permits**, the applicant shall submit evidence to the County of San Luis Obispo, Department of Planning and Building, Environmental and Resource Management Division (County) (see contact information below) that states that one or a combination of the following three San Joaquin kit fox mitigation measures has been implemented:
 - a. Provide for the protection in perpetuity, through acquisition of fee or a conservation easement of **0.02** acres of suitable habitat in the kit fox corridor area (e.g. within the San Luis Obispo County kit fox habitat area, northwest of Highway 58), either on-site or off-site, and provide for a non-wasting endowment to provide for management and monitoring of the

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property in perpetuity. Lands to be conserved shall be subject to the review and approval of the California Department of Fish and Game (Department) and the County.

This mitigation alternative (a.) requires that all aspects of this program must be in place before County permit issuance or initiation of any ground disturbing activities.

- b. Deposit funds into an approved in-lieu fee program, which would provide for the protection in perpetuity of suitable habitat in the kit fox corridor area within San Luis Obispo County, and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.

Mitigation alternative (b) above, can be completed by providing funds to The Nature Conservancy (TNC) pursuant to the Voluntary Fee-Based Compensatory Mitigation Program (Program). The Program was established in agreement between the Department and TNC to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The fee, payable to "The Nature Conservancy," would total **\$56.00**. This fee is calculated based on the current cost-per-unit of \$2500 per acre of mitigation, which is scheduled to be adjusted to address the increasing cost of property in San Luis Obispo County; your actual cost may increase depending on the timing of payment. This fee must be paid after the Department provides written notification identifying your mitigation options but prior to County permit issuance and initiation of any ground disturbing activities.

- c. Purchase **0.02** credits in a Department-approved conservation bank, which would provide for the protection in perpetuity of suitable habitat within the kit fox corridor area and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.
- d. Mitigation alternative (c) above, can be completed by purchasing credits from the Palo Prieto Conservation Bank (see contact information below). The Palo Prieto Conservation Bank was established to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The cost for purchasing credits is payable to the owners of The Palo Prieto Conservation Bank, and would total **\$56.00**. This fee is calculated based on the current cost-per-credit of \$2500 per acre of mitigation. The fee is established by the conservation bank owner and may change at any time. Your actual cost may increase depending on the timing of payment. Purchase of credits must be completed prior to County permit issuance and initiation of any ground disturbing activities.

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10. **(BR-2) Prior to issuance of grading and/or construction permits**, the applicant shall provide evidence that they have retained a qualified biologist acceptable to the County Division of Environmental and Resource Management. The retained biologist shall perform the following monitoring activities:
- a. **Prior to issuance of grading and/or construction permits and within 30 days prior to initiation of site disturbance and/or construction**, the biologist shall conduct a pre-activity (i.e. pre-construction) survey for known or potential kit fox dens and submit a letter to the County reporting the date the survey was conducted, the survey protocol, survey results, and what measures were necessary (and completed), as applicable, to address any kit fox activity within the project limits.
 - b. The qualified biologist shall conduct weekly site visits during site-disturbance activities (i.e. grading, disking, excavation, stock piling of dirt or gravel, etc.) that proceed longer than 14 days, for the purpose of monitoring compliance with required Mitigation Measures BR-3 through BR11. Site- disturbance activities lasting up to 14 days do not require weekly monitoring by the biologist unless observations of kit fox or their dens are made on-site or the qualified biologist recommends monitoring for some other reason (see BR-2-c3). When weekly monitoring is required, the biologist shall submit weekly monitoring reports to the County.
 - c. **Prior to or during project activities**, if any observations are made of San Joaquin Kit fox, or any known or potential San Joaquin kit fox dens are discovered within the project limits, the qualified biologist shall re-assess the probability of incidental take (e.g. harm or death) to kit fox. At the time a den is discovered, the qualified biologist shall contact the U.S. Fish and Wildlife Service and the Department for guidance on possible additional kit fox protection measures to implement and whether or not a Federal and/or State incidental take permit is needed. If a potential den is encountered during construction, work shall stop until such time the U.S. Fish and Wildlife Service/Department determine it is appropriate to resume work.

If incidental take of kit fox during project activities is possible, **before project activities commence**, the applicant must consult with the U.S. Fish and Wildlife Service and the Department (see contact information below). The results of this consultation may require the applicant to obtain a Federal and/or State permit for incidental take during project activities. The applicant should be aware that the presence of kit foxes or known or potential kit fox dens at the project site could result in further delays of project activities.

In addition, the qualified biologist shall implement the following measures:

1. **Within 30 days prior to initiation of site disturbance and/or construction**, fenced exclusion zones shall be established

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around all known and potential kit fox dens. Exclusion zone fencing shall consist of either large flagged stakes connected by rope or cord, or survey laths or wooden stakes prominently flagged with survey ribbon. Each exclusion zone shall be roughly circular in configuration with a radius of the following distance measured outward from the den or burrow entrances:

- a) Potential kit fox den: 50 feet
- b) Known or active kit fox den: 100 feet
- c) Kit fox pupping den: 150 feet

2. All foot and vehicle traffic, as well as all construction activities, including storage of supplies and equipment, shall remain outside of exclusion zones. Exclusion zones shall be maintained until all project-related disturbances have been terminated, and then shall be removed.

3. If kit foxes or known or potential kit fox dens are found on site, daily monitoring during ground disturbing activities shall be required by a qualified biologist.

11. **(BR-3) Prior to issuance of grading and/or construction permits**, the applicant shall clearly delineate as a note on the project plans, that: *“Speed signs of 25 mph (or lower) shall be posted for all construction traffic to minimize the probability of road mortality of the San Joaquin kit fox”*. Speed limit signs shall be installed on the project site **within 30 days prior to initiation of site disturbance and/or construction**,

In addition, **prior to permit issuance and initiation of any ground disturbing activities**, conditions BR-3 through BR-11 of the Developer's Statement/Conditions of Approval shall be clearly delineated on project plans.

12. **(BR-5) Prior to issuance of grading and/or construction permit and within 30 days prior to initiation of site disturbance and/or construction**, all personnel associated with the project shall attend a worker education training program, conducted by a qualified biologist, to avoid or reduce impacts on sensitive biological resources (i.e. San Joaquin kit fox). At a minimum, as the program relates to the kit fox, the training shall include the kit fox's life history, all mitigation measures specified by the county, as well as any related biological report(s) prepared for the project. The applicant shall notify the County shortly prior to this meeting. A kit fox fact sheet shall also be developed prior to the training program, and distributed at the training program to all contractors, employers and other personnel involved with the construction of the project.

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Conditions to be completed during project construction

Biological

13. **BR-4 During the site disturbance and/or construction phase**, grading and construction activities after dusk shall be prohibited unless coordinated through the County, during which additional kit fox mitigation measures may be required.
14. **(BR-6) During the site-disturbance and/or construction phase**, to prevent entrapment of the San Joaquin kit fox, all excavation, steep-walled holes or trenches in excess of two feet in depth shall be covered at the close of each working day by plywood or similar materials, or provided with one or more escape ramps constructed of earth fill or wooden planks. Trenches shall also be inspected for entrapped kit fox each morning prior to onset of field activities and immediately prior to covering with plywood at the end of each working day. Before such holes or trenches are filled, they shall be thoroughly inspected for entrapped kit fox. Any kit fox so discovered shall be allowed to escape before field activities resume, or removed from the trench or hole by a qualified biologist and allowed to escape unimpeded.
15. **(BR-7) During the site-disturbance and/or construction phase**, any pipes, culverts, or similar structures with a diameter of four inches or greater, stored overnight at the project site shall be thoroughly inspected for trapped San Joaquin kit foxes before the subject pipe is subsequently buried, capped, or otherwise used or moved in any way. If during the construction phase a kit fox is discovered inside a pipe, that section of pipe will not be moved, or if necessary, be moved only once to remove it from the path of activity, until the kit fox has escaped.
16. **(BR-8) During the site-disturbance and/or construction phase**, all food-related trash items such as wrappers, cans, bottles, and food scraps generated shall be disposed of in closed containers only and regularly removed from the site. Food items may attract San Joaquin kit foxes onto the project site, consequently exposing such animals to increased risk of injury or mortality. No deliberate feeding of wildlife shall be allowed.
17. **(BR-10) During the site-disturbance and/or construction phase**, any contractor or employee that inadvertently kills or injures a San Joaquin kit fox or who finds any such animal either dead, injured, or entrapped shall be required to report the incident immediately to the applicant and County. In the event that any observations are made of injured or dead kit fox, the applicant shall immediately notify the U.S. Fish and Wildlife Service and the Department by telephone (see contact information below). In addition, formal notification shall be provided in writing within three working days of the finding of any such animal(s). Notification shall include the date, time, location and circumstances of the incident. Any threatened or endangered species found dead or injured shall be turned over immediately to the Department for care, analysis, or disposition.

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Conditions to be completed prior to occupancy or final building inspection /establishment of the use

Landscaping

18. Landscaping in accordance with the approved landscaping plan shall be installed or bonded for before final building inspection. If bonded for, landscaping shall be installed within 60 days after final building. All landscaping shall be maintained in a viable condition in perpetuity.

Fire Safety

19. **Prior to occupancy or final inspection**, which ever occurs first, the applicant shall obtain final inspection and approval from CAL FIRE of all required fire/life safety measures.

Water

20. **Prior to occupancy or final inspection**, the applicant shall off-set new water usage per ordinance requirements.

Planning and Building

21. **Prior to occupancy of any structure associated with this approval**, the applicant shall contact the Department of Planning and Building to have the site inspected for compliance with the conditions of this approval.

Biological

22. **(BR-11) Prior to final inspection, or occupancy, whichever comes first**, should any long internal or perimeter fencing be proposed or installed, the applicant shall do the following to provide for kit fox passage:

- a. If a wire strand/pole design is used, the lowest strand shall be no closer to the ground than 12".
- b. If a more solid wire mesh fence is used, 8" x 12" openings near the ground shall be provided every 100 yards.

Upon fence installation, the applicant shall notify the County to verify proper installation. Any fencing constructed after issuance of a final permit shall follow the above guidelines.

Water

23. **(W-1) Prior to final inspection**, a 1:1 water off-set shall for all new water usage, shall be completed, such as the removal of 1,250 square feet of lawn are.

On-going conditions of approval (valid for the life of the project)

Time Lines

24. This land use permit is valid for a period of 24 months from its effective date unless time extensions are granted pursuant to Land Use Ordinance Section 22.64.070 or the land use permit is considered vested. This land use permit is considered to be vested once a

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construction permit has been issued and substantial site work has been completed. Substantial site work is defined by Land Use Ordinance Section 22.64.080 as site work progressed beyond grading and completion of structural foundations; and construction is occurring above grade.

25. All conditions of this approval shall be strictly adhered to, within the time frames specified, and in an on-going manner for the life of the project. Failure to comply with these conditions of approval may result in an immediate enforcement action by the Department of Planning and Building. If it is determined that violation(s) of these conditions of approval have occurred, or are occurring, this approval may be revoked pursuant to Section 22.74.160 of the Land Use Ordinance.

Access

26. In accordance with County Code Section 13.08, no activities associated with this permit shall be allowed to occur within the public right-of-way including, but not limited to, project signage; tree planting; fences; etc. without a valid Encroachment Permit issued by Caltrans.
27. The property owner shall be responsible for operation and maintenance of public road frontage landscaping in a viable condition and on a continuing basis into perpetuity.

Parking

28. Event parking shall be unimproved and of an open area with a slope of 10 percent or less, at a ratio of 400 square feet per car, on a lot free of combustible material. Total number of spaces is based on the ratio of one space per 3 people in attendance at the event.

Gates

29. Any gate constructed on a driveway where off-site grapes are delivered and/or product is exported from the site shall be a minimum of 75-feet from the traveled way of any road open to public traffic.

Recycling

30. The applicants shall provide recycling opportunities to all facility users at all events in accordance with Ordinance 2008-3 of the San Luis Obispo County Integrated Waste Management Authority (mandatory recycling for residential, commercial, and special events).

Outdoor Storage

31. Any water tanks (including Fire Suppression Water Tanks) associated with the project shall be a neutral, non-contrasting color, and landscape screening shall be provided so that the water tanks are not visible from any public road.

Notification

32. The applicant shall provide notification of events, through an email or letter, to owners of property within a minimum of 1,000 feet of the exterior boundaries of the proposed site. If a letter is used, it shall be delivered within 30 days prior to but not less than 3 days before each event occurrence. The following information shall be provided:
- a. A complete listing of all scheduled events including dates, times and number of attendees;
 - b. 24-hour contact information for the on-site operator (cell phone), including e-mail and phone number, to be used to notify the operator of issues with the operation;

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- c. Contact information for County Code Enforcement to be used if members of the public have complaints about the operation;
- d. Any identified problems shall be responded to and addressed as soon as possible.

As an alternative to providing the annual listing of the events in a letter, a website may be used. If a web-site is used, notification shall first be provided by mail and contain the website address, the 24 hour local contact information and the approved number of events and attendee numbers. The website shall be maintained and kept current at all times.

Biological

33. **(BR-9) Prior to, during and after the site-disturbance and/or construction phase,** use of pesticides or herbicides shall be in compliance with all local, state and federal regulations. This is necessary to minimize the probability of primary or secondary poisoning of endangered species utilizing adjacent habitats, and the depletion of prey upon which San Joaquin kit foxes depend.

Waste Water

34. Prior to increasing case production, the applicant shall submit documentation of a Waste Water Discharge permit, or waiver issued by the Regional Water Quality Control Board.

Water

35. The project shall incorporate the following as applicable to maximize the availability of water for agricultural production:
- a) Incorporate best management practices for water conservation purposes throughout the winery;
 - b) Minimize water demand for ornamental landscaping;
 - c) Maximize the use of pervious and semi-pervious areas in order to promote groundwater recharge and/or stormwater management, minimize erosion and sedimentation and protect farmland for agricultural use.

Amplified Music

36. This approval authorizes outdoor amplified music for special events between the hours of 10 a.m. to 5 p.m. as allowed per Section 22.30.070. No outside amplified music shall occur before 10 a.m. or after 5 p.m.

Commercial Kitchen

37. This approval does not allow the commercial kitchen to function as a restaurant (limited food service facility).