



Monterey County

Board of Supervisors
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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April 30, 2019

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PLN190048 - Carmel Valley Partners dba The Annex

Public hearing to adopt a resolution:

- a. Finding the project is the approval of a business license which qualifies as a Statutory Exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15268(b)(2); and
- b. Finding that a Public Convenience or Necessity (PCN) would be served by the issuance of a Type 42 On-Sale Beer and Wine License for Public Premises by the Department of Alcoholic Beverage Control to Ashleigh Elizabeth Hutchison dba "The Annex" at 237 Crossroads Boulevard, Carmel, California 93923 pursuant to California Business and Professions Code Section 23958.4

Project Location: 237 The Crossroads Boulevard, Carmel Valley Master Plan.

Proposed CEQA Action: Statutorily Exempt per CEQA Guidelines Section 15268 (b)(2)

Planning File Number: PLN190048

PROJECT INFORMATION:

Agent: Chiquita Walker / Brian Beeler

Owner: Ashleigh Elizabeth Hutchison

APNs: 009-562-030-000

Plan Area: Carmel Valley Master Plan

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution:

- a. Finding the project is the approval of a business license which qualifies as a Statutory Exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15268(b)(2); and
- b. Finding that a Public Convenience or Necessity (PCN) would be served by the issuance of a Type 42 On-Sale Beer and Wine License for Public Premises by the Department of Alcoholic Beverage Control to Ashleigh Elizabeth Hutchison dba "The Annex" at 237 Crossroads Boulevard, Carmel, California 93923 pursuant to California Business and Professions Code Section 23958.4.

SUMMARY:

The applicant and business owner, Ashleigh Elizabeth Hutchison, dba "The Annex", is requesting a Type 42 On-Sale Beer and Wine License for Public Premises from the State of California Department of Alcoholic Beverage Control (ABC). The Annex would be a new tenant at The Crossroads Carmel Shopping Center, along the southern portions of Rio Road at the mouth of the Carmel Valley. The business would function as a wine social club (i.e., wine bar) that would educate customers on the

inner workings of the wine industry, from growing, to production, to marketing and distribution. The operation would also educate consumers on the different varieties of wine. The store's specialty would be to feature Monterey County grown and processed wines.

Currently this area, known as Census Tract 116.04, is considered "over-saturated" with the number of this license types. State standards for this tract allow three (3) license types that sell beer and wine for On-Sale (on premises) consumption. However, there are currently 12 beer and wine On-Sale licenses within this tract and approval of this request would bring the total number to 13 On-Sale licenses. Due to that, State law requires that the local governing body in which the applicant's premises are located must find that a public convenience or necessity would be served by the issuance of a Type 42 license before the ABC would issue the license.

The Monterey County Sheriff's Office (MCSO) has commented that they have no concerns with the application. Monterey County Health Department expressed concerns with the issuance of the license, citing the number of vehicular accidents Countywide related to alcohol consumption, and social considerations, from a public health perspective. These concerns are also discussed in more detail below.

The Resource Management Agency (RMA) finds that a Type 42 On-Sale Beer and Wine license (on-premise sales license) serves a certain purpose that supports the Monterey County wine industry. As such, a finding could be made that there would be a public convenience or necessity served by this license. RMA supports the issuance based on unique local characteristics of The Annex as discussed below.

DISCUSSION:

The Annex is proposed to be located within the Carmel Rancho area Census Tract (Tract No. 116.04), an irregular shaped census tract which covers portions of the Carmel Valley, south of Carmel Valley Road and extending west to include Point Lobos State Park, into the Carmel Highlands, and the western edge of Carmel Valley Village. Based on the population of the census tract, ABC regulations determined that three (3) On-Sale (on premises) licenses are adequate to meet the public's needs.

The State ABC issues 42 types of On-Sale licenses (e.g.; bona fide public eating places, public premises, theaters, restaurants, trains, boats, airplanes). "Type 42" permits the sale of beer and wine for consumption on premise, but also allows for sale on a carry-out basis (e.g. wine tasting). ABC considers several types of beer and wine On-Sale licenses that result in two (2) categories of licenses; (1) licenses associated with food sales and (2) licenses affiliated with no food sales. Within the subject census tract there are 12 On-Sale licenses. The On-Sale licenses consist of a mix of six (6) Type 41 licenses (On-Sale Beer and Wine for Bona Fide Public Eating Place), a Type 42 license (On-Sale Beer and Wine for Public Premises), three (3) Type 47 licenses (On-Sale General for Bona Fide Public Eating Place), a Type 57 license (Special On-Sale General), and a Type 86 (Instructional Tasting License). Approval of this Type 42 license would result in this census tract having two (2) Type 42 (On-Sale Beer and Wine for Public Premises) licenses, for a total of 13 On-Sale licenses within Census Tract No. 116.04. Therefore, the area is over saturated with On-Sale licenses according to ABC standards.

Despite being over saturated with On-Sale ABC licenses in this area, there are several factors that distinguish The Annex's proposal from other establishments with the same types or categories of ABC On-Sale licenses within Census Tract No. 116.04. The finding that a public convenience or necessity would be served by the issuance of a Type 42 license by the ABC can be supported for the following reasons:

- 1) Providing unique small label wines which are produced by "micro" vintners, produced in limited cases, featuring wines that are not readily available from the "big box" retailers in the area.
- 2) ABC approval of the Type 42 license will help establish a new, locally owned specialty retail businesses catering to local tastes. This new merchant has the potential to attract additional foot traffic to the Carmel area and the surrounding Crossroads Carmel Shopping Center, supporting other locally owned commercial tenants in the shopping center as well.
- 3) The Annex considers themselves as an advocate for the small label wine producer. The enterprise would focus on the small or "micro" vintner that produces small batches of wine, giving these producers a stage to present their wines to the public. Additionally, many of the featured wines would be produced locally by local vintners. The Annex would also include "micro" wines from other parts of the world, giving the local consumer a global wine consumption experience.
- 4) Approval of this request would bring the number of Type 42 licenses to two (2) within the subject Census tract, with a total of 13 On-Sale beer and wine licenses located in Census Tract 116.04. Based on ABC licensing data for the Carmel Valley census tract, the majority of On-Sale licensing in the area is attributed to restaurants, with other licenses attributed to an inn, an athletic club, and a golf course. ABC approval of The Annex's Type 42 license request will allow a new, locally owned enterprise to enhance wine consumers' experience by offering limited production wines produced by small label producers to the public.
- 5) This business is located within an LC-D-S-RAZ (Light Commercial) zoning district, within a census tract which serves both the residents of and visitors to Carmel Valley; and, therefore, potentially more sales could occur, generating additional tax revenues for Monterey County. Furthermore, The Annex has the potential to serve customers from adjacent underserved census tract areas along Palo Colorado, and the greater Big Sur area.
- 6) Although Census Tract 116.04 has a limited population, the Carmel Valley commercial area attracts regional (Monterey Peninsula Area), national, and international visitors; therefore, the ABC's issuance of this Type 42 license would serve a potentially much larger population that includes residents of and visitors to the census tract, and the sale of carry-out wines would likely be consumed in an alternate census tract.
- 7) The Monterey County Sheriff's Office does not oppose the issuance of a Type 42 On-Sale Beer and Wine for Public Premises License for this business.

OTHER AGENCY INVOLVEMENT:

Monterey County Sheriff's Office. Staff has conferred with the MCSO, both by telephone and email. The MCSO does not oppose the issuance of a Type 42, On-Sale Beer and Wine for Public Premises license. Correspondence from the MCSO has been included as **Attachment B.**

Monterey County Health Department. Staff has conferred with the Health Department and the Department has raised concerns with the issuance of the Type 42 license and cannot support the issuance of the license. A memo from the Health Department has been included as **Attachment C.** Their main concerns stated in the memo are summarized below:

- Consumption: Excessive alcohol consumption is responsible for approximately 88,000 deaths annually nationwide. Nationally, a high concentration of retail alcohol outlets in a small area is known to be an environmental risk factor for excessive drinking.
- Traffic safety: There were 254 collisions in Monterey County attributed to driving or biking under the influence of alcohol in 2017, an eight (8%) percent increase over 2013.
- Higher income relates to excessive drinking: The Community Hospital of the Monterey Peninsula (CHOMP) Service Area, rates of excessive drinking were 21.4% and 22.7% for low and mid/high income groups respectively.

FINANCING:

Funding for staff time associated with this project is included in the FY18-19 Adopted Budget for RMA-Planning.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action represents effective and timely response to our RMA customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources, as well as consideration for public health.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: R. Craig Smith, Associate Planner, ext. 6408
Reviewed by: Brandon Swanson, Interim RMA Chief of Planning *BS*
Approved by: John M. Dugan, FAICP, RMA Deputy Director of Land Use and Development Services

cc: Front Counter Copy; Ross Gagliano, Manager; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); John H. Farrow; Janet Brennan; Carmel Valley Association; Jerry Teeter, Monterey County Sherriff's Office; Dr. Edward Moreno, Monterey County Health Department, Project File, PLN190048.

The following attachments are on file with the RMA and Clerk of the Board:

- Attachment A ABC List of On-Sale licenses Census Tract 116.04
- Attachment B Comments from Monterey County Sheriff's Office
- Attachment C Comments from Monterey County Health Department
- Attachment D Map showing Census Tract 116.04 boundaries
- Attachment E Draft Resolution of Public Convenience or Necessity

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