

# Exhibit A

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**EXHIBIT A**  
**DISCUSSION**  
**PLN180257 (11721 Hidden Valley LLC/Arizini)**

**Project Description**

Joshua Stewman, on behalf of 11721 Hidden Valley LLC (with David Arzini being a managing member of the LLC), propose to operate a small winery, not open to the public, producing approximately 300 cases of wine per year and to construct a barn, wine cave and crush pad associated with production of wine from grapes grown on the property. The single lot on which the project is proposed has three addresses assigned in 1998; 11721 Hidden Valley Road (address issued with a description of “main house”), 11723 Hidden Valley Road (address issued with a description of “guesthouse”), and 11729 Hidden Valley Road (address issued with a description of “additional structure”). Access to the lot is off Laurels Grade, to Hidden Valley Road, and from Hidden Valley Road to Las Ninas Road (a private two land road). It is 11.3 acres in size and is currently improved with a single family dwelling, an accessory dwelling unit, a garage, and approximately 1.35 acres of vineyards (referred to as the East vineyard). The proposal involves:

1. A 1.6 acre expansion of the vineyard (referred to as the West vineyard) bringing the total vineyard area to 2.95 acres;
2. Construction of a 3,018 square foot, 3-level barn with a 937 square foot equipment storage area, half bath, and mechanical room on the lower level, 1,551 square foot main level surrounded by a 1,771 square foot outdoor patio with the main level including a bar, seating area, full bathroom, and storage area, and a 530 square foot a loft (third level) with office space;
3. Construction of an 853 square foot wine cave with a fermentation tank, area for storage of wine barrels, and cold storage area;
4. An approximately 400 square foot crush pad attached to the wine cave; and
5. Grading of 1,850 cubic yards cut and 2,150 cubic yards of fill for improvements to access through the west vineyard driveway and turn around at the barn and wine cave, and excavation for the wine cave and building foundations.

Currently, grapes produced in the East vineyard (1.35 acres) are sent offsite for processing. The proposed project would include increasing grape production by expanding the vineyards to a total of 2.95 acres (new 1.6 acre West vineyard). Grapes produced from the 2.95 acres of vineyards would be processed and bottled onsite rather than sending grapes offsite for processing. This includes harvesting grapes, crushing grapes on the proposed crush pad, fermenting and aging in the wine cave, and bottling within the proposed barn.

An operations plan (**Exhibit B-3**) has been submitted by the applicant describing the proposal and outlining how winery activities are proposed to be conducted.

**Permit Process/Timeline**

On October 26, 2018, an application for the construction of “a farm out-building (barn) to be used for a working family vineyard [...] and an 800 square foot wine cave for cold storage” was submitted. The application was deemed complete in March of 2019 and scheduled for an Administrative hearing on April 3, 2019 but was subsequently pulled from this administrative

agenda when the County received an email dated March 29, 2019 from Molly Erickson on behalf of the Carmel Valley Association (**Exhibit G-1**).

The project was then then scheduled for consideration by the Zoning Administrator on October 10, 2019. On October 10, 2019, staff requested that the Zoning Administrator continue the hearing to November 14, 2019 in order analyze additional information with respect to the project. On November 14, 2019, the project was continued to February 13, 2020 to allow time for staff to prepare and circulate an Initial Study for the project.

An Initial Study, resulting in a Negative Declaration (IS/ND), was prepared for the project and circulated for public review from November 27, 2019 to January 2, 2020 (36 days). During the public review period, three comments were received including:

1. A letter from Stephen Bloch, president of the Board of Directors of the Hidden Hills Homeowners Association dated January 2, 2020;
2. An email from Moises Carvalho on behalf of the Department of Toxic Substances Control (DTSC); and
3. A letter from Molly Erickson on behalf of the Open Monterey Project (TOMP).

These comments are attached to the staff report as **Exhibit E** and are addressed in more detail below.

The project was then scheduled for review by the Greater Monterey Peninsula Land Use Advisory Committee on February 5, 2020. On February 3, 2020, Molly Erickson, again representing TOMP, provided a letter to the LUAC (**Exhibit G-2**).

The matter returned to the Zoning Administrator on February 13, 2020 and was referred to the Planning Commission for consideration.

### **General Plan Consistency**

Development on the property is subject to the policies of the 2010 General Plan, the Greater Monterey Peninsula Area Plan, and the Inland Zoning Ordinance (Title 21). The project was reviewed for consistency with the relevant policies of the 2010 General Plan as described below (See also, the Land Use and Planning section in the IS/ND prepared for the project).

#### *Land Use Element:*

The property is designated for Low Density Residential Use. Low Density Residential areas are appropriate for residential (1-5 acres/unit) recreational, public and quasi public and limited agricultural activities that are incidental and subordinate to the residential use (LU-2.34). The project would retain the existing residential use and add a cottage industry winery to the existing residential use. The winery would be owned and operated by the residence of the property and would not be open to the public. A deed restriction reflecting the limitations of the barn has been agreed upon by the applicant and will memorialize restrictions on the use of the barn into the future (See Condition 5 in Exhibit B). The project is outside of a Community Area, Rural Center, or an Affordable Housing Overlay District but does not include any new residential units, any form of subdivision, and would not result in traffic, water, or wastewater intensity that is equivalent to 5

or more lots or units and is therefore not subject to the Development Evaluation System specified in Policy LU-1.19 of the General Plan.

*Circulation Element:*

The site is located on a private road (Las Ninas Road) which is accessed from Hidden Valley Road (also a private road) and Laureles Grade Road which is maintained by the County. Laureles Grade Road connects Carmel Valley Road (a County Road) and Highway 68 (a State Highway). Access to and from the site is likely to use Highway 68 to access Laureles Grade and Hidden Valley Road. Laureles Grade Road, Hidden Valley Road and Las Ninas Road all currently operate at acceptable levels of services. Highway 68 is a State Highway under the jurisdiction of the California Department of Transportation that operates at LOS F during peak hours. Pursuant to the Guide for the Preparation of Traffic Impact Studies, a significant impact would occur from any increase in peak hour trips on roadway segments operating at a level of service F (LOS F).

Currently, one employee tends to the East Vineyard 3 to 4 days per week. According to the plan submitted by the applicant, a maximum of two employees will be employed 3 to 4 days per week to maintain the vineyard and winery operation. The applicant proposes to arrange all employee traffic during off peak hours (Condition 8). By changing the hours of employees onsite, traffic to and from the site can easily be done during off peak AM and PM travel times. Peak travel times are between 7:00 and 9:00 AM and 4:00 and 6:00 PM. Seasonal trips to and from the site to export the grapes grown in the East Vineyard (and more recently the West Vineyard) will no longer be needed as grapes will stay onsite for processing if the permit is approved. Those trips will be replaced with delivery trips for bottling and wholesale without increasing the total number or trips. All traffic will include small passenger vehicles and no large truck trips will occur outside of the short-term construction trips. A letter prepared by a traffic engineer, Keith Higgins, dated December 10, 2019 has been provided for the project. According to the traffic report, 32 new annual trips will be generated over a 12 month period (and scheduled off peak hours) which equates to 0.09 daily trips annually and will have an imperceptible impact on traffic in the vicinity. With elimination of daily employee commutes from peak hour traffic removal of trips for the transport of grapes offsite, and payment of regional traffic fees, the project will be consistent with Circulation policies. No changes to levels of service are triggered and no improvements to transportation facilities are needed as a result of this project.

*Conservation and Open Space:*

Previously uncultivated land has been converted to vineyards (the West Vineyard) on slopes between 15 and 24 percent. Conversion of land on slopes over 30% has been avoided. Policy OS-3.5 (2) requires development of a ministerial process for conversion of uncultivated land on slopes between 15 and 24 percent. According to the General Plan, the ministerial process would require an erosion control plan and address slope stabilization, drainage and flood hazards. The County has not developed the ministerial process to date. Erosion, geotechnical, and engineered drainage plans have all been submitted for the proposed project. The erosion plans have been reviewed by RMA Planning and Environmental Services and are adequate to prevent transport of soil off site.

*Public Services and Facilities:*

Infrastructure to support the proposed development is available or will be provided. The property is as characterized as Rural Lands for the purposes of Table PS-1 in the General Plan. Water for

the existing development and vineyards is provided by California American Water through the Hidden Hills unit. An on-site septic system provides sewage disposal for the house and Accessory Dwelling Unit. A new septic system is proposed to serve the proposed barn and wine cave and adequate space and conditions exist on the property to support the additional septic system. An irrigation well has been permitted on the site by the Environmental Health Department. The well is located in fractured rock and will not draw from an over-drafted groundwater basin. The applicant proposes to source water for the vineyards from the irrigation well rather than from the Cal-Am Hidden Hills unit. Use of the well for irrigation of vineyards has been made a condition of approval of this project (Condition 7). Use of the well for irrigation of the vineyards will reduce demand on the Cal-Am system by changing the source of water for irrigation from the public system which draws from the Seaside groundwater basin to the onsite well. In addition, stormwater runoff and wine process water will be collected into the lined stormwater pond onsite. Both the process wastewater and the stormwater runoff collected will be used as supplemental irrigation for the vineyards and will reduce the net water demand calculations as described below.

The Initial Study prepared for the describes water use for the vineyards, winery operations, and the proposed barn and wine cave (the project). The East Vineyard uses 0.14 acre-feet of water per year and the West Vineyard will use 0.66 acre-feet of water per year for the next 2-3 years until the vines are established and can be dry-farmed like the East Vineyard. Once the West Vineyard vines have matured, the water use will be reduced to 0.17 acre-feet of water per year through minimal irrigation in May, June, July, and October. The barn and the wine cave collectively have 9.6 fixture units of plumbing fixtures. This equates to 0.096 AF/year of water use or on average of 85 gallons per day from the plumbing fixtures. The 0.096 acre feet of water per year for the barn and wine cave will be provided through a connection to the Hidden Hills unit of the Cal-Am water system.

In total approximately 0.9 acre feet of water of per year would be needed for the proposed project. This is equivalent to approximately 2 new dwelling units. Water for vineyard irrigation (0.8 acre feet/year) will come from a combination of the on-site irrigation well and recycled storm-water and wash water captured in the storm-water pond. Water for the barn and wine cave (0.1 acre feet/year) will come from the Cal-Am Hidden Hills system. These water use numbers have been confirmed by Michael Bliss, a landscape architect, in a letter dated February 21, 2020 (**Exhibit F**).

The onsite irrigation well was constructed near the center of the property under ministerial permit from the Environmental Health Bureau in September 2019. The well is located in fractured rock and does not draw from a designated groundwater basin. As an irrigation well, no pump testing or water quality testing was required. Water used from the irrigation well will offset existing demand on water supplied by Cal-Am through the Hidden Hills Water System for vineyard irrigation. This represents a net reduction in demand for Cal-Am water of 0.7 acre feet of water per year. Use of the onsite well for vineyard irrigation is supported by the Monterey Peninsula Water Management District (MPWMD). With the condition that irrigation for the vineyards is only provided from the onsite well incorporated (Condition 7), there is a Long-Term Sustainable Water Supply to serve the development.

*Greater Monterey Peninsula Area Plan (GMP)*: The GMP contains policies specific to the Greater Monterey Area within the General Plan. No conflicts have been identified with this plan. The site, vineyards, and structures are not visible from Highway 68 or Laurels Grade and the project is in keeping with the rural character of the area.

### **Cottage Industry**

As defined in Title 21 of the Monterey County Code "Cottage industry" means a business in a residential area conducted primarily by the residents of the property. Cottage industries are allowed in all zoning districts that permit residential use subject to a Use Permit in each case. The Zoning Administrator is the Appropriate Authority to consider such Use Permits (21.64.095); however, this project has been referred to the Planning Commission for consideration due to comments submitted during review that challenge the interpretation that a small winery can be considered a Cottage Industry. Use Permits for cottage industries are subject to the following additional standards:

- A total of two persons, other than the resident and immediate family residing on site, may be employed in the cottage industry;
- There shall be no advertising for the cottage industry on the property, except for such advertising as may be incorporated within the four square foot nameplate allowed for the residence; and
- Adequate access and parking must be provided on-site to accommodate the residential use, employees and two customers of the cottage industry.

In this case, the applicant proposes to produce approximately 300 cases of wine per year from grapes grown on-site. The property is zoned for residential use and a residence has already been constructed on the property. Some of the wine produced at the site would be offered for sale but no sales would occur at the site. Sale of wine would include transport of cases by the property owner or employees at the property using small passenger vehicles to transport cases from the site to the post office or nearest UPS store.

During review of the permit, it has been noted that the proposed barn appears to be designed to accommodate wine tasting and events. The applicant has indicated that the barn is intended for occasional gatherings of family and friends. No public access or wine tasting will occur, and no events will be held onsite. A deed restriction reflecting the limitations of the barn has been agreed upon by the applicant and will memorialize restrictions on the use of the barn into the future (Condition #5). As proposed, the property owner and two employees would tend to the vineyard and wine production. The property is over 11 acres in size and has adequate space for parking. No on-site advertisement is proposed. As such, the proposed craft winery operation conforms to the Cottage Industry standards outlined in Section 21.64.095 of the Zoning Ordinance (Title 21 of the Monterey County Code).

### **Conversion of uncultivated lands to vineyards**

Previously uncultivated land has been converted to vineyards (the West Vineyard) on slopes between 15 and 24 percent. Conversion of land on slopes over 30% has been avoided. Policy OS-3.5 of the 2010 General Plan requires development of a ministerial process for conversion of uncultivated land on slopes between 15 and 24 percent. The County has not developed the

ministerial process to date. After-the-fact ministerial approval of the conversion of uncultivated lands on slopes between 15 and 24 percent has been included in this permit. According to the General Plan, the ministerial process would require an erosion control plan and address slope stabilization, drainage, and flood hazards. Erosion, geotechnical, and engineered drainage plans have all been submitted for the proposed project and are attached to the resolution. The project is not in an area that is subject to flooding hazards.

### **Proposed Barn, Crush Pad, and Wine Cave**

In association with the proposed craft winery operations, the applicant is proposing to build a new a 3,018 square foot, 3-level barn, an 853 square foot wine cave, and a 400 square foot crush pad. Accessory structures are allowed uses in the LDR zoning district subject to Administrative Permits and Design Approvals due to the Design Review (“D”) and Site Plan review (“S”) zoning district overlays.

The proposed accessory structures are designed to be visually compatible with the rural character of the site and surroundings. The barn will have wood siding with stone veneer accents, metal windows, and a standing seam metal roof. Roof Mounted solar panels are proposed on the barn. The wine cave will be constructed into a hillside and will have a wood door. All development (including the structures and the vineyards) is proposed on portions of the site that contain slopes less than 25 percent. Areas of the property containing slopes greater than 25 percent have been placed within a Scenic Easement. No trees are proposed for removal and no significant biological resources have been identified during staff’s visit to the site or as mapped in the County Geographic Information System (GIS) including the California Native Plant Diversity Data Base (CNDDG) layer.

Grading for improvements to access through the west vineyard driveway, a turn-around at the barn, and excavation for the wine cave and building foundations will require 1,850 cubic yards cut and 2,150 cubic yards of fill. Three hundred (300) cubic yards of fill will be imported to the site.

### **Public Comments**

Several letters and emails have been received during the course of review of this project. Those letters include:

1. Email from Molly Erickson dated March 29, 2019
2. Follow-up email from Molly Erickson dated April 2, 2019
3. Letter from Molly Erickson dated January 2, 2020;
4. Letter from Molly Erickson dated February 3, 2020;
5. Letter from Stephen Bloch dated January 2, 2020; and
6. Email Moises Carvalho on behalf of the Department of Toxic Substances Control (DTSC) dated January 2, 2020;

A summary of the letters and staff’s responses to the letters is provided below:

#### **1. March 29, 2019 email from Mrs. Erickson**

On March 29, 2019, Molly Erickson submitted an email on behalf of the Carmel Valley Association with the following comments:



*Comment 1* - Key Documents are not available on the County website including a copy of the application, project plans are available online but will not download, and complete memorandums were not posted from each department

*Response 1* – On April 2, 2019, RMA staff responded to the email with a copy of the application attached, making the plans available to review, and updating complete memorandums.

*Comment 2* – Concerns about the project include:

- If the project proposes to use CalAm water and an explanation of how that would be permitted under the cease and desist order;
- 5,000 cubic yards of grading were not disclosed in the public notice (for the administrative hearing);
- The project does not appear to fit with a class 3 categorical exemption; and
- The application should be considered at a public hearing.

*Response 2* – As described in the initial study, this project is not subject to the cease and desist order from the State Water Board for the CalAm service area; Subsequent notices for public hearings have included the total grading quantities proposed for the project; An Initial Study has been prepared for the project pursuant to the California Environmental Quality Act (CEQA); and a public hearing on the matter has been provided.

*Comment 3* – Please clarify the address for the property

*Response 3* – A description of the 3 addressed issued to this property is provided in the project description section of this Exhibit.

The email also contained a request for notice of all actions on the project. Notices have been provided pursuant to the request.

## **2. April 2, 2019 email from Mrs. Erickson**

On April 2, 2019, Molly Erickson submitted an email in reply to staff's response to the first email raising the following addition concerns with respect to the project:

*Comment 4* – MPWMD review is appropriate given that CalAm is the water supplier for the project.

*Response 4* – The project was reviewed by MPWMD and the approach to use an onsite irrigation well for irrigation of the vineyards was supported by MPWMD staff.

*Comment 5* – The issue of compliance with the County's private road ordinance should be considered in the County's analysis.

*Response 5* – Staff has considered compliance with the private road ordinance (Chapter 16.80 of the Monterey County Code). There has been no dispute with regard to the use or cost of maintenance of the private roads. If a dispute arises, staff is prepared to add a proof of access condition pursuant to County Code.

*Comment 6* – Possible review of the project by the Greater Monterey Peninsula Land Use Advisory Committee (LUAC).

*Response 6* – The project was referred to the LUAC for review on February 5, 2020 (See **Exhibit H** to the staff report for minutes). At the meeting, the LUAC recommended approval of the project with conditions.

### **3. Letter from Molly Erickson dated January 2, 2020**

On January 2, 2020, Mrs. Erickson, representing the Open Monterey Project (TOMP), submitted a comment letter on the Initial Study/Negative Declaration (IS/ND) prepared for the project. The letter contends that the IS/ND contains inaccuracies and flawed analysis. Errors and omissions make the document inadequate under CEQA and the document should be revised and recirculated. Specific issues in the letter are summarized and responded to below.

*Comment 7* – The County has taken an unwise and anti-public approach by circulating the initial study starting the afternoon before Thanksgiving and ending the day the County reopens after its lengthy winter break.

*Response 7* – The County completed an IS/ND and circulated it for public review from November 27, 2019 to January 2, 2020. The circulation period was included 36 days which is 6 days more than required by CEQA. During the same time frame, the County observed 7 days that would otherwise be considered normal business days as holidays.

*Comment 8* – The IS/ND inconsistently uses the term mitigated negative declaration and negative declaration which confuses the public and decision makers.

*Response 8* - Staff has reviewed the IS/ND and found that the cover letter that was circulated with the IS/ND referred to a “Mitigated Negative Declaration.” Staff has attached a strikeout and underline version of the IS/ND that makes minor clarifications for clarity.

*Comment 9* – The MND [IS/ND] is incorrect when it states that the decision maker is the Zoning Administrator. The Planning Commission is the decision maker for all cottage industry permit.

*Response 9* – The IS/ND correctly describes the Zoning Administrator as the appropriate authority. Section 21.14.050.V of the Inland Zoning ordinance (Title 21 of the Monterey County Code) lists cottage industries as a use allowed subject to a Use Permit in the Low Density Residential Zone pursuant to Section 21.64.095 and designates the Zoning Administrator as the authority to consider such permits as illustrated by the “(ZA)” in parenthesis. In addition, Section 21.64.095.C.1 of the Inland Zoning Ordinance clearly designates the Zoning Administrator as the Appropriate Authority to consider a Use

Permit for a cottage industry. Never-the-less, this project has been referred to the Planning Commission for review.

*Comment 10* - The IS/ND contained an inaccurate project description that:

- Fails to identify the required Use Permit for a Cottage Industry
- Inconsistently describes grading quantities for the project;
- Does not quantify grading by project element; and
- Fails to include the after the fact permit for conversion of the vineyard.

*Response 10* – The need for a Cottage Use Permit entitlement is described in the Land Use and Planning Section of the IS/ND. CEQA does not require that the entitlements be listed in the project description. The entitlement is triggered by the project pursuant to zoning requirements and the project is the thing that has potential effects on the environment, not the entitlements. Staff has attached a strikeout and underline version of the IS/ND that makes minor clarifications to grading quantities for clarity. Grading for the project will occur all at one time and the site will not be graded by project element therefore, the grading is not described in parts. Finally, the project description and analysis within the IS/ND clearly describe the after the fact expansion of the vineyard (**See Exhibit D**).

*Comment 11* – Wineries and wine processing facilities are not permitted uses in the LDR zone. The IS/ND fails to discuss this. There are specific areas identified for winery uses in the General Plan and the project is not in one of those specific designated areas. The project would have a significant cumulative impact as a precedent.

*Response 11* – Within the Land Use and Planning Section of the IS/ND, the project is described as an allowed use subject to a cottage industry Use Permit. The site is not within the Agricultural Winery Corridor which is a part of the 2010 General Plan. The Ag Winery Corridor was established to encourage growth of wineries within the corridor by provided simplified permitting and programmatic CEQA coverage. Section 4.2 of the Ag Winery Corridor Plan states “Wineries outside of the designated Agricultural and Winery Corridor are subject to conformance with the regulations of the underlying zoning district.” The proposed winery is distinct from uses contemplated in the Ag Winery Corridor Plan. The Ag Winery Corridor Plan describes artisan wineries, wine tasting facilities, winery related visitor service uses, winery-related events, winery adjunct uses, and industry events. This project will have none of those uses. Artisan wineries are defined in the General Plan as a winery that produces between 2,000 and 50,000 cases per year with a winery tasting facility up to 2,500 square feet in size. This project will include production of approximately 300 cases per year and will not be open to the public for tasting, events, or other winery adjunct uses. Staff has also researched permits for other small/craft wineries permitted outside of the Ag Winery Corridor with a Cottage Industry Permit. Six separate properties have been granted Cottage Industry Use Permit to conduct small winery operations outside of the Winery Corridor:

- PLN170657 (Gontaryuk) 100-150 cases per year in Cachagua
- PLN120104 (Saunders) 2,000 cases per year in Carmel Valley
- PLN110294 (Parsons) 2,000 cases per year in Carmel Valley

- PLN020602 (Russell) 2,000 cases per year Corral de Tierra
- PLN020389 (Sullivan) unknown number of cases in Carmel Valley
- ZA95077 (Venuti/Massey) unknown number of cases in Greater Salinas area

As demonstrated by the list of past approvals, this project would not establish a new precedent. The IS/ND analyzes cumulative effects of the project and concludes that as designed and conditions, the project is not contribute to a cumulative considerable impact.

*Comment 12* – Assumptions that the IS/ND relies on for its analysis and conclusion must be placed into enforceable and meaningful mitigations. These include:

- No more than 2 employees
- Timing of travel trips
- Water use
- Conversion to dry farming after three year
- Prohibition of water use in the vineyard in August and September
- Prohibition on use of the property to ensure no events, no public usage, and no wine tasting

*Response 12* – Staff has reviewed the IS/ND and has added conditions of approval where warranted. Conditions include:

- Condition 6 -Compliance with the Operations plan which describes the use of the property (not to include tasting or special events), the number of cases of wine (300), the number employees (2), timing of travel (off peak hours), and the water demand and water sources (irrigation well or Cal-Am Hidden Hills unit).
- Condition 5 - Recordation of a deed restriction prohibiting public wine tasting and events.
- Condition 7 - Vineyard irrigation from onsite well
- Condition 8 - Employee and delivery traffic (off peak hours and restriction on large trucks)

Other assumptions made in the initial study are based on industry standards such as the type irrigation techniques and timing of irrigation. Irrigation needs described in the IS/ND represent the peak demands during the first 3 years until vineyards mature. Once vineyards are established and mature, they demand less water so the long-term water needs will be less.

*Comment 13* – The suggestion that the winery should be treated differently because it is “private” and run by a “family” are misleading and meaningless.

*Response 13* – The manner and type of ownership of the property has had no bearing on the potential impacts considered in the IS/ND. The only distinction made with respect to who is running the winery is related to definition of “Cottage Industry” contained in Section 21.06.220 which states “Cottage industry” means a business in a residential area conducted primarily by the residents of the property manufacturing artistic, handicraft and other craft items.”

*Comment 14* – Conclusions in the IS are not supported by any biological analysis by an expert. They are not meaningful and should be disregarded.

*Response 14* – Biological conclusions in the IS/ND were based on a staff inspection of the site and on Geographic Information Systems (GIS) checks of the California Natural Diversity Data Base (CNDDB). There was no indication from either source that sensitive biological resources have been or will be impacted. In response to comments, the applicant had Patrick Regan, a qualified biologist, prepare a letter dated February 18, 2020 that supports the conclusions and analysis in the IS/ND (See **Exhibit D**).

*Comment 15* – The IS fails to disclose the location of the exiting water well permitted improperly in September 2019. The well permit was piecemealed and the IS fails to analyze the impacts of the well.

*Response 15* – Construction of an irrigation well on the property was not proposed as part of the application submitted to the County. At the time of decision to prepare the Initial Study for this project, the well had already been permitted under a ministerial well drilling permit issued by Monterey County Environmental Health. The well is located on the property and is discussed as a water source for vineyard irrigation in the Initial Study.

*Comment 16* – The IS fails to present a meaningful discussion of the reasons why Cal Am has sought a moratorium on new Hidden Hills connections: because Cal Am is materially exceeding its allowed pumping. The IS is required to look at the environmental impacts of pumping, not merely the regulatory limits.

*Response 16* – The IS/ND states “An application has been submitted the Public Utilities Commission for a moratorium on new water service connections within the Hidden Hills service area. The PUC has not acted on the moratorium and there is not moratorium currently in effect. Results of the pending decision are speculative at this time. For this project, consistent with the Monterey Peninsula Water District’s recommendation, the Project would allow the Property to cease using this 0.8 acre-feet of water per year from Cal-Am by utilizing an onsite irrigation well that does not impact the aquifer from which Hidden Hills obtains its water supply. Therefore, the project would not substantially deplete groundwater supplies.” (pg 23). The subject property is already connected to Cal Am and there is no limit on the amount of water that can be used with that connection. The IS/ND discusses how water demand with the existing connection will be reduced.

*Comment 17* – The IS fails to disclose the number of trips before and after the project, and how the applicant would ensure that the trips are made outside of peak hours, and how that would be monitored by the County.

*Response 17* – The IS/ND states: “The Project would replace the offsite truck trips associated with the grape harvest with 2 workers to handle processing and bottling for 2 additional days during the year (2 vehicles x 2 trips x 2 days = **8 trips/year**). These employees would travel to and from the site during off peak hours (peak hours being between 7:00 and 9:00 AM and 4:00 and 6:00 PM). Several deliveries each year of bottles and supplies would also be anticipated with a maximum of one delivery per month. The road is narrow, with switchbacks, so delivery vehicles will remain small (1 van x 2 trips

x 1 days/month x 12 months = **24 trips/year**). According to the ITE Trip Generation Manual, 10th Edition, a single-family dwelling generates 10 daily trips. Based upon the activities noted above, the estimated new traffic to the property would be 32 trips per year or an average of 0.09 daily trips associated with the vineyard (less than 1 round trip per day). Therefore, impacts due to traffic would be less than significant.” (pgs 32 and 33).

Traffic information was confirmed by a traffic engineer, Keith Higgins (See **Exhibit G**).

*Comment 18* – The energy situation fails to discuss the energy of pumping water from the reservoir for irrigation purposes. There is no disclosure of existing or proposed solar energy sources.

*Response 18* – The IS/ND concluded that there would be no impact on Energy. New structures will be required to meet the requirements of Title 24 of the Uniform Building Code (UBC). The project will also incorporate solar panels for electrical generation. The energy the project consumes for functions such as internal building lighting, heating or air conditioning will be generated on site. Plans submitted for the project show a roof mounted photovoltaic (PC) system on the proposed barn. The applicant has also submitted a letter from Monterey Energy Group, Inc dated February 21, 2020 that demonstrates that the planned PV system will fully offset increased energy demands on the site.

*Comment 19* – The archaeological condition is a mitigation to prevent significant impacts. It should be described as a mitigation.

*Response 19* – The site is mapped as having “moderate” archaeological sensitivity although known sites do exist within 1 mile of the site. An archaeological investigation was prepared for the site by Ruben Mendoza. The investigation concluded that there is no surface evidence or background evidence that would indicate that archaeological resources are present at the site. Staff also consulted with tribal representatives. No spiritual significance of the site was identified during consultation. Consultation concluded when staff agreed to modify the standard archaeological condition requiring work to stop if previously unidentified resources are discovered to include notification of the tribes in addition to the County, and archeologist, and, if remains are involved, the County Corner (Condition 3).

As demonstrated in this discussion, staff evaluated the comments received, made minor clarifications and amplified the conclusions in the IS/ND, and determined that no fair argument, based on substantial evidence has been provided that would change the conclusions.

#### **4. Letter from Molly Erickson dated February 3, 2020**

On February 3, 2020, Molly Erickson submitted additional comments to the Greater Monterey Peninsula Land Use Advisory Committee (LUAC) on behalf of The Open Monterey Project (TOMP). The February 3, 2020 letter reiterated many of the comments that have been responded to above but contained additional detail about the contention that wineries are not cottage industries and wineries are not permitted in the Low Density Residential zoning district.

*Response 20* – Staff has reviewed the letter and given the dispute over the interpretation of the codes with respect to small wineries and cottage industry, this item has been referred to the Planning Commission for review. As described throughout this discussion, the Low Density Residential zone permits cottage industries with a Use Permit. Other small wineries and craft breweries have been approved by the County as cottage industries. In contrast, wineries or agricultural processing facilities are not listed as a use allowed in same zone. In her letter, Ms. Erickson quotes definitions for “wineries” which includes “agricultural processing facilities.”

It is staff’s interpretation that “wineries” are not all the same and different standards can and should apply to permitting. As defined in the General Plan and the Zoning Ordinance, “wineries” reflect large commercial vineyards, large processing and storages areas, wine tasting, and events. Small wineries owned and operated primarily by residents of the property, having no more than 2 employees, and not open to the public for tasting or events are of a scale and character that does not conflict with the residential designation like a large winery or agricultural processing facility would. This interpretation is supported by the time limits applicable to Cottage Industry Use Permits in Section 21.64.095.D. All Use Permits issued for a cottage industry are subject to review after the initial year, another review after three years and a review every five years thereafter. The purpose of these time limits is to provide adequate on-going review of the Cottage Industry to assure that the use continues to meet the standards of this Section, that the nature of the area has not changed sufficiently to cause the use to be detrimental to the area, and to review the conditions of the prior Use Permit to determine their continuing adequacy.

#### **5. Letter from Stephen Bloch dated January 2, 2020**

On January 2, 2020 a letter was submitted by Stephen Bloch, President of the Board of Directors of the Hidden Hills Homeowners Association (HOA). The letter was submitted during the public comment period on the Initial Study/Negative Declaration (IS/ND); however, the letter does not address the analysis in the IS/ND. The letter describes the following concern:

*Comment 21* – A commercial facility is inappropriate for this location; in the heart of a residential community. The additional traffic of commercial vehicles necessary to service and maintain such a facility will undoubtedly impact the safety and wellbeing of the residents. Additional commercial traffic will create an undue burden on the maintenance of the narrow two-lane roads throughout the neighborhood. The restriction disallowing public access will not prevent the facility from hosting ‘private’ events that will further undermine traffic safety and disruption of the neighborhood.

*Response 21* – Staff has reviewed the concerns and has added conditions restricting the use of large trucks for winery operations (Condition 8). Traffic is discussed above and the increase in traffic proposed will have a negligible effect on roads in the vicinity. There is currently no restriction on the property for events and private events associated with the residential use and vineyards. As a Cottage Industry, a one year review of the permit is required to review if winery operations are detrimental to the area and neighborhood.

#### **6. Email Moises Carvalho on behalf of the Department of Toxic Substances Control (DTSC) dated January 2, 2020**

On January 2, 2020, during the public comment period for the Initial Study/Negative Declaration (IS/ND), the DTSC submitted a letter with the following comments:

*Comment 22* – The IS/ND does not include or mention of historical land uses at the proposed construction area. If the construction area was used in the past for agricultural beneficial use, it may have resulted in hazardous materials releases. DTSC would like to be informed if a Phase I Environmental Site Assessment (ESA) or Phase II ESA has previously been conducted for the project area.

*Response 22* – Portions of the project site were converted from uncultivated, natural vegetation, to vineyards in 2019. No agricultural use has occurred at the site where structures are proposed. There is no evidence that of hazardous materials at the site and no ESA is warranted in this case.

*Comment 23* – Section 9(a) of the IS/ND should be “Less Than Significant” rather than “No Impact” because most construction projects would involve at least minimal use of hazardous materials (e.g. fuels, paints). However, these should be less than significant because they are typical to any construction project and would be used in accordance with applicable regulations.

*Response 23* – The California Environmental Quality Act (CEQA) categorically exempts certain classes of project which have been determined to not have a significant effect on the environment (Section 15300 of the CEQA Guidelines). Typical use of materials for construction of up to three new houses and for accessory structures falls within this category. Construction of the barn and wine cave will use standard construction techniques and materials. There is no indication that construction materials used for this project will have unique impacts that aren’t inherent to every other construction project. The project is not located on a hazardous site pursuant to Section 65962.5 of the Government Code.

As described above, staff has reviewed the project and found it consistent with the 2010 General Plan and the Zoning Ordinance (Title 21). The California Environmental Quality Act (CEQA) has been complied with through preparation and circulation of an Initial Study/Negative Declaration. All comments received during review of the project have been reviewed and appropriate steps have been taken in response to those comments. As such, staff is recommending approval of the project subject to the recommended conditions in Exhibit B.