



County of Monterey

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

Board Report

File #: 18-1150, **Version:** 1

PLN180292 - CARMEL RANCHO GENERAL STORE, INC (Prim's)

Adopt a resolution finding that a Public Convenience of Necessity (PCN) would be served by the issuance of a Type 21 Off-Sale General (Beer, Wine, and Distilled Spirits) license by the Department of Alcoholic Beverage Control to Carmel Rancho General Store, INC ("Prim's") at 546 Carmel Rancho Road, Carmel Valley, CA 93923, for the sale of beer, wine, and spirits for off-site consumption, pursuant to California Business and Professional Code Section 23958.4.

Project Location: 546 Carmel Rancho Boulevard, Carmel Valley Master Plan.

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

PROJECT INFORMATION:

Planning File Number: PLN180292

Agent: Ross Gagliano

Owner: Carmel Rancho General Store, INC.

APNs: 015-012-073-000; 015-012-074-000; 015-012-075-000

Plan Area: Carmel Valley Master Plan

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a resolution finding that a Public Convenience of Necessity (PCN) would be served by the issuance of a Type 21 Off-Sale General (Beer, Wine, and Distilled Spirits) license by the Department of Alcoholic Beverage Control to Carmel Rancho General Store, INC ("Prim's") at 546 Carmel Rancho Road, Carmel Valley, CA 93923, for the sale of beer, wine, and spirits for off-site consumption, pursuant to California Business and Professional Code Section 23958.4.

SUMMARY:

Prim's is a general merchandise store located in the Carmel Rancho Shopping Center, at the mouth of Carmel Valley Road. The applicant, business owner and tenant, Carmel Rancho General Store, INC, dba "Prim's", is requesting a Type 21 Off-Sale General license from the State of California Department of Alcoholic Beverage Control (ABC) which would permit the sale of beer, wine, and distilled spirits for carry out, or off-site consumption. 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 21 license before the ABC would issue the license. Currently the area, Census Tract 116.02, is considered "saturated" by State standards such that any additional Off-sale license approvals require local jurisdictional approval before the ABC would issue a license. State standards for this census tract are five (5) Type 21 licenses; there are currently six (6) Off-sale licenses in the census tract, approval of the Prim's request would bring the total number of Off-sale licenses to seven (7). RMA staff finds there would be a public convenience and necessity served by this license and supports the issuance based on unique local characteristics of Prim's and the type of products proposed for sale. The Sheriff's office has commented that they have no concerns with the application. The County Health Bureau has posed concern with the issuance of the license, citing the number of vehicular accidents County-wide related to alcohol consumption, and social considerations, from a public health perspective. These concerns are discussed in more detail below. The existing Prim's store can be described as a general merchandise and lifestyle store offering a wide variety of home goods, including unique local packaged foods. The application for a Type 21 license would allow Prim's to include premium alcoholic

beverages featuring locally produced beers, wine, and distilled spirits in addition to their existing merchandise selection, potentially increasing Prim's target market and increasing foot traffic to the store and surrounding commercial district.

DISCUSSION:

"Prim's" is located within the Carmel Rancho area Census Tract (Tract. No. 116.02) which covers the Carmel Valley Road area, beginning at Highway 1 and extending east to Laureles Grade, and capturing the western reaches of Carmel Valley Village. The northern boundary of the tract is approximately the mid-point between the Holman Highway (Hwy 68) exit off SR-1, and Carmel Valley Road the southern boundary loosely follows the Carmel River. Based on the population of the census tract area (approximately 5,266 residents) ABC regulations determine that five (5) off-sales licenses are adequate to meet the public's needs.

State ABC issues two types of off-sale licenses: the Type 20 which permits the sale of beer and wine on a carry-out basis, and the Type 21 which permits the sale of beer, wine, and distilled spirits on a carry-out basis. Within the subject census tract there is a mix of Type 20 and Type 21 licenses. Five (5) Type 20 licenses are located within the subject Census tract, and one (1) Type 21 license exists within the Census tract. Approval of this Type 21 license would result in the census tract having two (2) Type 21 licenses, for a total of seven (7) Type 20 and Type 21 licenses. Therefore, the area is over saturated with off-sale licenses.

Despite being over saturated with off-sale ABC licenses in this area, there are several factors that distinguish the Prim's proposal from other establishments with the same family of ABC licenses (Type 20 & Type 21) within Census Tract No. 116.02. The finding that a public convenience or necessity would be served by the issuance of a Type 21 license by the ABC can be supported for the following reasons:

- 1) Providing unique alcoholic beverage products in a convenient location which are produced by predominately local, small-scale brewers, vintners, and distillers, featuring products that are not readily available from the "big box" retailers and gas stations in the area.
- 2) ABC approval of the Type 21 license will help sustain an existing, locally-owned retail businesses catering to local tastes by allowing Prim's to expand their merchandise selection. This added merchandise selection has the potential to attract additional foot traffic to Prim's and the surrounding shopping center, supporting other locally owned commercial tenants in the shopping center as well.
- 3) Prim's is positioning itself as part of a niche market focusing on unique products. They want to expand their market to include the purveyance of limited-production alcoholic beverages promoted to an affluent clientele, thus the market for this customer and related sales is small when compared to the mass-market producers and retailers. The sale of alcoholic beverages is but a minor component of the broader general merchandise mix offered for sale to the public. The volume of alcoholic beverages sold from Prim's would potentially be much lower than a big-box enterprise or the convenience store/gas station points of sale.
- 4) Approval of this request would bring the number of Type 21 licenses to two (2) within the Census tract, with a total of seven (7) Type 20 & Type 21 licenses located in Census Tract 116.02. Based on ABC licensing data for the Carmel Valley census tract, the majority of off-sale licensing in the area is attributed to gas stations and convenience markets. The Type 21 license requested will be one (1) of two (2) Type 21 licenses within the Carmel Rancho Census Tract No. 116.02, the other Type 21 license is held by Lucky Grocers. Approving the Prim's license request will allow the enterprise to enhance their customer experience and diversify the type of goods and commodities offered to the public.

- 5) This business is located within a 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, Prim's has the potential to serve customers from adjacent under-served census tract areas, including the Carmel Highlands, Palo Colorado, and Big Sur.
- 6) Although Census Tract 116.02 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 21 license would serve a potentially much larger population that includes residents of and visitors to the census tract, and thus the alcohol would likely be consumed in an alternate census tract.

Carmel Valley Association:

Prim's presented their desire to obtain a Type 21 Off-sale license to the Carmel Valley Association (CVA) at their November 15, 2018 board meeting. The CVA has supports Prim's efforts in obtaining a Type 21 license and appreciates Prim's efforts to broaden their merchandise selection, spotlighting the local beer and wine craft, and the potential to increase foot traffic to Carmel Valley Shopping Center and its merchants. CVA has provided a letter which states their position of support (**Attachment G**).

OTHER AGENCY INVOLVEMENT:

Monterey County Sheriff. Staff has conferred with the Monterey County Sheriff's Office, both by telephone and email, and they do not oppose the issuance of a Type 21, Off-Sale (Beer, Wine, and distilled spirits) license. Correspondence from the Sheriff's office have been included as **Attachment C**.

Monterey County Health Department. Staff has conferred with the Health Department and the Department has raised concerns with the issuance of the Type 21 license, and cannot support the issuance of the license. A memo from the Health Department has been included as **Attachment D**. Their main concerns stated in the memo are summarized below:

- Consumption: Excessive alcohol consumption is responsible for approximately 88,000 deaths annually nation-wide. 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, RMA Planning Services Manager

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; Project File, PLN180292.

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

Attachment A	Applicant Request for Finding of Public Convenience or Necessity
Attachment B	Comments from Monterey County Sheriff's Office
Attachment C	Comments from Monterey County Health Department
Attachment D	Map showing Types of Liquor Licenses in Census Tract 116.02
Attachment E	Vicinity Map
Attachment F	Draft Resolution

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; Project File, PLN180292.