



County of Monterey

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

Board Report

File #: PC 20-017, **Version:** 1

PLN180257 - DAVID ARZINI/HIDDEN VALLEY

Public hearing to consider approving a craft winery producing approximately 300 cases of wine per year including conversion of 1.6 acres of land to vineyards (resulting in 2.95 acres of vineyards in total), construction of a new 3,018 square foot three-story barn, construction of an 853 square foot wine cave and 400 square foot crush pad, and grading of 1,815 cubic yards of cut and 2,150 cubic yards of fill.

Project Location: 11729 Hidden Valley Road, Carmel Valley

Proposed CEQA action: Categorical Exempt per Section 15303(a) and 15304(b) of the CEQA Guidelines.

RECOMMENDATION:

It is recommended that the Planning Commission adopt a resolution to:

- a. Adopt a Negative Declaration pursuant to Section 15074 of the CEQA guidelines;
- b. Approve a Use Permit to allow a cottage industry for a craft winery producing approximately 300 cases of wine per year;
- c. Approve a ministerial permit to allow the conversion of 1.6 acres of previously uncultivated lands containing slopes between 15-24% to vineyards; and
- d. Approve an Administrative Permit and Design Approval to allow the construction of a 3,018 square foot two story barn with office space, an 853 square foot wine cave, a 400 square foot crush pad and grading of 1,815 cubic yards of cut and 2,150 cubic yards of fill.

A draft resolution for approval, including findings and evidence, and subject to 13 conditions, is attached for consideration (**Exhibit B**).

PROJECT INFORMATION:

Agent: Joshua Stewman

Project Owner: David Arizini/Hidden Valley LLC

APNs: 185-051-019-000

Zoning: LDR/2.5-D-S

Parcel Size: 11.36 Acres

Plan Area: Greater Peninsula Area Plan

Flagged and Staked: Yes

SUMMARY/ISSUES:

The project site is 11.36 acres in size and is located west of Laureles Grade Road, between Highway 68 and Carmel Valley Road, and adjacent to the Hidden Hills Estates Subdivision. Las Ninas Road, a private road off Hidden Valley Road, runs through the property and is the main point of ingress and egress. The area is rural with hills and valleys that contain chaparral plant communities mixed with coast live oak woodlands. The majority of the project site contained chaparral plant communities prior to conversion of 1.6 acres of land to vineyards. There is also an existing single-family dwelling, detached Accessory Dwelling Unit (ADU), detached garage, and 1.35 acre vineyard (east vineyard) that has existed since 2002. Within the last two years (2018-2019), 1.6 acres of uncultivated land has been converted to vineyards (west vineyard) for a total of 2.95 acres of vineyards on the site. Scenic easements have been recorded on areas of the property that contain slopes greater than 30%. All vineyards and existing and proposed development are located in areas outside of the

scenic easements and off slopes greater than 30 percent.

The applicant is proposing to construct a barn, wine cave, and crush pad and to process approximately 300 cases of wine per year from grapes grown in the vineyards on the property. The proposal includes an operational plan (**Exhibit B3**) that describes the intended operations and activities of the winery. As stated in the operations plan, the property owners will operate the winery with up to two employees, four days per week, for maintenance of the vineyards, landscaping, and facilities. The winery would not be open to the public and the applicant has agreed to a deed restriction that would prohibit public wine tasting and winery adjunct uses including events at the site.

The site is zoned Low Density Residential, 2.5 acres per unit, with Design Control, and Site Plan review overlays (LDR/2.5-D-S). Within the LDR zone, viticulture is an allowed use. Viticulture is the cultivation of grapes. Processing of the grapes into wine can be permitted as agricultural processing or, in limited cases, as a cottage industry. Cottage industry is defined as a business in a residential area conducted primarily by the residents of the property manufacturing artistic, handicraft and other craft items. Cottage industries are limited to employment of no more than two persons other than residents onsite; no advertisement is allowed other than a four square foot nameplate, and adequate onsite parking must be provided. Staff has reviewed the proposal and found it consistent with the cottage industry limitations. This initial Use Permit for a cottage industry is valid for a one-year period. A second Use Permit is required if the winery use continues beyond the first year. 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 standards, 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.

After-the-fact ministerial approval of the conversion of uncultivated lands to cultivated lands on slopes between 15 and 24 percent has been included in the permit for the 1.6 acre expansion of the vineyard in accordance with Policy OS-3.5 of the General Plan. Policy OS-3.5 calls for development of a ministerial process for conversion of uncultivated lands to cultivated lands. The County has not developed a ministerial approval process to date and the expanded vineyards (west vineyards) on the site are located on slopes between 15 and 24 percent. Therefore, after the fact approval for the conversion of land is included in this permit. Consistent with General Plan policies, runoff and erosion are addressed in the proposed plans. In addition, Design and Site Plan review is required for new structures in the D and S zoning district overlays. An Administrative Permit and Design Approval are included for a new 3,018 square foot barn and an 853 square foot wine cellar with crush pad.

During the course of review of this project, several comments have been received from Molly Erickson representing the Carmel Valley Association (CVA) and The Open Monterey Project (TOMP) (**Exhibit E**). CVA initially requested a hearing on the project and expressed concerns regarding the potential for wine tasting and events related to the proposed winery. The applicant agreed to a deed restriction prohibiting public use and events on the property to address CVA's concerns. Letters were later received by TOMP during the public comment period on the Initial Study suggesting that the initial study contained material inaccuracies and flawed analyses which made the document inadequate under CEQA. Staff has reviewed the comments and is suggesting minor clarifications and amplification to the Initial Study to address the comments. Additional comments were received by TOMP in advance of the Land Use Advisory Committee (LUAC) hearing on this matter. The LUAC comments incorporated the comments made on the Initial Study and contend, among other things, that wineries are not allowed in the LDR zone and are not "cottage industries." Given the comments submitted, and given potential ramifications for several other small wineries that have been permitted as a Cottage Industry by the County, staff has referred this matter to the Planning Commission for review. As described above, staff finds that the proposal qualifies as a cottage industry and is therefore an allowed use in the LDR zone. Additional details regarding comments and how comments have been addressed are provided in

Exhibit A.

DISCUSSION:

A detailed discussion is attached as **Exhibit A**.

ENVIRONMENTAL REVIEW:

An Initial Study has been prepared for the project pursuant to the California Environmental Quality Act (CEQA). The Initial Study reflects the County's independent judgement and was circulated for public review from November 27, 2019 through January 2, 2020. The Initial Study found potential impacts to air quality, geology and soils, greenhouse gas emissions, hydrology/water quality, land use planning, noise, traffic, tribal cultural resources, and wildfire (**Exhibit D**). As designed and conditioned the project was found to have less than significant impacts on the environment. Comments on the Initial Study were received during the public comment period which started November 27, 2019 and ended January 2, 2020 (**Exhibit E**). Staff has reviewed the comments and has added conditions that are not required to mitigate impacts but do address some of the issues raised in the comments. Additional details are provided in the attached discussion.

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

Environmental Health Bureau
RMA-Public Works
RMA-Environmental Services
Water Resources Agency
Monterey Regional Fire Protection District

On February 5, 2020, the Greater Monterey Peninsula Land Use Advisory Committee (LUAC) considered the proposed project. The LUAC recommended that conditions be added to prevent special events, short term rentals and wine tasting and that the vineyards stay the same size. With those suggestions, the LUAC recommend approval by a vote of 2 ayes, 1 no, and 1 abstention (**Exhibit H**).

FINANCING:

Funding for staff time associated with this project is included in the FY17-18/18-19 Adopted Budgets for RMA -Planning.

Prepared by: Kenny Taylor, Associate Planner, x5096
Reviewed by: Craig Spencer, Planning Services Manager ext 5233
Approved by: John Dugan, FAICP Deputy RMA Director

The following attachments are on file with the RMA:

Exhibit A - Detailed Discussion
Exhibit B - Resolution

- Recommended Conditions of Approval
- Site Plan, Floor Plans, and Elevations
- Winery Operations Plan

Exhibit C - Vicinity Map
Exhibit D - Initial Study/Negative Declaration
Exhibit E - Correspondence and Comments
Exhibit F - Response to Comments from the Applicant
Exhibit G - Traffic Report

Exhibit H - Greater Monterey Peninsula LUAC Recommendation

cc: Front Counter Copy; Zoning Administrator; Craig Spencer, Planning Services Manager; Brandon Swanson, Interim Chief of Planning; David Arizini/Hidden Valley LLC, Property Owner; Joshua Stewman Applicant; The Law Offices of Aengus Jeffers, Attorney, Stephen Bloch, Hidden Hills Homeowners Association; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); Project Files PLN180257.