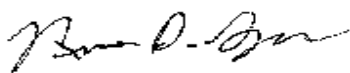


# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Erik V. Lundquist, Senior Planner  
**DATE:** April 1, 2014  
**SUBJECT:** Public Convenience or Necessity Determination for the Sale of Alcoholic Beverages at Mount View Hotel

APPROVAL FOR FORWARDING:



Richard D. Spittler, City Manager

1 **ISSUE:** Determination of public convenience or necessity for an on-sale and off-sale  
 2 alcoholic beverage license at the Mount View Hotel

3 **RECOMMENDATION:** Adopt resolution.

4 **BACKGROUND:** On July 21, 1998, the City Council adopted Resolution 98-113  
 5 establishing procedures for consideration of new alcoholic beverage licenses in  
 6 Calistoga. Under this Resolution, businesses requesting a license to sell alcohol for on-  
 7 or off-site consumption are required to first obtain clearance from the City Council  
 8 before the State Department of Alcohol Beverage Control (ABC) considers the license.  
 9 City clearance is provided in the form of a "Determination of Public Convenience and  
 10 Necessity", wherein an applicant must meet certain local standards. This process is  
 11 warranted because ABC has determined that there is an over-concentration of  
 12 businesses selling alcoholic beverages in Calistoga. However, it should be noted that  
 13 Calistoga is unique in terms of the number of alcohol-related businesses because of the  
 14 positive and symbiotic relationship that Calistoga has with the Napa Valley (e.g.  
 15 wineries, wine shops, restaurants, visitor industry, etc.).

16 On February 26, 2013, Michael Woods submitted an application for a PCN  
 17 determination required pursuant to the Business and Professions Code. It is the  
 18 intention of the applicant to sell wine and beer pool side to hotel guests, under a Type  
 19 70<sup>1</sup> license. Although the applicant has not indicated that they will serve distilled spirits,  
 20 if approved this license would allow the service of distilled spirits in the future without  
 21 further City Council consideration.

22

<sup>1</sup> **TYPE 70, ON SALE GENERAL – RESTRICTIVE SERVICE** - Authorizes the sale or furnishing of beer, wine and distilled spirits for consumption on the premises to the establishment's overnight transient occupancy guests or their invitees. This license is normally issued to "suite-type" hotels and motels, which exercise the license privileges for guests' "complimentary" happy hour. Minors are allowed on the premises.

23 Typically, the PCN determination for a Type 70 license is conducted by ABC. However,  
24 since this request also includes a Type 20<sup>2</sup> license the City Council must make the  
25 determination. The Type 20 license would allow guests to purchase beer and wine for  
26 consumption in their guest rooms or to take off of the property. The Type 20 license  
27 does not allow distilled spirits.

28  
29 **DISCUSSION:** Mount View Hotel is located at 1457 Lincoln Avenue and has three  
30 separate cottages located at 1442 First Street in the DC-DD Downtown Commercial-  
31 Design District zoning district. The hotel has operated for over 100 years in this location  
32 and is currently operating under use permit U 91-10. Furnishing of alcoholic beverages  
33 to hotel guests as a complimentary service or as a convenience service is considered  
34 by staff to be an inherent and incidental part of a hotel use. Currently, guests purchase  
35 alcoholic beverages from the adjacent restaurants or convenience stores.

36 The criteria used in making this determination per Resolution 98-113 includes:

- 37 • Input and recommendation from the Police Department prior to consideration  
38 of the use;
- 39 • Evidence provided by the applicant addressing the public convenience and  
40 necessity that would be served by the alcohol license;
- 41 • The nature of the proposed use;
- 42 • The extent to which alcohol sales are related to the function of the proposed  
43 use and the possibility of the use operating in a viable fashion without alcohol  
44 sales;
- 45 • The proximity of the proposed licensed premises to sensitive land uses such  
46 as residences, schools, churches, and parks, and the effect that existing and  
47 proposed licensed businesses may have on such sensitive land uses;
- 48 • The compatibility and suitability of the proposed use with the use and/or  
49 character of the surrounding area;
- 50 • The effect that the proposed use may have on the welfare of the area  
51 residents; and
- 52 • The public convenience and necessity that would serve the community by the  
53 issuance of an additional license both in the immediate area and in Calistoga  
54 in general.

55 An alcoholic beverage license for the proposed business would not adversely affect the  
56 welfare of the public in the immediate vicinity or in the community in general. The  
57 location of this business is not significantly proximate to sensitive land uses as defined

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<sup>2</sup> **TYPE 20, OFF SALE BEER & WINE** - (Package Store) Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are allowed on the premises.

58 above. The proposal to sell wine and beer to guests of the hotel is compatible with the  
59 uses and character of other Calistoga businesses. The sale of wine and beer to hotel  
60 guests is a convenient and necessary business to Calistoga that will help promote and  
61 support local wine and tourism industries.

62 In addition, the Police Department has been consulted regarding the proposed use and  
63 has determined that the neighborhood will not be affected by the additional license. The  
64 Chief of Police reviewed 5 years of call history and found that the majority of the calls  
65 were related to theft and noise. Although alcohol may have been involved in some of  
66 these calls, the Chief of Police reported that the additional license will not result in an  
67 increase in service above the existing volume and/or create a noticeable effect on the  
68 commercial downtown.

69 Therefore, staff recommends that the City Council determine the use to be a public  
70 convenience allowing an additional licensed business in Calistoga.

71 **FISCAL IMPACT:** A determination of public convenience or necessity is not anticipated  
72 to have a significant fiscal impact upon the City.

**ATTACHMENTS:**

1. Draft Resolution
2. Application Form and Supplemental Information
3. Resolution 98-113