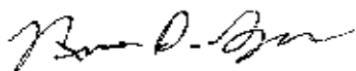


City of Calistoga Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning & Building Director
DATE: July 7, 2015
SUBJECT: **Potential Limitations on Downtown Wine Tasting Facilities**

APPROVAL FOR FORWARDING



Richard D. Spitler, City Manager

1 **ISSUE:** Consideration of whether to limit the number of downtown wine tasting
 2 facilities

3 **RECOMMENDATION:** Following a discussion of the issue, provide direction to staff.

4 **BACKGROUND:** Following its approval of a use permit for a new wine tasting
 5 business on June 10, 2015, the Planning Commission expressed concern that
 6 there appears to be an increasing number of these types of applications, and
 7 that a proliferation of a single type of commercial activity in the downtown could
 8 adversely affect its unique and eclectic character. The Commission asked staff to
 9 convey its concerns to the City Council and provide for community input on the issue.

10 There are 13 downtown wine tasting facilities in operation or that have been
 11 approved and are not yet open. Four have been approved in the last 14 months.

Tasting facility	Location	Approved
Heibel Ranch	1458 Lincoln #12	2015
Olabisi	1226 Washington	2015
Huge Bear	1373 Lincoln	2014
The Grade	1236 Lincoln	2014
W.H. Smith Wine	1367 Lincoln	2011
Maldonado	1307A Lincoln	2010
Romeo Vineyard	1224 Lincoln	2010
August Briggs	1307B Lincoln	2009
Vermeil Wines	1255 Lincoln	2009
Up Valley Vintners*	1371 Lincoln	2007
The Wine Stop	1458 Lincoln #2	2006

On the Edge	1255 Lincoln	2003
Tank Garage Winery	1020 Foothill	2003

*multiple wineries

12 Most of the tasting facilities are located along Lincoln Avenue, although two of these are
13 located inside of The Depot.

14
15 **DISCUSSION:** The Land Use Element of the Calistoga General Plan includes a
16 number of objectives and policies that are directed at maintaining a diverse commercial
17 base that appeals to both residents and visitors, including downtown.

18
19 *Objective LU 1.1 Ensure new commercial development enhances and*
20 *maintains the vibrancy of Calistoga's downtown.*

21 *Policy P1.1-3 The City shall encourage commercial development to*
22 *incorporate local-serving commercial...*

23 *Objective LU 1.2 Promote a balance between visitor-oriented and local-*
24 *erving commercial development.*

25 *Policy P1.2-1 Tourism activities shall be regulated to minimize*
26 *adverse impacts to other segments of the economy,*
27 *and the resident population.*
28

29 Wine tasting facilities are generally considered to be tourist-based commercial activities.
30 Their proliferation could diminish local-serving commercial uses, especially in the
31 downtown, by limiting the availability of leasable commercial spaces for other uses, and
32 placing upward pressure on rent levels, since a local tasting room is cheaper and more
33 feasible for many wineries than providing one on-site.

34 Wine tasting facilities are not the only the type of downtown commercial activities that
35 are primarily tourist-oriented. Ten businesses offer second-hand merchandise or
36 antiques and there are 18 downtown restaurants, many of which that would not succeed
37 without out-of-town patrons.

38 **ALTERNATIVES:** Many other Wine Country jurisdictions are facing similar challenges
39 of maintaining a balance of local- and visitor-serving commercial uses. The Healdsburg
40 City Council has discussed potential wine-tasting regulations over the last 10 years, but
41 has directed staff to be guided only by an informal policy that limits downtown wine
42 tasting facilities to one per block face. Staff is not aware of any local cities that have
43 adopted limits on the number or location of wine tasting facilities.

44 If the City Council finds that the proliferation of wine tasting facilities is having or could
45 result in a negative impact on the downtown's uniqueness and vitality, potential
46 regulations could include:

- 47 • Establishing a numeric cap for wine-tasting facilities in the Downtown
48 Commercial Zoning District
- 49 • Establishing a separation standard (e.g., a minimum distance between wine-
50 tasting facilities or from Lincoln Avenue)

- 51 • Limiting the approval of conditional use permit applications to those that are
52 determined to be unique or unusual (e.g., a small wine-tasting operation as part
53 of a specialized market, or a limited tasting space as part of a larger retail space).

54 **CONSISTENCY WITH COUNCIL GOALS AND OBJECTIVES:** Goal 1 of the City
55 Council Goals and Objectives for FY 2015/2016 seeks to maintain and enhance the
56 economic vitality of the community.

57 **FISCAL IMPACT:** Limiting the establishment of wine tasting facilities could have a
58 negative effect on the City's revenues if the regulations result in vacant spaces because
59 there is insufficient demand for other types of commercial uses.

ATTACHMENT

1. Map of downtown wine tasting facilities



Downtown Wine Tasting