

**CALISTOGA PLANNING COMMISSION
STAFF REPORT**

TO: Members of the Planning Commission
FROM: Zach Tusinger, Planning and Building Director
Justin Shiu, Consultant Planner (M-Group)
MEETING DATE: January 13, 2021
SUBJECT: **Zoning Ordinance Amendment ZOA 2020-3
Amendments to Tasting Room Requirements and Adoption of
a Tasting Room Policy**

1 **ITEM**

2 Consideration of a recommendation to City Council for amendments to Calistoga
3 Municipal Code Title 17, Zoning, that modify tasting room standards and for adoption of
4 a new Tasting Room Policy.

5 **BACKGROUND**

6 In 2015, Planning Commission and City Council considered new tasting room
7 standards. At the time, there was concern about the increasing number of wine tasting
8 room applications and proliferation of a single type of commercial activity in the
9 downtown that could affect its unique and eclectic character. A proposed updated policy
10 was prepared and featured the inclusion of a secondary use in new wine tasting
11 facilities within the Downtown Commercial (DC) district. City Council considered a
12 resolution proposing adoption of this Tasting Room Policy. However, the resolution was
13 not adopted and was rendered dead due to a tied vote. As staff has heard recent
14 renewed interest in exploring tasting room policies, staff has revisited possible policies
15 on winery tasting rooms.

16 On November 18, 2020, staff brought a discussion item to the Planning Commission to
17 receive feedback on further approaches in permitting and regulating tasting room uses
18 while maintaining a balance and diversity of commercial development. Planning
19 Commission provided feedback and direction to pursue updates to tasting room
20 policies, including limits on the number of establishments to promote and maintain a
21 diversity of uses in the downtown area and the incorporation of a secondary use with
22 proposed tasting rooms.

23 **PROPOSED CODE AMENDMENTS**

- 24 • Staff recommends the addition of a definition for “tasting room” as Section
25 17.04.649.5 that encompasses winery tasting rooms as well as similar tasting rooms
26 for other types of alcohol produced by a facility off site. Currently, “winery tasting
27 room” is the only definition in the code related to tasting rooms but is connected
28 solely to wine tasting. The “winery tasting room” definition would continue to be
29 maintained, however the new “tasting room” definition would apply more broadly to
30 various alcohol tasting room uses (Attachment 1, Exhibit A).

- 31 • In the proposed “tasting room” definition, clarification is added to specify tasting
32 rooms include winery tasting rooms but exclude bars and breweries (as those are
33 already clearly defined uses on their own).
- 34 • Section 17.21.030 and 17.22.030 currently list “winery tasting rooms” as a
35 conditionally permitted use for the DC and CC districts respectively. The following
36 changes have been proposed:
- 37 ○ The conditionally permitted use “winery tasting rooms” has been changed to
38 “tasting rooms.”
 - 39 ○ Existing wine sourcing requirements (for free tastings) are maintained aside
40 from minor adjustments to phrasing.
 - 41 ○ A new clause has been included to require tasting rooms to meet standards
42 of the proposed Tasting Room Policy, which would be a separate document
43 adopted by resolution (see Attachment 1, Exhibit B).

44 **PROPOSED TASTING ROOM POLICY**

45 Additional tasting room standards are proposed in a Tasting Room Policy document
46 adopted separate from Calistoga Municipal Code Title 17, Zoning, but is referenced by
47 the code (Attachment 1, Exhibit B). A separate Tasting Room Policy adopted by
48 resolution can be further modified and adjusted from time to time as needed by
49 resolution rather than through the more formal zoning code amendment process.

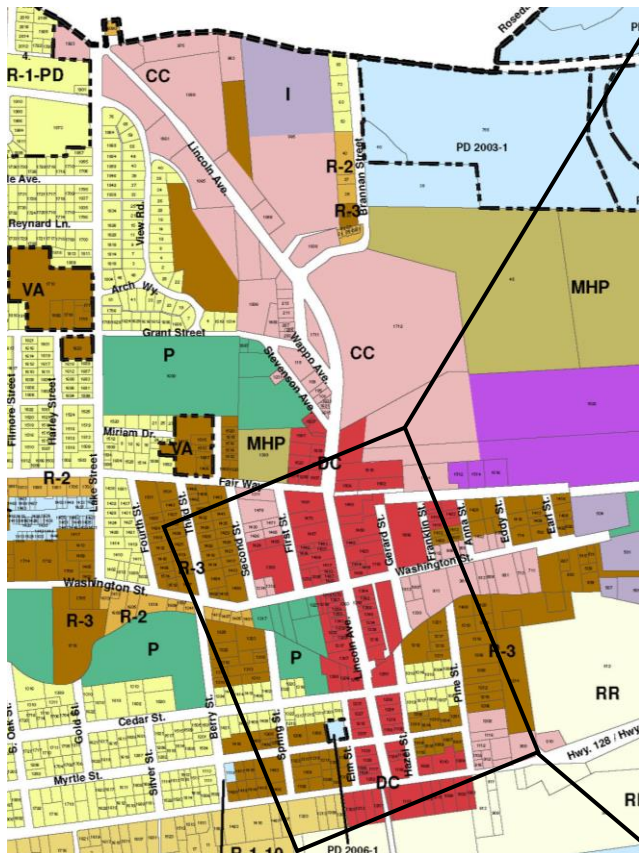
50 The Tasting Room Policy establishes standards for new tasting room applications:

- 51 ○ No more than two permits for new tasting rooms could be approved per year.
- 52 ○ In the DC district, tasting rooms may be located in no more than 12
53 storefronts along Lincoln Avenue and 18 storefronts in the district as a whole.
 - 54 ■ Importantly, “storefront” is proposed to be defined as a building or a
55 portion of a building with an individual street-facing entry that would
56 accommodate a proposed tasting room use.
- 57 ○ In the CC district, tasting rooms may be located in no more than 2 storefronts
58 along Washington Street and 8 parcels in the district as a whole.
- 59 ○ A “secondary use” would need to accompany new tasting rooms.
 - 60 ■ 25% of the net floor area would be provided for the secondary use.
61 Reductions may be considered where the tenant space or building size
62 and layout does not feasibly provide for a secondary use at 25%.
 - 63 ■ The secondary use is encouraged to be located at the front of the
64 establishment for ground floor spaces.
 - 65 ■ The secondary use must be distinct from the tasting room use.

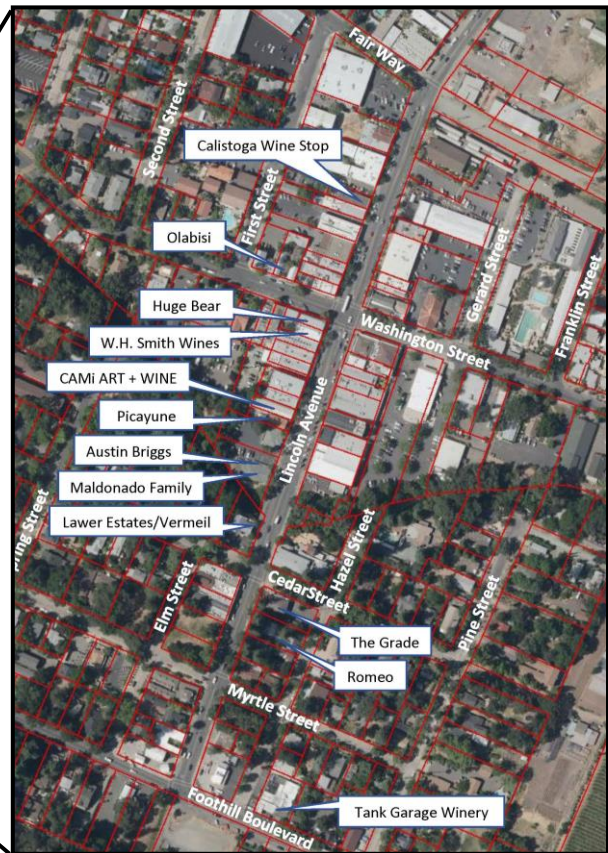
- Examples of encouraged secondary uses have been included, such as locally-serving retail and services. Partnerships with various local organizations and small businesses are also encouraged.

ANALYSIS

Winery tasting rooms are currently allowed with approval of a conditional use permit in the Downtown Commercial (DC) and Community Commercial (CC) zoning districts. There are 12 winery tasting rooms in the DC district, of which 10 are located along Lincoln Avenue, as shown in the maps below.



Zoning Map



Winery Tasting Rooms

There are approximately 78 storefronts along Lincoln Avenue in the DC district. About ten of these storefronts, or 13% of storefronts, currently serve tasting room uses. As shown in the Tasting Room Policy (Attachment 1, Exhibit B), a limit has been proposed to minimize further expansion by creating a cap of 12 storefronts, or approximately 15% of storefronts along Lincoln Avenue in the DC district. This allows room for two more potential establishments for this stretch of Lincoln Avenue before the limit is reached. At that point, the number of storefronts for tasting rooms would be unable to exceed 12 cumulative storefronts at any time, which means new tasting room establishments along Lincoln Avenue in the DC district could be established if another storefront tasting room

83 leaves or if the new establishment shares a storefront entry with another existing tasting
84 room in the same building.

85 A cap on the number of wine tasting use permits is used in jurisdictions like the City of
86 Sonoma, which prohibits the issuance of new permits in their Plaza Retail Overlay
87 District until there are less than 25 total in this area.

88 In Calistoga, the DC district extends beyond Lincoln Avenue and includes parcels along
89 Fair Way, Washington, Foothill Boulevard, and on other side streets, parallel streets,
90 and further blocks. A maximum limit of 18 storefronts being used as tasting rooms in the
91 DC district is proposed, which applies the 15% storefront limit throughout the
92 approximately 113 total parcels in the DC district.

93 Limits are proposed in the CC district as well. The CC district is generally adjacent to
94 the DC district, with parcels found along Foothill Boulevard, Washington Street, First
95 Street, Second Street, Fair Way, and Lincoln Avenue north of Stevenson Avenue.
96 Washington Street extends in the east-west direction from the middle of the downtown
97 area and contains a number of CC district parcels. To minimize overflow of potential
98 tasting rooms from Lincoln Avenue in downtown onto this street, a limit of tasting rooms
99 on two parcels along Washington Street is proposed. There are currently 18 parcels in
100 the CC district along Washington Street and a limit of two parcels provides tasting
101 rooms on approximately 11% of these parcels. Currently, there are no tasting room
102 uses on these parcels.

103 The CC district contains 72 parcels overall. A maximum limit of 8 parcels for tasting
104 rooms is proposed, which is comparable to the proposed 11% limit for CC parcels along
105 Washington Street. Currently, wine tasting is provided on three parcels.

106 In parallel, a secondary use standard is proposed to pair new tasting rooms with
107 another use to promote greater diversity of uses. The Tasting Room Policy proposes a
108 minimum of 25% of the net floor area (excluding offices, storage, and restrooms) to
109 serve the secondary use, in keeping with similar standards of peer cities such as
110 Yountville's "Retail Diversity Policy" requiring 25% of the net floor area in tasting rooms
111 to be dedicated to a secondary use. Additionally, the secondary use would need to be
112 distinct from the tasting room use (e.g., sales of wine related paraphernalia do not count
113 towards the 25%). The secondary use is encouraged to be located at the front of a
114 ground floor establishment to promote visual interest and retail diversity.

115 The policy would provide some discretion in reducing the secondary use area where the
116 layout and size of a tenant space or building are unique and present physical limitations
117 that do not feasibly provide for a secondary use at 25% of the net floor area. As the DC
118 district contains tenant spaces with varying sizes, including multiple tenant spaces that
119 that are less than 1,000 square feet, this provision intends to provide some wiggle room
120 for adjustments due to physical limitations while maintaining the presence of a
121 secondary use in the tasting room.

122 Several encouraged secondary uses are listed in the Tasting Room Policy to provide
123 initial consideration for new tasting room applicants. The secondary use may include but

124 is not limited to these uses. Locally-serving retail and services are strongly encouraged
125 secondary uses, which correspond to Policy P1.1-3 and Objective LU 1.2 in the General
126 Plan:

- 127 • Policy P1.1-3. The City shall encourage commercial development to incorporate
128 local-serving commercial and residential uses in the second story.
- 129 • Objective LU 1.2. Promote a balance between visitor-oriented and local-serving
130 commercial development.

131 Partnerships with various local organizations and small businesses are also
132 encouraged, including local non-profit organizations, public service/community-serving
133 groups, local artists, small businesses, start-ups, and other resident-serving businesses
134 or entities.

135 **ENVIRONMENTAL REVIEW**

136 The proposed zoning code amendments and Tasting Room Policy have been reviewed
137 in accordance with the California Environmental Quality Act and the City has
138 determined that CEQA Guidelines Section 15061(b)(3), the “General Rule” or “Common
139 Sense” exemption, applies. The exemption applies where it can be seen with certainty
140 that there is no possibility that the activity in question may have a significant effect on
141 the environment. As updates to the text of the zoning code and adoption of Tasting
142 Room Policy text do not propose development or create direct impacts to the
143 environment, it is determined that there is no significant impact on the environment.
144 Therefore, the proposed action is exempt from CEQA.

145 **RECOMMENDATION**

146 Conduct a public hearing, receive feedback from the public, and adopt the resolution
147 recommending to the City Council approval of zoning code amendments for tasting
148 room regulations and adoption of a new Tasting Room Policy.

ATTACHMENTS

1. Draft Resolution