

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Ken MacNab, Senior Planner
VIA: Charlene Gallina, Director of Planning & Building
DATE: August 17, 2010
SUBJECT: Consideration of a request for a Determination of Public Convenience and Necessity (PCN 2009-01)

APPROVAL FOR FORWARDING:


William C. Norton, Interim City Manager

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ISSUE: Consideration of a request for a Determination of Public Convenience and Necessity (Application No. PCN 2009-01) authorizing wine and beer sales at 1712 Lincoln Avenue (APN 011-340-017) within the "CC-DD", Community Commercial – Design District overlay zoning district. The applicant is Patricia Merchant, on behalf of Indian Springs Resort and Spa. As required by Resolution 98-113, a Public Convenience and Necessity Determination is required prior to establishing this use.

RECOMMENDATION: Adopt a Resolution.

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

23 On April 29, 2009, Patricia Merchant submitted an application for a PCN Determination
24 required pursuant to the Business and Professions Code. It is the intention of the
25 applicant to sell wine, beer and pre-packaged food items to hotel guests only in an
26 existing interior space that is accessed from inside the hotel lobby.

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28 **DISCUSSION:** Indian Springs Resort and Spa is located at 1712 Lincoln Avenue in the
29 "CC-DD" (Community Commercial-Design District overlay) zoning district. The resort
30 has operated for over 90 years in this location and is formally authorized under
31 Conditional Use Permits U 2002-01 and U 2005-05. Furnishing of alcoholic beverages
32 to hotel guests as a complimentary service or as a convenience service is considered
33 by staff to be an inherent and incidental part of a resort use.

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35 The criteria used in making this determination includes:

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- 37 • Input and recommendation from the Police Department prior to consideration of
38 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 as
46 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 residents;
51 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 in
54 general.

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56 Staff has reviewed the proposed request and has determined that an alcoholic
57 beverage license for the proposed business will not adversely affect the welfare of the
58 public in the immediate vicinity or in the community in general. The location of this
59 business is not significantly proximate to sensitive land uses as defined above, with the
60 exception of the mobile home park located on the adjacent parcel, which has not
61 indicated any opposition to this use.

62 In addition, the proposal to sell wine and beer to guests of the resort is compatible with
63 the uses and character of other Calistoga businesses. The sale of wine and beer to
64 hotel guests is a convenient and necessary business to Calistoga that will help promote
65 and support local wine and tourism industries. Therefore, staff recommends that the
66 PCN be approved with conditions to address general issues raised by the establishment
67 of an additional licensed business in Calistoga. These conditions include a prohibition
68 on publically visible signage advertising sales of alcohol and the requirement that any
69 future expansion of alcohol will require City approval and possibly a subsequent PCN
70 determination. These conditions are more specifically defined in the attached draft
71 resolution (Attachment 1).

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73 **FISCAL IMPACT:** A determination of Public Convenience and Necessity is not
74 anticipated to have a significant fiscal impact upon the City.

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76 **ATTACHMENTS:**

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78 1. Draft Resolution 2010-_____
79 2. Application Form and Supplemental Information
80 3. Police Department Memorandum dated May 18, 2009
81 4. Resolution 98-113