

**CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION
SPECIAL MEETING - WORKSHOP**

Special Meeting
City Hall
East side of Monte Verde Street
Between Ocean & Seventh Avenues

March 25, 2014
Tuesday
Meeting – 4:00 p.m.

I. CALL TO ORDER AND ROLL CALL

Commissioners: Steve Dallas, Chair
Don Goodhue, Vice-Chair
Michael LePage
Keith Paterson
Jan Reimers

II. ROLL CALL AND REORGANIZATION OF COMMISSION OFFICERS

III. PLEDGE OF ALLEGIANCE

IV. ANNOUNCEMENTS/EXTRAORDINARY BUSINESS

V. DISCUSSION ITEMS

- | | |
|---|--|
| 1. Wine Tasting Policy Update | Discussion on the City’s Wine Tasting Policy and State Alcohol Beverage Control licensing requirements |
| 2. Carmel Resort Inn Re-Use Concept Review
Chadmar Corporation
Carpenter & Guadalupe Streets bet. 1 st & 2 nd
Block 17 (northern four-fifths), Lots 1-16 | Discussion on the proposed redevelopment of the northern four-fifths of Block 17 to include the demolition of an existing 25-unit motel and construction of 16 new single-family residences on individual lots |

VI. APPEARANCES

Anyone wishing to address the Commission on matters not on the agenda, but within the jurisdiction of the Commission, may do so now. Please state the matter on which you wish to speak. Matters not appearing on the Commission agenda will not receive action at this meeting but may be referred to staff for a future meeting. Presentations will be limited to three minutes, or as otherwise established by the Commission Chair. Persons are not required to give their name or address, but it is helpful for speakers to state their name in order that the Secretary may identify them.

VII. ADJOURNMENT

The next Planning Commission will be:

Special Meeting – Thursday, April 17, 2014, at 4:00 p.m.

The City of Carmel-by-the-Sea does not discriminate against persons with disabilities. Carmel-by-the-Sea City Hall is an accessible facility. The City of Carmel-by-the-Sea telecommunications device for the Deaf/Speech Impaired (T.D.D.) Number is 1-800-735-2929.

The City Council Chambers is equipped with a portable microphone for anyone unable to come to the podium. Assisted listening devices are available upon request of the Administrative Coordinator. If you need assistance, please advise the Planning Commission Secretary what item you would like to comment on and the microphone will be brought to you.

NO AGENDA ITEM WILL BE CONSIDERED AFTER 8:00 P.M. UNLESS AUTHORIZED BY A MAJORITY VOTE OF THE PLANNING COMMISSION. ANY AGENDA ITEMS NOT CONSIDERED AT THE MEETING WILL BE CONTINUED TO A FUTURE DATE DETERMINED BY THE COMMISSION.

Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection in the Planning & Building Department located in City Hall, E/s Monte Verde between Ocean & 7th Avenues, during normal business hours.



CITY OF CARMEL-BY-THE-SEA

Planning Commission Report

March 25, 2014

To: Chair Dallas and Planning Commissioners

From: Rob Mullane, AICP, Community Planning and Building Director RM

Submitted by: Marc Wiener, Senior Planner

Subject: Discussion on the City's Wine Tasting Policy and State Alcohol Beverage Control Licensing Requirements

Background and Purpose:

On June 23, 2011, the City adopted a Wine Tasting Policy to provide guidelines to assist the City with review of applications for wine tasting shops. The policy was developed based on recommendations from a Wine Tasting Room Subcommittee, which worked with several stakeholders, including the Monterey County Wine Growers Association and the local Chamber of Commerce.

In recent years, the City has seen a marked increase in requests for wine tasting establishments in the commercial district. Since the policy was adopted in 2011, a total 18 applications for wine tasting have been submitted, and 11 of which have been approved. Staff notes that five of those applications were submitted in 2014, and over the last few months, the City has received an uptick in inquiries regarding potential new establishments.

In response to the increased interest in wine tasting rooms, in October 2013, the Planning Commission directed the Wine Tasting Room Subcommittee to reconvene in order to evaluate the current policy and recommend appropriate revisions. The Planning Commission also requested information on State Alcohol Beverage Control (ABC) licensing requirements, as the issue of ABC licensing has been raised with several recent wine tasting applications. Staff notes that the subcommittee met three times since October, including a meeting held on December 18, 2013, that was attended by several local tasting room operators as well as representatives of the residential community.

The purpose of this workshop is to provide information on the ABC licensing requirements and to evaluate the current Wine Tasting Room Policy based on recommendations made by the subcommittee. Staff has provided information on approved and pending wine tasting permits in the City in Attachment C. The information on wine tasting permits includes the type of ABC license held by each wine tasting establishment.

Staff analysis:

ABC Licensing: A description of the different types of ABC licenses is provided in Attachment B. As indicated on the list of Carmel wine tasting establishments, the most common type of license is the Duplicate Type 02, which is a winegrower license. A Duplicate Type 02 license allows a winery to establish a tasting room away from the winery site. The Planning Commission has recently indicated an interest in limiting wine tasting establishments to those that hold a Type 02 Duplicate license.

The other type of license applicable to wine tasting operations in the City is a Type 42, which allows for the sale of beer and wine for consumption on or off the premises where sold. This type of license would be common of wine establishments that sell multiple types of wines as opposed to representing a wine from a single winery. Staff notes that with the Type 42 license, the wine tasting establishment would still need to adhere to the regulations imposed through the typically more restrictive Use Permit issued by the City.

In some instances, Type 20 and Type 21 licenses are issued in conjunction with a Type 42 license. A Type 20 license permits the sale of beer and wine for off-site consumption, while a Type 21 permits the sale of beer, wine, and distilled spirits. Staff notes that a representative from the ABC will be at the March 25th workshop to answer questions regarding ABC licensing and enforcement.

Issued and Pending Use Permits: There are 18 approved wine tasting establishments located in the City. A list of these establishments, their Use Permit numbers, the hours of operation, the type of ABC license, and a map of the locations is included as Attachment C. Also included is a list and map of the eight wine tasting applications that are currently in process with the City. The purpose of providing this information is to update the Planning Commission on the extent of current and proposed wine tasting establishments in the City.

To assist in the evaluation of the different types of set-up for existing wine establishments, staff has provided floor plans and photographs of four of the City's approved wine establishments

including Silvestri Vineyards, Dawn's Dream Winery, Trio, and Caraccioli Cellars. In staff's opinion, the layout of most of these examples presents an aesthetic that promotes a wine tasting experience rather than a wine bar-like environment in compliance with the City's Wine Tasting Room Policy. One way that the policy helps ensure this is by limiting the tasting area to 30% or less of the establishment's total floor area. Staff notes that even with such a restriction on floor area, some operations present more of a bar-like setting based on other factors such as layout, physical setting, and hours of operation.

Of the four examples provided, Trio is the only establishment where the tasting area appears truly ancillary to the sale of retail. However, Trio is unique in that 1) the primary use is specialty foods, 2) three wine labels are represented in the space, and 3) the space is approximately 2,000 square feet in size, which is relatively large in relation to many of the other wine establishments in the City.

The layout and location of establishments also have an effect on the ease or difficulty City staff may have in ensuring compliance with Use Permit conditions of approval, such as number of seats, hours of operation, and compliance with pour-size restrictions.

Wine Tasting Policy: A list of current Wine Tasting Policy guidelines is provided below followed by staff analyses.

- 1. The primary purpose of wine tasting should be to encourage patrons to purchase wine for consumption off-site. Establishments should not operate as a wine bar where the primary purpose would be for patrons to drink wine.*
- 2. In order to avoid the appearance of a bar, the wine tasting service and seating area should generally be limited to no more than 30% of the floor area of the retail space.*

Staff Analysis: Limiting the tasting and seating area and number of seats helps prevent the space from operating as a bar or lounge; however, many of the City's wine tasting establishments still present somewhat of a bar-like appearance. The primary purpose of wine tasting establishments should be to sell wine for off-site consumption, as indicated in the policy.

Another consideration for the 30% floor area limit is that wine tasting establishments often do not want to locate large portions of their wine stock on the show floor, as it does not present an ideal storage location for wine and could damage the product through exposure to

temperature and/or light. More often, the retail component of a wine tasting establishment consists of a small display of bottles with a limited number of retail items associated with wine such as books, wine glasses, apparel, etc.

The Commission should consider whether the current policy adequately addresses the stated intent of the policy. If the current policy components do not adequately address wine tasting establishments, then revision to provide clearer guidance may be needed. Further restrictions on allowed seating/tasting areas may be advisable, or the Commission could prohibit new wine tasting establishments from having seating altogether.

3. *Tasting should only involve traditional wine based products such as still wines, sparkling wines or Port, no other alcoholic beverages should be permitted to be tasted or purchased.*
4. *The maximum serving size should be 2 ounces per serving. Customers should not be permitted to drink bottles of purchased wine in the store, and no wine tasting should take place on public property.*
5. *Light snacks may be allowed; however, appetizers and/or meals should not be permitted.*

Staff Analysis: Staff recommends retaining the above guidelines unchanged, as each of these help discourage a bar-like operation of the establishment. Guidelines #3, #4, and #5 also support the objective of Guideline #1.

6. *In order to encourage diversity and maintain a balanced mix of uses, one retail location offering wine tasting should not be located directly adjacent to another retail location offering wine tasting (not including restaurants). Generally, not more than five establishments offering tasting should be permitted along any one block*. (***For the purposes of this policy a block would include all commercial spaces on both sides of a street located between the next two cross streets. For example, no more than five wine tasting establishments should be permitted along San Carlos Street between Ocean and Seventh avenues.**)*

Staff Analysis: There are currently 18 wine tasting establishments in the City. As indicated in the map provided as Attachment C, the majority of wine tasting establishments are clustered in the area of Dolores and San Carlos Streets between Ocean and Seventh Avenues. However, there is still potential to locate several more establishments both south and north of Ocean Avenue. The Commission may want to consider whether an overall (City-wide) numerical cap would be effective as a supplemental restriction.

Staff also notes that the current policy encourages no more than five wine tasting establishments on a “block,” which is defined in the above policy section. The definition of a block works well for streets that run in a north-south direction, such as San Carlos or Dolores Streets. However, the policy allows for a higher density of wine tasting establishments along streets that run in an east-west direction. For example, under the current policy, five wine tasting establishments could be placed on Seventh Avenue between Dolores and San Carlos, which is approximately one-half the length of the longer north-south oriented streets.

7. Night time hours should be limited to no later than 10:00 p.m.

Staff Analysis: The Commission should consider restricting the hours of operation so that the business would operate more consistently with a wine tasting establishment and not a bar. In order to more effectively meet the intent of the policy, staff recommends that the Commission consider revising this guideline to establish an earlier maximum closing time, perhaps 7:00 p.m. or 8:00 p.m. Staff notes that the Commission has already begun restricting the hours of operation on applications received over the past year as indicated in the list provided in Attachment C.

8. Wines originating from Monterey County Vineyards and Wineries and locating their off-site tasting rooms in Carmel are desired and strongly encouraged.

Staff Analysis: The policy language states a preference, not an absolute. It should be taken into consideration along with other policy guidelines in considering new wine tasting establishments. As encountered with a few recent applications, the grapes were noted as deriving from Monterey County vineyards, while the winery was located outside of Monterey County. It may be preferable to revise this guideline to state: “Wineries located in Monterey County that source their grapes from Monterey County vineyards and locate their off-site tasting rooms in Carmel are desired and strongly encouraged.” A numerical threshold could also be added to specify a desired percentage of grapes that are sourced from Monterey County vineyards.

Furthermore, the Commission may want to include language encouraging the winery to have a Duplicate Type 02 license. The benefit of encouraging the Duplicate Type 02 license, in conjunction with expressing a preference that the winery be from Monterey County, is that it

encourages locally-based individual wineries, and would prevent the proliferation of a large number of wine establishments with no affiliation to a specific winery.

9. *When Associated with other Uses (Art Gallery, Clothing Store, etc.)*

- *All the standards listed above.*
- *Limited to retail spaces of 2,000 square feet or larger.*

Staff Analysis: The above guideline addresses proposals for wine tasting in establishments where the primary use is retail sale of unrelated merchandise such as art galleries, home decor stores, clothing stores, etc. The Commission, as part of the review of a Use Permit for a new wine tasting establishment, considers whether wine tasting is compatible with the identified primary use or uses. The Commission may consider amending this guideline to discourage mixing wine tasting with such non-wine- or food-oriented uses. Art galleries could still apply to have occasional special events where wine may be served through a temporary use permit.

Wine Tasting Definition: A subcommittee meeting was held on December 18, 2013, with several members of the Monterey County Wine Growers Association. At that meeting it was identified that there are essentially two types of wine tasting operations in Carmel. The following is a definition of each.

1. **Wine Shop:** This is a retail wine shop that sells a variety of bottled wines and may have a small ancillary tasting area. A good local example of this type of operation would be Nielsen's Market, which has a wine room that sells a variety of bottled wines with a small tasting area provided by a standing-bar. This type of establishment would typically hold a Type 42 license from the ABC.
2. **Wine Tasting Room:** This type of establishment is characteristic of many of the tasting rooms that have been approved in Carmel. Typically, the wine tasting room only features wine from one winery, under a Duplicate Type 02 license. The space places a larger emphasis on the tasting area than a wine establishment.

The Planning Commission may consider addressing the difference between the two types of wine establishments in the policy. Staff notes that without including other guidance for the wine shop type of establishments, such operations would be discouraged or prohibited if the policy is amended to favor single wineries with a Duplicate Type 02 license. As a separate note, pursuant to CMC 17.14.030, retail liquor stores are a permitted use in the CC and SC Zoning

Districts. Wine shops would still be allowed, but just not allowed to offer wine tasting. One option to address this scenario is to provide for a limited frequency of wine tasting events for wine shops through a condition of approval on the operation's Use Permit.

ATTACHMENTS:

- Attachment A – Wine Tasting Policy (dated 6/23/11)
- Attachment B – ABC Licensing definitions
- Attachment C – List of wine tasting establishments and maps
- Attachment D – Examples of approved wine tasting establishments

Attachment A – Wine Tasting Policy

Wine Tasting Policy (Adopted 6/23/2011)

Purpose

To establish guidelines for the review and approval of wine tasting facilities in the Central Commercial and Service Commercial Districts in the downtown.

Policy

The General Plan encourages a balanced mix of uses that serve the needs of both local and non-local populations. The Planning Commission recognizes the demand for establishing wine tasting facilities but also recognizes that their proliferation could impact the balanced mix of uses that the General Plan encourages. The following standards are recommended and should be considered by the Planning Commission in its review of wine tasting permits:

When Associated with Retail Wine Shops and off-site Wine Tasting Rooms:

- The primary purpose of wine tasting should be to encourage patrons to purchase wine for consumption off-site. Establishments should not operate as a wine bar where the primary purpose would be for patrons to drink wine.
- In order to avoid the appearance of a bar, the wine tasting service and seating area should generally be limited to no more than 30% of the floor area of the retail space.
- Tasting should only involve traditional wine based products such as still wines, sparkling wines or Port, no other alcoholic beverages should be permitted to be tasted or purchased.
- The maximum serving size should be 2 ounces per serving. Customers should not be permitted to drink bottles of purchased wine in the store and no wine tasting should take place on public property.
- Light snacks may be allowed, however, appetizers and/or meals should not be permitted.
- In order to encourage diversity and maintain a balanced mix of uses, one retail location offering wine tasting should not be located directly adjacent to another retail location offering wine tasting (not including restaurants). Generally, not more than five establishments offering tasting should be permitted along any one block*.
- Night time hours should be limited to no later than 10:00 p.m.
- Wines originating from Monterey County Vineyards and Wineries and locating their off-site tasting rooms in Carmel are desired and strongly encouraged.

When Associated with other Uses (Art Gallery, Clothing Store, etc.)

- All the standards listed above.
- Limited to retail spaces of 2,000 square feet or larger.

*For the purposes of this policy a block would include all commercial spaces on both sides of a street located between the next two cross streets. For example, no more than five wine tasting establishments should be permitted along San Carlos Street between Ocean and Seventh avenues.

Attachment B - ABC Licensing

ABC SAC

Department of Alcoholic Beverage Control
**COMMON ABC LICENSE TYPES
 AND THEIR BASIC PRIVILEGES**

State of California

*ebusiness tab
 enter parameter for all allowed
 licensing and details of function*

LICENSE TYPE	DESCRIPTION
01	BEER MANUFACTURER - (Large Brewery) Authorizes the sale of beer to any person holding a license authorizing the sale of beer, and to consumers for consumption on or off the manufacturer's licensed premises. Without any additional licenses, may sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises or at a bona fide eating place contiguous to the manufacturer's licensed premises. May conduct beer tastings under specified conditions (Section 23357.3). Minors are allowed on the premises.
02	WINEGROWER - (Winery) Authorizes the sale of wine and brandy to any person holding a license authorizing the sale of wine and brandy, and to consumers for consumption off the premises where sold. Authorizes the sale of all wines and brandies, regardless of source, to consumers for consumption on the premises in a bona fide eating place that is located on the licensed premises or on premises owned by the licensee that are contiguous to the licensed premises and operated by and for the licensee. May possess wine and brandy for use in the preparation of food and beverage to be consumed at the bona fide eating place. May conduct winetastings under prescribed conditions (Section 23356.1; Rule 53). Minors are allowed on the premises.
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.
21	OFF SALE GENERAL - (Package Store) Authorizes the sale of beer, wine and distilled spirits for consumption off the premises where sold. Minors are allowed on the premises.
23	SMALL BEER MANUFACTURER - (Brew Pub or Micro-brewery) Authorizes the same privileges and restrictions as a Type 01. A brewpub is typically a very small brewery with a restaurant. A micro-brewery is a small-scale brewery operation that typically is dedicated solely to the production of specialty beers, although some do have a restaurant or pub on their manufacturing plant.
40	ON SALE BEER - (Bar, Tavern) Authorizes the sale of beer for consumption on or off the premises where sold. No wine or distilled spirits may be on the premises. Full meals are not required; however, sandwiches or snacks must be available. Minors are allowed on the premises.
41	ON SALE BEER & WINE - EATING PLACE - (Restaurant) Authorizes the sale of beer and wine for consumption on or off the premises where sold. Distilled spirits may not be on the premises (except brandy, rum, or liqueurs for use solely for cooking purposes). Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.
42	ON SALE BEER & WINE - PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer and wine for consumption on or off the premises where sold. No distilled spirits may be on the premises. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.
47	ON SALE GENERAL - EATING PLACE - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on the licensee premises. Authorizes the sale of beer and wine for consumption off the licensee premises. Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.
48	ON SALE GENERAL - PUBLIC PREMISES - (Bar, Night Club) Authorizes the sale of beer, wine and distilled spirits for consumption on the licensee premises where sold. Authorizes the sale of beer and wine for consumption off the licensee premises where sold. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.
49	ON SALE GENERAL - SEASONAL - Authorizes the same privileges and restrictions as provided for a Type 47 license except it is issued for a specific season. Inclusive dates of operation are listed on the license certificate.



LICENSE TYPE	DESCRIPTION
51	CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. No off-sale privileges. Food service is not required. Minors are allowed on the premises.
52	VETERAN'S CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guest only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.
57	SPECIAL ON SALE GENERAL - Generally issued to certain organizations who cannot qualify for club licenses. Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guests only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.
59	ON SALE BEER AND WINE – SEASONAL - Authorizes the same privileges as a Type 41. Issued for a specific season. Inclusive dates of operation are listed on the license certificate.
60	ON SALE BEER – SEASONAL - Authorizes the sale of beer only for consumption on or off the premises where sold. Issued for a specific season. Inclusive dates of operation are listed on the license certificate. Wine or distilled spirits may not be on the premises. Minors are allowed on the premises.
61	ON SALE BEER – PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer only for consumption on or off the licensed premises. Wine or distilled spirits may not be on the premises. Minors are not allowed to enter and remain (warning signs required). Food service is not required.
67	BED AND BREAKFAST INN - Authorizes the sale of wine purchased from a licensed winegrower or wine wholesaler only to registered guests of the establishment for consumption on the premises. No beer or distilled spirits may be on the premises. Wine shall not be given away to guests, but the price of the wine shall be included in the price of the overnight transient occupancy accommodation. Removal of wine from the grounds is not permitted. Minors are allowed on the premises.
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.
75	ON SALE GENERAL – BREWPUB - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on a bona fide eating place plus a limited amount of brewing of beer. Also authorizes the sale of beer and wine only for consumption off the premises where sold. Minors are allowed on the premises.
80	BED AND BREAKFAST INN – GENERAL - Authorizes the sale of beer, wine and distilled spirits purchased from a licensed wholesaler or winegrower only to registered guests of the establishment for consumption on the premises. Alcoholic beverages shall not be given away to guests, but the price of the alcoholic beverage shall be included in the price of the overnight transient occupancy accommodation. Removal of alcoholic beverages from the grounds is not permitted. Minors are allowed on the premises.
86	INSTRUCTIONAL TASTING LICENSE —Issued to the holder of and premises of a Type 20 or Type 21 licensee, authorizes the tasting of alcoholic beverages as authorized to be sold from the off-sale premises, on a limited basis. Requires physical separation from the off-sale premises while tasting is taking place and generally requires the participation of a specifically-authorized manufacturer or wholesaler licensee.



SPECIAL EVENTS

The Department also issues licenses and authorizations for the retail sale of beer, wine and distilled spirits on a temporary basis for special events. The most common are listed below. Other less common ones are found in Business and Professions Code Section 24045.2, et seq.

SPECIAL DAILY BEER AND/OR WINE LICENSE - (Form ABC-221) Authorizes the sale of beer and/or wine for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to non-profit organizations. (Rule 59, California Code of Regulations)

DAILY ON SALE GENERAL LICENSE - (Form ABC-221) Authorizes the sale of beer, wine and distilled spirits for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to political parties or affiliates supporting a candidate for public office or a ballot measure or charitable, civic, fraternal or religious organizations. (Section 24045.1 and Rule 59.5 California Code of Regulations)

CATERING AUTHORIZATION - (Form ABC-218) Authorizes Type 47, 48, 51, 52, 57, 75 and 78 licensees (and catering businesses that qualify under Section 24045.12) to sell beer, wine and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events. Type 47, 48 and 57 licensees may cater alcoholic beverages at any ABC-approved location in the State. Type 51 and 52 licensees may only cater alcoholic beverages at their licensed premises. All licensees wishing to cater alcoholic beverages must obtain prior written authorization from the Department for each event. At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399 and Rule 60.5 California Code of Regulations)

EVENT AUTHORIZATION - (Form ABC-218) Authorizes Type 41, 42, 47, 48, 49, 57, 75 and 78 licensees to sell beer, wine and distilled spirits for consumption on property adjacent to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public. *The licensee shall obtain prior approval of the local law enforcement agency.* At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises (including any license conditions) and violations of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399)

WINE SALES EVENT PERMIT - (Form ABC-239) Authorizes Type 02 licensees to sell bottled wine produced by the winegrower for consumption off the premises where sold and only at fairs, festivals or cultural events sponsored by designated tax exempt organizations. The licensee must notify the city and/or county where the event is being held and obtain approval from ABC for each event (Form ABC-222). The licensee must also comply with all restrictions listed in Business and Professions Code Section 23399.6.

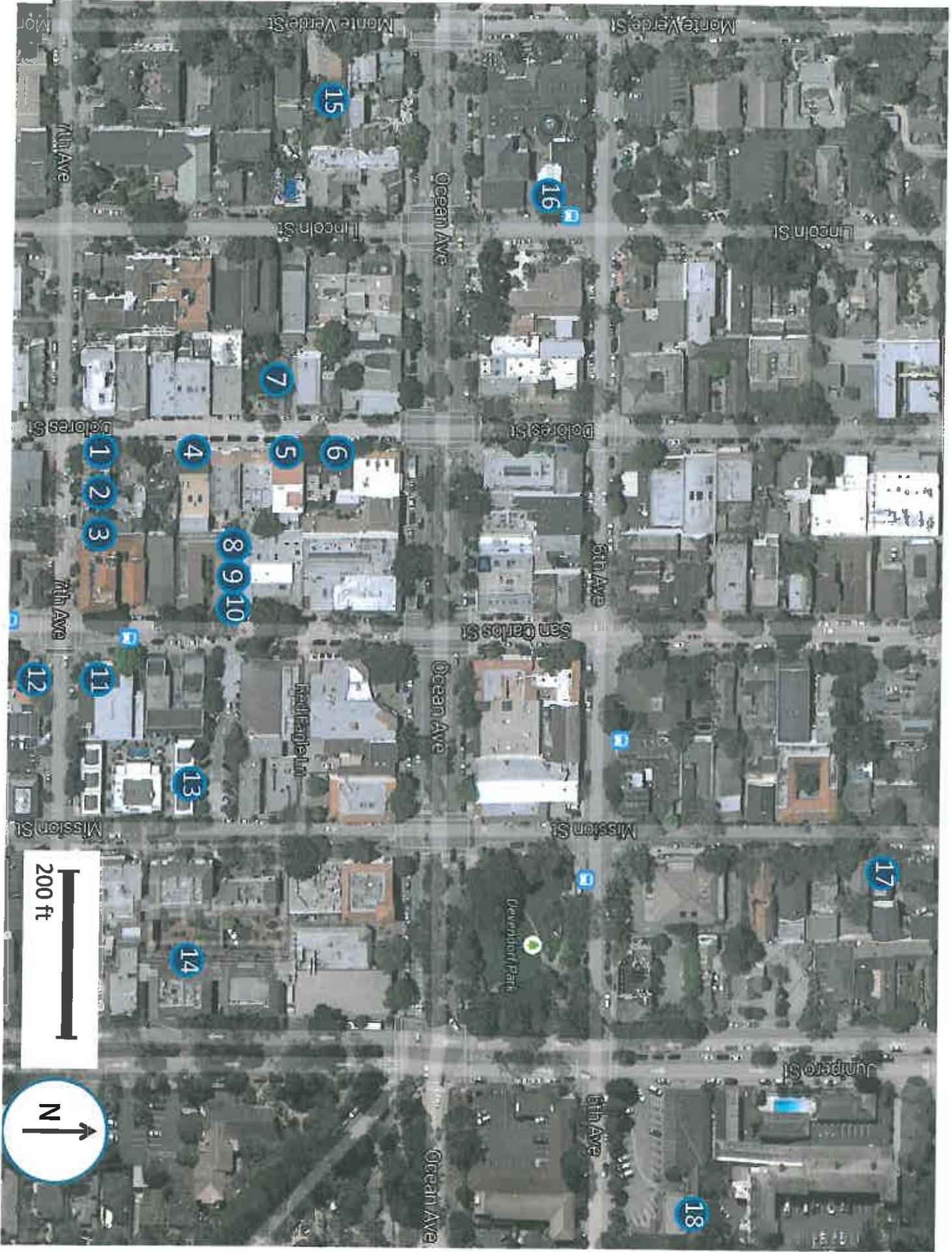
Note:

1. "Minor" means any person under 21 years of age.
2. Consult Section 25663(b) regarding age of employees in off-sale premises; consult Sections 25663(a) and 25663.5 regarding age of employees in on-sale premises.
3. In certain situations, ABC may place reasonable conditions upon a license, such as restrictions as to hours of sale, employment of designated persons, display of signs, restrictions on entertainment or dancing, etc. If a license has been conditioned, it will be endorsed as such on the face of the license. (Conditional licenses, Sections 23800-23805.)
4. Licensees whose license allows minors on the premises may have a "house policy" restricting minors from entering certain areas of the premises or prohibiting minors in the premises during certain hours.
5. This handout contains only abbreviated information. Contact your local ABC office for full information before doing anything which may jeopardize your license. Also available from the ABC: Quick Summary of Selected ABC Laws (form ABC-608); Alcoholic Beverage Control Act (complete laws); Rules & Regulations; and P-90 (describes privileges of non-retail licenses).

Attachment C – Wine Tasting Shops Approved and In-Process

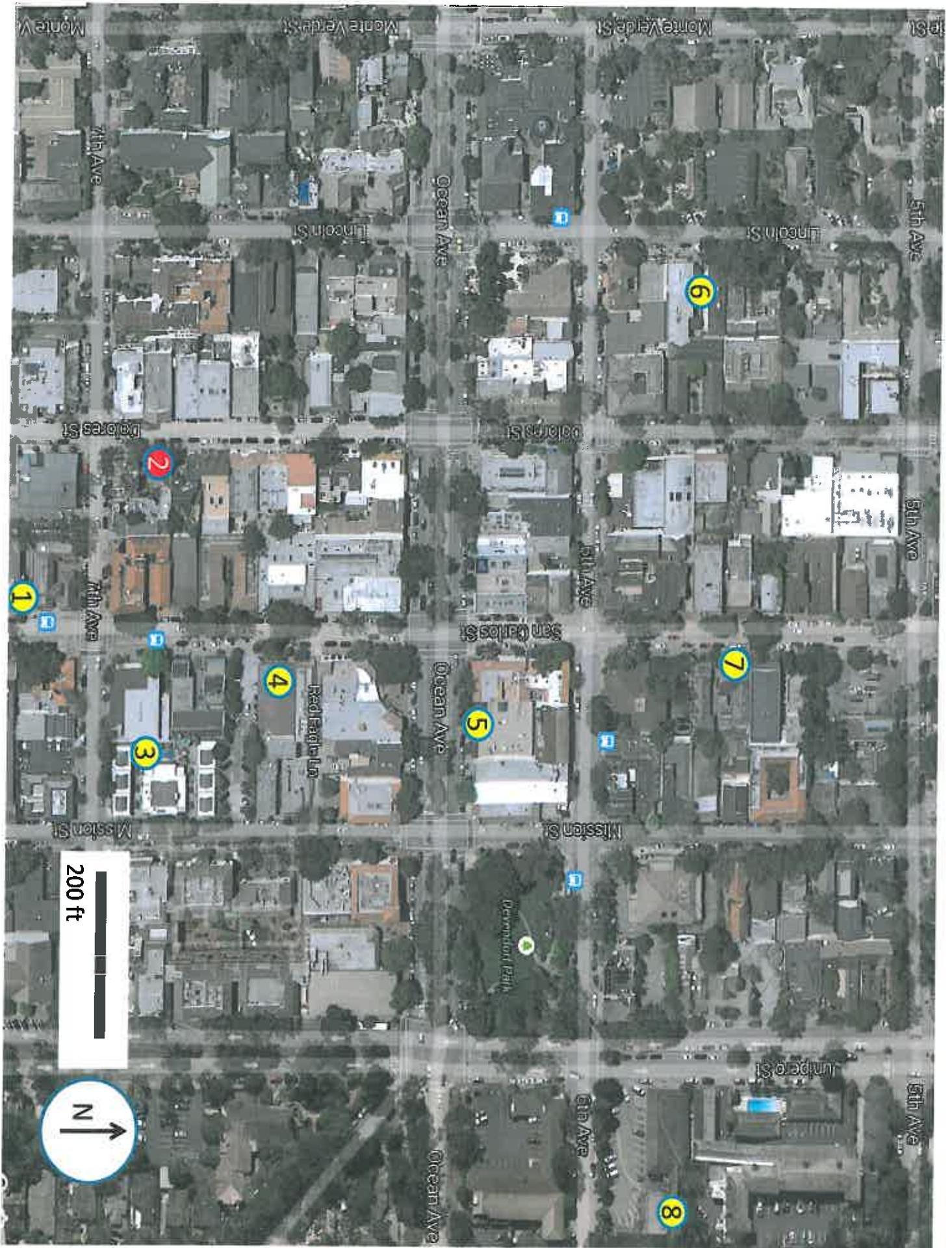
Approved shops in operation

#	Name	UP#	Hours of Operation	ABC License	Year Approved
1	Vino Napoli	09-1	10 a.m.-10 p.m.	Type 42	2009
2	Silvestri Vineyards	13-4	10 a.m.-10 p.m.	Type 02	2013
3	Dawn's Dream	13-15	12 p.m. – 7 p.m.	Type 02	2013
4	Figge Cellars (Winefield Gallery)	11-1	8 a.m.- 10 p.m.	Type 02	2011
5	Trio	11-21	Not specified	Type 20 and 42	2012
6	Caraccioli Cellars	10-13	10 a.m.-10 p.m.	Type 02	2010
7	Galante Vineyards	03-39	9 a.m.- 8 p.m.	Type 02	2003
8	Manzoni Cellars	09-03	10 a.m.-10 p.m.	Type 02	2009
9	Blair Vineyards	12-10	10 a.m.- 8 p.m.	Type 02	2012
10	Shale Canyon	12-11	8 a.m.- 10 p.m.	Type 02	2012
11	Nielsen's Market	Not specified	Not specified	Not specified	Not specified
12	Scheid Vineyard	11-11	8 a.m.- 10 p.m.	Type 02	2011
13	Albatross Ridge	13-9	10 a.m.- 9 p.m.	Type 42	2013
14	Wrath Wines	10-22	10 a.m.- 10 p.m.	Type 02	2010
15	Paraiso Vineyards	13-22	11 a.m.- 7 p.m.	Type 02	2013
16	Southern Latitudes	14-03	9 a.m.- 8 p.m.	Type 42	2004
17	De Tierra Vineyard	12-17	10 a.m.- 8 p.m.	Type 02	2012
18	Surf N' Sand	07-10	Not specified	Type 21 and 42	2008



Applications in Process

#	Name	UP#	Note
1	Otter Cove	14-01	New wine tasting shop
2	Franscioni	13-4	Code Compliance Triggered
3	Tudor	14-02	Denied by PC and appealed to CC
4	Wild Vine	13-7	Concept review by PC in February 2014
5	Wyland Gallery	14-07	Original approved in 2013, but permit expired
6	Windy Oaks	14-09	New wine tasting shop
7	Da Giovanni	13-17	PC approved in February 2013, but appealed to CC
8	Surf N' Sand	14-08	Proposed Amendment to existing Use Permit



Attachment D – Examples of Approved Tasting Shops (Photographs and Floor Plans)

Caraccioli Cellars



Silvestri Vineyards

APR 1992-1995	Tenant Improvements	Carroll, California	Key Parts & Associates, Inc. P.O. Box 55707, Carmel, CA 95014
2000-2001			
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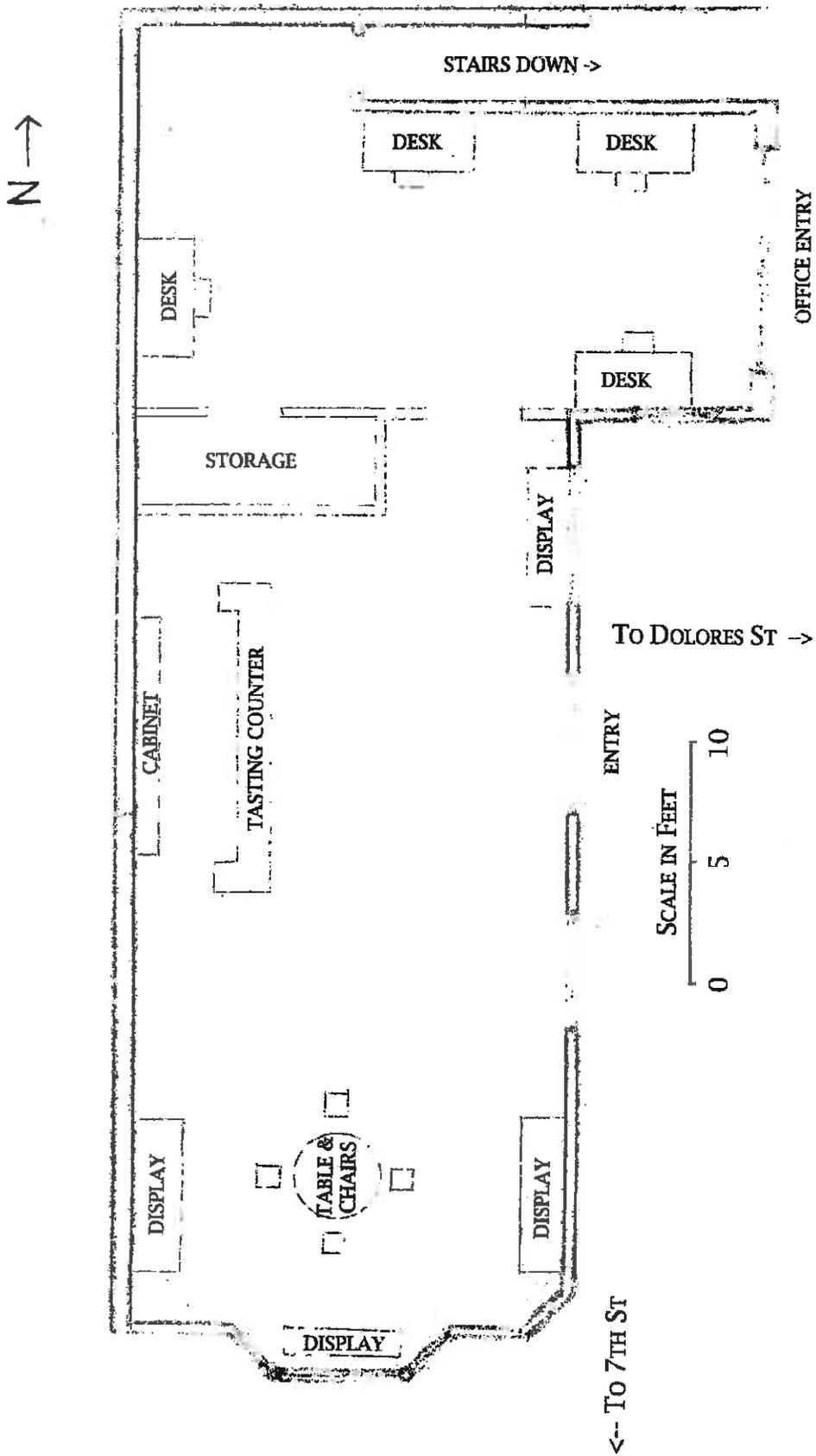
Silvestri Vineyards



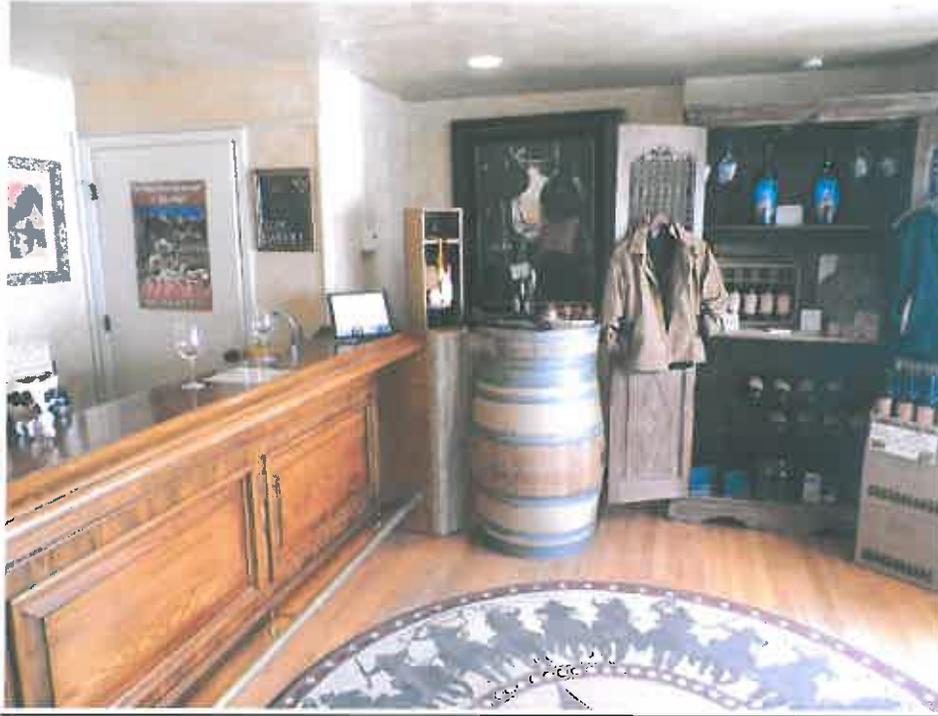
DAWN'S DREAM WINERY TASTING ROOM

36

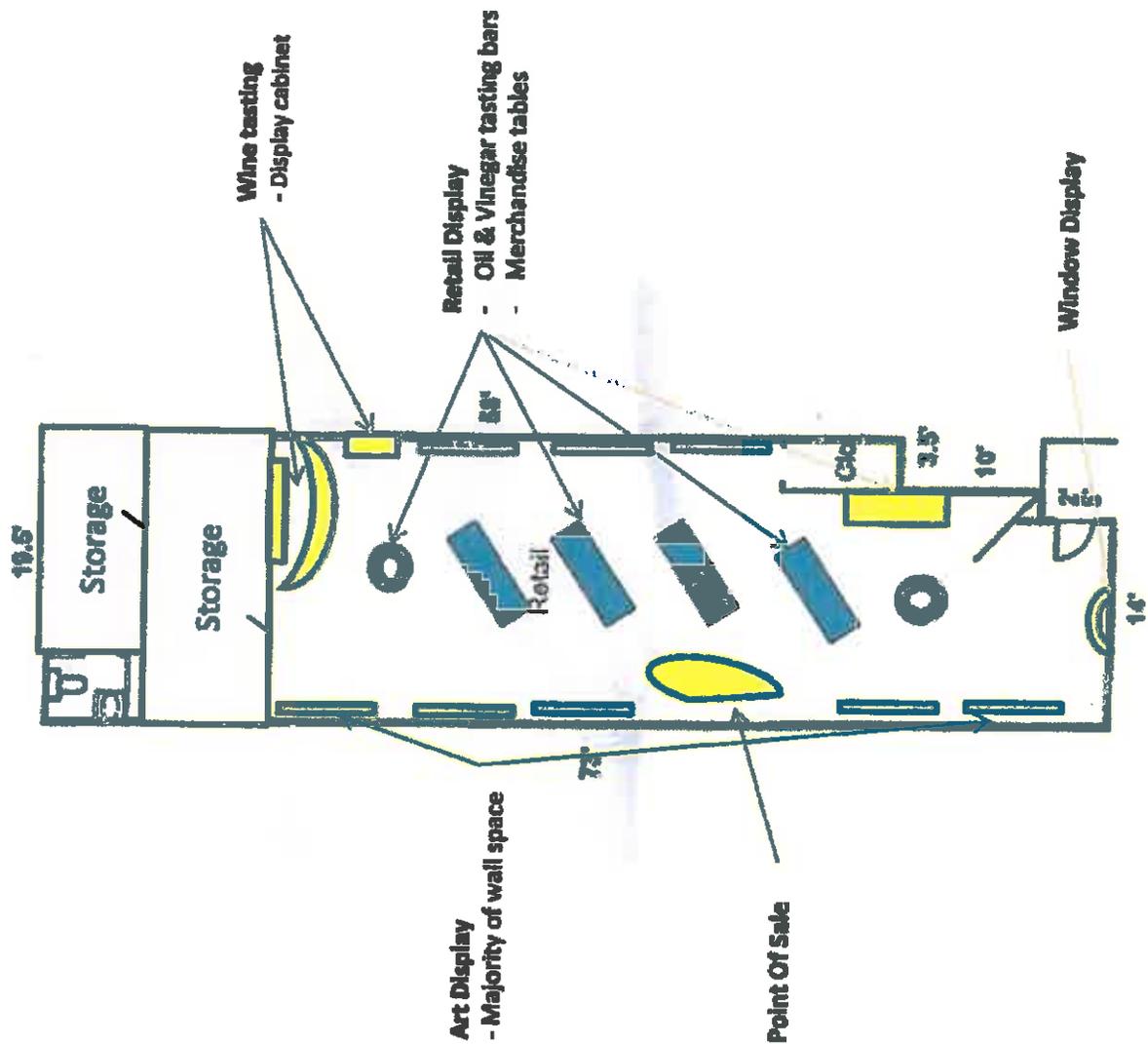
Dawn's Dream Winery



Dawn's Dream



Trio (food store and wine tasting)



Delores
Between 7th & Ocean
Carmel

Total Area
1360 SF (+/-)

Trio



applicant the opportunity to receive feedback on the plan's concept early in the process. Staff notes that architectural plans have not yet been submitted for the project.

The applicant has submitted a letter explaining the concept for the project and requesting that the City consider processing the project in a comprehensive manner rather than on a lot-by-lot basis. The applicant has indicated that there would be varying architectural styles, with a mix of one and two-story homes with varying setbacks. As part of the conceptual review, the Commission may want to provide comments or suggestions on issues related to the design of the residences or the project.

Staff has included a brief analysis on the recommended review process for the Planning Commission's consideration. Additional analysis and input may be provided by staff at the meeting.

Staff analysis:

Review Process: Staff concurs with the recommendation that the redevelopment of the project site be processed as a whole rather than on a lot-by-lot basis. The project will require additional meetings, and such an approach would provide an analysis of the design of each of the 16 residences in the context of the entire development and surrounding neighborhoods. The whole of the project as well as each individual residence's design will need to comply with all Municipal Code requirements and the City's Residential Design Guidelines.

Requiring the development and adoption of a Specific Plan or Community Plan is an option, but in staff's opinion, this is not preferable given that the project would be reviewed in a comprehensive manner pursuant to the City's zoning standards and Residential Design Guidelines. Specific Plans are typically reserved for when a site has unique requirements that cannot be addressed through the City standard zoning regulations. The development of a Specific Plan would be an amendment to the City's General Plan and Local Coastal Plan (LCP) and would require approval by the Planning Commission, City Council, and Coastal Commission.

The development of Block 45 is an example of a Specific Plan that was developed to address the unique conditions presented by the wall along the perimeter of the block and the shared roadway that bisects the block. Properties located within this block require a unique set of zoning standards (i.e. setbacks, coverage, etc.) to address these unusual conditions.

Another example is the Forest Cottage Specific Plan, which was developed for a triangular-shaped Block located in the R-1 Zoning District. The Forest Cottage Specific Plan, and associated permits, allowed for the development of four new single-family residences in conjunction with two multi-family residential units. The Specific Plan was developed: 1) to allow multi-family units in the R-1 Zoning District, which is not permitted under standard R-1 zoning requirements, and 2) to address the unique setback conditions created by the triangularly-shaped block.

Project Review: Staff cannot comment on the project's design at this time because no architectural plans were provided.

ATTACHMENTS:

- Attachment A – Applicant Submittal (Letter, Block Map, Site Plan)
- Attachment B – Water Board Letter

Robert Mullane
Director of Planning and Building
City of Carmel-by-the-Sea
Monte Verde Street between Ocean and 7th Avenues
Carmel-by-the-Sea CA 93921

February 21, 2014

Dear Rob:

On behalf of the buyers of the *Carmel Resort Inn property*, please consider this letter to be my formal request for a Conceptual Review for Lots 1 to 16 inclusive, in Block 17, as shown on the Map entitled, "Map of Carmel City, Monterey County, Cal", APN 010-021-001 through 010-021-014.

As we discussed, I would like to present the concept for the redevelopment of the motel, which is a legal nonconforming use, at the March 12th Planning Commission meeting. We plan to demolish the motel and build a single-family home on each of the 16 existing lots.

The overall concept is to receive Planning Commission approval of all of the homes at the same time, rather than going through design review for each lot. In this way, all of the proposed homes will be plotted on individual site plans for each lot and on a comprehensive site plan for the block so that staff and the commission are able to assess the interplay between the homes. All of the proposed houses will be designed in conformance with the city's design guidelines. Thus, there will be varying architectural styles without duplication on a block, differing setbacks, and a mixture of one and two story homes. After the conceptual review, we will develop detailed drawings for the formal application.

You mentioned that some have seen this proposal as a "project" requiring a specific plan. I have reviewed Chapter 17.22 of the Municipal Code, *Community Plan Districts and Specific Plans*, and my understanding of it is that what we are planning does not in any way meet the criteria for these homes to be considered either a specific plan or a community plan.

The reality is that sixteen homes will be proposed be built on sixteen existing legal lots. We will not be requesting lot line adjustments nor variances. We could easily come in on a lot-by-lot basis, but feel that by bringing all of the plans at once we will make more efficient use of the staff's and the commission's time and eliminate questions regarding how the homes relate to each other and the neighborhood.

Enclosed is a limited power of attorney signed by the seller giving me permission to process all applications and sign all documents, an assessor's map of the block showing the property, a plat depicting the existing improvements, and a check for \$350.00 for the application.

I will also forward you PDFs of the maps on the property for your inclusion in the presentation of the staff report.

Sincerely,



Jonathan Sapp
Chief Executive Officer

jws@sapp.net

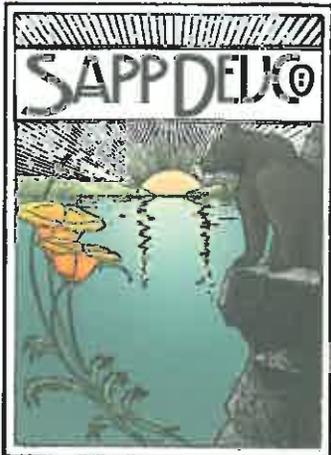
RECEIVED

FEB 21 2014

City of Carmel-by-the-Sea
Planning & Building Dept.

Post Office Box 4948
Carmel-by-the-Sea, CA
93921-4948

p: +1 831-747-7499
f: +1 831-622-0898



THIS MAP IS INTENDED TO BE USED FOR
PROPERTY TAX ASSESSMENT PURPOSES ONLY.

TAX CODE AREA 1-00

ASSESSOR'S MAP
BOOK 10 PAGE 02

9-14

9-16

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4TH AVE

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SANTA RITA ST.

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028

SANTA FE ST

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RECEIVED

FEB 21 2014

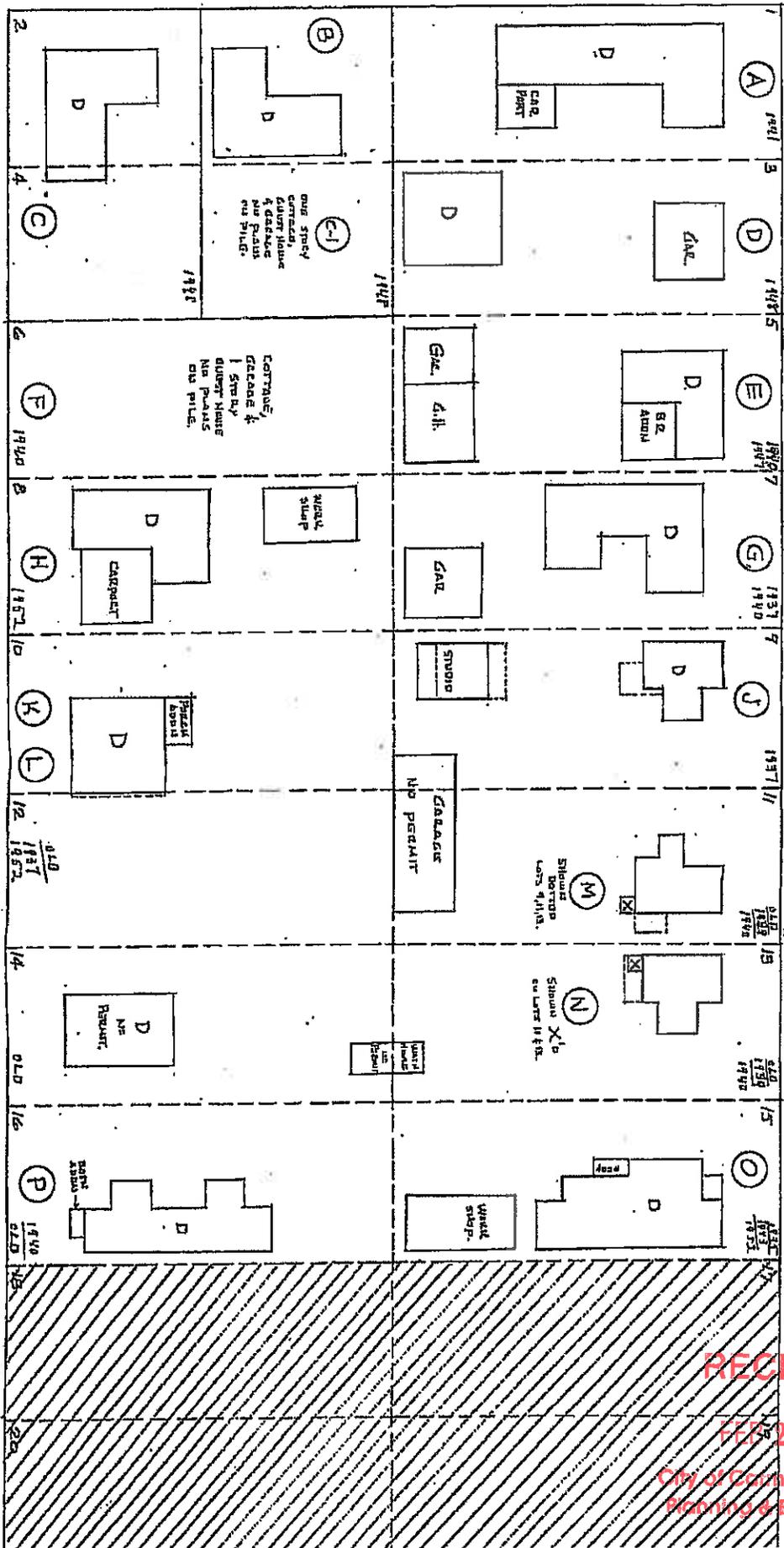
San Diego County Assessor-Recorder
1000 Broadway, San Diego, CA 92101

CARMEL CITY

BLOCKS 15, 16, 17, 22, 23, 24, 39, 40, 41

OCT 17 2001

CARLINDA JONES



GUADALUPE STREET

SCALE: 1" = 25'

RECEIVED

FEB 21 2014

City of Channel-by-the-Sea
Planning & Building Dept.



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

APR 09 2012

In Reply Refer to:
MJQuint:262.0(27-01)

California American Water - Monterey
c/o Tim Miller
1033 B Avenue, Suite 200
Coronado, CA 92118

Dear Mr. Miller:

ORDER WR 2009-0060; CALIFORNIA PUBLIC UTILITIES COMMISSION DECISION 11-03-048

Thank you for your November 29, 2011 letter regarding the California Public Utilities Commission (Commission) Decision 11-03-048 (D. 11-03-048) and a need for clarification from the State Water Resources Control Board (State Water Board) related to Condition 2 of Order WR 2009-0060. You identify that Commission D. 11-03-048 imposes three separate obligations on Cal-Am with respect to implementing a moratorium and consultation with the State Water Board. Your letter recites the requirements from the Commission's decision, then sets forth Cal-Am's proposal, followed by a description of a meeting with the Monterey Peninsula Water Management District (MPWMD). This response includes your recital of the Commission decision, Cal-Am's proposal and the State Water Board's responses to each proposal in the order presented in your letter.

Condition 2 of Order WR 2009-0060 states "Cal-Am shall not divert water from the Carmel River for new service connections or for any increase use of water at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date."

Ordering Paragraph 2 of D.11-03-048 states:

California-American Water Company shall confer with Monterey Peninsula Water Management District on the subject of how best to serve demonstrated and compelling institutional public health and safety water needs within the Monterey District in the light of Condition 2 [of Order WR 2009-0060].

Cal-Am's Proposal: Cal-Am proposes that upon the MPWMD finding that an institutional project presents a demonstrated and compelling public health and safety need that warrants an exception to Condition No. 2, Cal-Am will cooperate with the interested institution and MPWMD staff to meet with State Water Board staff and request that the State Water Board issue an exception from Condition 2. You state that the MPWMD agreed that Cal-Am's approach would best address any identified institutional health and safety needs.

CHARLES R. HOPPIN, CHAIRMAN | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov



State Water Board's Response: The State Water Board generally agrees with the proposed procedure of requesting an exception from Condition 2 for public health and safety needs, provided: (1) the procedure allows adequate time for State Water Board staff to review the proposed exception; and (2) expanded water service is not provided prior to the State Water Board granting such an exception. Prior to approving any exception to Condition 2, Cal-Am must be able to demonstrate that the Carmel River is the only available and viable water supply to meet the public health and safety need.

Ordering Paragraph 3 of D.11-03-048 states:

Cal-Am shall confer with MPWMD and then consult with the State Water Board to develop or select a workable protocol for determining the past use baseline as well as measuring increase in water use.

Cal-Am's Proposal: Cal-Am proposes that an increase in water use will be determined by comparing the estimated consumption of the proposed use, determined by the MPWMD using MPWMD's fixture count or commercial factor method, to the lower of the fixture count for the existing use, or the five year historical average of actual water use for the service address. MPWMD suggests using a factor to factor comparison only (and not comparing to actual historical use) because comparing to prospective use based on fixture unit counts to actual usage may induce prospective property sellers to artificially increase water use to facilitate changes in use by prospective buyers.

State Water Board Response: The State Water Board agrees to meet and discuss this matter. The potential for property owners to artificially increase water use to obtain a higher historical water use baseline is of concern. Until a determination to the contrary is made, the State Water Board will determine the baseline for past water use based on the lesser of the actual average metered annual water use for a water year from the last five years' of records, or the amount calculated from the fixture unit count.

Ordering Paragraph 4 of D.11-03-048 states:

Cal-Am shall ask the State Water Board for written guidance with respect to any unresolved issues of interpretation or implementation concerning Condition 2 of Order WR 2009-0060, including any pertaining to requests by holders of water credits and entitlements from the MPWMD.

Cal-Am's Proposal: Cal-Am and MPWMD identified the following issues:

Changes in "Use"

Condition No. 2 of Order WR 2009-0060 prohibits Cal-Am from serving an increased use of water at an existing service address due to a change in zoning or use. [Footnote 2 states "There has been little debate that a "change in zoning" is a Legislative act by the local land use authority that changes the use allowed as of right to a piece of real property. If the State Water Board had a different intent when adopting Order WR 2009-0060, we request clarification of the State Water Board's intent."] Because the word "use" is included in the same phrase as "zoning," Cal-Am interprets that phrase to reference local land use regulations. Therefore, whether there is a change in "use" depends on how the local land use regulations classify businesses; however such classifications may vary by jurisdiction, frequently contain illustrative and not exhaustive lists, and may vary from MPWMD regulations regarding a change in use. We request that the State Water Board clarify how a "change in use" is to be determined for the purposes of complying with Order WR 2009-0060.

State Water Board Response: The intent of Condition 2 is to limit an increase in water consumption from the Carmel River that may be caused by regional or local zoning and land use changes to the conditions that existed at the time of the Order. On October 20, 2009, the date of Order WR 2009-0060, each existing service connection had a specific zoning and use designation by both MPWMD and local land use authorities, and some prospective users may have obtained all necessary written approvals required for project construction and connection to Cal-Am's water system. The State Water Board concludes that Condition 2 prohibits any increased water use at an existing service address that results from a change in zoning or use approved by either MPWMD or a local land use authority after October 20, 2009.

Use of Water Credits

Under the MPWMD's rules and regulations, if a Cal-Am customer invests in certain water conserving improvements, that customer can obtain a "credit" for a portion of the water that is estimated to be conserved by the improvement. That credit can then be used in the future if the customer proposes to modify their property in a way that may increase water consumption. The water credit concept is discussed in State Water Board Order WR 2010-001 and the petitions for reconsideration that gave rise to that Order. It is Cal-Am's contention that Order WR 2010-001 clearly expressed the State Water Board's interpretation of Order WR 2009-0060, to wit that water credits may not be used to serve a new connection or an increased use of water at an existing service address due to a change in zoning or use. Because debate remains regarding this issue, Cal-Am and the MPWMD request the State Water Board to squarely address whether MPWMD water credits may be used to authorize a new connection or an increased use of water at an existing service address.

State Water Board Response: The State Water Board agrees with Cal-Am's contention that water credits may not be used to serve a new connection or an increased use of water at an existing service address due to a change in zoning or use as described above.

Changes in Water Service Associated with Remodeling Existing Structures

One of the most significant areas of debate is the extent to which the State Water Board's moratorium affects changes in water use attributable to remodeling existing structures. This issue arises in many forms, but the most common issues are:

- the addition of a second bathroom to an existing single family residential structure;
- the addition of a fire service connection due to a remodel, where such connection is required by the Fire Code; and
- the addition of units to an existing structure by subdividing existing units into multiple, smaller units, where a new meter is required for the additional unit(s) under MPWMD rules, but through water conservation devices, no increase in water use is expected.

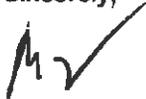
As to the first two instances, Cal-Am contends that whether such a change implicates the moratorium depends on whether the remodel constitutes a "change in zoning or use at an existing service address." If the addition constitutes a "change in zoning or use" under the local land use agency's laws, then the addition is not allowed. If the addition is not a "change in zoning or use" under the local land use agency's laws, then the addition is allowed. We request the State Water Board to confirm that this approach is consistent with the State Water Board's intent. As to the last situation, Cal-Am is unable to ascertain if this constitutes a "new connection" or if the question is whether there is an "increased use of water at an existing service address." This issue is particularly complex within the City of Carmel-By-The-Sea, where there are no street addresses. We request clarification from the State Water Board as to on how to analyze such a situation.

State Water Board Response: The State Water Board agrees with Cal-Am's position that if the addition constitutes a "change in zoning or use" under local land use agency ordinances or MPWMD rules, the addition is not allowed. For locations without a definable service address, the parcel number served at the time of the Order adoption is applicable. If new water meters are added to an existing structure that is subdivided into smaller units, with no additional units and with no change in zoning or use, the installation of additional meters is permissible. (See footnote 47 to Order 2009-0060 where the Board discusses the benefits of additional metering to multi-unit structures.) It is not permitted however, to rely on conservation credits to offset additional water use associated with new units. Such practice would amount to use of conservation credits to serve a new connection and is prohibited.

State Water Board staff is available to meet and discuss the responses provided in this letter. If you have any questions concerning this matter, please contact Mr. John O'Hagan of my staff at (916) 341-5368 or by email at johagan@waterboards.ca.gov. Written correspondence should be addressed as follows:

State Water Resources Control Board
Division of Water Rights
Attn: John O'Hagan
P.O. Box 2000
Sacramento, CA 95812-2000

Sincerely,



Barbara Evoy, Deputy Director
Division of Water Rights