

Revised: December 23, 2022

DEVELOPER'S STATEMENT & MITIGATION MONITORING PROGRAM
FOR BIANCHI CONDITIONAL USE PERMIT / N-DRC2021-00012

Project Description

The proposed project consists of a request for a phased Conditional Use Permit to incorporate a distillery use with a dedicated tasting room and office space within the existing on-site winery production building. The project also includes the proposed construction an 8-unit, detached, modular Bed and Breakfast Inn with caretaker's unit, and conversion of a portion of the existing hospitality building into a limited food serving facility to serve the tasting room and Bed and Breakfast Inn guests.

The project also includes a request for a modification to the 200-foot setback requirement for wineries with tasting, a modification to allow the limited food serving facility to be greater than 800 square feet and a modification to allow the Bed and Breakfast Inn greater than 100 feet from the existing tasting room and to allow detached units. No changes to the approved annual case production limits or Special Events Program are requested.

The proposed project would be phased as follows:

Phase 1: Adaptive re-use of existing areas within Winery Production Building (Bldg. 1) to incorporate a 445 square-foot distillery, 295 square-foot second tasting room for distilled spirit tasting, and 536 square feet of proposed office space within the existing building.

Phase 2: Development within the existing Hospitality Building (Bldg. 2) to incorporate a 1,647 square-foot Limited Food Serving Facility (restaurant). The proposed restaurant kitchen would be 426 square-foot, the space formerly utilized as a previous break room, office and circulation area. The existing 63 square-foot storage space will remain to serve the expanded needs of the kitchen. This phase of the project would utilize the 384 square-foot of existing indoor seating and 774-square-foot existing outdoor seating. The limited food serving facility will serve the existing tasting room as well as the proposed Bed and Breakfast guests.

Phase 3: Consists of the construction of a new 2,800-square-foot eight-modular unit Bed & Breakfast Inn (Bldg. 3) with 832 square feet of individual decks plus a 900 square-foot Innkeeper Unit with a 322-square-foot deck. Proposed site improvements include upgrading an existing internal road to extend the driveway to the proposed Bed and Breakfast Inn and native landscaping.

The total area of site disturbance is 0.83 acres (36,050 square feet) with 850 cubic yards (CY) cut and 300 CY fill.

Phase 4: The final phase would consist of the construction of the previously approved 9,280 square-foot addition to Winery Production Building (Bldg. 1) under DRC2005-00180 for future storage at full build out.

Proposed Development Details

Distillery, Tasting Room and Offices (Winery Production Building, Bldg. 1)

The application includes a request to allow portions of the existing winery production building to be used for spirit production with a separate small tasting room.

The proposed use would include the distillation of grapes to make spirits. The distilling of grapes falls under the definition of AG processing in the County Land Use Element, so long as the distilled product is grown on the site or on adjacent parcels. The proposed distilling operations will be incidental to wine production, where tasting and sales of the finished product may occur in addition to the current wine tasting program occurring on the property. Distilled products may include vodka, brandy, grappa and gin from the on-site vineyard.

The proposed distillery would consist of converting a 445-square-foot portion of the existing barrel room to distillery production, converting the existing 295-square-foot break room to a distillery tasting room and would utilize the existing 895-square-foot patio adjacent to the proposed tasting room. No walls will be removed or added to accommodate the distillery or distillery tasting uses, and construction is limited to a minor remodel to the distillery tasting room. The annual case production limit of 50,000 cases per year approved in original Minor Use Permit would continue to be the limits for the combined production of the wine and distilled spirits.

The project includes a request to allow a portion of the existing winery production building to be converted to additional office space to support ongoing and new operations. A portion of the existing barrel room would be converted to four 134-square-foot offices for a total of 536 square feet of office space. Walls will be added to enclose the offices, with access provided through doors located on the exterior of the existing building.

The proposed new distillery, tasting room and offices would be developed within the existing winery production building and patio footprint.

Access, Circulation and Parking: Primary access to the site would continue to be from Branch Road, a County maintained road. The existing driveway serves as the access to the existing winery facilities and residences. The introduction of a visitor serving use in the winery production building requires an additional two parking spaces which would be accommodated within the existing 28 spaces shared between the winery production building and hospitality building. All parking spaces are screened by existing vineyards and existing landscaping.

Due to the Alcohol and Beverage Control restriction for actual delineation between the licensed premises between a wine and distillery tasting room, the proposed project includes a request for a second tasting room. This tasting room is proposed within the same structure where the distilling is proposed.

Modification Request for Second Tasting Room: The proposed project includes a request to allow the addition of a second tasting room for distilled spirit tasting. Section 22.30.070H.3 of the County Land Use Ordinance (LUO) limits the number of tasting rooms permitted with a winery. A winery is limited to one tasting room per winery. Section 22.30.020.d of the LUO contains a provision that allows modification to the special use standards set forth in Article 4 of Title 22. This provision allows a standard to be waived if it can be proven to be unnecessary or ineffective and the project meets all other development standards contained in the LUO. The applicant proposes that the open concept configuration and operation of the existing winery tasting room is not suitable for a physical separation for separate tasting areas as required by Alcohol and Beverage Control. The distilled spirit tasting room would be within the production building and based on its small scale may be considered incidental and an accessory use to the production of wine and spirits, the primary use of the site.

Modification Request to 200-foot Setback Standard for Public Tasting: The project includes a request to allow the distillery tasting room to be located 164 feet from the western property line. The project as proposed meets and exceeds the 200 foot setback to the other three property lines as well as exceeds the 400 foot setback to outside residences.

Section 22.30.070.D.2.d.1 of the LUO requires all winery structures with tasting to be no closer

than 200 feet from each property line. In order for a setback modification to be approved, the request must satisfy any of the following findings: (1) there is no feasible way to meet the required setbacks without creating environmental impacts or impacting prime agricultural land (SCS Class I, II and III); (2) the property fronts an arterial or collector street; (3) the setbacks are not practical or feasible due to existing topographic conditions or existing on-site vegetation or (4) is a legally constructed existing structure that was built prior to 1980 and it can be clearly demonstrated that the structure was intended for a legitimate agricultural or residential use. The proposed project is designed to meet the findings under numbers 1 and 2 listed above.

Limited Food Serving Facility (Within Hospitality Building, Bldg. 2)

The proposed project includes the conversion of an existing break room, offices and circulation spaces within the hospitality building into 489 square feet of kitchen with existing storage space, 384 square-feet of indoor seating and 774 square feet of outdoor seating, utilizing a total of 1,647 square feet of existing use areas.

The proposed limited food serving facility would be located within the same structure as the existing tasting room and will be incidental to the primary use on site, which consists of the existing 13,036 square foot production winery. The limited food serving facility would allow offerings without requiring them to pair food with wine. The tasting room area will remain limited to food and wine pairing.

The use areas associated with the limited food serving facility are located within the existing Hospitality Building and the existing patio seated areas off the tasting room and existing views from Branch Road are not expected to change.

Access, Circulation and Parking: Primary access to the site would continue to be from Branch Road, a County maintained road. The introduction of the limited food serving facility will serve existing guests and is expected to be accommodated by the existing 28 parking spaces shared between the winery production building and hospitality building. All parking spaces are screened by existing vineyards and existing landscaping.

Modification Request for Size Increase: The application includes a request for a modification to the size of the limited food serving facility to allow the total square footage of the kitchen area, indoor seating area, and proposed outdoor seating area to be utilized for the limited food serving facility. The proposed limited food facility in total would utilize 1,647 square feet of existing use areas: 489 square-foot commercial kitchen and storage, 384 square feet for indoor seating, and 774 square feet for outdoor seating.

The modification to the floor area limitation would be allowed through approval of the proposed Conditional Use Permit. The modification would occur within the existing tasting room use areas that are currently used for the winery's food and wine pairing program and utilize existing interior and exterior seating areas for containment of this use to a contiguous area.

Bed and Breakfast Inn (Bldg. 3)

The project includes a proposal to construct an eight-unit Bed and Breakfast (B&B) Inn to provide overnight accommodations to winery visitors. The detached modular guest units each would have 350 square feet of interior space including a sleeping area, sitting area, wet bar, bathroom and an attached 104-square foot exterior deck. Each unit would be pre-fabricated and detached from one another. Boardwalks are proposed to be constructed on-site for connectivity between units and common landscaped areas. The proposed B&B also includes a 900 square-foot detached caretaker's unit.

Structure Siting: The proposed Bed and Breakfast Inn facilities would be sited in a previously

disturbed area within the area of an existing mobile home that would be removed from the property. The project will not result in the removal of any vineyards. The nearest off-site neighboring residences are located on adjacent parcels 873 feet to the north and 521 feet east of the project. The B&B facilities would be located 377 feet from the existing hospitality building. There is a large oak tree located in the middle of the vineyard that will be impacted by the B&B structures.

The proposed low-profile Bed and Breakfast Inn units will be located towards the interior of the property, set back 856 feet from the western property line and Branch Road. The Bed and Breakfast structures are agrarian/residential in style, consistent with the existing winery buildings on the property and the surrounding residential and agricultural structures on neighboring properties. The Bed and Breakfast structures are situated within the established vineyard and would be screened by existing development, trees and proposed landscaping.

Access, Circulation and Parking: The B&B would utilize the existing primary access from Branch Road and would include improving an interior residential/ag road to CDF standards to provide access to the proposed Bed and Breakfast Inn units. A new proposed dedicated parking area located east of the B&B units would provide eleven spaces, including two handicap parking spaces. New stairs and an ADA ramp are proposed to allow direct access from the parking lot up onto the boardwalk that connects the units.

Modification Request for Distance to the Existing Visitor Serving Use: The project includes a request to allow the Bed and Breakfast Inn to be located 377 feet from the existing wine tasting room. According to the LUO, a Bed and Breakfast Inn can be located farther than 100 feet from the existing conforming visitor serving use when the Review Authority can make the following findings: (1) the site of the proposed use does not contain Class I, II or III soils; and (2) on-site access, visual concerns and grading or other environmental issues can be better addressed through a larger distance. The proposed project is designed to meet the findings under numbers 1 and 2 listed above.

Modification to the Single Structure Requirement for Bed and Breakfast Inns: The project includes a modification request to allow the Bed and Breakfast Inn to be composed of 9 detached, modular structures instead of a single structure. The proposed structures are clustered within a single area in close proximity to one another. The eight guest units are proposed to be connected by a boardwalk and arranged side-by-side as a cohesive unit. Due to the modular nature of the structures, the Bed and Breakfast units could be removed in the event that the use is no longer needed and the proposed innkeeper unit could remain as it complies with the Accessory Dwelling Unit (ADU's) standards.

Project Development Summary

As proposed under this project, the primary use of the site currently is and will remain AG processing in the form of winery production with a total area of 27,149 square feet. The visitor serving uses on the site would total 8,139 square feet, refer to the table below for a summary of uses for the project at full build out.

Table 1. Project Buildout Summary*

Interior Uses Per Building	Ag Processing Use (SF)	Visitor Serving Use (SF)
Hospitality Building Includes Limited Food Serving Facility	342 (office, support & utility rooms)	2,216
Winery Production Building	12,700	295 (distillery tasting)
Winery Production Building Addition (Case Storage)	9,280	-
Bed & Breakfast Inn Units (8 total)	-	2,800
Bed & Breakfast Innkeeper Unit	-	900
Subtotal:	22,322	6,211

Exterior Uses Per Building	Ag Processing Use (SF)	Visitor Serving Use (SF)
Hospitality Building		774
Winery Production Building	4,827	-
Bed & Breakfast Inn Units (8 total)	-	832
Bed & Breakfast Innkeeper Unit	-	322
Subtotal:	4,827	1,928
Total:	27,149	8,139

**Existing, approved Special Events Program to remain per DRC2005-00180 (7 Events up to 100 people, 10 Events up to 150 people, 3 Events up to 200 people, and Industry Wide Events)*

MITIGATION SUMMARY

The applicant has agreed to incorporate the following measures into the project. These measures become a part of the project description and therefore become a part of the record of action upon which the environmental determination is based. All development activity must occur in strict compliance with the following mitigation measures. These measures shall be perpetual and run with the land. These measures are binding on all successors in interest of the subject property.

AIR QUALITY

AQ-1. To mitigate fugitive dust emissions related to project construction, the following shall be implemented:

- a. Reduce the amount of the disturbed area where possible;
- b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency would be required whenever wind

speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible;

- c. All dirt stock pile areas should be sprayed daily as needed;
- d. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities;
- e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established;
- f. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;
- g. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
- h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;
- i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;
- j. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site;
- k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible;
- l. All of these fugitive dust mitigation measures shall be shown on grading and building plans; and
- m. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD Compliance Division prior to the start of any grading, earthwork or demolition.

AQ-2. The required mitigation measures for reducing nitrogen oxides (NO_x), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment are listed below:

- a. Maintain all construction equipment in proper tune according to manufacturer's specifications;
- b. Fuel all off-road and portable diesel powered equipment with ARB certified motor vehicle
- c. diesel fuel (non-taxed version suitable for use off-road);
- d. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State off-Road Regulation;
- e. Use on-road heavy-duty trucks that meet the ARB's 2007 or cleaner certification standard for on-road heavy-duty diesel engines, and comply with the State On-Road Regulation;

- f. Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOx exempt area fleets) may be eligible by proving alternative compliance;
- g. All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit;
- h. Diesel idling within 1,000 feet of sensitive receptors is not permitted;
- i. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
- j. Electrify equipment when feasible;
- k. Substitute gasoline-powered in place of diesel-powered equipment, where feasible; and,
- l. Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

Monitoring: Department of Planning and Building shall verify compliance (AQ-1 thru AQ-2) in consultation with the Environmental Coordinator.

BIOLOGICAL RESOURCES

BIO-1. Vegetation removal and initial site disturbance shall be conducted between September 1st and January 31st outside of the nesting season for birds. If vegetation and/or tree removal is planned for the bird nesting season (February 1st to August 31st), then preconstruction nesting bird surveys shall be conducted by a qualified biologist and submitted to the County Planning and Building Department prior to ground disturbance activities to determine if any active nests would be impacted by project construction. If no active nests are found, then no further mitigation shall be required.

If any active nests are found that would be impacted by construction, then the nest sites shall be avoided with the establishment of a non-disturbance buffer zone around active nests as determined by a qualified biologist. During all ground disturbing activities, nest sites shall be avoided and protected with the non-disturbance buffer zone until the adults and young of the year are no longer reliant on the nest site for survival as determined by a qualified biologist.

BIO-2. Prior to issuance of grading and/or construction permits, the applicant shall submit evidence to the County of San Luis Obispo that states that one or a combination of the following three San Joaquin kit fox compensatory mitigation measures has been implemented:

- a. Provide for the protection in perpetuity, through acquisition of fee or a conservation easement of 0.66 acres (0.22 acres of development multiplied by 3 as a result of an applied 3:1 mitigation ratio) of suitable habitat in the kit fox corridor area (e.g. either on-site or off-site, and provide for a non-wasting endowment to provide for management and monitoring of the property in perpetuity. Lands to be conserved shall be subject to the review and approval of the California Department of Fish and Wildlife and the County. This mitigation alternative (a.) requires that all aspects if this program must be in place before County-permit issuance or initiation of any ground disturbing activities.

- b. Deposit funds into an approved in-lieu fee program, which would provide for the protection in perpetuity of suitable habitat in the kit fox corridor area within San Luis Obispo County, and provide for a non-wasting endowment for management and monitoring of the property in perpetuity. Mitigation alternative (b) above can be completed by providing funds to The Nature Conservancy (TNC) pursuant to the Voluntary Fee-Based Compensatory Mitigation Program (Program). The Program was established in agreement between the CDFW and TNC to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The fee, payable to "The Nature Conservancy," would total: \$6,225 ($0.83 \times 3 \times \$2,500$). This fee is calculated based on the current cost-per-unit of \$2500 per acre of mitigation, which is scheduled to be adjusted to address the increasing cost of property in San Luis Obispo County; actual cost may increase depending on the timing of payment. This fee must be paid after the CDFW provides written notification about your mitigation options but prior to County permit issuance and initiation of any ground disturbing activities.
- c. Purchase credits in a CDFW-approved conservation bank, which would provide for the protection in perpetuity of suitable habitat within the kit fox corridor area and provide for a non-wasting endowment for management and monitoring of the property in perpetuity. Mitigation alternative (c) above can be completed by purchasing credits from the Palo Prieto Conservation Bank (see contact information below). The Palo Prieto Conservation Bank was established to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with CEQA. The cost for purchasing credits is payable to the owners of The Palo Prieto Conservation Bank, would total: \$6,225 ($0.83 \times 3 \times \$2,500$).

This fee is calculated based on the current cost-per-credit of \$2,500 per acre of mitigation. The fee is established by the conservation bank owner and may change at any time. Actual cost may increase depending on the timing of payment. Purchase of credits must be completed prior to County permit issuance and initiation of any ground disturbing activities.

BIO-3. To avoid direct take of SJKF during construction in accordance with the San Luis Obispo County Guide to SJKF Mitigation Procedures Under CEQA, the project owner shall adopt the Standard Kit Fox CEQA Mitigation Measures and shall be included on development plans. The following measures shall be implemented:

- a. A maximum 25 mph speed limit shall be required at the project site during construction activities.
- b. All construction activities shall cease at dusk and not start before dawn.
- c. A qualified biologist shall be on-site immediately prior to initiation of project activities to inspect for any large burrows (e.g., known and potential dens) and to ensure no wildlife are injured during project activities. If dens are encountered, they should be avoided as discussed below.
- d. Exclusion zone boundaries shall be established around all known and potential kit fox dens.
- e. All excavations deeper than 2 feet shall be completely covered at the end of each working day.

- f. All pipes, culverts, or similar structures shall be inspected for SJKF and other wildlife before burying, capping, or moving.
- g. All exposed openings of pipes, culverts, or similar structures shall be capped or temporarily sealed prior to the end of each working day.
- h. All food-related trash shall be removed from the site at the end of each workday.
- i. Project-related equipment shall be prohibited outside of designated work areas and access routes.
- j. No firearms shall be allowed in the project area.
- k. Disturbance to burrows shall be avoided to the greatest extent feasible.
- l. No rodenticides or herbicides should be applied in the project area.
- m. Permanent fences shall allow for SJKF passage through or underneath (i.e., an approximate 4-inch passage gap shall remain at ground level).
- n. Prior to issuance of grading and/or construction permit and within 30 days prior to initiation of site disturbance and/or construction, all personnel associated with the project shall attend a worker education training program, conducted by a qualified biologist, to avoid or reduce impacts on sensitive biological resources (i.e. San Joaquin kit fox). At a minimum, as the program relates to the kit fox, the training shall include the kit fox's life history, all mitigation measures specified by the County, as well as any related biological report(s) prepared for the project. The applicant shall notify the County shortly prior to this meeting. A kit fox fact sheet shall also be developed prior to the training program, and distributed at the training program to all contractors, employers and other personnel involved with the construction of the project.
- o. During the site-disturbance and/or construction phase, any contractor or employee that inadvertently kills or injures a San Joaquin kit fox or who finds any such animal either dead, injured, or entrapped shall be required to report the incident immediately to the applicant and County.

In the event that any observations are made of injured or dead kit fox, the applicant shall immediately notify the USFWS and CDFW by telephone. In addition, formal notification shall be provided in writing within three working days of the finding of any such animal(s). Notification shall include the date, time, location and circumstances of the incident. Any threatened or endangered species found dead or injured shall be turned over immediately to CDFW for care, analysis, or disposition.

Monitoring: Department of Planning and Building shall verify compliance (BR-1 thru BR-4) in consultation with the Environmental Coordinator.

The applicant understands that any changes made to the project description subsequent to this environmental determination must be reviewed by the Environmental Coordinator and may require a new environmental determination for the project. By signing this agreement, the owner(s) agrees to and accepts the incorporation of the above measures into the proposed project description.

Signature of Owner(s)	Name (Print)	Date
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Signature of Owner