SPECIAL MEETING OF THE
SONOMA CITY COUNCIL
Held Jointly With The
Sonoma Planning Commission

Andrews Hall, Sonoma Community Center
276 East Napa Street, Sonoma CA 95476

Monday, February 24, 2014
6:00 p.m.

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MINUTES

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

1. CALL TO ORDER

Mayor Rouse called the meeting to order at 6:00 p.m. Laurie Decker led the Pledge of Allegiance.

CITY COUNCILMEMBERS PRESENT: Barbose, Brown, Cook, Gallian and Mayor Rouse.

PLANNING COMMISSIONERS PRESENT: Cribb, Edwards, Felder, Howarth, Tippell, Willers and Chair Roberson. ABSENT: Heneveld.

OTHERS PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, Planning Director Goodison, Police Chief Sackett, Economic Development Project Manager Decker.

2. COMMENTS FROM THE PUBLIC

There were no comments from the public.

3. STUDY SESSION REGARDING WINE TASTING FACILITIES

Planning Director Goodison reported that in response to concerns having been voiced by members of the community regarding the increasing number of wine tasting facilities in the downtown area, the City Council requested the Planning Commission to develop draft amendments to the Development Code addressing wine tasting facilities and wine bars. The Planning Commission held a number of hearings and discussions on the issue and developed a set of proposed regulations that, at its January 9, 2014 meeting, voted to forward to the City Council. Subsequently, the City Council agreed that, prior to consideration of the adoption of the draft Development Code amendments, it would be desirable to meet with the Planning Commission in a study session format in order to: 1) hear directly from the Planning Commission regarding its recommendations and the discussions that went into them; 2) discuss alternative approaches to regulating wine tasting facilities; and, 3) provide an additional opportunity for public comment on the subject.

Goodison reported that the database of businesses located within the Plaza Retail Overlay zone maintained by the Economic Development Manager indicated a total of one hundred thirty-six ground-floor businesses of which twenty were purely wine-serving and three were a combination of wine tasting and other retail. Together, these twenty-three tasting rooms and wine bars represented 17% of the ground-floor businesses within the zone.

Planning Commission Chair Roberson explained that initial discussions on the matter were far reaching and received a great deal of reaction from the public and business owners. As a result of those discussions with the public and business representatives most objections to the proposed regulations disappeared. He said a majority of the Planning Commissioners voted in favor of the draft regulations being forwarded to the City Council for consideration.

Mayor Rouse stated that what he was hearing from the public was they wanted a numerical cap on the number of wine tasting facilities. Roberson responded there had not been support from Commissioners to include a cap. He said the market was changing and it was hard to predict where it would end up. Roberson pointed out that the tasting facilities were utilizing retail spaces that were not viable for other uses and they created a vibrancy around the Plaza.

Statements made by the Planning Commissioners were as follows: Commissioner Edwards stated that the hurdles to start up a new business were already high and he felt the free market

would take care of itself. Commissioner Tippell stated he did not agree with those who said wine tasting facilities were pushing out other retail uses. He had suggested 1,000 square feet as a threshold for requiring a Conditional Use Permit (CUP). Commissioner Willers said it was important to be business friendly and community friendly and he felt the proposed regulations were appropriate. Commissioner Howarth stated the Commission came up with limits on tasting rooms that a majority were comfortable with. Commissioner Cribb stated that the majority of wine tasting facilities were family run and it had been the Commission's desire to develop regulations that encouraged small businesses that would support the local economy. Commissioner Felder stated he had concerns that the number of facilities would continue to grow and that those with Type 2 Liquor licenses would morph into bars. He would like the proposed hours of operation to be more restrictive. Chair Roberson confirmed with staff that there were currently no restrictions on the hours of operation.

Clm. Cook stated that while he felt the free market would take care of itself he had come with an open mind and wanted to hear from the public what they perceive as the problem and how they would fix it. Clm. Barbose said it was important for people to understand that existing businesses would be grandfathered in. He did not agree that the free market would take care of the issue and he feared the Plaza would be overrun by tasting rooms. He said his preference would be to either require a CUP for all new tasting rooms or expansions of existing ones or to place a cap of twenty-five or thirty on the number allowed. Clm. Gallian asked the public to weigh in on the many issues that had been raised. Clm Brown stated that wine tasting facilities were already regulated and he did not agree with those that felt their presence degraded the ambience or safety of the downtown.

Mayor Rouse asked Police Chief Sackett if tasting rooms had caused an increase in drunkenness or rowdiness. Chief Sackett responded that logically the propensity for problems directly correlated with the opportunities that exist for obtaining alcohol. He noted that there had been a significant reduction of crime around the Plaza after Plaza Liquors went out of business.

Mayor Rouse said he believed the free market would take care of itself but he understood the concerns of those who felt the number of tasting rooms was steadily increasing. He said the Council did not want to overregulate but wanted to be responsive to the public's concerns.

Mayor Rouse invited comments from the public.

Paul Segre stated that it was government's role to dampen unfettered capitalism.

Fred Allebach stated that the wine tasting issue was symbolic of an out of proportion economic leg of the public policy stool where social issues and environmental sustainability concerns were shunted aside. It represented a conflict over the role of and oversight of tourism experienced by Aspen, Woodstock and Hawaii. He supported stronger regulation and suggested requiring a CUP for all new tasting rooms.

Jeanette Fung, Plaza business owner, said the City could not rely on the free market taking care of itself and needed to retain some use of the Plaza for the locals. The real estate market on the Plaza was not a normal market; rents were very high. She noted that most tasting rooms were there as a loss leader for the winery it represented.

Larry Barnett stated that the City recently received the Certified Local Government status and was required to protect the Plaza as a National Historic Landmark. He disputed the claims that the free market would take care of itself and said that the shift away from brick and mortar wineries and influx of tasting rooms would change the character of the City. Barnett stated the City needed to consider the number of businesses selling alcohol in the downtown and question what benefit they had on residents.

Regina Baker posed several questions about the number of events and potential sales tax revenue. She stated that only Sonoma County wineries should be allowed and that she supported a balanced approach to the regulations.

Robert Ryan O'Mallery, Eric James Winery, stated that most of the tasting rooms were mom and pop operations and locally owned. He did not support any regulation of tasting rooms.

Paula Zoka questioned the benefit of the tasting rooms to the City, how many of the employees lived around the Plaza, and who among the Council was directly involved or received income from the alcohol industry. He said the Plaza was chaotic on weekends. Clm. Cook replied that he owned a vineyard management business.

3. STUDY SESSION REGARDING WINE TASTING FACILITIES, Continued

Jake Hawkes, Hawkes Winery, stated that although he did not support any regulation - a cap would reduce competition and benefit his business. He said he grew up in Sonoma growing grapes and his one full time employee was a Sonoma Valley High graduate.

Danny Faye, Envolve Winery, said he conducted his own research regarding the issues that had been raised concerning debauchery, lack of diversity and tasting rooms pushing out other businesses. He found that: 1) The only debauchery he witnessed was in the Plaza Rose Garden right next to the Visitor Bureau. 2) There were just as many women's clothing stores as there were tasting rooms. 3) All alcohol establishments put together still only made up one-third of downtown businesses. Faye added that Alcohol Beverage Control (ABC) already did a phenomenal job regulating their business.

John Kelly stated the downtown was a resource to be shared with the moms bringing their kids to the park and business. It was the City Council's job to control and protect the Plaza.

David Eichar stated the Council needed to maintain a diversity of businesses on the Plaza and referred them to St. Helena's General Plan.

Sherry Ferkovich stated that tasting room employees often serve as concierges directing tourists to retail establishments, restaurants, and hotels.

Kathy Speering stated that locals were being overwhelmed by tourists and agreed that all tasting rooms should be subject to CUP review.

Squire Fridell, Sonoma Valley Vintners & Growers Alliance (SVVGA), said the history of Sonoma was intertwined with wine. He said 17% was not a high percentage and without the tasting rooms there would be a lot more vacancies downtown. Tasting rooms were not a detriment to the community in fact they were one of the reasons the City was in the black. He asked the Council to not hurt them and pointed out that SVVGA would be writing a million dollars' worth of checks to local charities and nonprofits as a result of their Wine Country Weekend event.

Jennifer Irving stated that the voters want change as demonstrated in the recent Measure B election. She said tasting rooms downtown kept drivers off the roads.

Jamie Powers, Sigh Champagne & Sparkling Tasting Room, stated she was the only Type 42 license on the Plaza and she took her responsibilities seriously. She did not feel that 17% was too many.

Richard Idell, Idell Family Vineyards, stated that at the beginning of discussions, no one had identified what problem they were trying to solve. The SVVGA would be willing to help if a problem existed but at this time was completely opposed to any type of regulation and did not feel that a numerical cap was a legal use of land authority.

Wes Moller stated tasting rooms were important to the local economy and they kept people off the highways. He did not support the proposed regulation.

Chief Sackett explained that a Type 42 license was much different from a Type 2 and they worry him the most because they can be sold from person to person and ABC would not support any local conditions placed on their issuance. He said that the majority of alcohol businesses and owners were very responsible and the Beverage Server training courses were well attended.

RECESS: The meeting recessed from 8:00 to 8:05 p.m.

Chair Roberson stated he did not support a numerical cap and suggested that if the issue being addressed was the perceived pressure on rents then it should be considered on a larger context.

Clm. Cook cautioned that when you regulate one industry you would have to regulate others. He said the issue could be revisited if there was a problem.

Commissioner Edwards agreed there should not be numerical cap on tasting rooms pointing out the number of lawyers and financial intuitions in the downtown. Although some say there is not a problem he has heard concerns expressed over and over the past year and a half about the number of tasting rooms.

3. STUDY SESSION REGARDING WINE TASTING FACILITIES, Continued

Commissioner Tippell stated that he looked at the matter as a community member and a father. He said he did have concerns about cultural resources but did not believe in caps or requiring every business to be subject to a CUP.

Clm. Gallian said so much time would not have been spent on the issue if there were not a problem. She would like to see more consideration of the 1,000 square foot threshold and potential violations.

Commissioner Willers stated that the CUP process was not onerous and it would provide a public forum for discussion.

Clm. Barbose agreed with the CUP requirement and said he would like a couple of other of the proposed standards tweaked a bit.

Mayor Rouse stated although he had never been big proponent of regulation he was listening to the Planning Commission and the citizens and would now support the CUP requirement.

Clm. Brown stated that the City relied on tourism. He stated he served on the Health Round Table and one of their main focuses was alcohol abuse.

Mayor Rouse said he would like to see further review of events, the hours and square footage threshold. By unanimous consensus, Council directed staff to schedule the proposed tasting room regulations on a future City Council agenda.

4. ADJOURNMENT

The meeting adjourned at 8:42 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the 3rd day of March 2014.

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Gay Johann
Assistant City Manager / City Clerk