



BOARD OF SUPERVISORS  
AGENDA LETTER

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Planning & Development  
**Department No.:** 053  
**For Agenda Of:** August 13, 2019  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Lisa Plowman, Director, Planning and Development  
Director (805) 568-2086  
Contact Info: Jeff Wilson, Assistant Director, Planning and Development  
(805) 568-2518  
**SUBJECT: Public Convenience or Necessity Determination for Taste of Santa Rita Hills  
(Moretti), Case No. 19PCN-00000-00001, Third Supervisorial District**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** N/A

As to form: No

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair to sign the attached letter (Attachment 1) and forward the application (Attachment 2) and letter to the California Department of Alcohol Beverage Control (ABC) determining that public convenience and necessity will be served by issuing the new "On-Sale Beer and Wine for Public Premises" license to the Taste of Santa Rita Hills, APN 135-091-005, located at 2923 Grand Ave., Ste. B, Los Olivos; and
- b) Determine that the proposed action is an administrative activity of the County, which will not result in direct or indirect physical changes in the environment and is therefore not a "project" as defined for purposes of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15378(b)(5).

**Summary Text:**

On May 31, 2019, Planning and Development (P&D) received a request (ABC-245 Form) for a Public Convenience or Necessity (PCN) determination at the Taste of Santa Rita Hills storefront at 2923 Grand Ave., Suite B, in Los Olivos. The requested Type 42 “On-Sale Beer and Wine for Public Premises” license would allow the sale of beer and wine for consumption on or off the premises where sold. P&D staff has reviewed the applicant’s request, and recommends that the Board find that public convenience and necessity will be served by ABC approval and issuance of the “On-Sale Beer and Wine for Public Premises” license in this location, based on the information provided in the Background discussion below. A transmittal letter indicating the finding of public convenience, and ABC-245 Form, are attached for the Board’s consideration of public convenience or necessity.

**Background:**

The requested license is a Type-42 On-Sale license, which is defined as follows:

*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. Food service is not required.*

The approval of this request would allow the Taste of Santa Rita Hills storefront to sell beer and wine as described above. The subject application is for 2923 Grand Avenue (Suite B) in Los Olivos, which is located in Census Tract 19.05. The size of the census tract contains approximately 2,600 people and encompasses a 125 square mile area. The census tract extends roughly east to west from Foxen Canyon Road to Sunset Valley Road, and north to south from Zaca Station Road to Happy Canyon Road. Census Tract 19.05 includes the Los Olivos and rural neighborhoods to the east.

The Department of Alcoholic Beverage Control (ABC) establishes a threshold for the number of licenses, including Type 42 licenses, issued in each census tract in order to control the concentration of establishments granted licenses for the sale of alcohol for consumption on the premises where sold (classified as “On-Sale” licenses). [Bus. & Prof. Code § 23816]. The threshold is the ratio derived from the number of on-sale licenses County-wide compared to the County’s total population. Any census tract that exceeds the threshold for on-sale retail licenses is deemed a census tract of “undue concentration.” Census Tract 19.05 has a population of approximately 2,600, and is allowed 6 on-sale licenses (per the ABC Census Tract Authorizations “All Counties” report). There are currently 12 existing on-sale licenses within Census Tract 19.05. Therefore, pursuant to ABC standards, undue concentration exists in Census Tract 19.05.

Undue concentration may also be deemed to exist if “*the applicant premises are located in a crime reporting district that has a 20 percent greater number of reported crimes ... than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency.*” [Bus. & Prof. Code § 23958.4(a)(1).] According to the Santa Barbara County Sheriff’s Office, the property is not in a reporting district that has a 20 percent greater number of reported crimes than the average number of reported crimes in the jurisdictional area. In addition, the Sherriff’s Office has been notified of the request and has indicated that the Department has expressed no concerns with this request.

When a census tract is subject to an undue concentration of on-sale licenses, Business and Professions Code Section 23958.4(b) provides that ABC may issue a license if the local governing body (County Board of Supervisors) “*determines within 90 days of notification of a completed application that public*

*convenience or necessity would be served by the issuance. The 90-day period shall commence upon receipt by the local governing body of (A) notification by the department of an application for licensure, or (B) a completed application according to local requirements, if any, whichever is later.”* If the Board of Supervisors (BOS) does not make a determination within the 90-day period, then the ABC may issue a license if the applicant shows the department that public convenience or necessity would be served by the issuance. In this particular case, the applicant submitted a complete application on May 31, 2019 and a determination on August 13, 2019 would be within the 90-day period.

The following table summarizes and defines the number of on-sale licenses in Census Tract 19.05:

<b>On-Sale Licenses in Census Tract 19.05 (Per the California ABC License Query System)</b>		
<b>ABC License Type</b>	<b>Definition</b>	<b>Number</b>
<b>Type 41</b>	<b>On-Sale Beer &amp; Wine – Eating Place – (Restaurants).</b> Authorizes the sale of beer and wine for consumption on or off the premises where sold.	<b>5</b> Examples: Panino, Los Olivos Café, Los Olivos Grocery
<b>Type 42</b>	<b>On-Sale Beer &amp; Wine – Public Premises – (Bar, Tavern).</b> Authorizes the sale of beer and wine for consumption on or off the premises where sold.	<b>2</b> Examples: Los Olivos Tasting Room & Wine Shop, Community Craft
<b>Type 47</b>	<b>On-Sale General – Eating Place – (Restaurant).</b> Authorizes the sale of beer, wine, and distilled spirits for consumption on the licenses premises. Authorizes the sale of beer and wine for consumption off the licenses premises.	<b>4</b> Examples: Fess Parker’s Wine Country Inn, Mattei’s Tavern, Sides Hardware and Shoes
<b>Type 51</b>	<b>Club.</b> 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.	<b>1</b> Examples: Rancheros Visitadores
<b>Total</b>	-----	<b>12</b>

Within the subject census tract, the majority (83%) of establishments with an on-sale license are eating places or private clubs, and only two on-sale licenses are Type 42. As stated in the letter from the applicant (Attachment 4), the Los Olivos storefront for Taste of Santa Rita Hills would provide local wines by approximately 20 different producers, all sourced from the Santa Rita Hills viticultural area. The Grand Avenue location is walkable for residents of Los Olivos, and centrally located for residents and tourists of the Santa Ynez Valley. The property is not located within a census tract of undue concentration due to crime levels, and the requested license would serve public convenience by providing a third location within the census tract at which people could purchase beer and wine for on- or off-site consumption. Therefore, it is recommended that the Board determine that public convenience will be served by issuing the new Type 42 “On-Sale Beer and Wine for Public Premises” license to the Taste of Santa Rita Hills storefront in Los Olivos.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

There is no fee to the applicant for the processing of a Public Convenience or Necessity request. The total estimated cost to process this request is approximately \$1,500 (6 staff hours), and is budgeted in the Planning and Development Permitting Budget Program on page D-269 of the adopted FY 2019-20 fiscal year budget. There are no facilities impacts.

**Special Instructions:**

The Clerk of the Board shall obtain the signature of the Chair of the Board of Supervisors and send the executed letter and application to: Department of Alcohol Beverage Control, Attention Ashliegh Haglund, 3220 S. Higuera Street, Suite 233, San Luis Obispo, CA 93401.

The Clerk of the Board shall forward copies of the signed Board of Supervisors Letter to State Department of Alcohol Beverage Control and the Minute Order to P&D, Attn: David Villalobos and to P&D, Attn: Shannon Reese.

**Attachments:**

1. Board of Supervisors letter to State Department of Alcohol Beverage Control
2. Alcohol Beverage Control Form ABC 245
3. Letter from Applicant, dated May 30, 2019

**Authored by:**

Shannon Reese, Planner