



COUNTY OF SONOMA

PERMIT AND RESOURCE MANAGEMENT DEPARTMENT

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To: GP2020 CAC Subcommittee on Agricultural Tourism
From: Greg Carr and Scott Briggs
Subject: Agricultural Tourism
Date: June 19, 2002

In order to assist the Subcommittee in making a recommendation to the full Citizen's Advisory Committee (CAC) regarding general plan policies for visitor-serving uses on agricultural lands, this white paper will be progressively developed by the staff in concert with the subcommittee over the course of the next seven (7) months. It will consist of five sections; background, interests, analysis, options, and recommendations. Additional sections can be added if needed. The target date for the subcommittee to complete its recommendation to the full CAC is August 31. **This is the fourth version of the report reflecting updated information from the meeting of April 25 New language is in bold type.**

Issue

The increasing interest in resort hotels and the growing demand for visitor serving uses such as weddings, special events, retail sales, farm tours, etc as "value added" support for agricultural production and processing may conflict with existing farming operations, rural character, neighboring residents, and the long term viability of agriculture. The issue to be discussed and resolved is what, if any, new General Plan policies/programs should be adopted to encourage, discourage, regulate, or otherwise address these uses in the future.

It should be recognized from the outset that the role of the General Plan should be to express overall county policy, rather than the level of detail typically found in a specific ordinance.

Background

Existing General Plan Policies:

Recreation and Visitor-Serving Commercial lands: Visitor serving uses in the unincorporated area are primarily accommodated in the "Recreation and Visitor-Serving Commercial" (RVSC) land use category where hotels, resorts and similar uses are allowed.

There are relatively few areas designated RVSC which can accommodate new uses of this nature. Most RVSC land accommodates existing uses, such as Sears Point Raceway, Sonoma Mission Inn, and several restaurants sited at wineries. The Lower Russian River area has the most RVSC land, but much of that is either occupied by older hotels and cabins or is located within the river channel. Some new sites were designated as part of the recently adopted Redevelopment Plan in order to encourage new investment in tourist based business in that area.

Agricultural Lands: Visitor serving uses on agricultural lands (LIA, LEA, DA) must support agriculture, but be secondary to production and processing. Section 2.6 of the Agricultural Resources Element (a copy of this section is attached) provides goals, objectives and policies regarding visitor serving uses, including Goal AR-6 which helps carry out one of the major planning goals (principles) of the General Plan; the protection of agriculture. It states:

“Allow new visitor serving uses and facilities in some agricultural areas but limit them in scale and location. These uses must be beneficial to the agricultural industry and farm operators and compatible with long term agricultural use of the land”

Subsequent objectives which follow establish several principles:

- Ⓒ production (growing of crops and raising of animals) is the highest priority in on agricultural lands
- Ⓒ visitor serving uses must promote agriculture and be secondary to production in the area
- Ⓒ visitor serving uses are limited to tasting rooms, stands for sale of agricultural products grown or processed in the county, and bed and breakfast inns and campgrounds

There are eight (8) subsequent policies which further elaborate the above objectives and which place limitations on some of these uses. One of the key policies is AR-6g which provides a basis to deny visitor serving uses if they become concentrated in a particular local area.

Other Rural Lands that Allow Agricultural Tourism: The AR and RRD zones also allow agricultural tourism uses, but at a much more limited scale, reflecting the General Plan priority to protect agriculture.

What has happened since 1989:

Recreation and Visitor-Serving Commercial lands: In the last twelve years, very few applications have been filed for General Plan amendments to accommodate resort hotels and similar visitor serving uses. Recently, the interest in these facilities has grown. An application for a hillside resort in the City of Sonoma was defeated by a referendum. Two other applications are currently in process for resort hotels near Kenwood. The Russian River Redevelopment Plan included additional resort sites to support reestablishment of a tourist-based economy in the lower river. Resorts have also been approved or are being considered near Fulton, north Santa Rosa, and south of Cloverdale.

Many residents in the county are concerned that these resorts may create conflicts for existing farming operations, affect scenic quality, and exacerbate traffic problems, particularly on weekends.

Most of these applications require that a General Plan amendment be approved in order to allow

the use. As a result, the potential location of a resort is subject to the full public hearing process and to a difficult finding that the amendment is in the public interest.

The 2001 Housing Element reflected an important shift in the county's thinking about these facilities. In search of potential funding sources for housing programs, the Element proposes to consider designating new RVSC sites in order to generate discretionary revenue from the "bed tax" that may be earmarked for this purpose. If new sites are redesignated, proposed projects on designated sites could be considered without the need for a General Plan amendment (a use permit and public hearings would still be required).

Agricultural lands: Since 1989, there has been a marked increase in the number of wineries, family farms, and other producers who have added new activities in order to market and promote their agricultural products. At many locations, the traditional practice of providing customers with a tour, a sample, and an opportunity to buy direct from the farm has evolved into a complete experience where this tasting opportunity might be supplemented by other foods, gifts, merchandise, clothing, arts and crafts, overnight accommodations, weddings, and special events for both promotional and charitable purposes.

As these activities have been successful economically and have grown in scale and frequency, they have raised concerns about their impacts, particularly weekend traffic and noise, compatibility, and land use. Further compounding the problem in the eyes of many residents in agricultural areas is the fact that these added or expanded uses go beyond the level of activity that was considered at the time that permit approval was first granted. Over the course of the last ten years or so, a significant number of permit applications for wineries and other agricultural processing have included events and other "agricultural tourism" activities.

In the late 1990s, in response to this increasing demand and in recognition of some of the impacts resulting from these activities, the Board directed that PRMD work with agricultural businesses, other farming interests, and the general public to consider new regulations that would provide more latitude for visitor serving activities, but also assure that adverse impacts were addressed. Significant effort was put into achieving some consensus among all of the interests involved, and some progress was made. But the effort was tabled in 2000, in part due to the difficulty in defining what is considered secondary to production and what is not.

Other Rural Lands that Allow Agricultural Tourism: One of the important considerations of the above effort was the degree to which these activities were desired in areas designated as Rural Residential, but zoned AR to allow some agricultural production. Many small scale farmers in these areas strongly advocated having the ability to promote their products with tours, events, and the like. However, the smaller parcel sizes typical of these areas makes compatibility with residential uses much more problematic. Potential revisions to county regulations which would have expanded tourism in these areas were also tabled.

A packet of materials from the study is attached.

Additional background (2/28):

The goal of the General Plan that is most relevant to this issue is the protection of agriculture.

It is important to build upon the work that was done over the last few years and it must be recognized that the fact that people come to enjoy Sonoma County's agriculture and environment demonstrates that we have been doing a good job to protect it.

A countywide policy that is the same for everyone is difficult because there are so many diverse areas and circumstances that come into play.

The 1989 General Plan was not really looking at tourism as an agricultural use.

The traffic analysis that will be conducted for the update of the Circulation Element will include weekend traffic.

Review the Napa County General Plan and ordinances related to ag tourism.

Additional background (4/25):

Ever-escalating property values are forcing ag lands to convert to higher earning, tourism-related uses, rather than ag uses, to justify purchase prices.

Interests

An important component of the Subcommittee's process for recommending policy language is to provide an opportunity for interest groups and the general public to express their interests. This opportunity should occur during the early stages of the process. As a starting point, staff has attached copies of all of the comments regarding this issue that were received during the community meetings as well as a packet of comments that were submitted to PRMD in 1997 when the issue was first explored by the county.

Additional interests (2/28):

There is an interest in promoting local agricultural production such as Farm Trails while avoiding major impacts.

Resort Hotels do not have the same connection to agriculture as ag tourism. Locations near urban areas would better protect agriculture.

There is an interest in finding the balance between tourism that supports continued agricultural production and that which replaces it.

Flexibility in regulation of ag tourism is necessary to account for different situations in different parts of the county.

Need to avoid committing ag lands to recreational uses that gradually cause farmers to convert from farming to tourism. Recreational uses do not necessarily protect agriculture.

There is an interest in the county being clear about where resorts can go, so that they do not proliferate.

It should be recognized that monitoring and enforcement is limited and that permitted activities are often overused.

Keep in mind that agriculture has a need to weather economic cycles as well as pass on a farm to new generation and that ag tourism can make a difference in keeping families in ag.

Make sure that policies are not designed for just one commodity.

Sometimes the concerns of neighbors about noise and traffic are driven by newer urban residents.

There seem to be too many wineries and resulting impacts on residents in vineyard areas.

The proposed resorts would increase traffic in small communities like Glen Ellen and Kenwood.

Over-reliance on tourism can create a boom and bust cycle in the economy that later will result in many vacant resorts blighting the rural landscape.

The hotels should provide housing for their own workers.

Resorts and event centers will eventually undermine agriculture.

Protect against the visual intrusion of large three story buildings in scenic ag areas.

Make sure that water resources are protected for residents and agriculture as a priority over resort uses.

The scale of these resorts is a concern because they often start small and then expand over time.

Noise, light pollution, and amplified music need to be addressed, especially in rural areas. Agricultural operations need to be protected in the event of resorts being sited in agricultural areas. Right-to-farm protection is a key, since operations will need to be conducted which may be the source of complaints from visitors.

Protect hillsides by avoiding resorts in those locations.

Additional interests (4/25):

Attention should be paid to extent to which “boutique” wineries represent agricultural interests. We need to better define what % must be agriculture vs. Tourism. Perhaps a measure of “ag-related vs. Tourism use” could be % income that is ag-related income.

Opinion was expressed that Ojai, in Ventura County, has handled the issue of tourism in a very well-balanced way.

Concern was expressed over the presence of completely non-agricultural ventures (i.e., venture capital offices) at some ag processing facilities.

Interest was expressed in facilitating school tours of agricultural operations.

Subcommittee expressed interest in possibly combining the ag processing and ag tourism subcommittees at a later date.

Analysis

What information might be needed to arrive at a policy recommendation? After several years of work on this issue, PRMD staff was able to gather information about the policy approach utilized in other jurisdictions, the file history, and field research into the types of activities occurring in the county. It is anticipated that additional staff research into all three areas will continue, assisted by the planning consultants with broader experience in other areas. Background research into the market forces driving tourism vis a vis agricultural production may also be warranted, including consultation with the County Economic Development Department.

Discussion and input received at the first two meetings has been both informative and balanced, with pertinent comments coming from both the agricultural community and citizens who have expressed concerns regarding ag tourism. Numerous comments have also been recorded identifying information the Subcommittee should have in order to craft and select General Plan policy options.

The following is a summary of data requests received thus far, and a preliminary assessment of likely data sources, appropriate consultants, etc. Staff looks to your Subcommittee and the public to review the scope of our proposed analysis, and to provide additional input on where we might turn to find answers. Staff will then work with Subcommittee members and our GP2020 consultant team to research this information and develop policy options that reflect recorded interests. To the extent that Subcommittee members are interested in participating in this research effort, we ask that members come prepared to identify their study interests.

Additional analysis needed (2/28):

The Napa Co regulations should be examined. (Compile and review relevant GP

policies/regulations from other counties).

The specific problems and issues should be identified. (Review PRMD files [including Code Enforcement], contact County agricultural industry groups [United Winegrowers, Sonoma County Farm Bureau, Allan Hemphill, ...], public interest groups [Dry Creek Valley Association, ...]).

It will be important to have information about the cumulative impacts (traffic, ag land, etc) in consideration of policy. (Compile and review relevant PRMD files regarding projects, involving ag tourism activities, that underwent County review).

Also look at tax dollars and charitable contributions resulting from events and other ag tourism. (Work with Walter Kieser, GP2020 consultant).

There is also an educational value to farm tours and similar activities. (Contact relevant industry/public interest groups such as Sonoma County Farm Bureau, Farm Trails, 4H, ...).

Additional analysis needed (3/18):

The county should review restrictions on tourism in Ventura and Marin Counties. (Compile and review Ventura County, Marin County, and other relevant General Plan policies and zoning regulations pertinent to ag tourism).

An analysis is needed to provide a clear distinction between tourism that enhances agriculture and that which is mostly recreational. (Compile and review PRMD project files for projects involving ag tourism, and characterize extent to which the approved visitor-serving uses enhance agriculture).

The county should evaluate the affordable housing needs created by the increase in tourism and look at what happens to employees if the businesses shut down. (Work with Walter Kieser, GP2020 consultant).

Review the City of Sonoma General Plan's language which opposed the big resort. (Review and evaluate pertinent language in City of Sonoma's General Plan).

Review and consider fire and emergency access to resort facilities. (Work with Department of Emergency Services and GP2020 traffic consultant [Dowling & Associates] to summarize emergency access requirements, and to identify nature of problems/conflicts that have arisen with resorts in Sonoma County and other similar jurisdictions).

We should consider the existing vacancy rate for hotel rooms....and what the potential is in cities. (Work with local Chambers of Commerce, Sonoma County Economic Development Board [Tourism Program], North Bay Business Journal, ... to assemble lodging data and lodging trends for Sonoma County and the surrounding area).

We should inventory the existing B&Bs, hotels, etc., and the number of rooms available. Review PRMD files and work with same organizations listed in previous item to inventory rooms available in Sonoma County).

Look at the capacity of roadways and the cumulative impacts. (Work with GP2020 traffic consultant, Dowling & Associates).

We need an inventory of special events. (Review PRMD files for approved special events, and events allowed under approved use permits, and work with Sonoma County Farm Trails, Farm Bureau, and local winery groups (e.g., Russian River Wine Road, Alexander Valley Winegrowers, Sonoma Valley Vintners and Growers Alliance to compile inventory of events).

Areas of high concentrations of tourist related activities should be identified and treated differently. (Review PRMD maps of wineries/tasting rooms).

In looking at tourist traffic, weekend afternoons are the worst periods. (Work with GP2020 traffic consultant, Dowling & Associates, to assess weekend traffic conditions).

We need to talk to people who are involved in ag enhancement activities. (Work with PRMD, Sonoma County Farm Bureau, Farm Trails, etc., to identify examples of ag tourism that enhance agriculture in Sonoma County.)

From 4/25 meeting:

We should look at County Bike Plan, and how it relates to ag processing and tourism activities in the County.

Options

Options from 2/28 meeting:

Consider location for RVSC near urban areas.

Consider that some ag tourism activities are concentrated in certain areas, while others occur in more isolated locations.

Threshold levels and/or criteria may be appropriate to consider as opposed to specific sites.

The resorts should be sited within the cities.

Treat ag promotion differently than hospitality uses such as hotels and resorts.

Recommendation

This section will be prepared as the Subcommittee proceeds.

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POLICIES AND REGULATION OF AGRICULTURAL TOURISM

OVERVIEW

In updating the current general plan, Sonoma County is considering the inclusion of policies to guide the existing and continuing development of agricultural tourism on agricultural lands. Information contained in this document is in response to specific topics and concerns raised during meetings held by the CAC (Citizens Advisory Committee) Subcommittee on Agricultural Tourism. Policies and ordinances from other counties that were researched, not limited to counties mentioned in this document, focused on promoting agricultural tourism. The selected policies and ordinances presented are focused on restricting the industry through general plan policies and ordinances. Counties may be concerned about agricultural tourism and address issues on an individual level through temporary use permits. Communities have also become active in the shaping of agricultural tourism through private organizations. Communities within California that address agricultural tourism and related subjects include Monterey, Riverside, and Santa Barbara Counties. The regulation of the bed and breakfasts has also been defined at the State level through AB 1258, the California Agricultural Homestay Bill. Any reference to specific policies, zoning codes, guidelines, or programs can be found in attached documents.

CONCERNS IN SONOMA COUNTY

A memorandum dated April 25, 2002, addressed to the General Plan CAC Subcommittee on Agricultural Tourism, listed topics of interest concerning agricultural tourism. Some of the topics include locational criteria for resort hotels, the bed and breakfasts, and wineries; land use compatibility; impacts on residents; balance between tourism and production; recreational uses in agricultural areas; increased traffic; appropriate level of events; and height, bulk, and scale of structures related to agricultural tourism. The following policies and ordinances have been presented to show how certain counties have directly or indirectly address those topics. In the case of appropriate level of events, no policies or ordinances were found to address large scale events such as festivals and weddings.

Locational Criteria for Resort Hotels, Bed and Breakfasts and Wineries

Monterey County General Plan (Draft)

- Monterey County has designated three winery corridors. Each corridor has individual specifications for the size of tasting facilities and the number of restaurants and delicatessens (Policy AG-3.4 & LU-7.24).

Riverside County Comprehensive General Plan

- Bed and breakfast inns and hotels will only be permitted in conjunction with vineyards, wineries, citrus farming, and citrus processing operations (Policy 11.c.5.a).

- Bed and breakfast inns and hotels with 11 rooms or more shall be located along an arterial road consisting of 110 feet right of way or larger (Policy 11.c.5.h).

Land Use Compatibility

Monterey County General Plan (Draft)

- Bed and breakfast inns are allowed with a use permit, and are considered compatible with the agricultural area if facilities are:
 - a. designed to blend in with the environment, and
 - b. all impacts generated by guests and employees are mitigated (Policy LU-7.21).

Riverside County Comprehensive General Plan

- Bed and breakfast inns and hotels shall be operated and maintained primarily as a destination facility, not highway lodging (Policy 11.c.5.g).

Santa Barbara County Zoning

- Low-intensity recreational development is permitted with a Major Conditional Use Permit in the AG-II zone.
- Low-intensity recreational development includes recreational camps, hostels, campgrounds, retreats, and guest ranches, provided that such development does not interfere with agricultural production on or adjacent to the lot on which it is located (Section 35-217.4.1.b).
- The A-II (Agriculture-II) designation applies to acreages of farm land and agricultural uses located outside Urban, Inner Rural and Rural Neighborhood areas. General agriculture is permitted, including but not limited to livestock operations, grazing, and beef production as well as more intensive agriculture uses. The A-II zone has a minimum parcel size of 40 acres.
- Under the County of Santa Barbara Inland Zoning Ordinance, permitted uses in the C-V zone include resorts, guest ranches, hotels, motels, country clubs, and convention and conference centers. Uses must be self-contained, destination-point nature, rather than those that primarily provide short-term overnight accommodations for travelers (Section 35-230.5.1).
- The C-V (Resort/Visitor Serving Commercial) designation provides tourists with unique scenic and recreational areas. The zone is not specific to agricultural zones, but is allowed in rural areas.

Impacts on Residents

Riverside County Comprehensive General Plan

- In citrus/vineyard/rural areas, commercial development for neighborhood and tourist commercial needs should not require a high level of public services such as sewer and urban fire protection (Policy 11.c.3.c).

Santa Barbara County Zoning

- For development in the C-V zone that is surrounded by areas zoned residential, the proposed use must be compatible with the residential character of the area upon approval of development plans (Section 35-81.4.2 & Section 35-230.4.2).
- The C-V (Resort/Visitor Serving Commercial) designation provides tourists with unique scenic and recreational areas. The zone is not specific to agricultural zones, but is allowed in rural areas.

Balance Between Tourism and Production

Riverside County Comprehensive General Plan

- Under bed and breakfast inns and hotel policies within agricultural policies, not less than 75% of the plantable land shall be maintained in vineyards or citrus farming (Policy 11.c.5.e).

Santa Barbara County Zoning

- Low-intensity recreational development includes recreational camps, hostels, campgrounds, retreats, and guest ranches, provided that such development does not require an expansion of urban services which will increase pressure for conversion of the affected agricultural lands (Section 35-217.4.1.d).
- Low-intensity recreational development is permitted upon a Major Conditional Use Permit in the AG-II zone.
- The A-II (Agriculture-II) designation applies to acreages of farm land and agricultural uses located outside Urban, Inner Rural and Rural Neighborhood areas. General agriculture is permitted, including but not limited to livestock operations, grazing, and beef production as well as more intensive agriculture uses. The A-II zone has a minimum parcel size of 40 acres.

Recreational Uses in Agricultural Areas

Monterey County General Plan (Draft)

- Recreational uses are allowed within agricultural areas, but they must not adversely impact the long-term productivity of the agricultural use on-site and on adjacent lands (Policy AG-3.5).
- Recreational uses include farm stay accommodations, dude ranches, campgrounds, hunting and fishing, horseback riding, hiking and similar uses (Policy LU-7.23).

Santa Barbara County Agricultural Element

- Recreational and other non-compatible uses should not interfere with agricultural operations (Policy IA).

Santa Barbara County Zoning

- Low-intensity recreational development includes recreational camps, hostels, campgrounds, retreats, and guest ranches, provided that such development does not include commercial facilities open to the general public who are not using the recreational facility (Section 35-217.4.1.c).
- Low-intensity recreational development is permitted upon a Major Conditional Use Permit in the AG-II zone.
- The A-II (Agriculture-II) designation applies to acreages of farm land and agricultural uses located outside Urban, Inner Rural and Rural Neighborhood areas. General agriculture is permitted, including but not limited to livestock operations, grazing, and beef production as well as more intensive agriculture uses. The A-II zone has a minimum parcel size of 40 acres.
- The C-V zone requires a minimum of forty (40) percent of the net area of the lot(s) be retained as public and/or common open space (Section 35-230.13.1).
- The C-V (Resort/Visitor Serving Commercial) designation provides tourists with unique scenic and recreational areas. The zone is not specific to agricultural zones, but is allowed in rural areas.

Increased Traffic

Monterey County Zoning Ordinance

- Bed and breakfast facilities are allowed in Farmlands Zoning Districts, Rural Grazing Zoning Districts, and Resource Conservation Zoning Districts subject to a use permit (Title 21).
- Proposed bed and breakfast facilities will not adversely impact traffic conditions in the area (Title 21, Section 21.64.100).

Santa Barbara County Zoning

- Under the County of Santa Barbara Inland Zoning Ordinance, the sale of agricultural products processed on the premises is permitted in the A-I and A-II zones. The structure required for the sales should be done within an existing agricultural building or form a separate stand not exceeding six hundred (600) square feet of sales area and located no closer than twenty (20) feet to the right-of-way line of any street, no building/structure may be located 50 ft of centerline or 20 feet of right of way of any street (Section 35-216.3.4 & Section 35-217.3.2).
- The A-I (Agriculture-I) designation applies to acreages of prime and non-prime farm lands and agricultural uses which are located within Urban, Inner Rural, and Rural Neighborhood areas. The A-I zone has a minimum parcel size of 5 acres.
- The A-II (Agriculture-II) designation applies to acreages of farm land and agricultural uses located outside Urban, Inner Rural and Rural Neighborhood areas. General agriculture is permitted, including but not limited to livestock operations, grazing, and beef production as well as more intensive agriculture uses. The A-II zone has a minimum parcel size of 40 acres.

Height, Bulk, and Scale of Structures Related to Agricultural Tourism

Riverside County Comprehensive General Plan

- Under bed and breakfast inns and hotel policies within agricultural policies, bed and breakfast inns and hotels, in conjunction with:
 - a. Citrus/vineyard growing operations, the parcel must have a minimum a 5-acres (Policy 11.c.5.b).
 - b. Citrus/winery processing operations, the parcel must have a minimum a 10-acres (Policy 11.c.5.c).
 - c. A combination of citrus/vineyard growing and processing operations, the parcel must have a minimum of 10-acres (Policy 11.c.5.d).
 - d. There is a limit of 2 rooms per gross acre (Policy 11.c.5.f).

Santa Barbara County Zoning

- Under the County of Santa Barbara Inland Zoning Ordinance, the sale of agricultural products processed on the premises is permitted in the A-I and A-II zones. The structure required for the sales should be done within an existing agricultural building or form a separate stand not exceeding six hundred (600) square feet of sales area and located no closer than twenty (20) feet to the right-of-way line of any street, no building/structure may be located 50 ft of centerline or 20 feet of right of way of any street (Section 35-216.3.4 & Section 35-217.3.2).

- The A-I (Agriculture-I) designation applies to acreages of prime and non-prime farm lands and agricultural uses which are located within Urban, Inner Rural, and Rural Neighborhood areas. The A-I zone has a minimum parcel size of 5 acres.
- The A-II (Agriculture-II) designation applies to acreages of farm land and agricultural uses located outside Urban, Inner Rural and Rural Neighborhood areas. General agriculture is permitted, including but not limited to livestock operations, grazing, and beef production as well as more intensive agriculture uses. The A-II zone has a minimum parcel size of 40 acres.
- Under the County of Santa Barbara Inland Zoning Ordinance, the C-V zone has setback requirements for buildings and structures (Section 35-230.9).
 - a. Front: Fifty (50) feet from the centerline and twenty (20) feet from the right-of-way line of any street.
 - b. Side and rear: Twenty (20) feet.
 - c. No building or structure shall be located within fifty (50) feet of a lot zoned residential.
- No building or structure in the C-V zone shall exceed a height of thirty-five (35) feet (Section 25-230.11).
- Under the County of Santa Barbara Inland Zoning Ordinance, the C-V zone has a building coverage requirement. For developments surrounded by areas zoned residential, not more than thirty (30) percent of the net area of the lot(s) shall be covered by buildings and structures. (Section 35-230.13).
- The C-V (Resort/Visitor Serving Commercial) designation provides tourists with unique scenic and recreational areas. The zone is not specific to agricultural zones, but is allowed in rural areas

COUNTY PROFILES

Monterey County

Monterey County is located along California's Central Coast and is a producer of agricultural products, including wine, as well as a destination for tourist. The County is in its final stages in the update of their general plan. Currently, the Draft Environmental Impact Report (DEIR) for the general plan has undergone its review period (deadline was May 28, 2002), and two additional public hearings were held on May 22 and June 5, 2002 to consider the Draft Update of the Monterey County General Plan. One of the goals of their agricultural element is to "Support agricultural tourism by permitting compatible visitor serving activities in agricultural areas, and directing other visitor serving facilities and services to locate in urban areas with close proximity to agricultural areas (Goal AG-3)." Policies listed under this goal are mainly in favor of accommodating and expanding agricultural tourism related developments in the County, while

setting policy and regulation of developments. Issues addressed by Monterey County include the designation of winery corridors, facilities must blend in with the agricultural environment, human-related impacts, compatible land use, and traffic impacts.

Riverside County

Riverside County is located in the Inland Empire portion of the Los Angeles Basin. It has a diverse environment ranging from heavily urbanized areas, agricultural lands, mountains, and deserts. It also provides agricultural products and is a producer of wine, primarily in the Southwestern area near the City of Temecula, just above San Diego County. The Riverside County Comprehensive General Plan addresses agricultural tourism through their Southwest Area Plan. Issues include location, specification that the development is a destination facility, the development would not require additional infrastructure, areas are kept rural by requiring a designated portion as farmland, and regulation of the size of the development

Santa Barbara County

Santa Barbara is located along the Southern California Coastline between San Luis Obispo County to the north, and Ventura County to the Southeast. It is ideally located approximately 50 miles to the Southeast of Los Angeles County, and within 100 miles of the Inland Empire and Orange County. The majority of the wineries with winery tasting rooms are located along the Santa Maria Valley and the Santa Ynez Valley. Issues that Santa Barbara County addresses through general plan policies and zoning include specification of uses, compatibility with agricultural and residential areas, no increase of sewer/water services for development, and an open space requirement.

OTHER COMMUNITY ACTIONS

Some communities have made efforts to guide the agricultural tourism industry without policy and regulation of local government. These communities have set up private organizations aimed at promoting tourism to their areas through festivals, farm trails, farmer's markets, and other events. Santa Barbara County has a private organization called the Santa Barbara Vintners' Association. It is composed of 41 wineries and it provides information to the public, and promotes festivals, seminars, and tastings. El Dorado County has an organization called the El Dorado County Visitors Authority. The Visitors Authority promotes agricultural tourism through events, and provides information on farm trails, parks and recreation, wineries, bed and breakfasts's, etc. The County also has other associated organizations such as the Apple Hill Growers Association, the El Dorado County Christmas Tree Growers, the El Dorado County Farm Trails Association, the El Dorado Winery Association, and the Placerville, South Lake Tahoe, El Dorado Hills Certified Farmer's Market Association.

CALIFORNIA AGRICULTURAL HOMESTAY BILL

In July 1999, the California passed the AB 1258, the California Agricultural Homestay Bill. The bill amended Section 113870 of the Health and Safety Code to allowed farms and ranching operations to have overnight accommodations with the condition that the farm must produce agricultural products as the main source of income, farms are limited to six guest rooms and 15 visitors per night, food is included with the price of the accommodations, and meals are not the primary function of the establishment.

LIST OF AGRICULTURAL DOCUMENTS

Monterey County General Plan (Draft), December 2001
Monterey County Zoning Ordinance, Title 21, August 1997
Riverside County Comprehensive General Plan, Southwest Area Plan, December 1992
Santa Barbara County Comprehensive Plan, Agricultural Element, September 1991
County of Santa Barbara Coastal Zoning Ordinance, May 1994
County of Santa Barbara Inland Zoning Ordinance, May 1994
Santa Barbara County Vinters' Association
El Dorado County Visitors Authority
California Agricultural Homestay Bill (AB 1258)

DISCUSSION PAPER: AGRICULTURAL TOURISM

This paper is designed to respond, at least initially, to questions raised by the CAC subcommittee. It is intended to give an overview of national and local trends in tourism and to look at the recent historical and current state of Sonoma County tourism by evaluating indicators such as number of visitors, hotel occupancy, visitor spending, tax revenues, and visitor-generated employment.

State and National Travel Trends

An estimated 286.5 million domestic business and leisure travelers visited California in 2001, generating \$75.4 billion in expenditures, \$4.8 billion in tax revenue, and supporting over one million jobs state-wide. Californians themselves provide the backbone for the State's tourism economy, generating 85 percent (247 million) of person-trips. Out-of-state visitors accounted for 39 million person-trips in 2001. International visitors added another 4.9 million person-trips (preliminary count).¹

Total visitors to California in 2001 declined slightly from the year 2000 high of approximately 289.4 million visitors. This dip largely can be attributed to faltering national and local economies, and the terrorist attacks of September 11, 2001, which brought the travel and tourism industry to a near stand-still in the following months. Nationally, domestic air travel sank nearly 35 percent in September, and 22 percent in October, 2001 as compared to the prior year. Nationally, hotel occupancy was down nearly 16 percent in October 2001 and 18.6 percent in November, as compared to the previous year.²

In more recent months the travel industry has shown signs of recovery but volume continues to lag behind last year. Hotel occupancies and average room rates have begun to improve, although nationally they remain 5 percent and 3.4 percent lower respectively than levels achieved during the prior year³. The Federal Aviation Administration (FAA) reports that domestic and international air travel is slowly recovering; however, volume is still down over last year and is not expected to fully rebound until 2003. On the other hand, auto travel seems to be robust, with AAA South reporting a 24 percent increase in Triptiks over last year.⁴ Reasons for relative strength in auto travel include concern over air travel, declining gas prices, shifting preferences for close-to-home destinations, and increasing interest in family vacations.

¹ State of California Travel & Tourism Commission.

² Travel Industry Association of America.

³ Smith Travel Research as of February, 2002.

⁴ As of February 1, 2002.

Sonoma Travel and Tourism Trends

In Sonoma County most tourism is generated by in-state and local travelers. According to a survey of lodging businesses conducted for the Sonoma County Tourism Program (STCP), 69 percent of overnight visitors to the County in 2000-2001 were from California. Residents of the Greater Bay Area accounted for 42 percent of all overnight visitors while other areas in Northern California (including Sacramento) provided 18 percent of visitors (see Table 1).

Bay Area	42%
Other No. California	18%
Southern California	9%
Out-of-State	26%
International	6%

Source: SCTP 2001 Visitor Profile Survey

During the period from 1994 to 2000, total visitors to Sonoma County fluctuated between roughly 4 million in 1997 to a high of 5.9 million in 2000 (see Table 2), representing roughly 2 percent of domestic person-trips to California. Data for 2001, not yet available from California Tourism, may likely show a decline in total visitors of approximately 100,000, if trends in Sonoma reflect trends State-wide.

<u>Year</u>	<u>Leisure</u>	<u>Business</u>	<u>Total</u>
1994	3.3	.7	4.0
1995	3.1	1.1	4.2
1996	2.2	1.1	3.3
1997	3.7	.8	4.5
1998	3.0	1.0	4.0
1999	3.1	1.1	4.2
2000	4.4	1.5	5.9

Source: California Tourism

Hotel Rooms & Occupancy Data

Although Sonoma County is well positioned to take advantage of shifting travel preferences for close-to-home destinations, the past year has seen five-year occupancy lows at the County's hotels. According to Smith Travel Research, year-to-date occupancy (through April) is down 14.2 percent over last year (see Table 3). In fact, the trend in

declining occupancies began in February 2001, reflecting troubles in the softening economy (see Figure 1). As a result, 2002 year-to-date occupancies are down

more than 20 percent from peak hotel demand in 2000. (See Figure 2). Although demand is likely to remain soft through this year, County-wide year-end occupancy rates will likely stabilize around 70 percent by 2003, assuming new supply does not outpace demand. According to Smith Travel Research there are approximately 5,400 hotel rooms in the entire County.

Despite recent slowing of the Bay Area economy and recent historical fluctuations in visitors to the County (Table 2), the tourism industry in Sonoma has potential to remain strong and even grow steadily into the future. Bay Area residents will likely remain a driving force in the County's tourism industry as employment steadies and population continues to grow (the nine county population is projected to increase by 1.5 million by 2025). In addition, efforts by the SCTP to create a "brand identity" for Sonoma are intended to broaden the County's reputation as a national and international vacation destination.

Visitor Spending & Associated Tax Revenues

Visitor destination spending in the County during 2000 is estimated at \$918.1 million.⁵ Non-inflation adjusted spending estimates show a steady increase in total destination spending since 1992; however per capita spending has fluctuated (see Table 4). Visitor spending in 2000 was fairly evenly distributed across accommodations, eating/drinking, recreation, and retail sales (see Table 5).

Employment generated by travel spending is estimated at 15,570 jobs for 2000.⁶(see Tables 4 and 6). The majority of these travel-related jobs are found in the categories of eating and drinking (35 percent) and recreation (27 percent).⁷

Total earnings (which include wage and salary disbursements, other earned income, and proprietor income) generated by travel spending is estimated to be \$308.6 million in 2000. This estimate implies average earnings per job of \$19,833 (see Table 6).

Local tax revenues generated by travel spending are estimated to total \$18.6 million for 2000. A significant portion of this amount is from transient occupancy taxes (TOT), which represent 33 to 38 percent of local visitor-generated taxes collected annually from 1997 to 2000 (see Table 7).

⁵ Does not include spending for air transportation or travel arrangement. *Travel Impacts by County 1992-2000*, California Tourism, March 2002.

⁶ Includes payroll employees and proprietors.

⁷ *Travel Impacts by County 1992-2000*, California Tourism, March 2002.

The Link to Affordable Housing

The good news is that tourism creates jobs; the downside is that visitor-serving employment tends to be concentrated in the service and retail sectors and is often lower-paying. This pattern seems to be the case in Sonoma County where visitor-generated employment is concentrated in food service, recreation, and retail with average annual earnings per visitor-generator job estimated at less than \$20,000 (see Table 6).⁸ This earnings estimate is consistent with wage information available from the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose region, which indicates an average hourly wage of \$11.70 for service workers and \$10.82 for cashiers and apparel salespeople.⁹ Assuming full-time employment, these wages imply annual earnings of \$23,400 and \$21,640 for service and sales workers respectively. With median home prices in the County climbing well over \$300,000, many of these workers will find it impossible to purchase a home, even if they have a domestic partner working full-time at the same wage level. For example, a couple earning \$46,800 per year could afford a maximum house price of approximately \$182,000 assuming 20 percent down payment and 7 percent mortgage interest rate -- an amount well below typical for-sale prices in the County.

The Role of Agricultural Tourism

Although Sonoma County has a diverse array of attractions and has historically drawn visitors who prize its natural beauty, history, and outdoor diversions, in recent years the wine industry has played a dominant role in tourism and has provided the most opportunity for Sonoma to develop a unique “brand identity”. The tremendous success of Sonoma County wine appellations has built national and international interest in visiting the County’s wineries and experiencing the region first-hand. Promotional efforts have capitalized on the association between Sonoma County and wine; examples include repeated entreaties to visit “Wine Country” and a preponderance of photos and images of vines, grapes, wine bottles, and barrels in the majority of marketing materials. Nearly every month for the last two years, Wine Spectator Magazine has included a feature article on Sonoma County wines; in June 2001, the magazine dedicated an entire issue to the County and its tourist attractions.

⁸ According to information provided in *Travel Impacts by County 1992-2000*, California Tourism, March 2002.

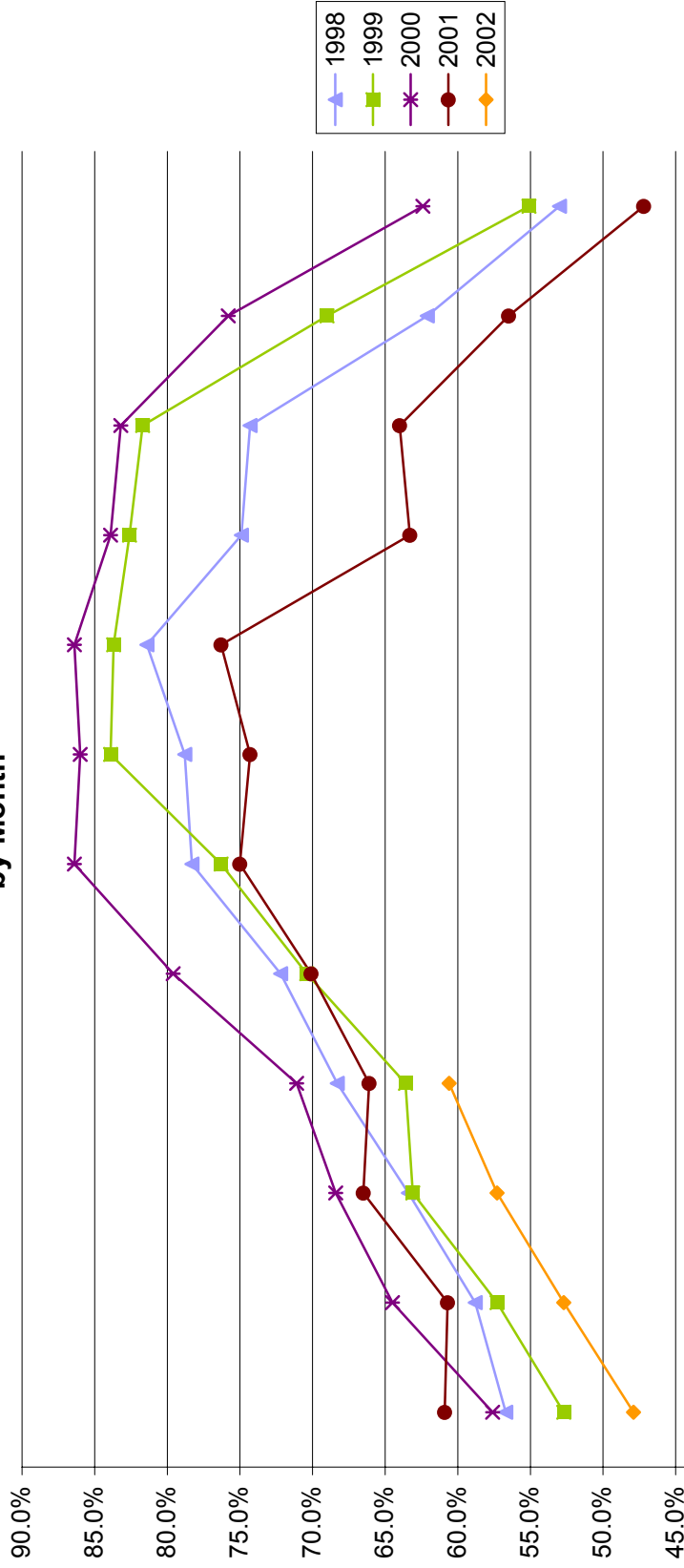
⁹ BLS National Compensation Survey, San Francisco-Oakland-San Jose, CA, April 2001.

As a result, the primary component in “agricultural tourism” in the County is wine tourism (although the success of wineries has encouraged and complimented the production of specialty cheeses, meats, condiments, olive oil, etc. and the citing of highly-acclaimed, gourmet restaurants). Wine is an unusual agricultural product in that most consumers enjoy and value their wine more highly after the opportunity to learn

about its production. The same can hardly be said for most dairy and meat production (other high-value agricultural activities in the County). Although there are opportunities to promote other types of agriculture through programs like Farm Trails in order to enhance and expand visitor experiences, grape and wine production are at the heart of the County's tourism.

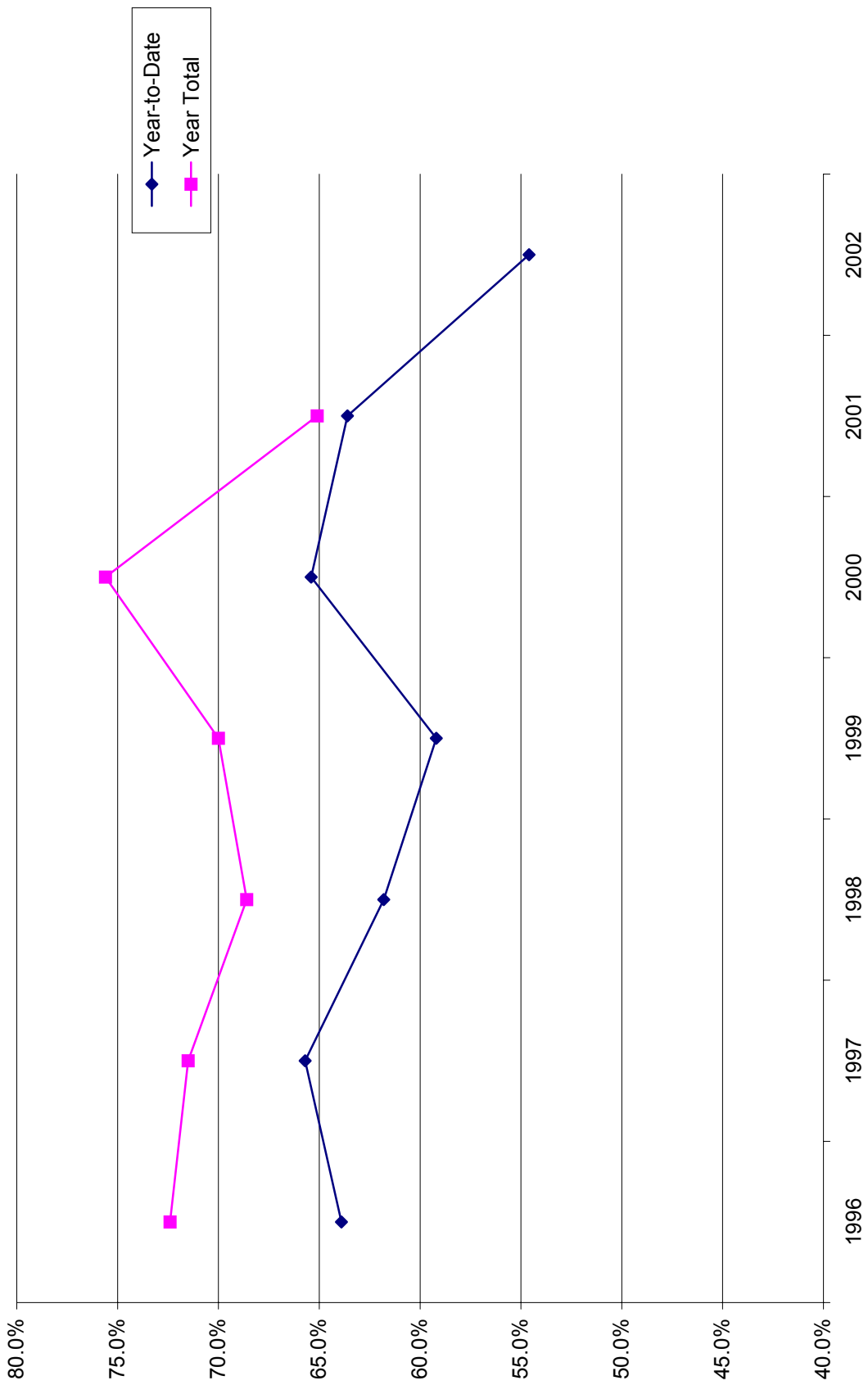
Given the emphasis on wine and associated food experiences in the County, it is not surprising that according to the 2001 On-Line Optional Survey conducted by SCTP, 51.8 percent of respondents listed Food/Wine as their primary activity. The survey also found that 62 percent of visitors were couples (compared to 15 percent families, 12 percent individuals, and 10 percent group travelers) and that 57 percent of visitors were between the ages of 35 and 55 years old.. Clearly visitors to Sonoma County, typically adult couples in their prime employment years, are drawn to the region by the exceptional food and wine opportunities. Although other activities and attractions (fishing, hiking, museums, etc) are important to enhancing visitor stays and to encouraging repeat visits, the main draw for most first time and repeat travelers likely will continue to be renowned food and wine establishments.

Figure 1
Sonoma County Hotel Occupancy
by Month



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1998	56.7%	58.8%	63.4%	68.3%	72.2%	78.3%	78.8%	81.4%	74.9%	74.3%	62.1%	53.0%
1999	52.7%	57.3%	63.1%	63.6%	70.4%	76.3%	83.9%	83.7%	82.6%	81.7%	69.0%	55.1%
2000	57.6%	64.5%	68.4%	71.1%	79.6%	86.4%	86.0%	86.4%	83.9%	83.2%	75.8%	62.4%
2001	60.9%	60.7%	66.5%	66.1%	70.1%	75.0%	74.3%	76.3%	63.3%	64.0%	56.5%	47.2%
2002	47.9%	52.7%	57.3%	60.6%								

Figure 2
Sonoma County Hotel Occupancy
1996-2002



Source: Smith Travel Research

Table 3
Sonoma County Hotel Occupancy

Year	Year-to-Date (April)	Year Total
1996	63.9%	72.4%
1997	65.7%	71.5%
1998	61.8%	68.6%
1999	59.2%	70.0%
2000	65.4%	75.6%
2001	63.6%	65.1%
2002	54.6%	na

Source: Smith Travel Research

Table 4
Visitor Generated Spending & Associated Employment
Sonoma County

Item	1994	1995	1996	1997	1998	1999	2000
Total Spending	\$604,400,000	\$636,200,000	\$690,100,000	\$751,800,000	\$801,800,000	\$857,600,000	\$918,100,000
Visitors	4,000,000	4,200,000	3,300,000	4,500,000	4,000,000	4,200,000	5,900,000
Average Per Capita Spending	\$151	\$151	\$209	\$167	\$200	\$204	\$156
Total Employment Generated by Travel Spending	13,770	14,230	15,000	15,830	15,790	15,800	15,570

Source: California Tourism.

Table 5
Visitor Spending
Sonoma County, 2000

Item	Spending	Percent of Total
Accommodations	\$157,800,000	17%
Eating, Drinking	\$209,400,000	23%
Food Stores	\$30,300,000	3%
Ground Transport	\$115,600,000	13%
Recreation	\$188,400,000	21%
Retail Sales	\$216,500,000	24%
Total Destination Spending	\$918,000,000	100%

Source: California Tourism.

Table 6
Employment Generated by Visitor Spending
Sonoma County, 2000

Item	Employment	Percent of Total
Employment		
Accomodations	2,700	17.4%
Eating, Drinking	5,510	35.4%
Food Stores	170	1.1%
Ground Transport	700	4.5%
Recreation	4,220	27.1%
Retail Sales	1,870	12.0%
Air Transportation	80	0.5%
Travel Arrangement	310	2.0%
Total Employment	15,560	100.0%
Estimated Earnings		\$308,600,000
Average Earnings per Job		\$19,833

Source: California Tourism.

Table 7
Visitor Generated Tax Revenue
Sonoma County

Item	1994	1995	1996	1997	1998	1999	2000
Total Tax Revenues							
Local	\$11,400,000	\$12,100,000	\$13,200,000	\$14,500,000	\$15,800,000	\$16,800,000	\$18,600,000
State	\$29,000,000	\$30,900,000	\$33,400,000	\$36,000,000	\$38,910,000	\$40,500,000	\$43,200,000
Total	\$40,400,000	\$43,000,000	\$46,600,000	\$50,500,000	\$54,710,000	\$57,300,000	\$61,800,000
TOT Revenues							
Cities	na	na	na	\$4,835,157	\$5,354,140	\$6,159,738	\$7,079,787
County	na	na	na	\$4,111,895	\$4,373,752	\$4,531,012	\$5,718,182
Total	na	na	na	\$8,947,052	\$9,727,892	\$10,690,750	\$12,797,969
TOT as Percent of Local Tax Revenues							
	na	na	na	33.3%	33.9%	36.7%	38.1%

Source: California Tourism.