



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: November 14, 2018

01

TO: Board of Supervisors

SUBJECT

**OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR COMMUNITY
BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

OVERVIEW

Agriculture is a leading industry and economic driver in the San Diego region. According to the County Department of Agriculture, Weights and Measures' - 2017 Crop Statistics & Annual Report, agriculture production contributes \$1.7 billion to the San Diego county economy. Over the years, the Board has supported efforts that encourage and support agriculture production, agriculture tourism and local businesses in the region. To further promote farming and agricultural tourism, the Board of Supervisors (Board) adopted the County's Agriculture Promotion Program on March 15, 2017 (3).

Since adoption, agriculture-related business opportunities have expanded in rural communities. To further strengthen these communities, there are opportunities for other businesses to partner with an agricultural producer to enhance agricultural tourism experiences. Specifically, enabling food and goods vendors to operate at agricultural tourism events would enable producers to enhance community members' experiences on agricultural producing lands and further foster a sense of community.

Agricultural tourism experiences open to the public can involve a number of County departments and the Department of Environmental Health provides assistance to applicants navigating the review, approval and permit processes. However, state law does not allow food to be prepared and served from temporary facilities (the kinds of booths seen at street fairs) except at "community events" that the California Retail Food Code (CRFC) defines as "civic, political, public or educational in nature." Agricultural tourism experiences could meet this definition by amending the County Code to define and authorize "Agriculture Tourism Community Events." Additionally, the County's current Zoning Ordinance limits opportunities for business owners to expand their commercial activities in partnership with agricultural producers at agriculture tourism events, and could be amended in order to expand agricultural tourism experiences.

On May 16, 2018 (5), Vice Chairwoman Dianne Jacob recommended that the Board direct the Chief Administrative Officer to explore options that would make it easier for local, small-scale businesses to provide food and goods at community based events on agriculture producing properties in the unincorporated area. In response to the Board's direction, staff is returning with

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

a range of options in four categories for the Board to consider that include: 1) allowing food and/or goods vendors in alignment with the state law, the CRFC, at community events on agricultural producing land; 2) expanding opportunities for commercial agriculture operations to build small agriculture stores; 3) holding certified farmers' markets on agricultural producing land; and 4) providing incentives to encourage food truck participation at agricultural tourism events.

There are multiple options among the four categories. Each option includes factors for consideration such as programmatic, environmental review, estimated costs for one time environmental analysis and possible permit fee waiver pilot programs, and anticipated implementation time frames.

To further expand opportunities for other businesses to partner with an agricultural producer to enhance agricultural tourism experiences, options among the four categories may be combined. However, since the options within the Food and Goods Vendors and Certified Farmers' Market categories build upon each other, only one option from each of these two categories should be selected. Any proposed permit fee waiver pilot programs associated with programmatic changes that include environmental review, would not be implemented until after completion of the environmental analysis and a return to the Board for adoption or certification of an environmental document and approval of amendment to County Code and/or Zoning Ordinance.

Today's request is for the Board to provide direction to staff on what type of program the Board would like for strengthening business partnerships for community based agriculture events. There are two options that could be adopted by Resolution by the Board today. If the Board elects to proceed with any of the other options, staff will subsequently return to the Board with any necessary CEQA Findings, amendments to the County Code and/or Zoning Ordinance, resolutions for any permit fee waiver pilot programs, and a request for appropriations for Board consideration.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Find that today's actions, other than the adoption of the Resolutions (Attachment C.1, C.2, and D), are not subject to the California Environmental Quality Act (CEQA) because these actions are not a project pursuant to CEQA Guidelines sections 15378 and 15060(c)(3), and because the Board's actions are not "approval" of a project as defined in CEQA Guidelines sections 15004(a) and 15352.
2. Provide direction regarding *Food and Goods Vendors* by either selecting one of the following options, or declining these options:
 - Option 1A. One Food Vendor
 - Option 1B. Multiple Food Vendors
 - Option 1C. Multiple Food and Goods Vendors (2 Goods Vendors or 51% Sold Related to Agriculture or Food)
 - Option 1D. Multiple Food and Goods Vendors

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

3. Provide direction regarding *Small Agriculture Stores* by either selecting the following options, or declining these options:

Option 2A. Waive the Zoning Verification Permit Fee for Small Agriculture Stores

Option 2B. Eliminate the Zoning Verification Permit for Small Agriculture Stores

4. If Option 2A is selected, complete and adopt resolutions entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF PLANNING AND DEVELOPMENT SERVICES TO WAIVE FEES ON A TEMPORARY BASIS FOR SMALL AGRICULTURAL STORES ON AGRICULTURAL PRODUCTION LANDS THAT HOST AGRICULTURAL TOURISM EVENTS (Attachment C.1)

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF ENVIRONMENTAL HEALTH TO WAIVE PLAN CHECK AND PERMIT FEES ON A TEMPORARY BASIS FOR SMALL AGRICULTURAL STORES ON AGRICULTURAL PRODUCTION LANDS THAT HOST AGRICULTURAL TOURISM EVENTS (Attachment C.2)

5. Provide direction regarding *Certified Farmers' Markets* on agricultural producing lands by either selecting one of the following options, or declining these options:

Option 3A. Certified Farmers' Market for Certified Producers Only

Option 3B. Certified Farmers' Market and Ancillary Market

6. Provide direction regarding a *Food Truck Participation Incentive Pilot Program* (Option 4) by either selecting or declining this option.

7. If Option 4 is selected, complete and adopt a resolution entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF ENVIRONMENTAL HEALTH TO REBATE FEES ON A TEMPORARY BASIS TO FOOD TRUCKS THAT SIGNIFICANTLY PARTICIPATE IN AGRICULTURAL TOURISM EVENTS (Attachment D)

FISCAL IMPACT

If approved, today's actions may result in potential costs estimated between \$3,235 - \$625,000 to the County beginning as early as Fiscal Year 2018-19, depending on the direction of the Board. These estimated amounts are subject to change due to environmental analysis and public comments received while processing the option(s) selected in compliance with the California Environmental Quality Act (CEQA) process. All permit fee waiver pilot program cost estimates are based on a one year time period, for 5 to 25 events based on permits with the highest potential costs. The lower end of the cost estimate represents the food truck participation incentive pilot program. The higher end of the cost estimate represents one higher level CEQA review plus the combination of permit fee waiver pilot programs with the highest potential costs (Options 1D, 2A, 3B, and 4). Details on the calculation of the potential cost estimate range can be found in Attachment B. Following today's action, staff's return to the Board will include a fiscal analysis including current and future year costs, funding source(s) and a request for General Fund fund balance appropriations that may be necessary.

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

Today’s action could include authorization of a permit fee waiver pilot program for Options 2A and/or Option 4 by way of adopting a Resolution. The Board could choose to establish a “not to exceed” cap for these permit fee waiver pilot programs based on a dollar threshold, or exclude permit fee waiver pilot programs completely. Funds are not included in Fiscal Year 2018-19 Operational Plan. Should the Board take action to adopt a Resolution for a permit fee waiver pilot program as described in Options 2A and/or Option 4, that action would result in potential cost estimates of up to \$70,000 in Fiscal Year 2018-19 and would be funded by available prior year Land Use and Environment Group General Fund fund balance. There will be no additional staff years required.

BUSINESS IMPACT STATEMENT

Implementation of one or more of the options presented would provide additional opportunities to businesses that desire to provide food and goods at community based events on agriculture producing properties in the unincorporated area.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The economic contribution from agriculture production in San Diego county totaled \$1.7 billion according to the County Department of Agriculture, Weights and Measures’ - 2017 Crop Statistics & Annual Report. Over the years, the San Diego County Board of Supervisors (Board) has supported efforts that encourage and support agriculture production, agriculture tourism and local businesses in the region that support the agricultural industry. To further promote farming and agricultural tourism, a leading industry and economic driver in the San Diego region, the Board adopted the County’s Agricultural Promotion Program on March 15, 2017 (3).

Since adoption, agriculture related businesses have expanded and there are opportunities for local businesses to partner with an agriculture producer in the unincorporated area. Enabling food and goods vendors to operate at agricultural tourism experiences would assist producers to better draw community members to agricultural production land and further foster a sense of community.

Currently, agricultural producers have four general options to provide food service on agriculture producing land:

1. Partner with a non-profit for a Community Event Permit (CEP).
2. Build an agricultural stand for roadside agriculture sales.
3. Build a small agriculture store for temporary or permanent agricultural and prepackaged food sales.
4. Partner with a mobile food truck.

However, state law through the California Retail Food Code (CRFC), limits when and where food vendors can operate and what agricultural stands may sell. Additionally, the CRFC limits temporary food vendors, or a temporary food facility, by only allowing them to operate at “community events” that have a “civic, political, public or educational nature.”

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

The County's current Zoning Ordinance limits food vendors from participating in agricultural tourism events, and where certified farmers' markets can be held. It further requires permitting approvals for small agricultural stores, which affects agricultural opportunities for business owners to expand their commercial activities in partnership with agricultural production lands.

On May 16, 2018 (5), Vice Chairwoman Dianne Jacob recommended that the Board direct the Chief Administrative Officer to explore options that would make it easier for businesses to provide food and goods at community based events on agriculture producing properties in the unincorporated area. In response to the Board's direction, staff from Agriculture, Weights and Measures (AWM) with regulatory and permitting authority in certified farmers' markets and certified agriculture producers, the Department of Environmental Health (DEH) with regulatory and permitting authority in food operations, Planning & Development Services (PDS) with regulatory and permitting expertise in County Code (Agriculture Promotion Program) and Zoning Ordinances, Sheriff's Licensing Division (SLD) with regulatory authority in licensing of goods vendors, and County Counsel reviewed the CRFC, the County Code, the Zoning Ordinance, and current business processes, to identify opportunities to enhance the County's Agricultural Promotion Program.

Staff is returning with a range of options in four categories for the Board to consider that include: 1) allowing food and/or goods vendors in alignment with the state law, the CRFC, at community events on agricultural producing land; 2) expanding opportunities for commercial agriculture operations to build small agriculture stores; 3) holding certified farmers' markets on agricultural producing land; and 4) providing incentives to encourage food truck participation at agricultural tourism events.

Each option includes factors for consideration such as programmatic, environmental review, estimated costs for one time environmental analysis (CEQA) and possible permit fee waiver pilot programs, and anticipated implementation time frames.

Programmatic

Each option summarizes what ordinance changes would be needed to implement that option. Some options will require programmatic changes to multiple ordinances.

Environmental Review

California Environmental Quality Act (CEQA) review would be needed for all but two of the options; for those two options other CEQA findings would be sufficient. The level of anticipated CEQA review needed for each option varies depending upon if an addendum from an existing environmental impact report (EIR) may be utilized or if a supplemental EIR is anticipated.

Estimated Costs

Each option includes estimated costs in the categories of fee waiver pilot programs and costs associated with CEQA. Within each of the options there are proposed permit fee waiver pilot programs the Board may consider to encourage local businesses to partner with agricultural producers for agriculture tourism experiences. Staff has identified cost estimates based on a one year time period, for 5 to 25 events based on permits with the highest potential costs. The Board could choose to establish a "not to exceed" cap for permit fee waiver pilot programs

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

based on a dollar threshold, or exclude permit fee waiver pilot programs completely. If directed, permit fee waiver pilot programs would be offered until funds are no longer available or at the conclusion of the one year pilot, whichever comes first, and staff will report to the Board on the outcome of the pilot permit fee waiver program(s).

Anticipated Implementation Time Frames

Each option includes a discussion of what the next steps would be if that option was selected. Options that include CEQA review includes estimated time frames for a return to the Board for approval of the resulting CEQA document and amendments to the County Code and/or Zoning Ordinance prior to implementing permit fee waiver pilot programs.

To further expand opportunities for other businesses to partner with an agricultural producer to enhance agricultural tourism experiences, options among the four categories may be combined. However, since the options within the Food and Good Vendors and Certified Farmers' Market categories build upon each other, only one option from each of these two categories should be selected.

Today's request is for the Board to provide direction to staff on what type of program the Board would like for strengthening business partnerships for community based agriculture events The only two options that could be adopted by the Board today are Options 2A and 4. Option 2A is a fee waiver for small agricultural store permits, and Option 4 is a conditional fee rebate for food trucks. These options have independent utility and are not dependent upon the completion of other options. They also do not require additional CEQA analysis, and would not require a County ordinance. The Board findings that would be necessary to adopt these options without further CEQA analysis are incorporated into the Resolutions (Attachments C.1, C.2, and D).

If the Board elects to proceed with any of the other options, staff will subsequently return to the Board with any necessary CEQA Findings, amendments to County Code and Zoning Ordinance, resolutions for any permit fee waiver pilot programs (for Options 1A-1D, 2B, 3A-B), and a request for appropriations for Board consideration. Any proposed permit fee waiver pilot programs associated with programmatic changes that include environmental review, would not be implemented until after completion of the environmental review and a return to the Board for adoption or certification of an environmental document and approval of amendment to County Code and/or Zoning Ordinance.

The discussion below highlights the main components of each of the categories for Board consideration.

Food and Goods Vendors (Options 1A – 1D)

State law through the California Retail Food Code (CRFC), limits when and where food vendors can operate. The Zoning Ordinance currently limits food or goods vendors from participating at agricultural tourism events.

Under Options 1A and 1B, commercial agriculture operations, as defined in the County's Zoning Ordinance, would be allowed to have a temporary food facility (TFF) for food vendors to sell food directly to customers at "Agricultural Tourism Community Events." Option 1A limits the

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

event to one food vendor and Option 1B allows for multiple food vendors without limitations to the number of food vendors.

Options 1C and 1D allow for multiple food vendors and the addition of goods vendors at “Agricultural Tourism Community Events.” Option 1C limits the number of vendors to be mostly related to food or agriculture and Option 1D allows for multiple food or goods vendors without the limitations on the number of vendors being mostly related to food or agriculture. To make it easier for businesses that want to provide food and goods at these events to enhance the agriculture tourism experience, a DEH permit fee waiver pilot program is proposed for food vendors (Options 1A – 1D) and a SLD fee waiver pilot is proposed for goods vendors solicitors’ licenses (Options 1C – 1D).

For Options 1A – 1D, the Board would need to find that promoting agricultural tourism provides the community with an opportunity that meets the state law or CRFC’s requirement that a TFF has a “civic, political, public or educational nature.”

County Code Amendments

In order to allow for a TFF, the County Code would be amended to define and authorize “Agricultural Tourism Community Events” as for-profit events in alignment with “agricultural tourism” as defined in the Zoning Ordinance and in alignment with the requirements of a “community event” under state law, the CRFC. Under the CRFC, these events would be limited to operating 25 days in a 90-day period.

Zoning Ordinance Amendments

The Zoning Ordinance would be amended to define “Agricultural Tourism Community Events” and allow them to occur on agricultural production land. Staff propose that these events be limited to 350 people or less, consistent with the existing County Code pertaining to the Sheriff’s license for for-profit events, and that the Zoning Ordinance prohibit outdoor amplified sound, limit the hours of operation, and specifically exclude carnivals, swap meets and weddings. These restrictions are consistent with current County policies, and are recommended to reduce the impacts of “Agricultural Tourism Community Events” on neighbors and affected communities, to exclude uses that are not related to agriculture, and to simplify CEQA compliance.

CEQA and Implementation Time Frame

Options 1A: One Food Vendor, Option 1B: Multiple Food Vendors, and Option 1C: Multiple Food and Goods Vendors (2 Goods Vendors or 51% related to Agriculture)

To make these changes to the County Code and the Zoning Ordinance, an addendum to the existing Programmatic Environmental Impact Report (PEIR) for amendments to the Agriculture Promotion Program sections of the Zoning Ordinance would need to be completed. The addendum would take approximately 9 - 12 months and cost between \$50,000 and \$100,000. The estimated cost includes preparing draft documents for the necessary environmental studies, such as traffic and noise, which support an addendum. These studies are needed to evaluate and confirm there are no additional environmental impacts beyond those addressed and mitigated in the existing certified PEIR for the Agriculture Promotion Program. Further definition of what this program may include, and consideration of public comments on potential environmental impacts, could make a higher level of CEQA review necessary.

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

Option 1D: Multiple Food and Goods Vendors

Without limitations on the number of goods vendors, there is the potential for additional community and environmental impact concerns, and a Supplemental Environmental Impact Report (SEIR) would be needed under this option. The SEIR is estimated to take approximately 2.5 - 3.0 years and cost between \$320,000 and \$400,000. The SEIR requires preparation of environmental studies (e.g., Noise, Traffic, GHG, Air Quality, and Biological Resources). The process includes several public meetings including during the Notice of Preparation and public review. Based on the SEIR's complexity, it is likely the County would contract with one or more consultants to prepare the SEIR and accompanying studies. In addition, the dollar estimates include unknown conditions, such as the need for recirculation of the SEIR.

Permit Fee Waiver Pilot Program

Under Options 1A – 1D, there would be either one or two permit fee waiver pilot programs. Food vendors are permitted by DEH and goods vendors are permitted by the SLD. The cost of the permit fee waiver pilot program would vary depending on the number and types of permits administered and additional County funds would need to be identified to offset the cost of the permits. The Board has the ability to set specific criteria for permit fee waiver pilot program eligibility, such as small or local vendors. The Board could choose to establish a “not to exceed” cap for permit fee waiver pilot programs based on a dollar threshold. If directed, permit fee waiver pilot programs would be offered until funds are no longer available or at the conclusion of the one year pilot; whichever comes first, and staff will report to the Board on the outcome of the pilot permit fee waiver program(s). Food or goods vendors could continue to participate at “Agricultural Tourism Community Events” by paying for permits.

Option 1A: One Food Vendor

Under Option 1A, only one food vendor would be allowed at each “Agricultural Tourism Community Event.” This would require one permit for the food vendor participating in the event. Food vendor permits vary in cost depending on the type of food being sold. The estimated range of this one-year DEH permit fee waiver pilot program would be from \$3,060 to \$15,300, for 5 to 25 events with one food vendor, based on the permits with the highest potential costs.

Option 1B: Multiple Food Vendors

Under Option 1B, multiple food vendors would be allowed at each “Agricultural Tourism Community Event.” This would require one organizer permit and a vendor permit for each food vendor participating at the event. The estimated range of this one-year DEH permit fee waiver pilot program would be from \$8,955 - \$60,075, for 5 to 25 events with one organizer and up to three vendors, based on the permits with the highest potential costs.

Option 1C: Multiple Food and Goods Vendors (2 Goods Vendors or 51% related to Agriculture) and Option 1D: Multiple Food and Goods Vendors

Under Options 1C and 1D, there would be two permit fee waiver pilot programs. Food vendors are permitted by DEH and the permits are the same under this option as in Option 1B. Goods vendors are permitted by the SLD and would require one organizer permit and a solicitors' license for each goods vendor participating at the event. The

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

estimated range of these one-year permit fee waiver pilot programs would be from \$3,060 - \$60,075 for DEH permits and \$2,570 - \$25,700 for SLD licenses, for 5 to 25 events with one organizer and up to three vendors, based on the permits with the highest potential costs. Additional food and goods vendors would be allowed to participate by paying the existing permit fee rates.

Any proposed permit fee waiver pilot programs associated with programmatic changes that include environmental review, would not be implemented until after completion of the environmental analysis and a return to the Board for adoption or certification of an environmental document and approval of an amendment to the County Code and/or Zoning Ordinance.

Next Steps

Options 1A: One Food Vendor, Option 1B: Multiple Food Vendors, and Option 1C: Multiple Food and Goods Vendors (2 Goods Vendors or 51% related to Agriculture)

CEQA Findings and changes to the County Code and the Zoning Ordinance require Board approval prior to implementation of these options, including any permit fee waiver pilot programs. If directed, staff will return in 9 - 12 months with an addendum to the existing PEIR for the Agriculture Promotion Program, an amendment to the County Code and the Zoning Ordinance, a Resolution for the permit fee waiver pilot programs, and a request for appropriations for Board consideration.

Option 1D: Multiple Food and Goods Vendors

CEQA Findings and changes to the County Code and the Zoning Ordinance require Board approval prior to implementation of this option, including any permit fee waiver pilot programs. If directed, staff will return in 2.5 – 3.0 years with a SEIR, an amendment to the County Code and the Zoning Ordinance, a Resolution for the permit fee waiver programs, and a request for appropriations for Board consideration.

Small Agriculture Stores (Options 2A – 2B)

A small agriculture store is a structure with less than 1,500 square feet of building area for the display and sale of agricultural and horticultural products raised on the premises. These stores can contain up to 200 square feet of other retail sales area and the sale of prepackaged food. To make it easier for commercial agriculture operations to build a small agriculture store to permanently sell agriculture products and prepackaged foods, the requirement for a zoning verification permit could either be waived (Option 2A) or eliminated (Option 2B). There are one or two pilot fee waiver programs under these options. A PDS permit fee waiver pilot program is proposed for zoning verification permits (Option 2A) and a DEH permit fee waiver pilot program is proposed for plan check and pre-packaged food permits (Options 2A – 2B). The CRFC limitation that TFFs may only operate for a maximum of 25 days in a 90 day period at “community events” does not apply to permanent, permitted small agricultural stores and these stores may operate year-round.

The Board could direct one or both of these two options. Option 2A has independent utility because it would immediately reduce the costs of an existing mechanism that agricultural producers could use to provide food to customers year round. The option could be implemented by Resolution and is not dependent upon the Board’s adoption of any other option. If both are

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

directed, Option 2A would be in effect only if and until the CEQA analysis and the Zoning Ordinance updates are completed as part of Option 2B.

County Code Amendments

No amendments to the County Code would be necessary.

Zoning Ordinance Amendments

Option 2A: Waive the Zoning Verification Permit Fee

No amendments to the Zoning Ordinance would be necessary.

Option 2B: Eliminate the Zoning Verification Permit

An amendment to the Zoning Ordinance would be necessary to eliminate the requirement for a zoning verification permit and make small agriculture stores allowed by-right.

CEQA and Implementation Time Frame

Option 2A: Waive the Zoning Verification Permit Fee

Option 2A would not require additional CEQA analysis, and this option can be implemented upon adoption by the Board by Resolution (Attachment C.1 and C.2), so that a return to the Board is not necessary to implement this option. The findings necessary to implement this option are incorporated into that Resolution.

Option 2B: Eliminate the Zoning Verification Permit

An amendment to the Zoning Ordinance would be necessary and an addendum to the existing PEIR for the Agriculture Promotion Program would be completed. The addendum would take approximately 9 - 12 months and cost between \$50,000 and \$100,000. The estimated cost includes preparing draft documents for the necessary environmental studies, such as traffic and noise, which support an addendum. These studies are needed to evaluate and confirm there are no additional environmental impacts beyond those addressed and mitigated in the existing PEIR for the Agriculture Promotion Program. Further definition of what this program may include, and consideration of public comments on potential environmental impacts, could make a higher level of CEQA review necessary.

Permit Fee Waiver Pilot Program

Under Options 2A and 2B, there would be either one or two permit fee waiver pilot programs and the cost of the permit fee waiver pilot programs would vary depending on the number and types of permits administered. County funds would need to be allocated to offset the cost of the permits. The Board could choose to establish a “not to exceed” cap for permit fee waiver pilot programs based on a dollar threshold. If directed, permit fee waiver pilot programs would be offered until funds are no longer available or at the conclusion of the one year pilot; whichever comes first, and staff will report to the Board the outcome of the permit fee waiver pilot program(s). Commercial agriculture operations could continue to have a small agriculture store by paying for permits.

Option 2A: Waive the Zoning Verification Permit Fee

There are two permit fee waiver pilot programs proposed in Option 2A. Zoning verification permits are issued by PDS to build small agricultural stores and food displays

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

over 25 square feet are permitted by DEH. The estimated range of these one-year permit fee waiver pilot programs would be from \$6,375 - \$31,875 for PDS permits and \$4,390 - \$21,950 for DEH permits, for 5 to 25 stores based on the permits with the highest potential costs.

If Option 2A is approved by the Board through Resolution (Attachment C.1 and C.2), a return to the Board is not necessary to implement.

Option 2B: Eliminate the Zoning Verification Permit

There is one DEH permit fee waiver program proposed in Option 2B and the permits are the same under as in Option 2A. PDS permit fee waivers are not needed since the zoning verification permit is proposed to be eliminated under this option. The estimated range of this one-year permit fee waiver pilot program would be from \$4,390 - \$21,950 for DEH permits, for 5 to 25 stores based on the permits with the highest potential costs.

A proposed permit fee waiver pilot program associated with programmatic changes that include environmental review, would not be implemented until after completion of the environmental review and a return to the Board for adoption of an addendum and approval of an amendment to the Zoning Ordinance.

Next Steps

Option 2A: Waive the Zoning Verification Permit Fee

If the Board approves Option 2A by completing the Resolutions (Attachment C.1 and C.2) and then adopting the Resolutions, staff will implement permit fee waiver pilot programs and report back to the Board.

Option 2B: Eliminate the Zoning Verification Permit

CEQA Findings and changes to the Zoning Ordinance would require Board approval prior to implementation of this option, including the permit fee waiver pilot program. If directed, staff will return in 9 - 12 months with an addendum to the existing PEIR for the Agriculture Promotion Program, an amendment to the Zoning Ordinance, a Resolution for the fee waiver program, and a request for appropriations for Board consideration.

Certified Farmers' Markets (Options 3A – 3B)

Under Options 3A and 3B, commercial agriculture operations would be allowed to hold certified farmers' markets, currently only allowed on public property or commercially zoned property, on agriculture production land. A certified farmers' market is a location approved by the County's Agricultural Commissioner where agricultural producers that have been certified (certified producers) may sell their certified products directly to customers. Within these options, there is an ability to limit a certified farmers' market to only certified producers (Option 3A), or "ancillary market", which also allows for the sale of food and goods in conjunction with a certified farmers' market (Option 3B). To facilitate agricultural producers coming together to sell certified produce on agricultural land, and allow businesses to provide food and goods at these markets, a DEH permit fee waiver pilot program is proposed for food permits (Options 3A – 3B) and a SLD fee waiver pilot is proposed for organizer solicitors' licenses (Option 3B).

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

County Code Amendments

No amendments to the County Code are necessary.

Zoning Ordinance Amendments

An amendment to the Zoning Ordinance would be necessary to allow certified farmers' markets on agricultural producing land. Staff propose that these events be limited to 350 people or less, consistent with the existing County Code pertaining to the SLD's license for for-profit events, and that the Zoning Ordinance limit the hours of operation and specifically exclude carnivals, swap meets and weddings. These restrictions are consistent with current County policies, and are recommended to reduce the impacts of certified farmers' markets on neighbors and affected communities, to exclude uses that are not related to agriculture, and to simplify CEQA compliance.

CEQA and Implementation Time Frame

A change to the Zoning Ordinance would be necessary and a SEIR would be required. The SEIR is estimated to take approximately 2.5 - 3.0 years and cost between \$320,000 and \$400,000. The SEIR would require preparation of environmental studies (e.g., Noise, Traffic, GHG, Air Quality, and Biological Resources). The process includes several public meetings including during the Notice of Preparation and public review. Based on the SEIR's complexity, it is likely the County would contract with one or more consultants to prepare the SEIR and accompanying studies. In addition, the dollar estimates include unknown conditions, such as the need for recirculation of the SEIR.

Permit Fee Waiver Pilot Program

Under Options 3A and 3B, either one or two permit fee waiver pilot programs are proposed. The cost of the permit fee waiver pilot programs would vary depending on the number and types of permits administered. Additional County funds would need to be identified to offset the cost of the permits. The Board has the ability to set specific criteria for permit fee waiver pilot program eligibility, such as small or local vendors. The Board could choose to establish a "not to exceed" cap for permit fee waiver pilot programs based on a dollar threshold. If directed, permit fee waiver pilot programs would be offered until funds are no longer available or at the conclusion of the one year pilot; whichever comes first, and staff will report to the Board the outcome of the permit fee waiver pilot program(s). Organizers and vendors could continue to participate at certified farmers' markets by paying for permits.

Option 3A: Certified Farmers' Market for Certified Producers Only

There would be one DEH permit fee waiver program in Option 3A. The CRFC limitation that TFFs may only operate at for a maximum of 25 days in a 90 day period at "community events" does not apply to certified farmers' markets that only sell produce from certified producers. The estimated range of this one-year permit fee waiver pilot program would be from \$2,025 - \$10,125 for 5 to 25 permits for certified farmers' market events.

Option 3B: Certified Farmers' Market and Ancillary Market

There would be two permit fee waiver programs proposed in Option 3B. A certified farmers' market and ancillary market with food vendors would require permits from DEH

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

and under the CRFC, these events would be limited to operating a maximum of 25 days in a 90-day period. Additionally, a certified farmers' market with ancillary market selling goods would require a solicitor organizers permit from the SLD. The estimated range of these one-year permit fee waiver pilot programs would be from \$6,440 - \$62,800 for DEH permits for 5 to 25 permits for certified farmers' market events with up to three food vendors at each event, based on permits with the highest potential costs, and \$1,285 - \$6,425 for SLD licenses for 5 to 25 organizer solicitors' licenses.

Additional permit fees are required by the State of California and from the County Department of Agriculture, Weights and Measures to become a certified producer and operate certified farmers' markets. However, Options 3A and 3B do not propose an AWM fee waiver pilot program since the Board has provided General Purpose Revenue funds to offset AWM costs for certified producers and certified farmers' markets to reduce these fees.

Any proposed permit fee waiver pilot programs associated with programmatic changes that include environmental review, would not be implemented until after completion of the environmental review and a return to the Board for certification of a SEIR and approval of amendment to the Zoning Ordinance.

Next Steps

CEQA Findings and changes to the Zoning Ordinance would require Board approval prior to implementation of this option, including any permit fee waiver pilot programs. If directed, staff will return in 2.5 – 3.0 years with a Supplemental EIR, an amendment to the Zoning Ordinance, a Resolution for the permit fee waiver programs, and a request for appropriations for Board consideration.

Food Truck Participation Incentive (Option 4)

Although food trucks are currently allowed at Boutique and Small Wineries, and on a Large Brewery/Distillery or on agriculture production land associated with agriculture-tourism, it is common for food trucks to require a minimum of \$500 in sales for a three-hour service window which make food trucks less common at agricultural tourism events. Option 4 provides an incentive to food trucks to support a wider array of agriculture-tourism uses, by participating in events that may not be profitable for them due to the rural location. Under Option 4, food trucks that participate in four or more agricultural tourism events at different locations could apply to receive a rebate (a permit fee waiver pilot program) on their annual DEH food truck permit fee in the subsequent year. The Board could choose to establish a “not to exceed” cap for the rebates based on a dollar threshold. If directed, the rebates would be offered until funds are no longer available or at the conclusion of the one year pilot; whichever comes first, and staff will report to the Board the outcome of the rebate permit fee waiver pilot program.

This option has independent utility because of its potential to immediately impact the ability of agricultural producers to arrange for safe food service at agricultural tourism events in the unincorporated area. The option does not depend on whether any other options are adopted; food trucks can participate in these events now.

County Code Amendments

There are no changes needed to the County Code under this option.

SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)

Zoning Ordinance Amendments

An existing PDS Director’s Determination allows food trucks on wineries, breweries and for agriculture tourism. This determination will be included in the Zoning Ordinance update in the winter.

CEQA and Implementation Time Frame

No additional CEQA review would be necessary and this option can be implemented upon adoption by the Board by Resolution (Attachment D). A return to the Board is not necessary. The findings necessary to support this fee waiver are incorporated into Attachment D. Food trucks are already allowed in these areas, so no additional significant environmental impact is anticipated to occur.

Permit Fee Waiver Pilot Program

Under Option 4, food trucks that participate in four or more agricultural tourism events would receive a rebate on their annual DEH food truck permit fee. Food truck permits vary in cost depending on the type of food being sold. Operators would be required to submit verification of participation at agricultural tourism events to DEH to receive a rebate on their subsequent year annual permit fee. The estimated range of this one-year permit fee waiver pilot program would be from \$3,235 - \$16,175, for 5 to 25 participating food trucks based on the permits with the highest potential costs.

Next Steps

If Option 4 is approved by the Board through Resolution (Attachment D), a return to the Board is not necessary to implement. Staff will implement the permit fee waiver (rebate) pilot program and report back to the Board.

Summary of Options

Option	County Code Amendment	Zoning Ordinance Amendment	CEQA Review/ Implementation Time Frame	Timing of Proposed Permit Fee Waiver(s)	Estimated Cost
Food and Goods Vendors					
<i>1A: One Food Vendor</i>	Yes	Yes	Addendum 9 - 12 months	After Board Action on CEQA, Code and Zoning Amendments	\$53,060 - \$115,300 • <i>CEQA</i> \$50,000 - \$100,000 • <i>Waivers</i> \$3,060 - \$15,300
<i>1B: Multiple Food Vendors</i>	Yes	Yes	Addendum 9 - 12 months	After Board Action on CEQA, Code and Zoning Amendments	\$58,955 - \$160,075 • <i>CEQA</i> \$50,000 - \$100,000 • <i>Waivers</i> \$8,955 - \$60,075
<i>1C: Multiple Food and Goods Vendors (2 Goods Vendors or 51% related to Agriculture)</i>	Yes	Yes	Addendum 9 - 12 months	After Board Action on CEQA, Code and Zoning Amendments	\$55,630 - \$185,775 • <i>CEQA</i> \$50,000 - \$100,000 <i>Waivers</i>

SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)

Option	County Code Amendment	Zoning Ordinance Amendment	CEQA Review/ Implementation Time Frame	Timing of Proposed Permit Fee Waiver(s)	Estimated Cost
<i>1D: Multiple Food and Goods Vendors</i>	Yes	Yes	SEIR 2.5 - 3.0 years	After Board Action on CEQA, Code and Zoning Amendments	\$325,630 - \$485,775 <ul style="list-style-type: none"> • CEQA \$320,000 - \$400,000 • Waivers \$5,630 - \$85,775
Small Agriculture Stores					
<i>2A: Waive the Zoning Verification Permit Fee</i>	No	No	None	Adoption of Resolution	\$6,696 - \$33,495 <ul style="list-style-type: none"> • CEQA \$0 • Waivers \$6,696 - \$33,495
<i>2B: Eliminate the Zoning Verification Permit</i>	No	Yes	Addendum 9 - 12 months	After Board Action on CEQA and Zoning Amendments	\$54,390 - \$121,950 <ul style="list-style-type: none"> • CEQA \$50,000 - \$100,000 • Waivers \$4,390 - \$21,950
Certified Farmers' Markets					
<i>3A: Certified Farmers' Market for Certified Producers Only</i>	No	Yes	SEIR 2.5 – 3.0 years	After Board Action on CEQA and Zoning Amendments	\$322,025 - \$410,125 <ul style="list-style-type: none"> • CEQA \$320,000 - \$400,000 • Waivers \$2,025 - \$10,125
<i>3B: Certified Farmers' Market and Ancillary Market</i>	No	Yes	SEIR 2.5 – 3.0 years	After Board Action on CEQA and Zoning Amendments	\$327,725 - \$469,225 <ul style="list-style-type: none"> • CEQA \$320,000 - \$400,000 • Waivers \$7,725 - \$69,225
Food Truck Participation Incentive					
<i>4: Food Truck Participation Incentive</i>	No	No	None	Adoption of Resolution	\$3,235 - \$16,175 <ul style="list-style-type: none"> • CEQA \$0 • Waivers \$3,235 - \$16,175

A more detailed summary table of the categories and option components can be found in Attachment A.

ENVIRONMENTAL STATEMENT

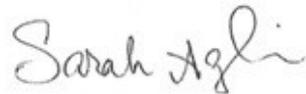
Today's proposed action for the Board to provide further direction is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines sections 15060(c)(3) and 15378 because providing guidance is not an activity that has a potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Today's proposed action is not a project approval under Guidelines sections 15004(a) and 15352 because it does not commit the County to any specific course of action. Any environmental review that may be required, based on the Board's direction today, will be completed before staff returns to the Board to request adoption of an amendment to the Zoning Ordinance or update to County Code.

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions support the Sustainable Environments/Thriving Strategic Initiative in the County of San Diego’s 2018-2023 Strategic Plan by allowing enhanced opportunities for agricultural tourism to ensure the region is a leader in protecting and promoting natural and agricultural resources, and cultivates a natural environment for residents, visitors and future generations to enjoy.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)

Attachment A – Summary of Categories and Option Components

Attachment B – Fiscal Impact Statement – Potential Future Costs Estimates

Attachment C.1 – A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF PLANNING AND DEVELOPMENT SERVICES TO WAIVE FEES ON A TEMPORARY BASIS FOR SMALL AGRICULTURAL STORES ON AGRICULTURAL PRODUCTION LANDS THAT HOST AGRICULTURAL TOURISM EVENTS

Attachment C.2. – A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF ENVIRONMENTAL HEALTH TO WAIVE PLAN CHECK AND PERMIT FEES ON A TEMPORARY BASIS FOR SMALL AGRICULTURAL STORES ON AGRICULTURAL PRODUCTION LANDS THAT HOST AGRICULTURAL TOURISM EVENTS

Attachment D – A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE DEPARTMENT OF ENVIRONMENTAL HEALTH TO REBATE FEES ON A TEMPORARY BASIS TO FOOD TRUCKS THAT SIGNIFICANTLY PARTICIPATE IN AGRICULTURAL TOURISM EVENTS

SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

May 16, 2018 (5), directed the Chief Administrative Officer to explore options that would make it easier for local, small-scale businesses to provide food and goods, in alignment with the California Retail Food Code and Zoning Ordinance, at community based events on agriculture producing properties in the unincorporated area without burdensome regulations and costs related to the necessary permitting; March 15, 2017 (3), adopted an Ordinance Amending the San Diego County Zoning Ordinance Related to the Agriculture Promotion Amendments; December 14, 2016 (6), adopted an Ordinance Amending County Code Regarding Food Caterers and Catering introduced on November 16, 2016 (1); May 4, 2016 (2), directed the Chief Administrative Officer to conduct a pilot project to study catered food service for public events held at local breweries and wineries; April 27, 2016 (1), adopted an Ordinance Amending the San Diego County Zoning Ordinance to Amend the Wholesale Limited, Boutique and Small Wineries Regulations; October 14, 2015 (1), adopted the an Ordinance Amending San Diego County Code of Regulatory Ordinances. Relating to Bees and Apiaries introduced on September 16, 2015 (1); October 29, 2014 (11), directed the Chief Administrative Officer to conduct CEQA review and draft amendments to the Bee Ordinance; August 6, 2014 (1), directed the Chief Administrative Officer to develop the Agriculture Promotion Program; June 26, 2013 (7), direct the Chief Administrative Officer to look at reducing regulations for other agricultural ventures, such as microbreweries and cheese-making, to further promote agricultural tourism; August 4, 2010 (1), adopted the Tiered Winery Ordinance; June 18, 2008 (5), adopted the Zoning Ordinance to Introduce Boutique Wineries as a Packing and Processing Use Type.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

I-133 – Support and Encouragement of Farming in San Diego

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Environmental Health

OTHER CONCURRENCE(S): Agriculture Weights & Measures
 Planning & Development Services
 Sheriff

CONTACT PERSON(S):

Legistar v1.0

**SUBJECT: OPTIONS FOR STRENGTHENING BUSINESS PARTNERSHIPS FOR
 COMMUNITY BASED AGRICULTURE EVENTS (DISTRICTS: ALL)**

Amy Harbert, Assistant Director

Name

(858) 505-6672

Phone

Amy.Harbert@sdcounty.ca.gov

E-mail

Rebecca Lafreniere, Deputy Director

Name

(858) 694-3595

Phone

Rebecca.Lafreniere@sdcounty.ca.gov

E-mail