



# WASHOE COUNTY PLANNING COMMISSION Meeting Minutes

## Planning Commission Members

James Barnes, Chair  
Sarah Chvilicek, Vice Chair  
Larry Chesney  
Thomas Daly  
Roger Edwards  
Philip Horan  
Greg Prough  
Carl R. Webb, Jr., AICP, Secretary

Tuesday, March 1, 2016  
6:30 p.m.

Washoe County Commission Chambers  
1001 East Ninth Street  
Reno, NV

---

The Washoe County Planning Commission met in a scheduled session on Tuesday, March 1, 2016, in the Washoe County Commission Chambers, 1001 East Ninth Street, Reno, Nevada.

### 1. \*Determination of Quorum

Chair Barnes called the meeting to order at 6:30 p.m. The following Commissioners and staff were present:

Commissioners present: James Barnes, Chair  
Sarah Chvilicek, Vice Chair  
Larry Chesney  
Thomas Daly  
Roger Edwards  
Philip Horan  
Greg Prough

Staff present: Carl R. Webb, Jr., AICP, Secretary, Planning and Development  
William H. Whitney, Director, Planning and Development  
Kelly Mullin, Planner, Planning and Development  
Eric Young, Planner, Planning and Development  
Chad Giesinger, Senior Planner, Planning and Development  
Nathan Edwards, Deputy District Attorney, District Attorney's Office  
Kathy Emerson, Recording Secretary, Planning and Development  
Donna Fagan, Office Assistant III, Planning and Development

### 2. \*Pledge of Allegiance

Commissioner Prough led the pledge to the flag.

### 3. \*Ethics Law Announcement

Deputy District Attorney Edwards provided the ethics procedure for disclosures.

### 4. \*Appeal Procedure

Secretary Webb recited the appeal procedure for items heard before the Planning Commission.

Mr. Webb explained that the Planning Commission was providing a recommendation to the Board of County Commissioners for their final action on Item 9A, and that final action is not appealable. For Items 9B and 9C, the Planning Commission was providing a report to the Board of County Commissioners, and that action is also not appealable. Item 9D is not appealable, because recommendations on the development code were being provided to the Board of County Commissioners for their final action.

## 5. \*Public Comment

Chair Barnes opened the Public Comment period.

There was no public comment.

## 6. Approval of Agenda

In accordance with the Open Meeting Law, Commissioner Prough moved to approve the agenda for the March 1, 2016 meeting as written. Commissioner Horan seconded the motion, which passed unanimously with a vote of seven for, none against.

## 7. Approval of February 2, 2016 Draft Minutes

Commissioner Chesney moved to approve the minutes for the February 2, 2016, Planning Commission meeting as written. Vice Chair Chvilicek seconded the motion, which passed unanimously with a vote of seven for, none against.

## 8. Consent Item

**A. Possible action to adopt** a resolution initiating an amendment to Washoe County Code Chapter 110, Development Code, to clarify when a detached accessory structure may be constructed on a parcel without an established principal use. This amendment would focus specifically on circumstances where the subject parcel is adjacent to a parcel with an established principal use and when both parcels are under the same ownership. The amendment would clarify, codify and remove Interpretation 96-4, *Location of detached accessory structures and garages* and would include updates to the following sections of the Development Code:

- Article 306, Accessory Uses and Structures, Section 110.306.15 Main Structures Required
- Article 410, Parking, Section 110.410.20 Location of Required Parking Spaces – to clarify the circumstances under which a dwelling’s required garage may be located on an adjoining lot
- Article 902, General Provisions, Section 110.902.15 General Definitions – to potentially update definitions for the following terms:
  - Detached accessory structure
  - Lot
  - Parcel of land

Chair Barnes asked if any of the Commissioners had questions about the item or if they wanted the item taken off the consent agenda. None of the Commissioners responded.

Mr. Webb read the item.

Chair Barnes called for a motion.

Commissioner Chesney moved that after giving reasoned consideration to the information contained in the staff report, the Planning Commission:

1. Adopt the resolution attached at Exhibit A to the staff report to initiate a Development Code amendment to Article 306, *Accessory Uses and Structures*, Article 410, *Parking*, and Article 902, *General Provisions*; and
2. Authorize the Chair to sign the resolution on behalf of the Planning Commission.

Commissioner Edwards seconded the motion, which passed unanimously with a vote of seven for, none against.

## 9. Public Hearings

**A. Regulatory Zone Amendment Case Number RZA15-009 (Black Rock Station Specific Plan)** – Hearing, discussion, and possible action to adopt by resolution a Regulatory Zone Amendment and the accompanying Development Standards Handbook and authorize the Chair to sign the resolution. The regulatory zone amendment will change the current regulatory zone from General Rural to Specific Plan to establish a mix of Residential, Commercial and Industrial uses for the general purpose of creating a permanent base of operations for the annual Burning Man event held in neighboring Pershing County. The Development Standards Handbook establishes all necessary development standards and provides maps of the site design including the location of proposed uses. The adoption of the proposed regulatory zone and the Development Standards Handbook will supersede and include all previous Special Use Permits granted to the parcel including SB03-24 (Auto Repair), SW03-25 (Light Industrial Wood/Metal Fabrication), SW04-004 (Storage/Distribution), SW04-007 (Inoperable Vehicle Storage), SW04-008 Communication Facility/Commercial Antenna, and SB04-009 (Operable Vehicle Storage).

- Applicant: Black Rock City, LLC
- Property Owner: Black Rock City, LLC
- Location: 88 Jackson Lane, Gerlach, NV 89412
- Assessor's Parcel Number: 066-030-23
- Parcel Size: 200 Acres
- Master Plan Category: Rural (R)
- Regulatory Zone: General Rural (GR)
- Area Plan: High Desert
- Citizen Advisory Board: Inactive
- Development Code: Article 442, Specific Plan Standards And Procedures
- Commission District: 5 – Commissioner Herman
- Section/Township/Range: Section 30, T35N, R22E, MDM, Washoe County, NV

Mr. Webb provided a brief description of the item.

Chair Barnes asked for ethics or ex parte disclosures. Commissioner Horan received several emails from people commenting on the application. He read the comments, but did not have contact with the people. All of the Commissioners also received emails.

Eric Young reviewed his staff report dated February 22, 2016.

Chair Barnes called for questions from the Commissioners.

Commissioner Horan asked for a summary of what things they can do over and above what they can currently do with their special use permits.

Mr. Young replied that it is being expanded. For residential uses, they are currently allowed to have modular units for temporary housing in that industrial area. This would expand their ability to build a permanent barracks, which is temporary housing. It would include the ability to use cargo container living units when the County's Building and Safety Department develops standards for those and allows them throughout the county. It would give them the ability to build three more single-family units, two of which would be accessory units.

Commissioner Horan asked the number of people who could be accommodated by the expansion.

Mr. Young explained that the current special use permit allows 120 people. This would allow them to have substantially more people. If they filled all of their units at once, then it would total almost 1,000 people. This could only occur once they solve their water and sewer issues. The ability to have these many types of residential units is based on the intent of providing flexibility and options. Mr. Young does not anticipate that they will fill every unit at once, but it does expand the number of people who could be there for any given 90 days at a time. This would be an approximate nine times increase. Mr. Young stated that commercially, they would be able to have a convention and meeting center, which would include the accessory things that would go along with convention and meeting. They could have a restaurant, a bed and breakfast, a hotel/motel. They are proposing cabins, which would be operated as hotels/motels, with no limits on the length of occupation. Agriculturally, their ability to really sell anything would be restricted. The big expansion of commercial uses has to do with all of the things around the convention and meeting center, which they are not currently allowed. Agriculturally, a community farm would be permitted. Some composting would be permitted if they can meet Health Department rules, which are difficult, but possible, to meet. Some other farming activities such as cattle and alfalfa would be allowed and would be new. In the industrial area, they would be permitted custom manufacturing, which would allow for the building of art installations. These would be the sort of art items that are later transported to the annual event. The artistic activities they would like to do come down to custom manufacturing in code. That is not currently allowed. There would be no restrictions on the artistic building timeframe.

Commissioner Edwards stated that this item is the most involved special use permit he has ever seen. He believes that it would be difficult to act on this item without going out to see the 200-acre site. He said that he would have to abstain and was not able, with the information he had, to make a reasonable decision.

Vice Chair Chvilicek stated that the amendment was asking them to adopt a Regulatory Zone Amendment as well as the Development Standards Handbook. But, as she heard from Mr. Young, the Development Standards Handbook is incomplete or has some errors in it now or is missing information. They were being asked to amend their motion to include some

documentation (two items). Vice Chair Chvilicek mentioned a maximum number of single family dwelling units, with each of them able to have a detached accessory dwelling. She asked if container living units and modular units are not also considered detached accessory dwellings.

Mr. Young responded that currently, cargo container units cannot be used for residential. At some point, should the County adopt a building code that allows those, then they would be permitted. Right now, they would not be allowed anywhere. Development code would also need to be amended to allow them to be used as an accessory dwelling. Currently, a modular unit can be used as an accessory dwelling. They could use a modular unit for one of their permanent accessory dwellings. All of the other modular units, should they choose to use those, would have to be used in the temporary sense of no more than 90 days.

Vice Chair Chvilicek asked if a prefabricated modular unit has to be on a foundation.

Mr. Young answered, "Not necessarily." There are different kinds that can be used in a mobile sense without being attached to the ground and without becoming real property.

Commissioner Chesney said that the item is way too complicated for the time they have had to study it. He wants to visit the site, especially after the comments that have been received from neighbors and residents. He wants to abstain on the item for the night.

DDA Edwards encouraged the Planning Commission members to hold off on taking a final position on the matter until all of the presentations were completed.

Mr. Webb mentioned the upcoming applicant's presentation and the public comments. He suggested bringing the item back to the Planning Commission for discussion after closing the public hearing.

Chair Barnes called for an applicant presentation.

Derek Wilson with Rubicon Design Group spoke on behalf of Burning Man. He said that the origin of the project was hearing from residents in Gerlach that Burning Man is present every year. It is not a temporary or a part-time use. Mr. Wilson feels as though they heard that message, and this plan is an attempt to manage that. A lot of these impacts are there. The event is there. The impacts come every year. The site of the event needs support. The idea was to plan, to provide a document with some transparency and direction. He pointed out that many Burning Man employees have come to appreciate and respect the high desert. There is nothing in Burning Man's code of ethics, in their long-range plans, or in their goals for the area that would violate the environment or the visual appeal of the high desert. The site is far too small to be a relocation site for the event. This site is roughly one tenth of the site that is laid out on the playa. It would be neither feasible, nor enjoyable. That is not in anyone's plan, and there is nothing in the document to support that. There is cell service at the site. There is fire safety equipment on the site, and it would be augmented with new development. They have been in discussion with Amy Ray of the fire department and feel confident that she will take a proactive approach to fire safety out there. Mr. Wilson thinks that this plan is a way to enhance fire safety for Gerlach and for this area. Regarding the question of the commercial use of the

hotel, this site is meant to support Burning Man activities. This would include things such as environmental outreach, discussions, meetings, and retreats. They are not a commercial hotel operator and do not want to be. They are looking to have some guest cabins and maybe a meeting room. Agricultural activities would support food service for those customers, including organic vegetable growing, etc. They are not looking to start businesses. The plan goals are to bring some predictability and stability. This would provide a document that the public can review. There is no specific development approved with the plan. The potential residential numbers are eye opening, but they are not headed there right now. That is to provide flexibility. The peak occupancy right now is about 90 people, who are there for a few days per year at their peak time during set up of the annual event. They do not have immediate plans to go beyond that 90. He can see that moving up to 150 in a few years. There are no plans to create a town out there. They like the quiet and the current level of activity. They have been working with county staff for some time on this and would like to come to an approval fairly soon. It provides strict limits on what they can do. The plan really allows for only one additional single-family house. The plan clearly says two single family houses will be maximum, which is a downzone from what they can do right now. With the current zoning, they can do one house per 40 acres. It also provides a mechanism for enforcement. Anyone could review it and see what they are doing on the ground out there. That is the land use plan. He is sympathetic to the difficulty of review with this plan. There is no part of the land out there that is unregulated. Every part has specific limits and allowed uses. The industrial area is already in use. The art fabrication has been going on for years in an enclosed building. It does not have noise impacts. It is not a commercial operation or a location to sell things. The vision for the commercial area is educational and cultural events. The expansion area, anything on the southeast portion, would require them to come back for revisions and additional review. They will not be able to build anything without approval from the county agencies. They have had much discussion and meeting with residents and with Gerlach. Mr. Wilson started working with Burning Man years ago and said there was a bit of wariness on the part of residents. Over the years, he feels it has changed to questions of when they are going to build something and bring some new business, some new activity. He believes there has been quite a bit of buy in from the area.

Chair Barnes called for public comment. There was no public comment.

Chair Barnes called for Commission questions.

Commissioner Daly expressed significant concerns about the distance from Gerlach, which is reported at 20 miles. He said that Gerlach has a limited capability to provide fire and emergency medical services. There is a temporary arrangement between the county and Truckee Meadows Fire to provide staff there; it is not a permanent arrangement. We have yet to hear from the County Manager regarding his plan for permanent facilities. This plan suggests there would be EMTs assigned during periods of activity. Commissioner Daly suggested that, given the distance from any medical facility, they probably want a MASH unit, not an EMT. He offered a motion to continue the matter to the April Planning Commission meeting to allow the Commissioners additional time to study the matter.

Vice Chair Chvilicek addressed Mr. Wilson and the conversations he mentioned in his presentation with different agencies that would have to provide input. But she said that in the

staff report, Truckee Meadows Fire Protection stated that it would not approve the plan and would deny the RZA until they meet with us to provide background.

Mr. Young stated that all of the agency comments are comments that were received immediately upon the agencies seeing the initial submittal. Amy Ray was able to provide significant comments and changes for the safety plan. Mr. Young accepted all of Ms. Ray's changes and put everything she wanted in the plan. Ms. Ray has continued to work with the representative, Mr. Wilson and Rubicon. What is now in the safety plan is the plan that the Fire Marshall updated and to which she made all necessary changes. The appendix to the safety plan is not the one that the Fire Marshall said she would not approve; it is the one that she actually edited. Going forward, there is a provision that Ms. Ray can continue to make amendments to the plan as she sees necessary without having to come back to the Planning Commission to do a full Regulatory Zone Amendment. They did not want to leave out the comments, but subsequent to the comments, the applicant and the Fire Marshall worked to develop the new plan that they now see as the appendix.

Vice Chair Chvilicek clarified that Appendix I is the emergency plan. Vice Chair Chvilicek asked Ms. Ray if she was satisfied that her concerns had been addressed in the emergency plan.

Amy Ray, Truckee Meadows Fire Protection District Fire Marshall, affirmed that she was satisfied. She had met with Mr. Wilson on the previous day to go through the plan again and make some additional changes. Ms. Ray approved the additional changes on that previous afternoon and is very satisfied with the plan they have currently put together. It addresses staffing at the area and infrastructure on the property so that they are managing what comes through residential and what comes through commercial. They spoke about how to manage any parking of travel trailers, what temporary meant, and how to handle the plan-specified periods of time during certain parts of the event when the plan is null and void. They clarified these periods of time by listing specific times. They added the component allowing them to revisit and renew and make changes at any time necessary.

Vice Chair Chvilicek asked if the Gerlach Volunteer Fire Department is now staffed by a career fire fighter.

Ms. Ray affirmed that currently Truckee Meadows Fire is staffing the Gerlach Volunteer Fire Department Station in an agreement with Washoe County. Washoe County owns the property. A change made in the emergency plan includes that the specifics will be addressed with Washoe County itself, regarding how the plan will be implemented. One part of the plan suggested funding in a specific dollar amount for the station; they changed the language to say that they would visit with Washoe County to determine the specific needs for that station. The plan now clarifies dealing with Washoe County and possibly Gerlach itself and not necessarily the volunteer fire station. They are not sure who will be responsible for fire services in Gerlach in the future. They added language to accommodate the Gerlach area, versus just the volunteer fire station.

Vice Chair Chvilicek asked if there is not currently an active volunteer fire department.

Ms. Ray confirmed that there is not an active volunteer fire department.

Commissioner Prough asked about the equipment currently in the area, which Mr. Young stated would meet specific needs. He asked when, if this is approved, additional equipment might be purchased and maintained out there.

Ms. Ray said this was not addressed. They also want to look at the capabilities out there. Having a fire truck in the area does not mean that they have staffing to operate that piece of equipment or that the equipment will be able to function appropriately with what is developed as far as residential, commercial, or the water system infrastructure that is put in for fire suppression or anything of that sort. They did not discuss any of the equipment needs.

Commissioner Prough asked Ms. Ray if she believed that it was adequate today to handle any emergency.

Ms. Ray said that she could not answer. She visited the site a couple of years ago, but she did not evaluate their equipment.

Chair Barnes called for any additional Commission questions. There were no questions.

Chair Barnes closed the public hearing and brought the item back to the Commission for discussion.

Commissioner Horan expressed concern that the plan that was put forward is much more expansive than what is required. He feels they may be going farther than necessary. He is concerned about how the document was put together.

After listening to the presentations, Commissioner Prough felt that they are trying to get a handle on a conglomerate of special use permits that have grown and snowballed over the years. He believes they are trying to organize to make this a better event. He likes what he heard that night. He thinks they are trying to get a handle on something that would help control this. They addressed his concerns, which were them having to come back for different permits and issues. He is going to support this, because he believes it is a positive step toward what it should be. He believes there is enough control that it will not get out of hand, even with all of the comments that he did receive.

Commissioner Chesney expressed concern with control and enforcement. He said that this is a long way away and we have a limited enforcement staff. These staff have their hands full with things close to town. If they can barely reach out to Palomino Valley, then what will they do about Gerlach and 20 miles beyond that? From comments received from neighbors, it does not sound as though they have been really good neighbors to this point in time. This concerns him.

Commissioner Daly said that the Fire Marshall's comments may well satisfy all of his concerns. However, he was not comfortable that some of the changes were made as late as the previous day, were not part of the public record, and were not part of the presentation to the Commission. He renewed his motion to continue this matter to the April meeting.



Chair Barnes asked if there was any additional discussion. There was none.

Chair Barnes called for a motion and stated that Commissioner Daly had made a motion.

Commissioner Edwards seconded the motion.

Commissioner Prough asked if the motion before them for the item would become moot if they approved or disapproved this. He asked if it would carry to the next month. He said that the motion made was different than the motion before them.

Mr. Webb answered that the motion was to continue the item. The item would come back to the Planning Commission and be continued at a date time certain. At the conclusion of the continuance, then one would assume that as a Planning Commission, they would make another motion for approval, recommend denial, or whatever it might be at that time.

Commissioner Daly added that getting more detail from staff, whether it is Planning or TMRFP, would make this go more smoothly.

Mr. Webb added that from his understanding of the discussion, there was concern from some of the Planning Commissioners about not yet having had the opportunity to visit the site. If the Commission decides to continue the item, then they can coordinate through staff for visits. They would have to be careful, because if the entire Planning Commission met, then that would become a meeting. But that does not preclude individual Planning Commissioners, or a small number of Commissioners who do not form a quorum, from visiting the site. That would then entail disclosure of what they saw and what they discussed at the location during the April discussions.

Mr. Young requested that the Planning Commission provide staff with any direction or any expectations for what they would like to see occur over the intervening time between now and the time certain of the next meeting. He would like to know what information they might be seeking from staff and from any other agencies prior to the time of the next meeting.

Vice Chair Chvilicek asked about the possibility of convening a workshop on the property as a Planning Commission.

Mr. Webb imagined that if they wanted to do something like that, then it would probably be a site visit. He thought that a more appropriate meeting location might be in Gerlach, as opposed to on site. He asked Mr. Wilson if they have facilities.

Mr. Wilson said that he is always looking for more direction from decision makers. He has an obligation to keep his client's project on a timescale. There is no meeting facility at the site right now. There is the Gerlach Community Center. They could walk the site if that is what people wanted to do. Sitting down and discussing things would probably occur back in town.

Vice Chair Chvilicek told Mr. Young that it would help her to see the additions. She would like to see the two items that Mr. Young had requested they add back into the motion. One of these items was in regard to the temporary housing in the industrial area. She is much more comfortable making a decision based on an entire packet, which includes an entire document with all of the language in the motion. She also mentioned the Area Plan, the High Desert Plan, and asked if the one in effect is the one dated September 9, 2010. She noticed a different date on the Development Code.

Mr. Young replied that the Development Code and the Area Plan are both in the packet.

Vice Chair Chvilicek asked that Mr. Young incorporate an updated comment section, which includes any more recent comments from county departments. The older comment section in their packet included comments that implied that the agencies were not in support.

Mr. Young asked if Vice Chair Chvilicek was referring specifically to the one from fire.

Vice Chair Chvilicek replied fire, Health Department, Engineering and Capital. The Health Department had an extensive twenty points. Capital improvements is a traffic analysis. She would like to see how those comments are incorporated into the Development Handbook.

Mr. Young clarified with Vice Chair Chvilicek that she would like to see how they responded to the agency comments. Mr. Young also said that he can provide a motion which includes language to add the two items that were not in the plan. He believes that if they are simply continuing to another meeting, then they will need to use the same document. If they provide a new document, then the public process must be completed again.

Vice Chair Chvilicek said that would work.

Commissioner Prough added that Vice Chair Chvilicek also asked for revised comments from departments. He mentioned fire, which has a revised statement that contradicts what is in the packets. If there are any statements of this sort from other departments, then then they would like those, as well.

Commissioner Horan expressed concerns about the expansive nature of the specific plan, versus what the applicant said regarding their plans. He has concerns about proving the plan as it was described without scaling it back some regarding the ability to have as many people as Mr. Young mentioned. It goes way beyond the special use permits that have been issued so far.

Mr. Webb made a couple of points for clarification. According to the District Attorney's representative, if the Planning Commission decides to continue the meeting, then material can be provided in addition to the current packet. Some of Vice Chair Chvilicek's concerns about updating agency comments or specific responses to the individual items that are in another agency's list or bullet points can be provided at the meeting. The goal would be that these could be available to the Planning Commission in a normal distribution prior to the meeting and also available to the public prior to the meeting. Regarding the discussion about a potential

workshop in the Gerlach area, the Planning and Development staff would need to talk with the County Manager's Office. There is a lot of administrative background that happens when you move any board or commission to another location. This includes Clerk support and District Attorney support. If the Planning Commission is amenable, then Mr. Webb would offer that they are succinct to staff in their motion regarding the things they would like to see, including the comments that were made by the Commissioners about additional information and material. He asked that they provide staff the latitude to look into a workshop, and if the workshop is not feasible, then allow staff to offer any interested Commissioners a site visit. He asked that they keep in mind the quorum restrictions. He asked for any other guidance that would be necessary to give staff direction if they act on a continuance.

Vice Chair Chvilicek said that she asked the question, because several comments were made about not seeing the parcel/property.

Commissioner Daly moved to continue this matter to the April meeting and asked staff to provide any supplemental information that would be helpful to the Commissioners' discussion.

Mr. Webb stated that the April meeting date was April Fifth. He asked if the motion included any potential investigation of a workshop or potential site visits.

DDA Edwards stated that they could only move to continue or not continue to the April Fifth meeting. It had been made clear that any Commissioners who would like to make a site visit in the interim are free to do so and make arrangements with staff.

Chair Barnes called for a vote on the motion. The motion passed unanimously, with a vote of seven for, none against.

Commissioner Edwards commented that he enjoys the Burning Man event. He believes this item is long overdue and knows that some residents do and some do not. He did not want any misunderstanding on what had happened that evening.

**B. Master Plan Amendment Case Number MPA15-003 and Regulatory Zone Amendment Case Number RZA15-005 (Blackstone Estates)** – Discussion and possible action to send a report to the Washoe County Board of Commissioners regarding the Board's potential decision to approve the following two amendment requests despite the Planning Commission's original denial:

- (1) To adopt an amendment to the Washoe County Master Plan, Spanish Springs Area Plan to change the Master Plan Category on one parcel of ± 58.49 acres from a mix of Suburban Residential (SR), Industrial (I) and Commercial (C) to Suburban Residential (SR); and
- (2) Subject to final approval of the associated Master Plan change, to recommend adoption of an amendment to the Spanish Springs Regulatory Zone Map, changing the Regulatory Zone from a mix of Low Density Suburban (LDS), Open Space (OS), Industrial (I) and Neighborhood Commercial (NC) to Medium Density Suburban (MDS).

- Applicant: SP58, LLC, 439 W. Plumb Lane, Reno, NV 89509

- Property Owner: Jacie, LLC c/o Douglass Properties, LLC
- Location: On the north side of Calle De La Plata, approximately 650 feet east of its intersection with Pyramid Highway.
- Parcel Size: ± 58.49 acres
- Assessor's Parcel Number: 534-571-01
- Previous Master Plan: Suburban Residential (SR), Industrial (I) and Commercial (C)
- Proposed Master Plan: Suburban Residential (SR)
- Existing Regulatory Zone: Low Density Suburban (LDS), Open Space (OS), Industrial (I) and Neighborhood Commercial (NC)
- Proposed Regulatory Zone: Medium Density Suburban (MDS)
- Area Plan: Spanish Springs
- Citizen Advisory Board: Spanish Springs
- Development Code: Article 820, *Amendment of Master Plan*  
Article 821, *Amendment of Regulatory Zone*
- Commission District: 4 - Commissioner Hartung
- Section/Township/Range: Section 23, Township 21N, Range 20E, MDM, Washoe County, NV

Mr. Webb provided a description of the item.

Chair Barnes asked for ethics or ex parte disclosures. Commissioner Daly discussed the item with County Commissioner Hartung.

Chair Barnes opened the public hearing.

Kelly Mullin presented her staff report, dated February 16, 2016.

Commissioner Edwards asked if these presentations were warranted, because these were previous items returning to the Planning Commission. He believed the Commission was present to perform their part in the matter, rather than listening to presentations. He commented on the size of the packet for this item. Unless there was a change, Commissioner Edwards believed that the focus should be on the Planning Commission coming up with a response to the Board of County Commissioners' actions.

Mr. Webb explained that the purpose of the presentations was to provide the Planning Commission with a summary of the Board of County Commissioners' (Board) actions and their subsequent reversal of the Planning Commission's decision. The presentations for both will be a summary of that action. The thick packet was to make sure that the Planning Commissioners received a summary, the extract of the Board's minutes, and a complete background. This was to allow the Commissioners to provide comments, issues, concerns, and recommendations as a part of their report back to the Board. Ms. Mullin's purpose was to provide a summary and the two actions that the Planning Commission could take. The summary was also provided for members of the public.

Commissioner Prough disclosed that he had emailed Ms. Mullin to ask if there were any changes since the last time the Planning Commission heard the matter, and she confirmed no changes. Commissioner Prough asked if the Planning Commission was deciding whether or not the Board of County Commissioners' opinions on whether this item does meet the specifics to make this finding differs from what the Planning Commission saw. He asked if they were ruling on that at the meeting.

Ms. Mullin replied that the Planning Commission had the opportunity to provide individual comments in their report, specific to the action that the Board took, including the findings that the Board made at their January 26, 2016 meeting. This could be provided in individual or collective form. The report could be similar in format to the report they provided on the Sign Code.

Vice Chair Chvilicek addressed Ms. Mullin. She asked about the property location on the east side of Pyramid Highway. In the Area Plan, the Character Statement says, "the existing and desired land use pattern in Spanish Springs planning area is discussed in the following text: A distinct suburban core is and will continue to be concentrated along Pyramid Highway." Vice Chair Chvilicek stated that they were in agreement there. "The suburban core includes a broad mix of non-residential uses together with residential densities of up to three dwellings per acre. These suburban land uses are located predominantly, but not exclusively, on the west of Pyramid Highway. Outside the suburban core the transition to a more rural character occurs. This transition occurs more rapidly in the west as elevation increases and then to the north and east, the transition to rural stretches out into the valley, includes lower density." Vice Chair Chvilicek stated that the Character Statement says that lower density is on the east side of Pyramid Highway.

Ms. Mullin responded that this was discussed at the Planning Commission's hearing when they did hear this item. It was not specifically addressed by the Board in their review, or at least during discussion, was not mentioned in any detail. Commissioner Hartung did mention the Character Statement in passing. That is something that Vice Chair Chvilicek could speak to again in the individual comments or collective comments that are made from the Planning Commission to the Board.

Chair Barnes called for the applicant presentation.

Mike Railey with Rubicon Design Group spoke on behalf of Blackstone Development Group. He did not have a presentation or any new information to provide that was not presented at the Planning Commission's previous meeting.

Chair Barnes called for public comment.

Larry Thomas did not want to rehash infrastructure, schools, and everything that they do not have out there. He addressed the Character Statement. He said that when you go east on Calle De La Plata, there is a sign that says Spanish Springs Valley Ranches. If that is not a character statement, then he does not know what is. He appreciated Commissioner Prough's comment at the last meeting about property rights and another Commissioner who voted against it, but who also said that we have to expect development out there; a property owner has rights to develop. Mr. Thomas does understand, appreciate, and agree with that. He does not agree with someone who does not live out there buying a bunch of land and totally changing their lifestyle. He does not have a problem with someone who has property out there and wants to have a small business or split it into five-acre parcels or something like that. As far as character statements go, he believes this is way out of the park. He added that not that long ago, that part of Calle De La Plata was a private road. He said that he does not know how the county pulled it off, but they assessed all of the property owners \$20,000 to pave the road. He wonders if this was a backdoor way to get control of Calle De La Plata so they could bring in this kind of development. He reiterated the character statement: it might not be your traditional description of ranches, but that is the sign. It is a development, and they are trying to put two developments within an existing development that states what it was originally for and why they all bought out there. He asked the Planning Commission to take that into account. This is not going up the highway in the character statement that the county is trying to explain to us. This

is unique. The other side of the highway, as someone pointed out at the last meeting, they were not against development. They approved 400 houses, and he felt that was great. He agreed with that. He is a contractor and is all for development. But he believes this is changing the complete lifestyle, and it is just not right. He asked the Planning Commission to keep in mind that it was a private road, and there is a sign that says Spanish Springs Valley Ranches, not Blackstone or Sugarloaf or anything like that.

Chair Barnes invited the Commission to ask questions.

Vice Chair Chvilicek asked Ms. Mullin about the two options provided in the possible motion. The suggested motion does not include approval of the Master Plan and Regulatory Zone amendments; it is providing a report.

DDA Edwards said that the Planning Commission's report back could be a report that they are in approval with what the County Commission has indicated it wants to do.

Chair Barnes closed the public hearing and called for Commission discussion.

Commissioner Edwards said he did not feel any different than the last time he denied this. He understands that they have to look at development, and development is going to come to that area. His concern is with Master Plan Amendments and changes like these that do not address transitional-sized lots and so forth on the borders, because they cannot do that in this format. It is either accepting three per acre or turning it down.

Vice Chair Chvilicek acknowledged that a Master Plan Amendment and Regulatory Zone Amendment are the first steps in a long process. These are followed by the plans submitted for review and such. Through her definition and her understanding of the Spanish Springs Area Plan, her concerns continue to be that this project, as presented, is in conflict with the Spanish Springs Area Plan. In order to go along with the Board of County Commissioners' denial, her individual comment would be addressing the Spanish Springs Area Plan and the project not being in compliance with the Spanish Springs Area Plan. It is her understanding that the Area Plans have a lot more teeth than other planning documents. She asked if this was correct.

Mr. Webb replied that the Master Plan documents are the overriding document for development. Regulatory Zone Amendments and Development Code Amendments have to conform to the Master Plan. That is why "consistency with Master Plan" is a part of the findings.

Vice Chair Chvilicek asked if this was consistency with the Master Plan or with the Area Plan.

Mr. Webb explained that the Area Plan is a part of the Master Plan.

With no further discussion from the Commissioners, Chair Barnes called for a motion.

Commissioner Edwards made a motion to send a report back to the County Commission overturning their denial of the Planning Commission's action. He asked if that was correct.

DDA Edwards explained that the Planning Commission does not have the authority to overturn what the County Commission is doing. He said that they could report back, indicating the reasons why they disagree with an approval. The Planning Commission can state those reasons as one or individually after the motion is seconded.

Commissioner Edwards made a motion to make a report to send back to the Board of County Commissioners disagreeing with their overturning of the Planning Commission's denial. Commissioner Prough seconded the motion.

Chair Barnes called for discussion on the motion and invited the Commissioners to provide their reasons for disagreeing with the County Commission.

Commissioner Prough said that it does not conform to Area Plan.

Commissioner Horan said that it does not compare with the required finding number one, and the availability of facilities is also lacking in that regard.

Commissioner Edwards feels that it does not conform to the Area Plan. He knows there is development on the way, but he feels that it is probably not the right time. He said that it does not conform to the Area Plan, and it would change the whole character of Spanish Springs.

Chair Barnes feels that it does not conform to the Area Plan.

Vice Chair Chvilicek feels that it is inconsistent with the Master Plan and does not conform to the Spanish Springs Area Plan.

Commissioner Chesney agreed that it is inconsistent with the Master Plan and does not conform to the use.

Commissioner Daly concurred that it does not conform to the Master Plan, the Area Plan, and the vision and Character Statement.

Chair Barnes called for any additional discussion on the motion.

Commissioner Prough said that when the Planning Commission last reviewed this, the motion was without prejudice, allowing the developer to come back with one unit per acre, etc. He asked if this was the appropriate time to add with prejudice.

DDA Edwards said it would not be the right time. That would have been at the last meeting. This is now a report.

Commissioner Barnes called for a vote on the motion, which passed unanimously with a vote of 7 for, none against.

**C. Master Plan Amendment Case Number MPA15-004 and Regulatory Zone Amendment Case Number RZA15-006 (Sugarloaf Ranch Estates)** – Discussion and possible action to send a report to the Washoe County Board of Commissioners regarding the Board's potential decision to approve the following two amendment requests despite the Planning Commission's original denial:

- (1) To adopt an amendment to the Washoe County Master Plan, Spanish Springs Area Plan to change the Master Plan Category on one parcel of ± 39.84 acres from a mix of Industrial (I), Commercial (C) and Open Space (OS) to Suburban Residential (SR); and
- (2) Subject to final approval of the associated Master Plan change, to recommend adoption of an amendment to the Spanish Springs Regulatory Zone Map, changing the

Regulatory Zone from a mix of Open Space (OS), Industrial (I) and Neighborhood Commercial (NC) to Medium Density Suburban (MDS).

- Applicant/Property Owner: Sugarloaf Peak, LLC., 2777 Northtowne Lane  
Reno, NV 89512
- Property Location: North side of Calle De La Plata, approximately 2/10 of  
a mile east of its intersection with Pyramid Highway
- Parcel Size: ±39.84
- Assessor's Parcel Number: 534-562-07
- Existing Master Plan: Commercial (C), Industrial (I), Open Space (OS)
- Proposed Master Plan: Suburban Residential (SR)
- Existing Regulatory Zone: Neighborhood Commercial (NC), Industrial (I), Open  
Space (OS)
- Proposed Regulatory Zone: Medium Density Suburban (MDS)
- Citizen Advisory Board: Spanish Springs
- Area Plan: Spanish Springs
- Commission District: 4 – Commissioner Hartung
- Section/Township/Range: Section 23, Township 21N, Range 20E, MDM,  
Washoe County, NV

Mr. Webb provided a description of the item.

Chair Barnes asked for ethics or ex parte disclosures. Commissioner Daly discussed this matter with County Commissioner Hartung. Commissioner Prough emailed Roger Pelham on the case to find out if there had been any changes.

Chair Barnes opened the public hearing.

Kelly Mullin offered to review Roger Pelham's staff report, dated February 9, 2016. She mentioned that the presentation was similar to the previous presentation for Blackstone Estates. She offered to go through the details again or to simply be available to answer questions.

Chair Barnes asked the preference of the Commissioners.

Vice Chair Chvilicek asked on which side of Pyramid Highway the project resides.

Ms. Mullin answered that it is located on the east side of Pyramid Highway.

None of the Commissioners requested a presentation from Ms. Mullin. Chair Barnes called for an applicant presentation.

Garrett Gordon represented Sugarloaf Peak, LLC. He provided no presentation, but was available for questions.

Chair Barnes called for public comment.

Larry Thomas reiterated everything he already said. He said that he was not sure if it had anything to do with their report back to the Commissioners, but they stated that this would be less of an impact than some industrial project that might happen as it is zoned out there. He stated that they would probably fight that just as hard. That does not fit in with Spanish Springs Ranches either. Some of them out there think that a lot of the industrial zoning is suspect, because the county is only required to notify 750 feet away from residences out there, and that



pretty much covers one residence. As far as a report would go, if he was talking to them, he would say that does not fit anyway. Even if it would be more of an impact, they would fight anything substantial. In his mind, it makes no difference that it is less of an impact, because that would not be right either.

Dan Fuhrman lives half a mile away, up the road. He is glad that they are turning this back on the County Commission. He sees this like the assessment; they get it shoved down their throats. He said that he just finished paying off the \$20,000 that was shoved down his throat. He lives on a dirt road, and he likes it that way. That is why he moved out there. He has three kids. Two of them go to Alyce Taylor and one will be attending in the fall. He does not think it is fair that his kids would have to be shoved into a portable classroom or something on wheels to continue their education just because someone wants to make a bunch of money off a small parcel of land. There is plenty of land; they can move someplace else. Mr. Fuhrman said that he is not against people making money and building up a large area out there. But he said that it does fall well outside the character of why all of them moved out there. On the way to the meeting, when he hit the intersection at Calle De La Plata and Pyramid, he decided to time it. He left his house at 5:30 and hit the intersection. It took him nine minutes and 46 seconds to turn left onto Pyramid because of the traffic, and he was the first one in line. He saw the report from the Transportation Commission. He does not know how they can come to the conclusion that it would be less traffic or less of an impact. He thinks it is ridiculous and is not sure how they come up with their numbers. He said that if you spend any time out there, you will see. At 7:00 in the morning, it takes 20 minutes to get his kids across the highway to school because of the intersection, even though he lives five miles away. The classrooms are already overcrowded. They say 94% at Alyce Taylor, but there are 25 kids in his kids' classroom. Adding 30 or 40 kids might not seem significant, but it is significant to those who are already out there and have established something. He appreciates the Planning Commission throwing it back at the Commission. He added that if you spend some time out there, then you will see that it is well outside the characteristics of the community.

Chair Barnes invited the Commission to ask any questions of staff, the applicant, or members of the public.

Vice Chair Chvilicek addressed staff for clarification. She asked if the Board of County Commissioner's (Board) overturning of the Planning Commission's denial meant that the Board had approved the Master Plan Amendment and the Regulatory Zone Amendment.

Mr. Webb answered no. The Board potentially reversed the Planning Commission's denial. The Board did not take final action. Mr. Webb asked the Commission to consider the item just previous to this, on which the Planning Commission had already made a report. That previous item will be scheduled for a County Commission meeting. The County Commission will consider that report, and then they will take final action on the appeal case. They will make a decision at that time to reverse the Planning Commission's denial, uphold the Planning Commission's denial, or modify it again and return it to the Planning Commission for another report. But if the Board reverses the Planning Commission's denial, then the Board has the authority and the ability in that motion at that time to approve the Master Plan Amendment. Then they would take the next action on the Regulatory Zone Amendment. If approved, then the Regulatory Zone Amendment would be subject to the final conformance review with the Regional Plan of that Master Plan.

Chair Barnes closed the public hearing and called for discussion among the Commissioners.

Commissioner Edwards said that if this item came to them with one per acre or one per five, then that impact on the community would be acceptable. He said that he understands the

developer cannot make any money on the one per acre or one per five. He said that they chose to talk to their people at the County Commission or whatever happened. He said it was not the first time it had happened to this Planning Commission in the seven and a half years he has been on it. He intends to not change his mind.

Chair Barnes called for a motion.

Commissioner Edwards moved that the Planning Commission send a report back to the Board of County Commissioners upholding their original denial of the matter. Commissioner Prough seconded the motion.

Chair Barnes called for discussion on the motion.

Vice Chair Chvilicek asked if they were going to have the opportunity to provide individual comments.

Chair Barnes affirmed that they would go through similar to the last time. Chair Barnes began the process of taking individual comments.

Commissioner Prough stated that his findings were the same as before. It is out of character to the area. In addition to the impact on the schools, etc., it is not appropriate at this time.

Commissioner Horan said that, without repeating, he supported in the same way.

Commissioner Edwards said that the density of the project was wrong to begin with, and it is still wrong.

Chair Barnes agreed with the comments that had been made previously.

Vice Chair Chvilicek said that, per her reading of the Area Plan, it is not consistent with the Master Plan. It is not in compliance with the Spanish Springs Area Plan. It is counter-indicated in the vision statement and the Character Statement of the Spanish Springs Area Plan.

Commissioner Chesney agreed with Vice Chair Chvilicek's comments.

Commissioner Daly concurred with Vice Chair Chvilicek's comments.

Chair Barnes called for a vote on the motion, which passed unanimously with a vote of 7 for, none against.

**D. Development Code Amendment Case Number DCA16-001** – Hearing, discussion, and possible action to amend Washoe County Code at Chapter 110 (Development Code) within Article 302, *Allowed Uses*, at Section 110.302.05.3, *Table of Uses (Commercial Use Types)* to allow/expand the Liquor Manufacturing use type (which includes wineries) to the Rural Residential, General Rural, and General Rural Agricultural Regulatory zones; within Article 304 (*Use Classification System*) at Section 110.304.25 (s) to clarify that wineries are included in the Liquor Manufacturing use type definition and to allow recurring special events in conjunction with Liquor Manufacturing uses as part of an approved Special Use Permit; within Article 410 (*Parking and Loading*) at Section 110.410.10.3 to establish parking standards for the Liquor Manufacturing use type.

Mr. Webb provided a brief description of the item.

Chair Barnes called for ethics or ex-parte communications and disclosures. There were none.

Chair Barnes opened the public hearing.

Chad Giesinger presented his staff report, dated February 9, 2016.

Commissioner Edwards asked Mr. Giesinger what the special use permit expense would be for a small winery of two to five acres.

Mr. Giesinger stated that the special use permit application fee would be \$3,450. When Mr. Giesinger mentioned this in the workshop, he received responses that they would need to hire consultants, which would cost an additional several thousand dollars on top of the application fee.

Mr. Webb added that there are several categories for commercial, industrial, and civic use types for special use permits. Mr. Giesinger was quoting the cost for a major commercial special use permit application. There is a note on the fee table listing major permit applications, and one of the entities listed is an eating and drinking establishment. A winery is a drinking establishment. The administrative permit cost for none-Tahoe locations is \$1,794.

Commissioner Edwards asked if a winery could cut the cost considerably by not serving on the premises.

Mr. Webb stated that a winery, by definition, means that you are producing a product and selling alcohol for consumption. You either sell by the glass on the premises or sell for retail, by the case or by the bottle, and someone leaves with it. In the liquor world, that is called off-premise sales.

Commissioner Edwards asked if the special use permit would be a one-time cost.

Mr. Giesinger confirmed. The special use permit would theoretically run with the life of the winery.

Chair Barnes called for an applicant presentation.

Mr. Webb explained that Washoe County is the applicant.

Chair Barnes called for public comment.

Mike Steedman disagreed with the winery definition. He stated that a winery's production is not the sale of alcohol. A winery is production of grapes, fruit into wine. The special use permit is going to be \$3,400, but that is not all of the other fees that might occur. There will be a fee to find out how many people are going to show up there. What is the road, the impact, and everything else? Most of the people to whom they have spoken are going to be looking at \$10,000. All they wanted done at the state was taking out six words. They could not have a winery in a county that was over 100,000. The whole bill became twice as long. The other counties could have two tasting rooms, but they could only have one. In your tasting rooms,

you could only sell your own wines. This is a winery bill, not a vineyard bill, but you have to have 25% Nevada vines. He said that is a vineyard, not a winery. The lobbyists told everybody that all of the other states are going toward 30 to 50%. To be a winery of a state, a lot of the states are going you have to have 30 to 50% grapes from that state. Mr. Steedman said that was a lie. That is to be a wine from that state. He said that they are already in the three-tiered system. Half of whatever they produce has to go to the distributor. That means that he has to sell half of his product to the distributor at cost. He believes that the only way that small boutique wineries in California make their money is that they do not have to go through the three-tiered system. They want a great vision. They want to look 30 years from now. They are going to be back at the legislature. They want to change the laws. Why they want to come back and see you in two years because this does not work; it is not a viable business. Here is the state dictating how they are going to run their business. They want a winery overlay.

Jade Miller wanted to give some perspective on the different sizes of wineries. He sees three different components in the wine industry. There is a vineyard that grows the grape and the fruit, a winery that makes those grapes and fruit into wine, and a tasting room into which the public comes to taste wine and purchase beverages. Mr. Miller lives in Washoe County and has a one plus acre parcel on which he has lived for 33 years. It is zoned Low Density Suburban. He has been working with UNR for several years. The University of Nevada has been doing an experimental vineyard since 1995. It has shown that this region has a lot of promise in the wine industry. He said that they are looking for ways to avoid creating barriers and to help the infancy of this wine industry. The way wine industry works is with little ma and pa organizations and families growing grapes and showing that they can produce wine, and then it becomes evident that this could be a viable commercial product in an area. About two and a half years ago, Mr. Miller planted a vineyard of close to 1,000 vines on about three quarters of an acre. He has no goal to have a winery with a tasting room on site. His grapes are not producing yet; it takes about four years. For a number of years, he has been purchasing grapes from outside of the state and making his own in a home-based winery. His goal is to just have the three quarter acre of grapes, have the little winery production that he currently has, and produce wine. When the time comes that you can have an off-site tasting room, he would like to sell that wine through the off-site tasting room. This would require a different perspective in that it is outside of the Rural zoning category; it is in Low Density Suburban. He is asking to look at something like this where there is no on-site tasting room and no on-site sales, so there would be virtually no impact as far as public or special events. He would like this allowed on Low Density Suburban and allowed through an easier system than the special use permit.

Joe Bernardo has a seven and a half acre rural parcel. Twenty years ago he went through the UNR agriculture program, learned about growing grapes, and started growing grapes. For the last twenty years, he has been making wine for his own personal consumption. He has given a little bit back to UNR for their promotion, so they can raise money. He was the vineyard manager at UNR for the past several years. He is pretty familiar with growing grapes and is a farmer at heart. He wanted to have a boutique winery, because he has a little building on his property. He thought it would be nice to get back a little of the money that he spent making wine. He currently has about \$25,000 invested out of pocket just in equipment. He would like to see the boutique winery, which produces like he does about 40 cases max per year (five in his worst year and 40 in his best year). He has 600 vines that are producing wine and have been for several years. He has one that is 15 years old. He understands what a boutique winery is. This is how California, Washington, and many of the areas ended up with many little wineries and how the areas became known as wine regions. He thinks that the boutique winery should not have to use a special use permit, because he could not afford one. He would not be able to ever sell his wine if he had to buy a special use permit. He calculated his situation, and it would be about \$10,000 by the time he got everything done. He has plenty of room, and his nearest neighbor is over 1,000 feet away. He has a lot of parking, because he has a huge two

and a half acre flat area. He thinks they need to talk about boutique wineries as the backbone of building the wine industry in Nevada and one of the main ways of turning this into a known wine area.

Jason Schultz is on the board of Nevada Vines and Wines and Taste of the High Desert Wine Club, which total over 200 members. They would like to see the special use permit removed and add a classification system for the small, rural wineries. This would create a working and recognized system for zoning and licensing requirements. They are asking for a simplified administrative permit, similar to the Placer County permit or a Washoe County home-based license with a modification. Modifications are allowed on home-based licenses per each situation. Mr. Schultz said that the classifications of small wineries that have been heard tonight are the most likely wineries to start up. The larger-scale, Napa-style wineries are not what they are discussing. Those are the ones that would have 100 people come every weekend with large 200-person weddings and large events. They think the smaller wineries will have less impact on the neighborhoods because of the case-sale limits. But the small wineries will also outnumber the total license submitted. The next classification after the winery only, of which Jade spoke, and then boutique, of which Joe just spoke, would be small wineries. A small winery will have a tasting room with onsite sales from 1,000 to 5,000 cases. This is most likely owned by a family. It is a hobby and a secondary income when you are first starting. This explains why they cannot spend thousands of dollars for start-up permits. Other larger wineries may be able afford the special use permit, and it should be required. They will be extensive and over 5,000 cases. A very good number of the areas that they have researched have these case sale limits. The case sale limits directly impact the amount of sales and the amount of impact on the neighborhood. If you only have 1,000 cases to sell, and if the distributors are going to take half of that, then you are really only talking about 500 cases of wine. That could be sold in a few months in the summer, and there would be no one coming in the winter. The impact is very low depending on where the classifications are. In the neighboring counties of Placer, Eldorado, and Nevada, 75 to 85% of the wineries are in the smaller categories up to 5,000. We set the limits where they are, because it restricts them to the 1,000 cases. In speaking with the business owners in those counties, once you reach that 5,000 case threshold, the majority of them said that is where it turns into more of a commercial business. After that, they believe there should be a special use permit because of the impacts.

Adrian Dyette lives on ten acres in Spanish Springs. His property is zoned General Rural. He has been a realtor for 25 plus years. He has been a loan originator for approximately 20 years. He is looking at this with a real estate eye. Investors and homeowners ask him if they can subdivide their land. He tells them to call Washoe County. The bottom line is no more straws in the ground. He went to Sparks and talked to the engineer, and they said that sewer is the issue. They have 1,700 hookups left. Now when investors call him, he says that they have an opportunity. They might be able to open a small boutique winery. They are asking Mr. Dyette to give them a call when the dust settles. He asked the Planning Commission to really support the small scale winery. For anyone to put in a vineyard, it is a capital expense. He is currently looking to put in a vineyard, but he needs to work with them. They need a way to hold down the cost so that it is not cost prohibitive. A vineyard beautifies the neighborhood and the community. He believes it is a great way to get our community going again. A vineyard does not use that much water. He said that we have an opportunity to revitalize Spanish Springs and our community and move them up a notch. He said that this is going back to Nevada's agricultural roots.

Cindy Gilbert said that when she thinks of wine tasting, she thinks of going to a rural area with a vineyard and wine-making facilities on the premises. The best thing is when there are several different tasting rooms in close proximity to each other. In her travels, she and her husband have encountered such places in the New York Finger Lakes region, Nevada County, California,

and Washington State. In order to jumpstart the wine industry in Northern Nevada, Ms. Gilbert believes that we need to create that diverse destination where people can have access to this type of wine tasting venue. Rural areas give people a chance to relax and take in the scenery, while tasting wine and purchasing more for later consumption. These wineries generally have a vineyard on the premises, but that might not be the only place they obtain their grapes for their wine making. Grapes can be bought from other places and transported to create more volume. However, the winemaking process is usually created at this location. Many rural or boutique wineries create a smaller number of cases, and it is more of a hobby to share with others. The people who facilitate these places are usually members of a family unit, using land they already own to create something more. This type of winery does not have the funds that major wine making companies have for the startup and maintenance of their business. The benefit of boutique wineries is that they are unique and personal. Visitors make plans to visit this type of winery due to the ambiance. Generally this is the most common type of wine tasting facility, with more than 75% of neighboring states' wineries being boutique wineries. In contrast to this, there are some people who like to make wine, but have no real interest in growing the grapes. They obtain all of the grapes from someplace else. The wine is usually still processed on site, and some may choose to have tasting rooms onsite or at other locations. These types of people make more wine than the boutique wineries, but are still not as large as major wine making companies. The area required for this type of winery is greater in building and storage space, but not overly large. These smaller sized wineries will often have a commercial place in a city area where people can taste the wines. This allows for greater sales, which creates bigger industry. Ms. Gilbert feels that wine tasting is to visit the people who make the wine, grow the grapes, and live with their products. It is about the experience, not just the wine itself. With the passing of AB4 to allow wineries in Washoe County, she said that we are setting ourselves up to increase our state income. People who are already here for gambling or any of the newer events we put on in the Reno area may decide to stay an extra day to go wine tasting. That leads to additional revenue and hotel rooms, food, gasoline, etc. Additionally AB4 will create a certain percentage of wine produced be made from grapes grown in Nevada. That will encourage a higher agricultural industry and bring jobs to our economy. If we set the bar too high for small boutique wineries to meet, then Ms. Gilbert believes we will lose out on this valuable resource that could create another reason to visit Washoe County.

John Klacking lives full time in Reno and owns a winery in California. He has had the winery for about nine years. He has a lot of money invested in California. He said that California is a much better environment for him right now, which is hard to believe, because we think of California being tougher on business. On the wine industry, California is much easier, because it is not a three-tier state. For Mr. Klacking to invest in Nevada, we need rules and regulations that make it attractive to people or to California wineries wanting to move here. He said that we have the opportunity now to have one of the best. We are dead last; we are fiftieth in the United States right now in wineries. California is number one, and Washington is number two. It is an eight billion dollar economy in Washington. Northern Nevada has a very similar climate to Washington. He said that we already have a barrier compared to California, because we are a three-tiered state and they are not. To him, important criteria will be that a winery can have a tasting room and special events. In California and Napa, the special events are very important. He hopes that when these are approved, there is an understanding that it is really hard to get up to that level. It starts with the boutique. To move to a commercially successful environment in order to compete with other states, there will need to be some rules that allow special events, that allow it to start out in a small proximity, in a small location to get to that level. If you look at the climatology that is predicted by the wine industry, which looks at where these wineries are going to go and where wine industry really has a chance of advancing very strongly, it is right here. The California charts happened to include Reno. The hot spot is our climate. He hopes that we can get started on something here for the next generations.

Chuck Tremain has been making wine in Nevada since 1974. He thinks that a special use permit is very prohibitive to the small wineries. He wants to put a winery on a one-acre parcel and make 400 cases a year. He is planning to have his winery open four to six days a month. He noticed the number 100 and would hate to tell his daughter in the future that she cannot have 120 at her wedding, because he can only have 100. He does not expect 1,500 people at his 400-case winery, but he thinks it is tough to put a stipulation on it. Going back to the family business, to residential rural, he thinks it is tough to the gal selling lemonade on the corner stand to get a special use permit. He sometimes thinks that is the way we are going. He thinks we need to be user friendly on this if we want to get started. We are currently number 50 and are behind Alaska in wine production. New York State is a lot farther north than we are, and he thinks they are four or five in wine production in the United States. Mr. Tremain said that this can be a good business for us, but it needs to start at the local level. He believes in boutique wineries. He has been visiting them in California, Oregon, Washington, and all over. He has a house that overlooks the Willamette Valley on two and a half acres. They are very user friendly. He could go there tomorrow and put a winery on his two-acre parcel by just getting a building permit and starting it. The only problem is that they cannot grow any big grapes up there, and he is not crazy about Pinot, so he is not putting a winery in Oregon. He asked that they please consider this. He said that the one-acre parcel is okay for a winery and a small tasting room. He said that it would not work for a vineyard, but he currently buys all of his grapes from California. He currently makes about 100 cases a year, sometimes 300 cases.

Debora Schultz referred to her husband, Jason Schultz's previous comments that most of the areas that have wineries have 75 to 85% smaller, boutique-type wineries as their main portion. They understand the need for regulation, but they are hoping for a simpler approach to allow them to have a business license for these small wineries. Using the existing code is one way to do it, but this is a new industry with its own characteristics. She said that we should not try to fit this into a one-size-fits-all type of a thing. The special use permit is also used for unlimited casino operations, multi-story hotel and condominium structures, and other extremely large uses if located on similar parcels. She said there are huge differences between the two of them. They recently went to Placer and Nevada counties to taste wine and speak with the owners of the smaller wineries. They said that this type of regulation was in their area, and if it was there, many of them would not have started, because it is overwhelming to a small hobby type business to try to get started. They recommended a simplified process so that the family-owned businesses can thrive. She said they cannot all be Gallo to start with. They have to start small and expand, especially with AB4 which is requiring 25% of the wine to be grapes grown from Nevada. The case limitations and business responsibilities mentioned in the classifications come directly from conversations with these people. They believe that it is best to have a diverse destination by allowing people to have rural areas to taste wine, as well as commercial areas, where there are a bunch of them in one place. She said that we want to give them a diverse destination. Speaking as the owner of a vineyard (Twin Mustang Vineyards), Ms. Schultz said that she would love to be able to pass it down to her children and see them expand it and help our state become a more wine-industry state. She said that we have four wineries in Nevada. Three of the four of them are actually rural wineries, and one of them is a commercial winery that is a large winery.

Kathy Huber Halbardier said that 1993 was the first time that they licensed wineries in the state of Nevada. There were two wineries that went forward to raise the caps to 100,000 so that we would actually produce commercial wineries. In 22 years we managed to grow to four. There are five wineries in Utah. Grapes are a low water user. They have been researching those cool-climate varieties. They have mirrored a lot of what they have done with the first grant that they got with the university to look at it as an alternative crop and an alternative industry. They have been very successful. When the distillery bill was passed, we went from zero distilleries to seven within 30 to 60 days. Ms. Huber Halbardier believes it is really an industry that we are

missing out on. California has 4,100 wineries. There are only 7,116 in the entire United States. She said that we are close to capturing some of that interest in commercial tasting and in experiencing the romance and the true destination experience, the entertainment experience of the wine industry. She thinks that we are on the cusp of really growing it, and we do not want to limit it. Being a part of the Douglas County operation, they looked at the different types of wineries and different types of locations and where we are doing the business and giving them the opportunity to have the diversity with different types of licensing and structures. That way we can really make an impact and grow this industry and grow the experience, and it is a \$162 billion industry. She said they would like to capture some of that for the state of Nevada.

Chair Barnes called for Commission questions.

Commissioner Edwards addressed Mr. Giesinger. He said that he has been in Nevada for roughly 40 years and has never considered Nevada a wine-growing country. He believes the state must see something by putting through the legislation. He asked if there was really no way to get around making and selling liquor being placed in the same category as a high-rise casino. He asked if we could go back to the administrative permit process and raise the sale amounts to 500 cases a year. He asked what difference it makes if it is on one acre or five acres. This is a no impact to your neighbor business. He would love to have a vineyard next to his house. He believes that they need to revisit the numbers, and he thinks the special use permit process is making this way more punitive than it should be. He thinks that it should be looked at when it gets to be large sized with high sales. He believes they should rethink the whole process. He said that Northern Nevada needs every kind of business they can encourage. This is zero-impact, as far as he could see.

Mr. Giesinger said that they can do whatever they want as a Commission. He said that the numbers are set by the state. The 500 cases to which they were referring are 50% of 1,000 cases that they would be entitled to grow under state law if they did not have 25% or more of their grapes from Nevada. There is some process by which the wholesalers have to have 50%, although Mr. Giesinger was not entirely clear on that or on what a three-tier state is. The bottom line is that it is irrelevant to local government; it is state regulation. Regarding the use, if they want to allow it on one-acre properties or third-acre properties, then that is their prerogative. This was simply the proposal that staff created. These are anticipated to have impacts, because they involve liquor sales from a neighbor's property. People are not even allowed to sell cucumbers from their property without a special use permit. There are two processes in the code right now, one of which is titled an administrative permit, but it does not actually function like that. If they are going to have an administrative process, then a new one would have to be created, or some other mechanism would have to be created, unless they want to allow the use by right. They could go that route, and then it would be a business license, but the neighbors would not be noticed for the process if it was allowed by right. He added that they could go back to the drawing board and create categories and allow one category by right and another by special use permit. It would be more complicated. They felt that the plan brought before the Planning Commission was the most straightforward way to go forward at the time.

Commissioner Edwards said that it might be straightforward, but it might also push most everyone out of the business, which is what he is trying to avoid.

Commissioner Prough said that this sounded like a one-size-fits-all. He appreciated the comments of the people with knowledge of the industry. He believes the county needs to rework this and make it friendly for them. Right now, he feels that we are putting them in a box with a lot of other things. There have been references to liquor sales, but they are not selling liquor, they are selling wine. He believes this needs to be recategorized. They need to look at it



differently and try to make it work for everybody. He said that if it needs to be revisited in five years because it has taken off, then that can occur.

Mr. Giesinger asked if that would include looking at where it is currently allowed in the urban residential zones. Right now an administrative permit is required there. He wanted to gather all of the direction he needed.

Commissioner Prough mentioned Mr. Giesinger's phrase of "use by right". He asked if this meant that they could do what they want on their property without needing a permit. Their neighbors would not necessarily be noticed. He said that they were talking about acreage, down to a minimum of one acre. He was not sure if that would even be necessary. Perhaps if they got into 50 or 100 acres, then maybe an administrative permit would be needed.

Mr. Webb cautioned the Planning Commission that they were talking about commercial activity. Although one of the speakers talked about the high end special use permits, Mr. Giesinger did show the table. Commercial stables and commercial kennels today require a special use permit in rural residential lots. Those are not what were alluded to by the public in taking the high-end spectrum of those types of uses. If you want to board more than three horses today on a parcel in any of the rural zones, then you need a special use permit. If you want to kennel dogs, then you need a special use permit. Those are commercial activities. AB4 is inside of their packets. One of the public speakers talked about the three-tiered system in Nevada. Nevada is very strict on intoxicating liquor and the regulations of intoxicating liquor. AB4 enables wineries, and it establishes the criteria. Any liquor manufacturing license from the state has to appear before the County Commission, and Mr. Webb processes all of those. He used to do all of those for Washoe County until state law changed in 2015 and allowed the city council to do them within the corporate boundaries. He has seen every liquor manufacturing application that has come through Washoe County for the past 15 years. There have been zero wine making. This has been because of the state law prohibition, but also because there is a difference with the instructional wine-making facility, which is what UNR is. When regulating wine and any liquor, he cautioned the Planning Commission against using the output. He said that setting a limitation on 500 cases, 1,000 cases, is not only arbitrary, but it is actually delving into the realm of the Nevada Department of Taxation. They are the ones who regulate the output of any liquor manufacturing installation. If they are going to talk about coming up with criteria, then he suggested that the Planning Commission provide that. Any number they choose is arbitrary. His recommendation as a professional was not to use cases of wine as county-level criteria for determining what a winery is. The state's oversight is the production and management of the output of any liquor manufacturing establishment. If they are going to come up with criteria to differentiate wineries, then his professional advice is to come up with something other than cases. He also cautioned the Commission to remember that they are commercial endeavors. What is the appropriate review for a commercial establishment? AB4 states what a winery is allowed to do in state law today. A winery cannot wholesale. The only production they have if they are going to earn money is to sell by retail or sell by glass. Until 2025, they can only do it at the establishment. If they are going to produce, bottle, blend, and age wine and import wine or juice from a winery located in another state that is federally bonded, then unless they sell it, they are stashing it. They have no capability under current state law to do anything to turn a profit other than sell by retail or sell by glass at the establishment. In 2025, state law allows them to do it at one other location. Mr. Webb suspects that in 2025, that other location will have to be specified on the state wine maker's license application and approved by the County Commission and by the Nevada Department of Taxation. He asked the Planning Commission to keep that in mind as they provided their guidance to staff.

Commissioner Daly asked staff if they were not going to use cases because of the state preeminence, then could they use dollar value?

The reply was that it would pass muster.

DDA Edwards stated that if any of the Commissioners had questions of any of the speakers, then they could ask those questions at this point.

Chair Barnes asked Chuck Tremain what he wanted to say.

Chuck Tremain said that he would like to clarify a few things. He spoke about a three-tier. In the state of California, he can make wine at his winery and sell it off sale at his winery, which is two tier. In the state of Nevada, they have to sell their wine to the distributor. Frey Vineyards in Fallon has to sell their wine to the distributor and then buy it back to sell it on their own property. That is a three-tiered system. Right now, Sierra Wine & Spirits and the big distributors are controlling any wine industry in the State of Nevada through distribution. He believes that anyone present that night who wants a boutique winery does want their neighbors on their side. They want their neighbors around them. Regarding the state limitations, he said that the federal government sets the limitations, bonding them as a winery. They have certain laws as wineries, no matter how small they are. They have to follow the federal government's guidelines. The State of Nevada's guidelines are a little foggy right now. They are trying to get Washoe County to lead the state in this aspect. They thought that by coming in front of them, they could influence the ways the laws are made so that Washoe County's rules are leading the state, so that Vegas can follow our lead, and the State of Nevada can follow our lead. Mr. Tremain said that right now, the rules for the other counties, the smaller counties, are not very good. They are trying to set the standards. They are asking for help to set standards so that the industry may move forward. They want Washoe County to lead. He said that right now the state is still fumbling and really does not know what they are doing yet.

Vice Chair Chvilicek addressed Mr. Giesinger. In his presentation, he had mentioned existing code which had allowances for wineries. She appreciated his willingness to do this expediently to allow these facilities to start functioning more rapidly. But she also heard him mention the possibility of writing a specific amendment to the code just for wineries.

Mr. Giesinger said that they could have separated wine making from liquor manufacturing. They could have created a separate use type for wineries and inserted that into the table of uses and created standards for wineries, another use definition for wineries, and development standards for wineries. They can do all of that if it is the Planning Commission's direction. They simply chose the more simplistic route. At the time, management was giving staff direction to get this done sooner than later, which led to a tightened timeline. Normally Mr. Giesinger would hold a public workshop like this and would go back and try to work with them for a longer period of time and maybe have another workshop.

Vice Chair Chvilicek asked if the possibility exists for workshops to be held to develop a whole set of criteria for wine making.

Mr. Giesinger replied that they could direct staff to go in any direction they chose.

Chair Barnes closed the public hearing and called for Commission discussion.

Commission Chesney stated that he spent 50 years in the Livermore Valley and watched it go from three medium-sized wineries to half a dozen major wineries and over 150 to 200 boutique wineries. He said that this is a fledgling industry here, and he believes it is incumbent upon them to take whatever time necessary to do it right from the beginning. He said that they could make a motion to direct staff to take a look at this and maybe use a graded approach, to pick

whatever bench marks are needed to comply with the state law, to allow some of the smaller wineries to go. He believes the special use permits are ridiculous in cost and very prohibitive, even though it is a one-time shot. It is a big deal when these folks are putting thousands of dollars of original investment into the vines themselves and then not seeing any return for four to six years, depending on the soil and the growing conditions. Adding a \$3,000 or \$4,000 permit fee and a consultant stifles a fledgling industry. He believes that if it is on their shoulders, then they should do whatever it takes to do it right.

Commissioner Edwards referenced Attachment B of their packets, which included Assembly Bill 4 and NRS 597.210. He asked if their presentation was crafted off of those items.

Mr. Webb answered that it was the state law change. Page 2, Section 2 shows the specific law change, where it struck out "located in a county whose population is 100,000 or less". With all legislative changes that impact any portion of county code, they have to address them to allow the change. Prior to this, you could only operate a winery if you were a County with a population of 100,000 or less. You could operate an instructional wine-making facility, such as the one at UNR. They are reacting to the ability to now have wineries in the county.

Commissioner Edwards responded that they do not have enough information. He said that if they are trying to craft a piece of legislation, then they need to be versed in the state law, in what applies in the NRS, and in what does not apply in the NRS.

Commissioner Horan mentioned that the evening's speakers were very keen on a couple of items, one being the cost of the special use permit. He thinks that, as Mr. Webb pointed out, this falls into a category of commercial operations. They could go down a slippery slope if they try to craft this just to encourage the wine industry. He referenced dog kennels, and said that he was not trying to equate the two, but they are a commercial enterprise. He believes that they need to be careful going down that road. He agreed with Commissioner Edwards that they might not be able to get this done satisfactorily that night. He would like to be able to craft this to encourage economic development and see if there is a creative way to do that across the board. He said that it costs us money to issue administrative permits, even though we are a nonprofit enterprise. He believes that should be considered, as well. He would like to have more wineries that he could visit. He agreed with Commissioner Edwards that they may not be able to get this done, other than doing it the way that the staff had presented it, because they are bound by the restrictions of the state law. It is not easy to craft something that makes sense.

Commissioner Prough sensed that this could be the beginning of a real financial boon for Washoe County and for the state. California and Washington began someplace. If it is true that our region can produce something, then he believes that they need to make this as friendly as possible. Once some revenue starts coming into the state and they see the benefit, then he could see them changing state law, which the Planning Commission cannot do. He would like staff to have a workshop with the people, get their ideas, and find out what helps them become successful. At the same time, they must temper with what Mr. Webb said about licensing. He does not want a dog kennel coming and saying that something was done for the wine makers but not for them. He thinks they have a possibility of making something happen if they do it right. He wants staff to work with the people and come up with a new idea.

Vice Chair Chvilicek moved that they direct staff to take this Development Code Amendment back and revise it in such a way that a workshop is taken into consideration and develop a system where they are not doing a one-size-fits-all. They should have a reasoned, researched method of determining what is appropriate for wineries and should include administrative permits, special use permits, and opportunity for neighbors to have feedback.

DDA Edwards stated that staff had been present and were aware of the discussion that took place, which they were agendized to do. But a motion giving direction to staff was outside the scope of what they had been agendized to do. He said that they could choose not to act on what was before them that night. Then it would not pass, and a new ordinance would not be set into motion as outlined in the staff report. Staff could go back to the drawing board and start working with the members of the public to try to put something else together and then bring it back at a different time.

Vice Chair Chvilicek asked if she should withdraw her motion and make a motion to deny.

DDA Edwards said that she could make a motion to deny. Or no one could make a motion, and the item would die.

Vice Chair Chvilicek withdrew her motion.

Commissioner Edwards said he was really concerned about the administrative process having such a problem coming through with notification of neighbors or whatever the problem is with the administrative permit process. He asked if there was really a hearing examiner problem, where they do not have enough.

Mr. Webb said that he is the hearing examiner. The code lays out certain specifications and qualifications for a hearing examiner, and he is it.

Commissioner Edwards said that he is concerned if the folks cannot come to them. He would like to have the administrative permit process brought back to them when it does come back so that the large fees for special use permit are not in there. He was not prepared to vote on the Development Code Amendment case that night.

Commissioner Horan asked if they just decided not to vote.

DDA Edwards stated that the Chair could call for a motion, and if there was none, then the matter would die.

Chair Barnes called for a motion. There was no motion.

Chair Barnes acknowledged that the item had ended.

## **10. Chair and Commission Items**

### **\*A. Future agenda items**

Mr. Webb stated that Washoe County School District would like to come before the Planning Commission at their April 5, 2016 meeting to present impacts to the school district due to residential growth.

### **\*B. Requests for information from staff**

None

## **11. Director's and Legal Counsel's Items**

### **\*A. Report on previous Planning Commission items**

Mr. Webb mentioned that the Planning Commission's report on the Sign Code Development Code Amendment will appear before the Board of County Commissioners (Board) on March 22, 2016. This will also be the first reading introduction of the ordinance. At a subsequent meeting, the Board will do a second reading and possible adoption of the ordinance.

\*B Legal information and updates

None

## 12. \*General Public Comment

None

## 13. Adjournment

With no further business scheduled before the Planning Commission, the meeting adjourned at 10:08 p.m.

Respectfully submitted,

---

Kathy Emerson, Recording Secretary

Approved by Commission in session on April 5, 2016.

---

Carl R. Webb, Jr., AICP  
Secretary to the Planning Commission