

OLD CREEK RANCH AND WINERY

BY THE HOLGUIN FAMILY

My Name is Andrew Holguin, Manager of Holguin Family Ventures, Inc who owns the Old Creek Ranch and Winery. As you know we are here to Appeal the various rulings of the Ventura County planning that we violating provisions of our quote unquote operating criteria for the Winery. We heartily disagree with the County on this matter and my presentation here today will detail that disagreement and the Supplemental information, I have provided the Board, details the fine points of our argument. Nevertheless, the Ranch is much more than a Winery:

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Ranch is 800 Acres in size, 320 acres directly owned by Holguin Family Ventures, LLC (HFV) with water and grazing rights to 500 acres, the Ranch is located outside the City of Oak View, paralleling San Antonio Creek and Creek Road.

The Ranch is more than just a Winery, it is a fully developed Ranch with Orchards, Cattle, Vineyards, stables and a Winery. And one with beautiful guest

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ORCHARDS



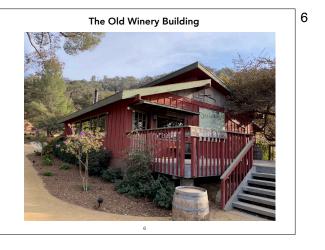
Approximately 4 acres of peach, plum and persimmons orchards



24 head of cattle, Angus and Wagyu breeds.



Over 7 acres of Vineyards- approximately 10,000 individual vines of Sauvignon blanc, Pinot Gris, Viognier, and Albarino grapes



Guest Areas for our Winery







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Approximately two acres of landscaped guest areas.

A Brief History of the Winery

- Established in 1981, applied for a Zoning Clearance for a wine Tasting room, there was no such beast so Planning gave a clearance for a Produce Stand...Wine as Produce.
- In 2007 received a Notice of Violation for operating a Wine Tasting Room without a CUP.
- The then-owners retained counsel which explained that the Winery was in continuous operation since 1981 in full knowledge of the County with all appropriate permits.
- In a letter dated December 10, 2007, Ventura County accepted the Wine Tasting Use as a Legal Nonconforming Use:

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Please notice the words IN THE MANNER THAT IT HAS BEEN CONDUCTED SINCE THE EARLY 1980

"That simple wine tasting.... is allowed in the manner that it has been conducted on the site since the early 1980's."

- Kimberly L. Phillhart Current RMA Director

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This definition is <u>very important</u> as it is also the Common Law Standard for Legal NonConforming Uses: "That they can continue in the manner in which they operated when they were determined to be a 'Legal Nonconforming Use'"

In other words: the Use is a legal Use but predated the Ordinance for Wineries but not in conformance with the current Ordinance (only because it does not have a Conditional Use Permit (CUP)) for the Use but by law one can continue to operate as they have done in the past but cannot substantially change the operation.

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Accordingly the Whitmans then provided the County with written information as to what their operations had been and tried to work with them to determine their operating criteria.

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Resulting in a March, 2008 letter which the County says set the Operational Criteria for the Winery.

In Late June, 2015 HFV purchased the Ranch, remodeled it and reopened to the public in April 2018.

In May 4, 2018 , the County issued its first NOV asserting that on our opening day certain activities were in violation of the operating parameters set forth in the March 2008 Letter. CV18-0095

The County subsequently asked HFV to voluntarily allow an inspection of the Winery, which we did on January 9 and by January 23, 2019, the County issued 13 additional Violations.

CV19-0012

The Violations can be summarized to the following three points.

The two sets of violations are why we are here today.

Summary of Violation Assertions

- A) Violated various stipulations in The March 2008 letter.
- B) We have expanded the winery without a CUP.
- **C)** And the winery has changed to a wine tasting and event venue only and is no longer producing on site.

CV18-0095, CV19-0012 and various assertions in the March 28, 2019 and the BOS September 17, 2019 Staff Repo

Let's look at each in turn:

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A.) The March 5, 2008 Letter

The County Has Said Various Things About the Origins of the Letter:

1. It was resultant from an investigation of the operating conditions of the winery:

"In 2008, the Planning Division worked with the winery's then-owner to document the "baseline" size and operations ... of the winery ... to establish the parameters of the winery's nonconforming use which was authorized to continue without a CUP."

-Staff Report to the Planning Commission Hearing on March 28, 2019

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2. It was resultant from negotiations with the then owners of the Ranch.

Statement by Kim Phillhart, (from Archived RMA Planning Commission March 28, 2019, Video 3:46:48 to 3:50:39) (egading the March 5, 2008 Letter in the March 28, 2019 Planning Commission Hearing:

"(The letter)...was resultant from negotiations with the Whitmans: "I've had numerous conversation with the Whitmans until we reached this compromise, which ... was the March 5, 2008 letter ""

" we set those standards, the Whitmans agreed to those standards, I was in the room, and as such they withdrew their appeal"

Which was it? It can't be both

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Statement by Kim Phillhart, (from Archived RMA Planning Commission March 28, 2019, Video 3:46:48 to3:50:39) regarding the March 5, 2008 Letter in the March 28, 2019 Planning Commission Hearing:

Did they do an Investigation or was it a negotiation?

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BUT How Did the Previous Owners, the Whitmans, Describe the Production of the March 5, 2008 Letter:

"we received a letter to cease tasting room operations subsequent discussions, ...meetings at County Planning ... we were dictated to those conditions despite our challenging the validity of facts represented"

-Sworn Affidavit of John Whitman, 9/9/2019

So which was it, was the March 2008 letter

- Resultant from an Investigation
- Resultant from Negotiations, or
- as the Whitman's said "dictated to the them over their objections"?

WE KNOW WHAT IT SHOULD HAVE BEEN:

Legal Nonconforming Uses can continue to be operated in the manner in which they operated at the time in which they were determined to be a LNCU

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March 5, 2008 Letter

Now let's examine the text of the letter itself to see if we can gleam the purpose:

Page 1, paragraph 1, sentence 1 of the Letter: "The purpose of this letter is to comment on your February 19th email attachment"

It doesn't say that its purpose is to document the baseline conditions or the negotiations that supposedly occurred, but rather to comment on some conditions that the prior owners were trying to get approved, i.e. operating hours and events at the winery.

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-Verbatim

"Let's begin with a comment regarding your listed business hours. A quick survey of wineries in Santa Barbara and San Luis Obispo counties disclose a PM closing time....no wine tasting room was open till 8:00"

-Page 1, Paragraph 2, March 5, 2008 Letter

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These are some Verbatim statement from the body of the letter describing how the County set the Operating parameters of the Letter

-Verbatim

"We believe the survey provides good guide to the 'usual and customary' operation of a tasting Room.....

-Page 1, Paragraph 2, March 5, 2008 Letter

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"We consider the following....appropriate for your wine tasting room"

-Page 1, paragraph 2: March 5, 2008 letter

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"in looking at the zoning ordinances in both Santa Barbara and San Luis Obispo Counties...."

-Page 2, paragraph 3: March 5, 2008 letter

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THE LAW FOR LEGAL NON - CONFORMING USES

- is NOT what is "Usual and Customary" for a given use
- is NOT based on a "Quick Survey" of like uses
- Is NOT based on what the County thinks is "Appropriate"
- Nor is it based on what is in other jurisdiction's "Zoning Ordinances"

It is based on how the Winery was operating when it was determined to be a LNCU.

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This is the infamous March 2008, one can clearly see that the letter is nothing but a list of Stipulations that set the operational criteria on the Winery and the justifications that County made for the stipulations. There is nothing to imply on the letter that these criteria were developed from an investigation of the Winery's operations in 2007.

Case Law for Legal Non-Conforming Uses is: "That they can continue in the manner in which they operated when they were determined to be a 'Legal Nonconforming Use' "

> Or how Kimberly L. Phillhart herself put it:

"That simple wine tasting... is allowed in the manner that it has been conducted on the site since the early 1980s."

Kimberly L. Phillhart Current RMA Director

The County is Clearly Stipulating Conditions **NOT** Documenting them

OTHER EXAMPLES FROM THE LETTER

- "No wine tasting rooms were open to 8:00 PM...we consider the following hours to be appropriate for your tasting room..."
- "...such Events should not exceed 15...or 25 persons per event..."
- "...social events require a Conditional Use Permit..."
- "...all activities at the Ranch must be clearly incidental, accessory, and subordinate to the primary operation of the associated winery as a production facility."

-Quotes from March 5, 2008 letter

These are other quotes from the letter that purportedly was an Investigation of the baseline conditions of the Winery. Clearly, it was not.

Case in point: Although social events were documented as being part of the historic use of the winery yet not authorized by the letter.

The March 5, 2008 letter CLEARLY does not meet the County's own definition of "having worked with the winery's then-owner to document the "baseline" size and operations of the then-existing winery." and cannot be used as the baseline standard by 28

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which to judge the operation of the Winery in it's

current form"

29 There is no support for neither of the County's positions. It was as the Whitmans' described, it was forced on them which was contrary to the case laws for Legal Nonconforming Uses.

Second Accusation

B) WE (HFV) HAVE EXPANDED THE WINERY WITHOUT A CUP

I'd like to go over some the examples from Our various Expansion "Violations" CV18-0095 & CV19-0012

The County alleges that we have expanded the winery without a permit. And I'd like to show you some examples, actual examples from the NOV's that were issued by the County.

Construction of a Parking Lot



The Construction of a paved parking lot was "proof" that the County used to show we expanded the winery. *Somehow parking in the dirt is better?*

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Electric Car Chargers



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Really? Car chargers as an expansion?

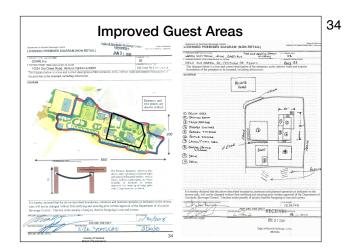
RANCH BBQ



Used for Employee and Family Private Events BBQ

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Again, a BBQ is considered expansion of the Winery...are they reaching or what!



Yes, we did improve our guest areas and extended our gardens and seating areas.

On the right is the previous owner's John Whitmans premises diagram. On the left is ours and the area enclosed in black is John's superimposed on our guest areas. Again to us this is an improvement – not an expansion.

Improved our Grounds and Landscapping



We are proud of our guest areas as we put in a lot of thought, time, and money into them as we want our patrons to enjoy themself while they are enjoying our wine.

And the County is right our guests area is larger than they were before but wrong that this is an expansion of the Winery. Larger, laid back seating in modern theaters, do not constitute an enlargement of the number of people visiting a movie theater, just a nice improvement.

THESE ARE FOUR OF THE ALLEGED
"VIOLATIONS" THAT THE COUNTY HAS USED
TO PROVE WE HAVE EXPANDED THE WINERY
WITHOUT A CUP.

WE BELIEVE THAT TO MOST PEOPLE THESE
WOULD BE CONSIDERED **IMPROVEMENTS**NOT EXPANSIONS

AND THEY SERVE NOT JUST THE WINERY BUT ALL USES ON THE RANCH

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The Additional "Proof" provided by the County is that HFV has built Dual-Use Facilities on the property

- Ag Building and a Storage Shed
- Temporary Use of a Storage Enclosed area for cased wine storage

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The Old Winery Building

- Beautiful but:
- Built in 1981
- No Seismic Protection
- No Fire Protection
- No ADA Access





We consider this old Winery building to be to old for our patrons to use, for all the reasons listed above. And we want to move our tasting option to the new Ag. Building.

Ag #1



Never Used for Public Wine Tasting

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ADA access, seismic and fire protection with in-door fire sprinklers. Yes we would love to use this as our new Wine Tasting Room, it is fully permitted and cleared for use as an Agricultural and storage building, and we applied to the County to move our tasting use into this building in November of 2017 but it was denied. And it has never been used as a public tasting room, continues to be used as a storage facility.

Storage Building

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Never Used for Anything Other Than Storage

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Fully permitted as a storage shed, never used as anything else. We would like to some day use it as a Produce Stand and sell Winery and Ranch specific items from the building. But we have not, since it has not been cleared for that use.

Storage



We had some off-winery facility Storage at the Ranch

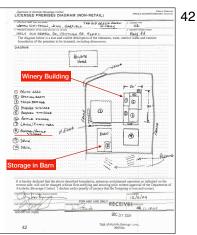
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This room once held some case storage of Wine, outside the main winery building. This does not mean we have expanded the Winery, this is normal for Wineries. If every storage of Wine was considered a Winery then a lot of Liquor and groceries stores would be very unhappy.

The previous owners did the same.

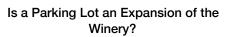
2009 ABC Premises Diagram Old Creek Ranch Winery

Wine storage is common place around wineries



This is where the previous owners stored cases of wine off site to the main winery building. No objections were make by the county to this storage.

In Summary





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Are Car Chargers an Expansion of the Winery?



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Used for Employee and Family Private Events BBQ's



Ag #1



Never Used for Wine Tasting

Storage Building



Never Used For Anything other Than Storage

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Off-Winery Storage?



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 A True Expansion of the Winery would have been to have actually used the buildings for the Winery, to be producing more wine, selling more wine, expanding the Wine making facilities, etc. Not parking lots, guest areas, or a BBQ.

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Third Accusation

C) The winery has changed to a Wine Tasting and Event Venue only and is no longer producing on site.

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And the County's Support for the Accusation:

 Violations of the "baseline" conditions in the March 5, 2008 letter (including violation of NMT 25 patrons at ONE time limitation in Exhibit A to March 2008 Letter)

September 17, 2019 Staff Report to Board of Supervisors

- We are no longer producing wine from grapes grown on the property, <u>as was done in 2008</u> when it was determined to be a LNCU"
- "Operates now as primarily a wine tasting and events venue and these activities have superseded previous use of the modest winery."

Let's go over each in turn

- 1. Violations of the Not More than 25 patrons at a time limitation
- As we have shown, the March 5, 2008 letter is INVALID: It
 is just a list of Stipulations on the Winery, it was not
 resultant from an investigation of the LNCU nor
 negotiations with the Whitmans.
- The Attachment, Exhibit A which was supplied by the Whitmans was their LIMITED request for continued operation of the Winery "in the manner in which is operated when it was determined to be a LNCU."

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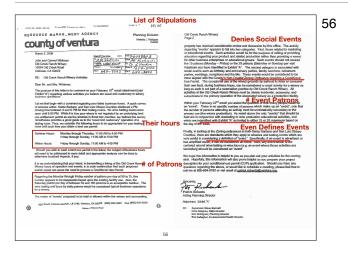
The County now says that the Whitmans supplied Exhibit A to the March 2008 as a list of their operating criteria and that the they (the County) used it to establish the baseline of allowable uses, activities and structures at the Ranch. If that is true then EVERYTHING that is on that attachment would have been allowed by the County, RIGHT!

The Whitmans told me that they did supply the County with the Attachment but it was not their current operations but those that the County may be willing to accept because the County had already turned down their true

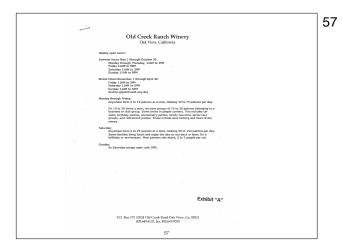
operational characteristics. Okay, now let's look at what really happened.

 Let's examine Exhibit A more closely, which the County says "was used to establish the baseline of allowable uses, activities, and structures" at the Winery.

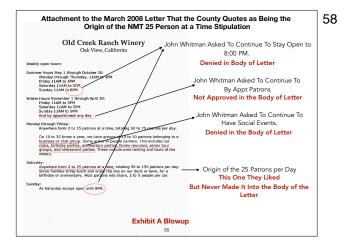
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This is the infamous March 2008, No where in this letter is there a reference to No More Than 25 Persons at any one time. The only such reference is to Events, as underlined above in Red. And that again is in reference to Events.



This is Exhibit A that the Whitmans supplied and the County says they used without conditions: used to establish the baseline of allowable uses, activities, and structures at the Ranch. Again if that was true then everything on this list would have been authorized by the County. Let's look at the Exhibit carefully...next slide.



"Exhibit A were used to establish the baseline of allowable uses, activities, and structures"

This statement is a joke: look at the first red circle on the left, John asked to be open to 8:00PM on Sundays, it was denied. Second, John asked to have visitors come by, by appointment: Denied, John wanted to continue to Social as well as winery related events: denied, the 25 person thing was only a description, never a requirement.

As one can tell from reading the context of this "Stipulation" this is more of a description of his normal business than a request to have No More Than 25 people at any one time. This restriction did not make it into the letter, John Whitman was never required to live up to this stipulation, and a decade later the County somehow finds it and enforces it on us.



Anniv. Party . 30 ppl. + 1 Nordall Bend Event \$2317.93

10-14 ppl Tour

59 Dalus Book Club 10-12 ppl. Anniv. Darty . 30 ppl. + kyls & Macaho Piones 495.41
Retirement Par My 100 ppl 41037.61
Walding Tisting 25 ppl \$1037.61
AVID 4447.11 14 Vent, music Fest 125-150 ppl 20 23 ppl Tastring \$2020.57 30 Rud Hut lacked Jako Humany socrety \$2024.80.
Rosario Tisturg 15 ppl. jught

This is a listing of the Events that the Whitman's had in 2007, the year before the Winery was determined to be a Legal Nonconforming Use. As you can see he had a LOT of social and winery related events, many exceeding 100 persons. The County did not allow them to have ANY social Events and no Winery related Events over 15 persons during the week and 25 persons on the weekend. So much for their statement that they used the Whitman's submittal as the base-line for the Winery.

What the County Says About the March 2008 Letter And its Attachment Just Does Not Hold-Up

Red wine of choc \$ 9721.74

20-50 ppl. Tashing (Arcadia club) \$2003
Phillips reunion 10-47 ppl.
18-25 ppl. Tashing
Wine Alex Ma.

- There is NO support for the County's position that the attachment to the March 2008 letter (Exhibit A) represent a baseline of allowable Uses. Activities, and Structures that the County used to manager the Winery.
- Nor does Exhibit A have any support for the NMT 25 persons at any one time limitation that the County has imposed on the Old Creek Ranch Winery.
- Rather the body of the March 2008 letter itself, which was conclusively shown to be Invalid and NOT represent an Investigation into the baseline of conditions, has been used to manage the Winery against even the County's description of what should have been done.

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There is nothing that the County has said about the March 2008 letter that has any credibility. It wasn't developed from an Investigation, it wasn't negotiated with the Whitmans, Exhibit A of the letter wasn't used as a baseline of allowable uses, activities, and structures. There is no support WHATSOEVER as to any of the descriptions on how the letter was developed.

Wine Tasting and Event Venue only

2. The Winery is "No longer producing wine from grapes grown on the property, as was done previously"

- Totally Incorrect.
- In 2008 there were no vineyards on the property...Vineyards were wiped out, throughout the valley as well as the Ranch, by Pierces Disease in the 90s.
- Previous owners bought their grapes off-site, produced wine on-site, processed and sold wine on-Site.
- HFV has planted 7+ acres of vineyards on the property, produces wine on site and sell its wine on-site.

So rather than being less of a Winery than the previous owners, we are actually MORE of a Winery than they were.

OUR VINEYARDS



Over 7 acres of Vineyards- approximately 10,000 individual vines of Sauvignon blanc, Pinot Gris, Viognier, and Albarino grapes

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3. "Operates now as primarily as a wine tasting and events venue and these activities have superseded previous use of the modest winery."

From Staff Report March 28, 2019 Planning Commission Healing

Wine Tasting and Event Venue only

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- We have shown we are a complete winery: Vineyards, Wine Production and Sales, just one with nice guest areas.
- We are doing Events but this Board has given the Ranch Property authorization in July of 2018 with the passage of the Outdoor Events Ordinance and all such events are separate from the Winery and in accordance with the guidance provided by the County.

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In Summary, we have shown that

- The March 5, 2008 Letter Does Not Document the Conditions on the Winery at the Time It Was LNCU.
- That the NMT 25 Person at any One Time Standard IS NOT ACCURATE.
- That We (HFV) Have Not Expanded the Winery Without a CLIP
- The Winery Has Not Been Reduced to Just a Wine Tasting and Event Venue.

And we hope you agree

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NEARLY 700 EMAILS SENT IN SUPPORT

As a neighbor, I am in total support of the Holguin Family's development of the Old Creek Ranch
Winery...I support its use as a winery open to the public and applaud its contribution to the cultural,
economic and social fabric of this County."

Therese B., Neighbor, Oak View

"This winery and their many improvements are a great resource to the people of Ventura County. It will generate much needed tax revenue and allow local residents to not have to drive to Santa Barbara and Santa Ynez to enjoy great wine at a lovely venue."

Al G., Camaril

I represent Ojal Valley Inn...encouraging event planners to surprise their...customers with the soulful experience that only....Ventura County can offer...The benefit to our County is the employment and wages of not only inn staff, but countless nearby businesses...whose business thrives when the town is busy. It is not just the lovely wine that makes Old Creek Ranch a significant contributor to my efforts in convincing event planners that THIS IS THE PLACE for their next retreat. It is the beautiful space, carefully curated alcoves...and the variety of experiences that may be offered there that paint a picture of an undorgettable evening or afternoon. A unique, turn-key, off-site outdoor space for an event is an ESSENTIAL consideration for these discerning groups, and is often the deciding factor between bringing their business to Ojal or sending it to Orange County or Santa Barbara, for example.

Erin H., Oiai Valley Inn

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We also have a lot of Wonderful people who have supported the Winery with e-mail., letters and calls to members of the board. Many are here today to show their support of the Winery. Please recall that this Winery is the ONLY Rural Winery in Ventura County with a Wine Tasting Use...and you shut it down?

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"We have enjoyed many outings with both friends and family at this beautiful winery, it's close to home. Let's keep it local! Keeping our dollars in Ventura makes more sense. Tired of spending in Santa Barbara County."

Therees B. Venture

This winery benefits the local economy, tourism, and the people living in the Ojai Valley. I live in Meiners Oaks and enjoy going to the vinery with my family and guests who visit from out of town. It is tranquif, well run, beautiful, and welcoming of all ages.

Claudia B., Meiners Oaks

What We Are Asking the Board To Do:

- Invalidate the March, 2008 Letter and all Alleged Violations Resultant From the Letter.
- Find That the County Has Not Shown That HFV Has Expanded the Winery w/o a CUP & Invalidate all Alleged Violations Used as Examples of Said Expansion.
- Make the Winery's Wine Tasting Use an Equivalent Use to Production. In Addition:

DENY all code violations set forth in Notice of Violation CV18-0095 (Exhibit 3 of the March 28,2019 Planning Commission staff report), APPROVE related Appeal No. pt.18-0067 (Exhibit 13 of the March 28,2019 Planning Commission staff report) and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND any appeal for the Commission staff report and REFUND and

DENY code violation Nos. 1,3,4,8,9, and 10 set forth in Notice of Violation CV19-0012 (Exhibit 5 of the March 28,2019 Planning Commission staff report), APROVE related Appeal No. PL19-0010 (Exhibit 34 of the March 28,2019 Planning Commission staff report) and REFUND any appeal fees;

UPHOLD the zoning clearance application seeking to authorite structures and improvements (Exhibit 29 of the March 28,2019 Planning Commission staff report), APPROVE related Appeal No. Pt.18-0123 (Exhibit 31 of the March 28, 2019 Planning Commission staff report) and REFUNDA suppeal feet.