

AGENDA MATERIAL

DATE 11/19/24

ITEM NO. RA 45



CHARRON
VINEYARD & WINERY
VAIL, ARIZONA



Conditional Use Permit Hearing
11-19-2024

NOV 18 24 PM 12:34 PC CLK OF BD
MLO

Bottom Line Up Front



- **Charron Vineyards requests approval of the conditional use permit to add “Tasting Room” alongside our existing “Winery” CUP.**
 - Charron is applying to add “Tasting Room” to it’s CUP in spite of the fact that Pima County approved a permit for a new Tasting Room on the property which was finished in 2018.
 - Charron agreed to add “Tasting Room” to it’s CUP after Pima County indicated that it would not force the vineyard to pave the ¾ mile driveway and build a bridge to the subdivision mag spec
- **Charron Vineyards also respectfully requests that the special conditions recommended by the original hearing administrator be dropped.**
 - Verbiage in each of the special conditions is vague and poorly defined. We don’t know how to interpret them, which makes us nervous. It opens our business up to liability and litigation since there aren’t good definitions of what constitutes an “event” or “Publicly Advertised Activity”
- **Charron Vineyards does not intend to hold enormous events or become something that is incompatible with our community**
 - We aren’t building hotels, motels, condominiums or other crazy infrastructure.
 - We are just looking to improve our infrastructure by replacing an existing outdated building so that we can better serve our customers and community.
 - We’re not sure why extra conditions need to be imposed on us to telling us we need to obey the law. It feels like we are being singled out with this verbiage since we can’t find other CUPs with similar language

CHARRON VINEYARDS RESPECTFULLY REQUESTS APPROVAL OF CUP AND THAT SPECIAL CONDITIONS BE DROPPED

Background



Charron Vineyards has been around since 1994 when Leo Cox planted the first 450 Merlot and Cab Franc vines. The first wine made it to bottle in 1997.

In 2009, Leo sold the vineyard to the Milton and Susan Craig who ingrained themselves in the Vail community and made many improvements to the Vineyard / Winery operation, including a new tasting room.

In 2018, Milton passed after a battle with cancer. Susan ran the vineyard until 2021 when she sold the vineyard to Sarah Wolff and Colton Noble, local neighborhood residents. The “Noble-Wolff” pack continues the tradition of our predecessors by providing great wine to our customers, giving back to the community, and serving as a hub for that community to gather.



CHARRON VINEYARDS HAS BEEN PROUDLY PART OF THE VAIL COMMUNITY SINCE 1994

Location



Charron Vineyards Location

Travel Times from:
Downtown Tucson: 31 Minutes
Corona de Tucson: 15 Minutes
Sahuarita: 25 Minutes
Green Valley: 38 Minutes
Sonoita: 23 Minutes
Willcox: 60 Minutes

State Route 83

Original Charron Vineyards Property

Entrance

Deck with Views

Tasting Room and Patio

4 Acres Undeveloped Land

Approximate Property Boundaries (8.5 Acres)

Outbuildings support Winery

Mature Merlot Vineyard

Charron Vineyards is located in the very southern edge of the historic Vail downtown area.

CHARRON VINEYARDS IS LOCATED IN RURAL PIMA COUNTY, FAR OUTSIDE TUCSON CITY LIMITS

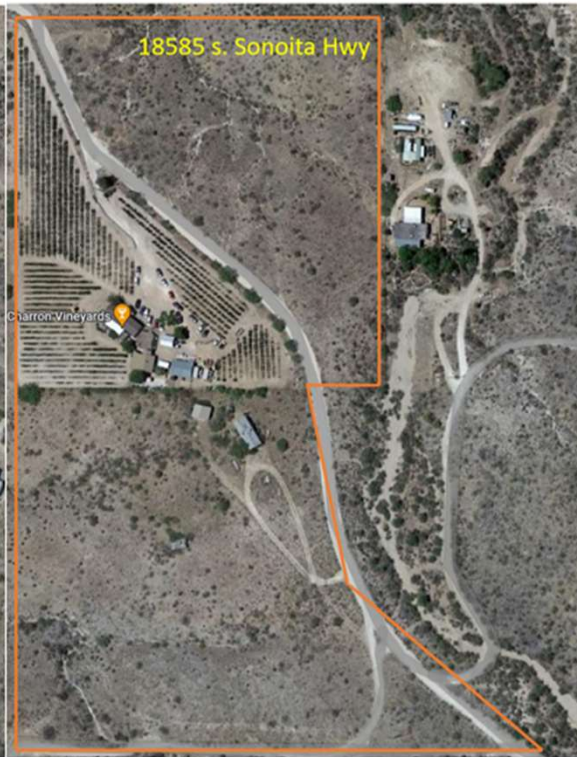
Expansion



Expanded Charron Vineyards Properties



Post Lot Consolidation



Charron Vineyards has purchased the two lots to the south of the vineyard.

Paperwork has been filed with Pima county to merge these three lots together

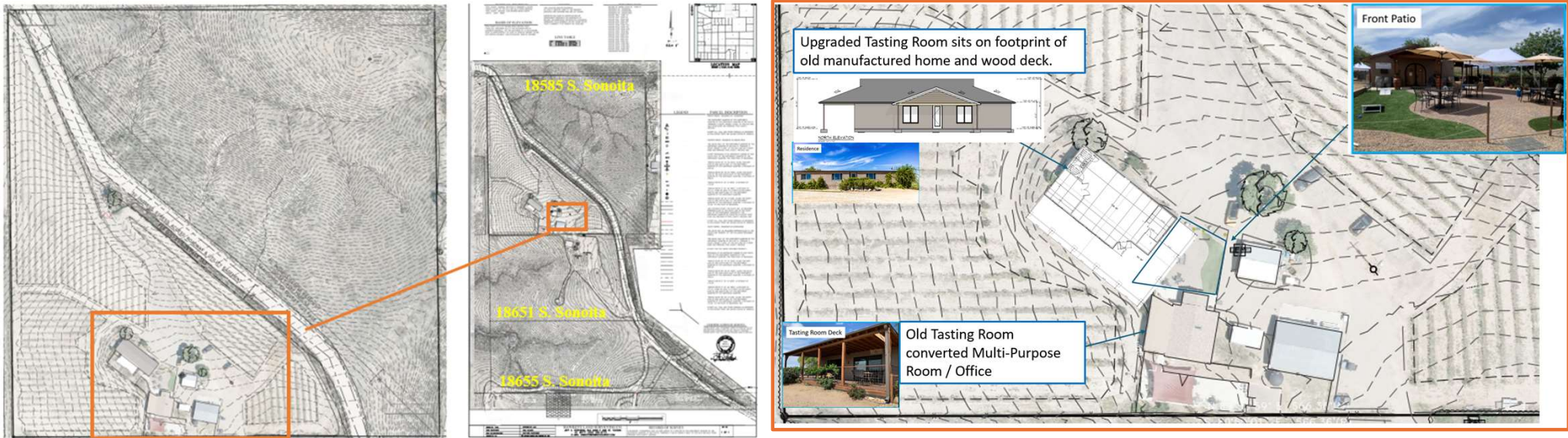
Combined, all three lots add up to about 21 acres of land, and provide Charron Vineyards “breathing room” to responsibly expand it’s operation.

On the 18651 property, Charron removed a mobile home that was in unlivable condition, and approximately 40 tons of car parts and junk.

The goal is to plant grapes on this lot, an updated winery, and perhaps a private residence in the future. **(This is not what we are asking to do today!)**

CHARRON VINEYARDS IS LOCATED IN RURAL PIMA COUNTY, FAR OUTSIDE TUCSON CITY LIMITS

Land Use Proposal



Charron Vineyards is proposing to remove existing manufactured home, and replace with updated tasting room.

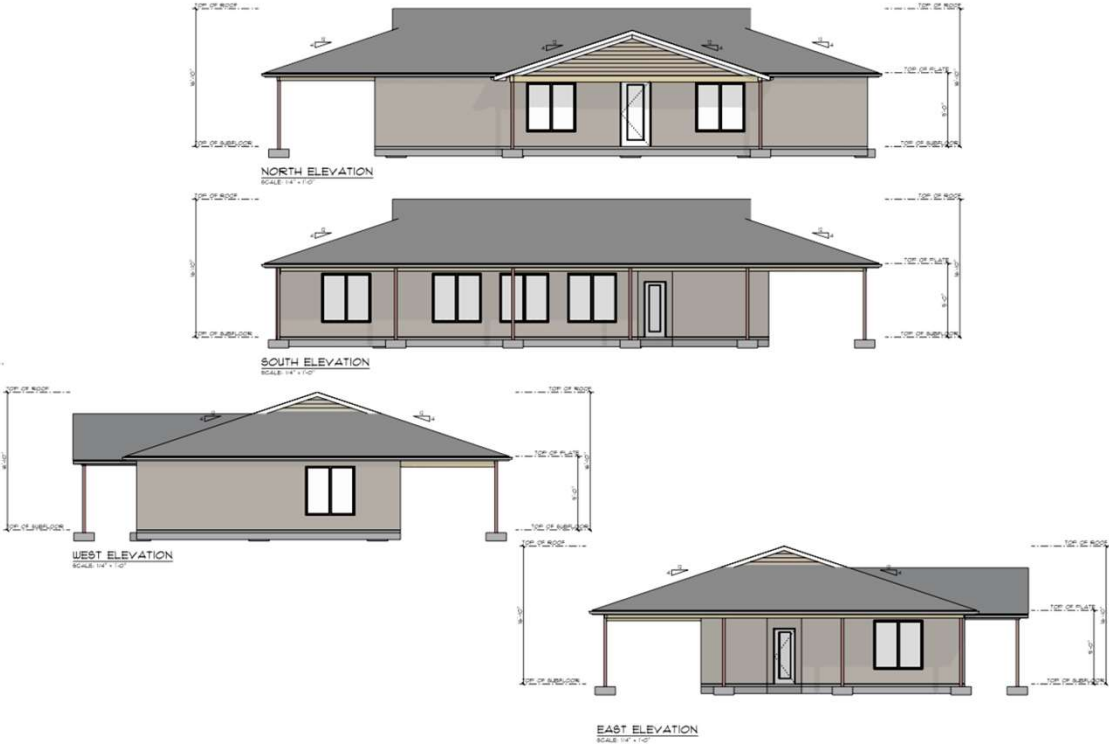
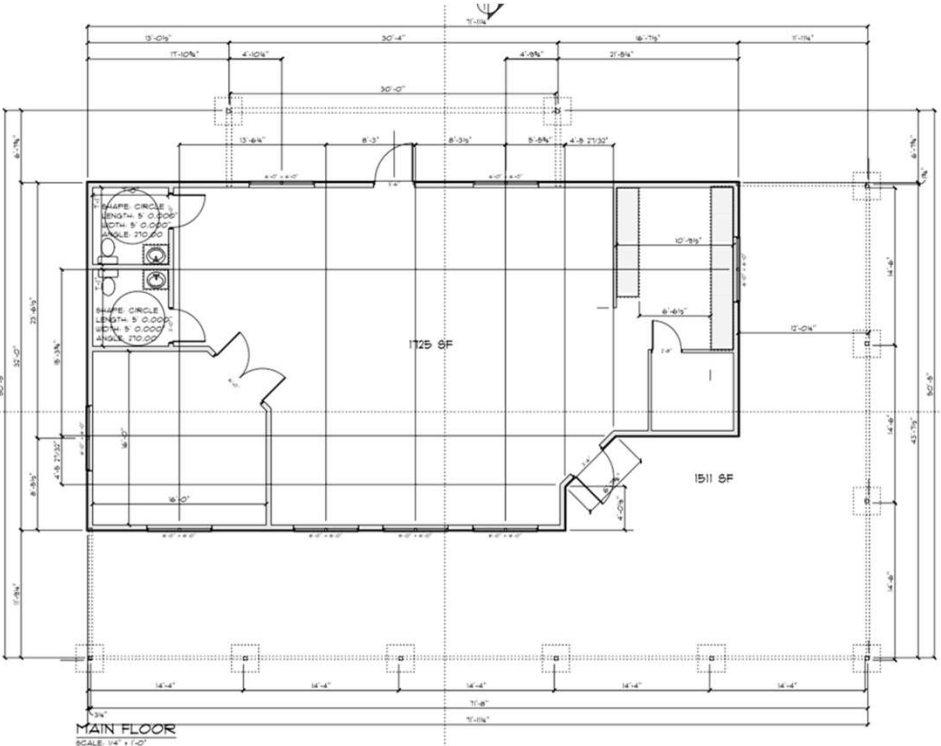
New Tasting Room fits on the original manufactured home that will be replaced.

New Tasting Room will include a kitchen to better serve the needs of our customers.

Charron Vineyards is not proposing a change to how it currently uses the land, it's only modernizing existing facilities and seeking clarification on it's existing CUP

NEW LAND IS NOT BEING DISTURBED FOR THIS PROJECT

Land Use Proposal (cont.)



Proposed Layout and Elevations for new tasting room.

Key additions: Two additional ADA compliant bathrooms, kitchen, covered patio, and increased indoor seating

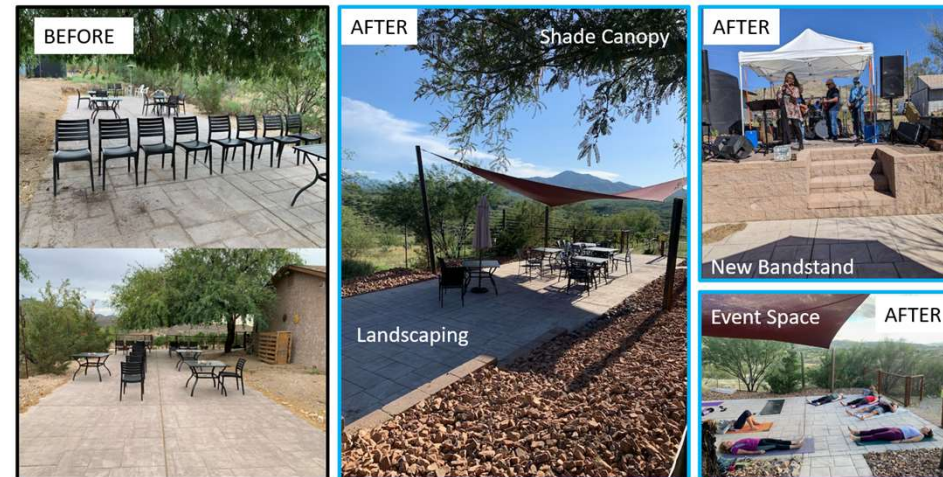
PROPOSED DESIGN BLENDS IN WITH EXISTING ARCHITECTURE IN THE AREA

Current Photos of Project Site



Charron Vineyards has been making improvements to the property since 2021 that not only increase the appeal of the business, but increases the value of the surrounding properties.

Improvements facilitate “Events” such as morning yoga, musical presentations, guest speakers from community, elections, etc.



PROPOSED DESIGN BLENDS IN WITH EXISTING ARCHITECTURE IN THE AREA

Tasting Room Permit



Since July of 2024, Charron has been working with about 5-6 different Pima County Staff to try and understand what is required to build the new tasting room.

Pima County staff indicated that building a new Tasting Room was not covered under our existing “Winery” conditional Use Permit, in spite of the vineyard being issued a permit for a new tasting room in 2016.

There was additional swirl in county correspondence that indicated we would need to pave the ¾ mile driveway from Hwy 83 and build an engineered bridge over Davidson Canyon Wash in order to get a new CUP.

Charron initially questioned the need for a changed conditional use permit since the county had already granted a permit for a new tasting room in 2016.

In a compromise, Charron Vineyards agreed to apply to modify our existing CUP to add “Tasting Room” if the county dropped the requirement to pave the road and build the bridge. That application was submitted August 15.



Permit	Status	Issued	Final	City	Value	SqFt	Sub	FirstInsp	LastInsp	Processed	% Complete
P16BP02344	CALT ~ FINAL	04/12/2016	04/18/2016	ACC	\$29,426	672		04/05/2018		04/10/2018	100
Description: CALT: Tasting Room, Deck, Portico and Storage											

CHARRON VINEYARDS WILL NOT PAVE THE DRIVEWAY UNDER ANY CONDITIONS SINCE THE NEIGHBORS DON'T WANT IT

Public Hearing (1/3)



On 10-8-24, with less than 23 hours notice before our first Public Hearing, we received the following supplemental info about our CUP application. (We submitted our application on 8-15-24)

As a Vineyard Winery, we host a lot of programming that may be construed as an “Event” such as live music, yoga classes, small weddings, private event rentals, neighborhood get togethers, **elections**, community speakers etc, etc etc. These are all typical activities of nearly all Vineyard wineries in the state of Arizona.

This initial guidance regarding events scared us since we couldn’t identify what Pima County thought an event was versus what we thought one was.

Additionally, the transportation staff report indicated that we would need to pave the road if we wanted to continue offering weekend entertainment, occasional rental of the venue, and offering “Farm Tourism”

This is in direct contrast to the compromise we thought we were making when we agreed to add “Tasting Room” to our CUP.

Section 18.13.030.B.40 of the zoning code permits wineries as a permitted use with the approval of a Type II conditional use permit. Staff recommends **APPROVAL** of the Type II Conditional Use Permit with the following conditions:

1. The property cannot be used for hosting events or as an events venue. That use is not allowed per the RH zone. The use is limited to a winery and tasting room.

c: Tom Drzazgowski – Chief Zoning Inspector
Noble-Wolff Enterprises, LLC, attn. Colton Noble – Applicant and Owner

SUPPLEMENTAL INFO FROM COUNTY RELEASED 23 HOURS BEFORE FIRST HEARING, (1/2)

Transportation Staff Report

The Department of Transportation has no objection to a new tasting room on site in the location of an existing manufactured home to be removed. The existing conditional use permit is for a Winery, but the application executive summary indicates additional services such as a store, weekend entertainment, venue rental and farm tourism are offered on site, said uses may be required separate approval from planning and compliance with the subdivision and development street standards section 4.2 which requires commercial developments to provide, legal, paved, all-weather access to the public roadway system.

SUPPLEMENTAL INFO FROM COUNTY RELEASED 23 HOURS BEFORE FIRST HEARING, (2/2)

NEGOTIATION WITH COUNTY FELT DISENGUOUS CONSIDERING TIMING OF SUPPLMENTAL INFO RELEASE AND UPDATED GUIDANCE FROM TRANSPORTATION DEPT REGARDING PAVED ROAD.

Public Hearing (2/3)



On 10-9-24, we attended our first public hearing with the County Zoning Staff.

Charron Vineyards explained to Mr. Jim Portner and the rest of the county staff our reservations about hosting events or being used as an event venue.

Mr. Portner agreed to “Soften” the language some to compromise with the County Zoning staff and the vineyard. That verbiage is to the right →

While it can be argued that all of the programming and events we currently offer is covered under the “customary and related operations” clause in special condition 1, we feel that the special conditions go to far since there is not definition of what a “Special Event” or “Publicly Advertised Activity” is.

For instance, we certainly advertise as a business, and that could be construed as a “Publicly Advertised Activity”. We also are an election center at least twice a year, and that most certainly is an event. I could go on and on with examples.

Standard Conditions & Requirements per the Pima County Zoning Code

1. A winery tasting room is allowed in the RH zone as a conditional use per Section 18.13.030.B.40.

Special Conditions – Hearing Administrator

1. This conditional use permit approval is for a winery tasting room and its customary related operations only. No other commercial uses are expressly authorized or allowed.
2. Special events and publicly advertised activities are considered outside of the above scope of approval and will require a separate conditional use permit application. It is the Hearing Administrator’s expectation that the applicant will engage County departmental personnel to discuss the scope and frequency of future special events, along with the appropriate level of infrastructure necessary to properly serve them.

The Special Conditions recommended in our Public Hearing are vague, arbitrary, and not definable. We request that the board approve our application without the addition of the extra Special Conditions recommended by the staff.

CHARRON RESPECTFULLY REQUESTS THAT THE SPECIAL CONDITIONS ON OUR CUP BE DROPPED

Public Hearing (3/3)



Charron Vineyards respects the county staff and this board of supervisors, and recognizes that they have a difficult job in making sure that adequate development standards are implemented in the county.

However, Charron Vineyards respectfully asks the board to approve this Tasting Room application without special conditions for the following common sense reasons:

- 1) A permit for a new Tasting Room was issued in 2016 with the existing Winery CUP. Changes to the CUP were not requested as part of that application. Request to add the "Tasting Room" to existing CUP was done in an effort to expose us to additional special conditions
- 2) Proposed special conditions are vague, arbitrary, and definitions for what constitutes an "Event" or "Publicly Advertised Activity" do not exist. This opens our business to significant liability and potential litigation.
- 3) Proposed special conditions are not levied on other businesses, making them arbitrary.
- 4) Charron Vineyards has been responsibly operating for the past 25 years without complaints from the public, and more importantly, the neighborhood at large. In fact, the neighborhood supports our expansion since it benefits them as well.
- 5) Application of the "Special Conditions" mean that certain events such as Pima County elections, Publicly advertised neighborhood get together, community speakers, etc are at risk of being eliminated since we don't know if those are "Acceptable" events or not.
- 6) The neighborhood does not want to pave the road, or build a bridge, and at the end of the day, I think that is really what these "Special Conditions" are really about.

Considering the above, please consider approving our application without the additional Special Conditions.

THANK YOU FOR YOUR TIME

BACKUP



Email 1: Paving not Required



From: Thomas Drzazgowski <Thomas.Drzazgowski@pima.gov>
Sent: Tuesday, August 13, 2024 4:06 PM
To: Charron Vineyards <info@charronvineyards.com>; David Takaki <David.Takaki@pima.gov>
Cc: Tracy Peterson <Tracy.Peterson@pima.gov>; Hussein Al Zubaidi <Hussein.ALZubaidi@pima.gov>
Subject: RE: Charron Vineyard

Colton,

I am glad we were able to connect today for a good discussion on your property. Based on our call, I believe you have a better understanding of what will be required and more importantly, what improvements will be necessary as you expand the use of the property. I have attempted to articulate what we talked about. If you have additional questions, please reach out to me on anything specific about the conditional use permit process, or Hussein Al Zubaidi on anything related to site improvements or offsite improvements to the development.

- 1) A conditional use permit will be required for the expansion of the use. We discussed what is required to submit and briefly discussed the process.
- 2) Paving the road to the closest main paved street will not be requested for the tasting room. Conditions may be proposed, but the substantial cost of paving to the closest main road, which could make the project cost prohibitive, will not be required.
- 3) Expansion of the use to include a minor resort, will require all Subdivision Street Standards to apply. This will include paving to the closest main street, paved parking, and all other improvements that all commercial developments are subject to.
- 4) Constructing of a residence in compliance with the zoning of the property will not subject you to commercial improvements. We discussed replacing a mobile home with a site built house. Permitting and meeting all development standards will apply.

Based on what we discussed and what your architect shared seems to show you have much of what is needed to submit a conditional use permit for the tasting room. Full site plan, floor plan and right up of the proposed use is needed. If the path you select is to proceed with the conditional use for the tasting room, let me know as you get closer to submitting. If the minor resort option is the preferred use on the property, substantial more work on the plans is needed prior to submitting. Please feel free to reach out to me if you have questions.

Tom Drzazgowski
Deputy Planning Official/Chief Zoning Inspector
520-724-6675

PAVING ROAD IS ECONOMICALLY PROHIBITIVE FOR PROJECT OF THIS CLASS

Email 2: Supplemental Info for Hearing



Supplemental Info



Spencer Hickman <Spencer.Hickman@pima.gov>
To: Charron Vineyards
Cc: Thomas Drzazgowski

☺ Reply Reply All Forward ...
Tue 10/8/2024 10:41 AM

- _P24CU00006 Transportation Staff Report (Final) (002).pdf 30 KB
- Updated Planning Conditions.pdf 70 KB

Supplemental info sent on 10-8-24 at 1:41 AM. Hearing was scheduled for 10-9-24 at 9:00 AM

Good Morning,

I have attached two supplemental items, one being comments from DOT, and the other is a condition we are going to recommend to the Hearing Administrator. We saw in the narrative that there is an event venue aspect, which would not be an allowed use in RH. In addition to the zoning issues with that use, something that intensive would also trigger requirements for increased infrastructure. We think everything else listed in the services provided is probably okay, with a note that the weekend events portion we need to be careful with, as these need to remain small-scale. "Live Music" is fine if, for example, you have someone playing music while guests are doing typical wine tasting activities, but we can't have it get to live music meaning hosting a concert for 50 people, with wine tasting as a bonus (I would describe it as wine tasting can be supported with additional events like painting or music, but you can't have events as the main draw with wine tasting as a bonus). Keep in mind that the reason these uses can exist while considering the unpaved access and other infrastructure items is that these uses are small in scale, and won't have the same impact that normal commercial uses have.

Regards,

Spencer Hickman
Planner II
Pima County Development Services
201 N. Stone Av, 1st Floor
Tucson, AZ 85701
Spencer.Hickman@pima.gov
(520)724-6498

Explanation from County Official regarding what an event might be, or might not be. Live music is "OK" but concerts aren't. I'm certainly confused after reading. Also see renewed focus on paving road.

GUIDANCE FROM COUNTY IS NOT CLEAR ON WHAT AN EVENT IS, OR ISN'T

Email 3: Comms with County



Charron Vineyard

CV Charron Vineyards
To: David.Takaki@pima.gov; traci.peterson@pima.gov; hussein.alzubaidi@pima.gov; marwan.sami@pima.gov; Naomi.Scherrer@pima.gov; Jeffrey.Graupmann@pima.gov
Cc: Doug Hanson

☺ Reply Reply All Forward ...
Fri 8/9/2024 11:14 AM

forArchitect.pptm
21 MB

Good Morning Pima County Reps –

I'm trying to get some clarification regarding a project that my architect Doug Hanson has initiated conversations on the county with. I've made some phone calls to try and reach the right folks, but haven't been successful in reaching the right people yet.

There were a couple of concerns brought up to my architect, and I am trying to get my head wrapped around.

1) Conditional Use for Winery does not prescribe that a tasting room can be built

- a. I'm not sure I understand this, because the county has been aware that we have been operating a tasting room / winery for over 15 years on the property. In fact, Pima county took pictures of the operation that feature the tasting room at the time. They are on the assessors website, and I have attached them in the powerpoint presentation attached.
- b. Pima County approved that a permit explicitly for a new Tasting Room, Deck, portico and storage in April 2016. Permit #: P16B902344. Certificate of occupancy was issued April 2018. See attached powerpoint presentation with pictures taken by Pima county.
- c. Our Series 13 winery license allows us to sell wine onsite in a tasting room.

Based on the above, I'm not sure why we can't improve our existing facilities with a tasting room, since the county has allowed this for over 15 years. I suspect that the guidance to my architect was made without realizing that Pima has allowed our tasting room to operate for the past 15 years, but am hoping to get some clarification.

2) Permits for commercial projects all require paved driveways

- a. I've been trying to locate the zoning rule that explicitly states that all commercial projects/permits require a paved drive way, and haven't been able to find one. **Can the right person send this rule to me?** I'm familiar with quite a few commercial activities in our district that don't have paved driveways, and I suspect that this may just be a mis-communication.
 - i. To be clear, the driveway to our vineyard off Hwy 83 is an improved gravel driveway that is regularly maintained with private funds. It's not just a "dirt road".
 - ii. Pima County uses our facility as an election center every year. If the road is good enough to host elections, it should be good enough for an updated tasting room.
 - iii. Building an engineered, paved road is inconsistent with the rural farm winery vibe that we have. We don't want to urbanize our area. People come to see us because we are a beautiful vineyard in the country, not because our roads are paved.
 - iv. A paved road likely exceeds the cost of the proposed project, which is untenable for us.

It probably makes the most sense to talk through some of these issues on the phone or in person. I think the scope of the project we are trying to get kicked off is reasonable and fits into the spirit of zoning and codes, and I look forward to partnering with the Pima County team to get it moving. Please let me know a good time to talk or meet with the right people at your offices, and I will be there to discuss our project.

Colton Noble



520-762-8585
18585 S. Sonoita Hwy - Vail AZ 85641
www.charronvineyards.com

Email I sent to county staff after my architect informed me that county cancelled our initial pre-development meeting with county, stating we don't have the correct zoning to build a tasting room

Email 4: Comms with County



From: David Takaki <David.Takaki@pima.gov>
Sent: Friday, August 9, 2024 11:56 AM
To: Charron Vineyards <info@charronvineyards.com>
Cc: Tracy Peterson <Tracy.Peterson@pima.gov>; Hussein Al Zubaidi <Hussein.AlZubaidi@pima.gov>; Thomas Drzazgowski <Thomas.Drzazgowski@pima.gov>
Subject: RE: Charron Vineyard

Charro,

Per our conversation, and per your request the 2016 Subdivision and Development Street Standards requires all commercial development to provide, legal, paved, all-weather access to the public roadway system. The developer is responsible for the cost of connecting the development to the public roadway network.

<https://content.civicplus.com/api/assets/335c6091-1e31-40d2-9529-ce957f7cb556>



Please talk to Tom about the zoning permit, you can call him at (520) 724-6675

Thank you,

David Takaki

RE: Charron Vineyard

 Charron Vineyards
To: David Takaki
Cc: Tracy Peterson; Hussein Al Zubaidi; Thomas Drzazgowski
You forwarded this message on 8/9/2024 12:22 PM.

 Reply  Reply All  Forward 

Fri 8/9/2024 12:21 PM

Hi David –

Thank you for sending this to me. Reading through this, it looks like this document is prescribing road development activities for large subdivisions and complex commercial jobs.

We're definitely not that. We're looking to improve our tasting room which will cost less than \$700,000. The driveway to our operation as it exists today is appropriate for public access today. Building a road per the development standards you sent me would easily be in the millions of dollar range, and I think is incompatible with the spirit of the zoning class we are in.

I think the clause below allows me to show that the driveway that I have in place today is appropriate for the type of operation we are running.

"It is not the intent of Pima County to limit design to the requirements prescribed herein if the objectives contained in the above listed purpose statement can be achieved by other recognized engineering practices and performance based approaches. Submittal of alternative performance based designs aligned with the objectives outlined above is acceptable and will be reviewed on a case by case basis"

Since we have been using the same road for the past 15 years, we can show that the road gives appropriate, year round access on a performance based approach. Is there a review board or a person I can talk to about looking into this based on its merits?

Colton Noble


520-762-8585
18585 S. Sonoita Hwy - Vail AZ 85641
www.charronvineyards.com

Observations:

Pima County approved a Calportland Limestone quarry operation to be operated a couple of miles down the road from the vineyard. Regular blasting, large trucks and dust plumes are constantly coming down the highway. Why is this an approved use in an RH zoning area, and tasting room is not? Why does the quarry pit not have a paved road?

https://tucson.com/news/science/environment/us-permit-decision-could-slow-limestone--quarry-plan/article_6d4ea8d3-808f-5b1d-a556-a0b30b5cd62b.html

Charron Vineyards Farm with tasting room will have **FAR** less impact than what the limestone quarry has had on the neighborhood.

Pima County allows other B&B operations to operate on Hwy 83 that are on unpaved roads, including a camping operation and a meditation retreat. Why are these entities permitted to operated on unpaved roads, and tasting room is not?

Infrastructure at Charron Vineyards, particularly the manufactured home, is aging. Charron wants to modernize this aging infrastructure. This seems like something the county would want to allow.

In Santa Cruz and Cochise counties, the type of project being proposed (Winery / Tasting Room) are being built responsibly. Why not here?

Concern 2: Charron Vineyards will have to engineer and pave driveway for any commercial permit

Charron Vineyards is trying to understand the rationale for why Pima County is requesting that the $\frac{3}{4}$ mile, improved gravel driveway needs to be paved to be considered for any commercial permit.

- Cost of an engineered and paved driveway will exceed that of actual project, and makes project untenable.
- **Charron Vineyards is a farm winery...** People come to Charron Vineyards because there isn't a paved highway leading to the farm. Establishing a paved driveway permanently alters the charm / character and is why people come in the first place. Charron does not intend to urbanize or "Tucsonize" our rural farm neighborhood.
- Driveway passes through private land: Charron Vineyard will not compel its neighbors to pave the driveway leading to the vineyard (Right of way for driveway exists)
- The gravel driveway is **maintained** every year (Material brought in and spread, grader brought in at private cost.)
- Other commercial entities have unpaved driveways. Charron cannot locate zoning law or rules stating that a commercial business **must** have a paved driveway. Forcing Charron to pave driveway seems arbitrary and capricious considering that zoning law cannot be located, and that other commercial enterprises do not comply.

Concern 1: Conditional use Permit not intended to permit Charron to act as a licensed Series 13 Farm Winery

Charron understands that there are questions regarding the conditional use permit that allows the vineyard to operate as a farm winery per their state issued Series 13 Farm Winery License. Pima County has been aware for years that Charron Vineyards has operated a tasting room on the premise:

- On 10-18-2010, Pima County inspected and photographed the premise and observed that:

A) Charron possessed a Domestic Farm Winery License, which permits licensee to sell less than 20,000 gallons of wine from the premise. See: 4-205.04. Farm winery license; issuance; regulatory provisions; retail site; fee (<https://www.azleg.gov/ars/4/00205-04.htm>)



4-205.4 AZ Farm Winery Law

4-205.04. Farm winery license; issuance; regulatory provisions; retail site; fee A. The director may issue a farm winery license to any person who meets the requirements of subsection C of this section. Each location that engages in producing or manufacturing these products must obtain a separate farm winery license. The licensee may not transfer the farm winery license from person to person or from location to location. B. An applicant for a farm winery license, at the time of filing the application for the license, shall accompany the application with the license fee. A person who holds a farm winery license shall report annually at the end of each calendar year, at the time and in the manner as the director prescribes, the amount of wine produced or manufactured by the licensee during the calendar year. In addition to any provision of this title, if the total amount of wine produced or manufactured during the year exceeds the amount permitted annually by the license, the licensee shall apply for and receive a producer's license only on surrender of the farm winery license or licenses. C. A person may be licensed as a farm winery to sell wine produced or manufactured if in a calendar year it produces at least two hundred gallons and not more than forty thousand gallons of wine and if the winery either holds a winery permit issued by the United States alcohol and tobacco tax and trade bureau or has a contract pursuant to subsection E of this section for the production or manufacturing of wine from grapes or other fruit grown on at least five producing acres of land owned or controlled by the applicant and the land has been devoted to fruit growing for at least three consecutive calendar years. A licensed farm winery may make sales and deliveries of wine only as specifically provided in this section and as follows: 1. A licensed farm winery may make sales and deliveries of wine to wholesalers licensed to sell wine under this title. 2. A licensed farm winery may serve wine produced or manufactured on the premises for the purpose of sampling the wine. The wine may include wine produced pursuant to subsections D and E of this section. 3. A representative of the licensed farm winery may consume small amounts of the products of the licensed farm winery on the premises for the purpose of sampling the wine. The wine may include wine produced pursuant to subsections D and E of this section. 4. A licensed farm winery may sell to a consumer physically present on the premises wine produced or manufactured on the premises in the original container for consumption on or off the premises. The wine may include wine produced pursuant to subsections D and E of this section. 5. A licensed farm winery may purchase and sell wine produced, packaged and labeled by another licensed farm winery for sampling and consumption on or off the premises only if the retail sale is to a consumer physically present on the premises of the farm winery, except that the sales of wine produced, packaged and labeled by another winery may not exceed twenty percent of the farm winery's sales by volume. The percentage limitation shall not apply to wine produced pursuant to subsections D and E of this section. 6. If the licensed farm winery is not otherwise engaged in the business of a distiller, vintner, brewer, rectifier, blender or other producer of spirituous liquor in any jurisdiction, the licensed farm winery may hold licenses prescribed in section 4-209, subsection B, paragraph 12 on the licensed farm winery premises or other retail premises. Except as provided in paragraph 5 of this subsection, the licensed farm winery shall purchase all other spirituous liquor for sale at the on-sale retail premises from wholesalers that are licensed in this state, except that a licensed farm winery may: (a) Purchase wine from other farm wineries pursuant to paragraph 7 of this subsection. (b) Make deliveries of the wine that the farm winery produces to the farm winery's own commonly controlled retail licensed premises. 7. A licensed farm winery that produces not more than twenty thousand gallons of wine in a calendar year may make sales and deliveries of the wine that the licensed farm winery produces to onsale and off-sale retailers. 8. Notwithstanding section 4-244, paragraphs 3 and 7, an on-sale or off-sale retailer may purchase and accept delivery of wine from a licensed farm winery pursuant to paragraph 7 of this subsection. 9. A licensed farm winery that produces not more than twenty thousand gallons of wine in a calendar year may make sales and deliveries of wine that the licensed farm winery produces to consumers off of the licensed premises and that is ordered by telephone, mail, fax or catalogue, through the internet or by other means if all of the following apply: (a) The purchaser of the wine provided the licensed farm winery with verification of the purchaser's legal age to purchase alcohol. (b) The shipping container in which the wine is shipped is marked to require the signature on delivery of an adult who is of legal age to purchase alcohol and delivery confirmation. (c) The wine is for personal use only and not for resale. (d) The wine is delivered by the licensed farm winery or shipped by the licensed farm winery by a common carrier to a residential or business address other than a premises licensed pursuant to this title. (e) The purchaser could have carried the wine lawfully into or within this state. (f) The delivery is made by a person who is at least twenty-one years of age. (g) The farm winery collects payment for the price of the spirituous liquor no later than at the time of delivery. 10. A licensed farm winery may make sales and deliveries as expressly permitted by sections 4-203.03, 4-203.04 and 4-244.04. D. On application by one or more persons, the director may approve applications for grouping two or more farm winery licenses at one location under a plan of alternating proprietorships if a licensed winery has received approval of the alternating proprietorship by the United States alcohol and tobacco tax and trade bureau and the participating wineries operate under the regulations and guidelines that are issued by the United States alcohol and tobacco tax and trade bureau. Each participating winery is responsible for filing all reports that relate to its wine production or manufacturing with the United States alcohol and tobacco tax and trade bureau and the department. E. A person otherwise qualified to receive a farm winery license may enter into a custom crush arrangement where a licensed winery produces or manufactures wine from grapes or other fruit supplied by the person. The winery receiving the fruit shall be licensed by the United States alcohol and tobacco tax and trade bureau and the department and is responsible for filing all reports that relate to its wine production or manufacturing with the United States alcohol and tobacco tax and trade bureau and the department. Each person supplying the grapes or other fruit shall first apply for and receive a farm winery license and shall report to the department all volumes of wine from its custom crush arrangements, which shall not be allocated to the gallonage of the receiving farm winery if the supplying farm winery has an active basic permit issued by the United States alcohol and tobacco tax and trade bureau. F. On application by a farm winery licensee, the director may authorize a farm winery licensee to operate up to two remote tasting and retail premises if: 1. The wine sold at the premises is limited to wine produced or manufactured by the licensed farm winery and wines produced or manufactured by other licensed farm wineries, including wines produced or manufactured pursuant to subsections D and E of this section. The farm winery may sell wine to a consumer physically present on the premises for consumption on or off the premises. Sales of wines not produced or manufactured by the farm winery are limited to no more than twenty percent of the total sales by volume at that location. The percentage limitation shall not apply to wine produced pursuant to subsections D and E of this section. 2. The farm winery licensee: (a) Remains responsible for the premises. (b) Obtains approval for the premises from the local governing body before submitting an application to the department. A copy of an order from the local governing body recommending approval of the premises must be filed with the department as part of the application. (c) Does not sublease the premises. (d) Has an agent who is a natural person who meets the qualifications of licensure in this state. (e) Meets the qualifications for a license pursuant to section 4-203, subsection A. G. A farm winery licensee may hold a craft distiller license issued pursuant to section 4-205.10. The farm winery and craft distiller licensee is subject to all other requirements of this section and section 4-205.10. The farm winery may provide sampling and sales of the distilled spirits pursuant to section 4-205.10, subsection C, paragraphs 2 and 3 on the same premises as the wine sampling and retail sales. H. The farm winery is liable for any violation committed in connection with any sale or delivery of the wine. The rules adopted by the director pursuant to section 4-203, subsection J apply to the delivery of wine under subsection C, paragraph 9 of this section. An act or omission of any person who makes a sale or delivery of wine for a licensee under subsection C, paragraph 9 of this section is deemed to be an act or omission of the licensee for the purposes of section 4-210, subsection A, paragraph 9. I. A farm winery that sells or delivers wine pursuant to this section shall: 1. Pay to the department of revenue all luxury taxes imposed pursuant to title 42, chapter 3 and all transaction privilege or use taxes imposed pursuant to title 42, chapter 5. 2. File all returns or reports required by law. J. A delivery of wine by a farm winery to a purchaser in this state is a transaction deemed to have occurred in this state. K. The director shall adopt rules in order to administer this section. L. The director may charge an additional farm winery license fee adopted pursuant to section 4-209 for the issuance of licenses, authorizations or approvals pursuant to subsections D, E and F of this section. M. The farm winery licensee that operates primarily as a remote tasting room premises may exchange the farm winery license for a remote tasting room license without an additional fee, not later than December 31, 2018. The new remote tasting room license must be connected to a farm winery license, with common ownership, that complies with all requirements for a farm winery license pursuant to subsections C and F of this section. N. Production and storage space of the farm winery is excluded from the licensed farm winery premises and is not the public area unless that space is also used for the sale of wine to the public or consumption of or sampling of wine by the public or to provide other services to the public. Pursuant to section 4-118, the director, the director's agents or any peace officer may inspect spaces excluded by this subsection. For the purposes of this subsection, "public area" means a place within a farm winery that is accessible to the public and in which the farm winery authorizes the presence of members of the public