

Exhibit B

FINDINGS

Krupp Brothers Winery
Use Permit № P11-00348 and Conservation Regulations Stream Setback Exception № P11-00495
3150 Silverado Trail, Napa, C^{alif.}, 94558
Assessor's Parcel №. 039-610-006

ENVIRONMENTAL DETERMINATION

The Conservation, Development, and Planning Commission (Commission) has received and reviewed the proposed **Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and makes the following findings. That:

1. Prior to taking action on the Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and the proposed project, the Commission read and considered said Declaration.
2. The Mitigated Negative Declaration is based on independent judgment exercised by the Commission.
3. The Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program were prepared and considered in accordance with the requirements of the California Environmental Quality Act.
4. Considering the record as whole, there is no substantial evidence that the project will have a significant effect on the environment.
5. The Secretary of the Commission is the custodian of the records of the proceedings on which this decision is based. Records are located at the Napa County Conservation, Development, and Planning Department, 1195 Third Street, Room 210, Napa, Calif.

CONSERVATION REGULATIONS STREAM SETBACK EXCEPTION

The Commission has reviewed the Conservation Regulations Stream Setback Exception request in accordance with the requirements of Napa County Code § 18.108.040 and makes the following findings. That:

6. Roads, driveways, buildings and other man-made structures have been designed to complement the natural landform and to avoid excessive grading.

The applicant is observing the 600-ft. setback from Silverado Trail. Clustering of winery structures adjacent to the existing on-site residence accomplishes this; however, that location is greatly constrained by the property's eastern boundary line. Approval of the exception request will assist in minimizing the amount of impervious surface necessary on-site and will contribute to the positive net biological impact that restoration of previously graded roads and a creek restoration landscape plan will have on the property and on the creek.

7. Primary and accessory structures employ architectural and design elements which in total serve to reduce the amount of grading and earthmoving activity required for the project.

Re-use of the large existing residence as part of the winery will function to reduce new soil disturbance on-site. Clustering of other winery development areas will minimize grading and site disturbance.

8. The development project minimizes removal of existing vegetation, incorporates existing vegetation into the final design plan, and replacement vegetation of appropriate size, quality and quantity is included to mitigate adverse environmental effects.

First, existing graded roads will largely be returned to a natural state; these existing roads are located much closer to the creek than the area identified for the exception request. Second, the proposed creek restoration plan will result in positive impacts for the creek. The plan includes restoration plan landscaping, appropriately sized native plantings, and tree protection details.

9. Adequate fire safety measures have been incorporated into the design of the proposed development.

The Fire Marshal has reviewed this application and recommends approval.

10. Disturbance to streams and watercourses is minimized, and the encroachment is the minimum necessary to implement the project.

A review of the proposed site plan makes it clear that the proposed winery is located as far away from Hardman Creek as is practicable given the constraints imposed by property line setbacks, winery road setbacks, the 100 year floodplain, and potential jurisdictional wetlands located on the property. Existing roads closer to the creek will be returned to their natural state. Creek restoration plans will provide significant mitigation aimed at improving the health of the creek. Taken cumulatively, this proposal more than offsets any potential impacts from the proposed stream setback exception.

11. The project does not adversely impact threatened or endangered plant or animal habitats as designated by state or federal agencies with jurisdiction and identified on the county's environmental sensitivity maps.

As mitigated, this project has been found to have a less than significant impact on biological resources.

12. An erosion control plan, or equivalent NPDES stormwater management plan, has been prepared in accordance with Section 18.108.080 and has been approved by the director or designee.

Preliminary erosion control plans have been reviewed and found adequate by the Department of Public Works. A final erosion control plan, or equivalent NPDES stormwater management plan, will be prepared and approved prior to issuance of a building or grading permit for this project in accordance with NCC §18.108.080.

USE PERMIT

The Commission has reviewed the use permit request in accordance with the requirements of Napa County Code §18.124.070 and makes the following findings. That:

13. The Commission has the power to issue a use permit under the zoning regulations in effect as applied to the Property.

The project is consistent with AP (Agricultural Preserve) zoning district regulations. A winery (as defined in Napa County Code §18.08.640) and uses in connection with a winery (see Napa County Code § 18.16.030) are permitted in an AP-zoned district subject to use permit approval. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990, *as amended*) and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code), as applicable.

14. The procedural requirements for a use permit set forth in Chapter 18.124 of the Napa County Code have been met.

The use permit application has been filed and noticing and public hearing requirements have been met. The hearing notice and notice of availability of the proposed mitigated negative declaration were posted on April 11, 2012 and copies of the notice were forwarded to property owners within 300 feet of the Property. The CEQA public comment period ran from May 4 to June 4, 2012.

15. The grant of a use permit, as conditioned, will not adversely affect the public health, safety, or welfare of the County of Napa.

Various County departments have reviewed the project and commented regarding water, access, building permits, and fire protection. Conditions are recommended which will incorporate these comments into the project to assure the ongoing protection of public health and safety.

16. The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan.

The Winery Definition Ordinance (WDO) was established to protect agriculture and open space and to regulate winery development and expansion in a manner that avoids potential negative environmental effects.

The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990), the 2009-2010 Winery Definition Ordinance Update (Ord. No. 1340, 2010), and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code), all as applicable.

General Plan **Agricultural Preservation and Land Use Goal AG/LU-1** guides the County to, “preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County.” General Plan **Agricultural Preservation and Land Use Goal AG/LU-3** states the County should, “support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.” Approval of this project furthers both of these key goals.

The subject parcel is located on land designated Agricultural Resource (AR) on the County's adopted General Plan Land Use Map. This project is comprised of an agricultural processing facility (winery), along with wine storage, marketing, and other WDO-compliant accessory uses as outlined in and limited by the approved project scope (see Exhibit C, Condition of Approval No 1 *et seq.*) These uses fall within the County's definition of agriculture and thereby preserve the use of agriculturally designated land for current and future agricultural purposes.

As approved here, the use of the property for the "fermenting and processing of grape juice into wine" (NCC §18.08.640) and for uses accessory thereto supports the economic viability of agriculture within the county consistent with General Plan **Agricultural Preservation and Land Use Policy AG/LU-4** ("The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/ open space...") and General Plan **Economic Development Policy E-1** ("The County's economic development will focus on ensuring the continued viability of agriculture...").

The General Plan includes two complimentary policies requiring that new wineries, "...be designed to convey their permanence and attractiveness." (General Plan **Agricultural Preservation and Land Use Policy AG/LU-10** and General Plan **Community Character Policy CC-2**) The proposed winery has a distinguished architectural design and quality materials and will be fully compliant with the requirements of policies AG/LU-10 and CC-2.

As analyzed at item **No 16**, below, the winery will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level. The project is consistent with General Plan **Conservation Policies CON-53** and **CON-55**, which require that applicants for discretionary land use approvals prove the availability of adequate water supplies which can be appropriated without significant negative impacts on shared groundwater resources.

Napa County's adopted General Plan reinforces the County's long-standing commitment to agricultural preservation, urban centered growth, and resource conservation. On balance, this project is consistent with the General Plan's overall policy framework and with the Plan's specific goals and policies.

17. Minimum thresholds for water use have been established by the Department of Public Works using reports by the United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. Any project which reduces water usage or any water usage which is at or below the established threshold, is assumed not to have a significant effect on groundwater levels. Based on the submitted *Phase One* water availability analysis, the 13.23 acre subject valley-area parcel has a water availability calculation of 13.23 acre feet per year (af/yr), which is arrived at by multiplying its 13.23 acre size by a one af/yr/acre fair share water use factor. According to the applicant, existing water usage on the parcel is approximately 4.5 af/yr, including .75 af/yr for residential use and 3.8 af/yr for irrigation of established vineyards. This application proposes an additional 1.33 af/yr of winery water use, .49 af/yr for landscaping, and a decrease in vineyard water use of 0.2 af/yr due to a marginal decrease in vineyard area. As a result of the foregoing, annual water demand for this parcel would increase to 5.87 af/yr. Based on these figures, the project would be below the established threshold for groundwater use on the property. The County is not aware of, nor has it received any reports of, groundwater shortages near the

project area. The project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level.