



Agenda Date: 12/7/2016
Agenda Placement: 8A

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Technical Services/Engineer

REPORT BY: Andrew Damron, Technical Services Director - 707-258-6000

SUBJECT: Relief on Application - 660 Main Street (APN 003-320-005) in Napa - The Corner

RECOMMENDATION

Continue an appeal hearing and make a determination whether to grant request for relief on application by waiving the capacity charge for exterior sit down dining for The Corner located at 660 Main Street (APN 003-320-005). This appeal hearing is continued from the District Board meeting on November 16, 2016.

EXECUTIVE SUMMARY

The Corner is a restaurant located at 660 Main Street in the Riverfront Building. In October 2014, plans were submitted to the District for a tenant improvement project for the restaurant improvements. After three submittal cycles, the plans were approved and fees were paid in May 2015. In May 2015, District Code required capacity charges to be paid based on the fixture units installed by the project with a minimum of 1 equivalent dwelling unit (EDU). The minimum fee of 1 EDU was paid. The permit plan set included Sheet A1.1. Sheet A1.1 includes a footprint of the outside seating area but the area is noted as "Under Separate Cover".

District Code in May 2015 did not require payment of capacity charges for outside seating areas. Additionally, the District does not collect capacity charges prior to project approval by the City of Napa.

On August 31, 2015, NSD's capacity charge methodology changed for commercial spaces. Under the new code, restaurant sewer capacity are based on square footage. Additionally, District Code Section 5.02.030.B.2.a. requires payment of capacity charges for "exterior space that will be used for sit down dining."

In September 2015, the project applied to the City of Napa for permission to install outside seating. On September 24, 2015, the District received a planning application (from the City of Napa Planning Division). The District prepared conditions of approval for the outdoor dining application in October 2015 which included requirements for the project to submit a plan for the outdoor improvements and for the project to pay plan check fees and capacity

charges based on the rates in effect at the time they are paid.

The planning application to the City of Napa shows dimensions for outside seating. Based on these dimensions, staff estimated that the proposed outside seating area is approximately 580 square feet. The capacity charge for outside restaurant seating is 3.25 EDU for each 1,000 SF. The current EDU rate is \$8,950. The capacity charge due would be 1.88 EDU (0.58×3.25) = \$16,826.

In September 2016, the District sent a letter informing the property owner that capacity charges were due. The letter was sent when the District incorrectly believed that the outdoor seating had already been installed. Regardless, capacity charges are due per District Code if outside seating is installed in the future.

In October 2016, The Corner sent a letter to the District requesting relief on application.

On November 16, 2016, the District conducted an appeal hearing. During the appeal hearing, the Board requested additional information from the applicant. Additional information was provided by the applicant and is attached to this staff report.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	All capacity charge revenue is budgeted in the expansion fund.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	It is at the discretion of the Board to grant the relief on application.
Is the general fund affected?	Yes
Future fiscal impact:	If relief is granted, the District will not collect capacity charges for the exterior sit down dining area.
Consequences if not approved:	If relief is not approved, capacity charges of 0.58 EDU in the amount of \$16,826 will apply prior to installation of exterior seating.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Timeline:

Oct 2014	TI plans submitted to NSD
May 2015	TI plans approved by NSD

May 2015	TI permit issued by NSD and City of Napa
Aug 4, 2015	Environmental Health plan approval
Aug, 31 2015	NSD Code change
Sep 2015	Outside seating planning application
Oct 2015	NSD COA for outside seating
May 2016	Planning approval (outside)
Jun 2016	Environmental Health permit to operate
Jul 2016	Restaurant opens for business
Sep 2016	NSD letter to owner
Oct 2016	Request for relief letter
Oct 2016	Encroachment permit issued

SUPPORTING DOCUMENTS

- A . Appeal Procedure
- B . Applicable Code Sections
- C . District Letter
- D . Applicant Correspondence
- E . Applicant Correspondence - New
- F . Environmental Health Letter #1
- G . Environmental Health Letter #2
- H . Environmental Health Letter #3
- I . Environmental Health Annual Permit to Operate
- J . City of Napa - Building TI Permit
- K . City of Napa - Outdoor Dining Permit
- L . Presentation Slides

Napa Sanitation District: Approve

Reviewed By: Timothy Healy