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Agenda Date: 1/21/2015

Agenda Placement: 9B

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission

**FROM:** Charlene Gallina for David Morrison - Director  
Planning, Building and Environmental Services

**REPORT BY:** Wyntress Balcher, Planner II - 707 299-1351

**SUBJECT:** Larkmead Vineyards Use Permit Major Modification #P14-00158

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### **RECOMMENDATION**

#### **LARKMEAD VINEYARDS - USE PERMIT MAJOR MODIFICATION #P14-00158**

**CEQA Status:** Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, the proposed project would have, if mitigation measures are not included, a potentially significant environmental impact in the following area: Transportation/Traffic. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

**Request:** Approval to modify Use Permits #P04-00204, P05-0247-MOD, and #P12-00105-MOD to: a) Increase annual production capacity from 36,000 to 75,000 gallons per year; b) Increase tours and tasting and retail sales, by appointment only, from 40 persons per day to a maximum 100 per day weekdays and maximum 150 per day weekends, for a total maximum 800 per week; c) Expand the visitation hours from 10:00 AM-4:30 PM to 9:00 AM-6:00 PM; d) Modify the existing Marketing Plan (currently five events: 25-120 persons) to include: a total of four (4) private wine and food tasting events per month, for a maximum 25 persons; a total of two (2) wine and food tasting events per year for a maximum 120 persons; and one (1) wine and food tasting event per year for a maximum 300 persons; e) Increase employment from 10 to 10–25 employees: (eight (8) full-time and maximum three (3) part-time listed in application); f) Construct an additional 10 public parking spaces for a total of 25 on-site parking spaces; and, g) Expand the existing sanitary and process waste water systems. The project is located on a 17.85 acre parcel on the west side of Larkmead Lane, approximately .4 miles north of its intersection with the State Highway 29 intersection, and approximately 1 mile south of its intersection with the Silverado Trail, within the Agricultural Preserve (AP) Zoning District. 1100 Larkmead Lane, Calistoga, CA, 94515; APN: 020-240-001.

**Staff Recommendation:** Adopt the Mitigated Negative Declaration and approve the Use Permit Major Modification, as conditioned.

**Staff Contact:** Wyntress Balcher, Planner II, (707) 299-1351; wyntress.balcher@countyofnapa.org

**Applicant Contact:** Beth Painter, (707) 287-9089, [beth@bnapa.com](mailto:beth@bnapa.com)

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Girard Winery based on Findings 1-6 of Exhibit A; and
2. Approve Use Permit Major Modification (P14-00158) based on Findings 6-10 of Exhibit A, and subject to the recommended Conditions of Approval (Exhibit B).

### **Discussion:**

The applicant requests approval of a use permit modification of an existing winery to increase annual production from 36,000 to 75,000 gallons per year; increase visitation from 40 visitors to a maximum 100 visitors weekdays, 150 visitors weekends, for a total maximum 800 per week; expand the visitation hours; modify the existing Marketing Plan to increase the number of events from 38 to 48 per year, the largest event a maximum of 300 persons, increase the number of employees from 10 to 10-25, and, expansion of the existing sanitary and process waste water systems.

Although this is a relatively large project, staff is recommending in favor of its approval for the following reasons: 1) the proposal is a modest increase in production, and will utilize estate-grown grapes currently sold to other sources, reducing the amount of transport; 2) the proposal includes substantial greenhouse gas offset features; 3) potential traffic impacts have been fully mitigated; 4) the project will be subject to the County's expanded housing impact fees; 5) the amount of visitation space is relatively modest in comparison to the amount of production space; and 6) the project requires no reductions or alternatives to winery zoning standards.

## **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

## **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: Mitigated Negative Declaration Prepared. According to the proposed Mitigated Negative Declaration, the proposed project would have, if mitigation measures are not included, a potentially significant environmental impact in the following areas: Transportation/Traffic. The project is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

## **BACKGROUND AND DISCUSSION**

**Owner/Applicant:** Larkmead Vineyards/Colin MacPhail, 110 Larkmead Lane, Calistoga, CA 94515 (707) 963-3298

**Representative:** Beth Painter, 1455 First Street, Suite 217, Napa, CA 94559 (707) 287-9089

**Zoning:** Agriculture Preserve – AP

**General Plan Designation:** Agricultural Resource – AR

**Filed:** May 13, 2014; **Completed:** June 12, 2014

**Parcel Size:** 17.85 acres

**Winery Characteristics:**

**Production Capacity (Existing):** 36,000 gallons per year.

**Production Capacity (Proposed):** 75,000 gallons per year.

**Winery Size (Existing):** 19,494 square feet (sf) winery-14,572 sf production area and 4,923 sf accessory areas which include a 2,650 sf tasting room; a 1,118 sf tasting/conference room; an employee break room/commercial kitchen; and 360 sf offices.

**Winery Size (Proposed):** The project does not propose any changes to the existing winery building.

**Development Area (Existing):** 51,794 sf, or 1.19 acres.

**Development Area (Proposed):** No change proposed.

**Winery Coverage (Existing):** 61,721 sf, or 1.42 acres; 7.94% (Maximum 25% or 15 acres)

**Winery Coverage (Proposed):** 65,326 sf or 1.50 acres; 8.40% (Maximum 25% or 15 acres)

**Accessory/Production Ratio (Existing):** 14,572 sf production / 4923 sf accessory use: 25.3% (Maximum 40% of production facility allowed).

**Accessory/Production Ratio (Proposed):** No change proposed.

**Number of Employees (Existing):** 10 (6 full-time, 4 part-time).

**Number of Employees (Proposed):** 10-24; 11 listed on application (8 full-time, 3 part-time).

**Visitation (Existing):** 40 persons per day; maximum 120/week.

**Visitation (Proposed):** 100 persons weekdays (Monday-Friday); 150 weekends (Saturday-Sunday); maximum 800/week.

**Marketing Program (Existing):** Three (3) private wine and food tasting events per month, for a maximum 25 persons; two (2) wine and food tasting events per year for a maximum 120 persons.

**Marketing Program (Proposed):** Four (4) private wine and food tasting events per month, for a maximum 25 persons; two (2) wine and food tasting events per year for a maximum 120 persons; one (1) wine and food tasting event per year for 300 persons.

All food to be catered utilizing the 385 sf employee break room located adjacent to the "West Tasting room/conference room".

**Days and Hours of Operation (Existing):** visitation: 10:00 am - 4:30 pm; production: 7:00 am - 6:00 pm

**Days and Hours of Operation (Proposed):** visitation 9:00 am - 6:00 pm; production: no change

**Parking (Existing):** 15 parking spaces, one (1) loading area.

**Parking (Proposed):** 25 parking spaces, one (1) loading area.

**Setbacks (Required):** 20' side, 20' rear, ±300' from Larkmead Lane (required 300' setback for a collector road).  
**Setback (Proposed):** Existing facility ±350' from Larkmead Lane. No variance proposed. All required setbacks will be met.

**Adjacent General Plan Designation/ Zoning / Land Use:**

North:

Agricultural Resource (AR) /Agricultural Preserve Zoning (AP)/Agricultural use (vineyards).

South:

Agricultural Resource (AR) / Agricultural Preserve Zoning (AP)/Agricultural use (vineyards), rural residential, and wine production (Madrigal Vineyards).

East:

Agricultural Resource (AR) /Agricultural Preserve Zoning (AP)/Agriculture (vineyards) and wine production (Frank Family Vineyards).

West:

Agricultural Resource (AR) /Agricultural Preserve zoning (AP)/Agricultural use (vineyards).

**Wineries in the Vicinity** (located within 1 mile of the project)

Winery Name	Address	Bldg Sq. Ft.	Production	Visitors (Ave/Wk)	Total Events/Yr	Employees
ALTA VINEYARD CELLAR	1311 SCHRAMSBERG RD	480	5,000	4	no record	4
DAVIS ESTATES	4060 SILVERADO TRL	44,832	30,000	168	26	5
FRANK FAMILY VINEYARDS	1091 LARKMEAD LN	81,000	564,500	700	no record	25
MADRIGAL VINEYARDS	3718 N ST HELENA HWY	6,252	36,000	20	7	5
SCHRAMSBERG VINEYARDS WINERY	1400 SCHRAMSBERG RD	94,866	180,000	672	42	39
VILLA AMOROSA	4045 ST HELENA HWY	116,508	250,000	600	no record	6
WERMUTH WINERY	3942 SILVERADO TRL	775.00	20,000	100	no record	0

**Parcel History and Evolution of this Application**

September 1, 2004. The subject parcel is 17.85 acres in area and includes an existing 36,000 gallon winery established by Use Permit #P04-0204 on September 1, 2004. Approval was granted for the construction of a 7,077 sq.ft. winery structure consisting of two buildings connected by a covered breezeway and a 1,224 sq. ft. covered crush pad, a total of 6 employees, retail sales, tours and tastings by appointment only for a maximum 40 persons, maximum 120 persons/week; 10 parking spaces; and a Marketing Plan. The approval was appealed and the appeal was subsequently withdrawn on November 5, 2004. The Marketing Plan included 3 private wine and food tasting events/month for maximum 25 people and two special wine and food tastings/year for a maximum 120 people.

September 8, 2005- A Very Minor Modification #P05-0247-MOD application was approved administratively by Planning, Building and Environmental Services on September 8, 2005, to allow the construction of a shade structure behind the tasting facilities; to add offices in place of storage areas on the second floor of the tasting facilities; screening in a section of the tasting facilities existing covered porch and increased the size of the fire protection water storage tank to 51,300 gallons.

June 8, 2007- A Very Minor Modification #P07-00326 was approved on June 8, 2007, to allow the construction of a 216 sq.ft. addition to the existing crush pad with a new cover at the rear of the winery.

June 6, 2012- Use Permit Major Modification #P12-00105 was approved by the Planning Commission on June 6, 2012, to add a 9,530 sq.ft. barrel storage building which included an office; a tasting/conference room, wine library, employee break room with a commercial kitchen for food pairings, and restrooms. Five (5) parking spaces were added for a total of 15 spaces and the number of employees was increased for a total of ten (six (6) full-time and four(4) part-time).

The winery is currently in compliance with the Winery Definition Ordinance. There are no additional uses on the property, which is planted in 13.2 acres of vineyard. The applicant has represented that Larkmead owns and farms 111.4 acres of vineyard. Currently Larkmead is working with 55 acres of vineyard with 10 acres dedicated to development. The remaining 46 acres include grapes sold to other wineries in the Napa Valley. Larkmead Winery produces estate-grown wines, and in the coming years, Larkmead plans to vinify more of its estate fruit at the winery as existing parcels are being redeveloped, and are thereby requesting this increase in annual production.

### **Code Compliance History**

There are no open or pending code violations for the subject site.

### **Discussion Points**

Setting - The project parcel (APN: 020-240-001) is 17.85 acres in area, and has frontage on the west side of Larkmead Lane, a collector road. There is an existing, operating winery consisting of a production building with fermentation area, barrel storage, winetasting/conference room and an adjacent tasting room/office building, connected by a breezeway. The subject parcel is a portion of a 111.4 acre estate located adjacent to or nearby. The closest residence is on a parcel directly across from the project parcel, ±500 feet from the winery buildings. The Frank Family Vineyards Winery is located on the east side of Larkmead Lane, approximately 500 feet northeast from the Larkmead Winery buildings.

Winery Modification Proposal - The applicants are proposing to increase the production capacity of the winery from 36,000 gallons to 75,000 gallons, to allow the processing of more of the estate fruit produced on the 111.4 acre estate. In addition, an increase in the number of daily tours and tastings visitors and a modification to the marketing plan to add 2 additional events, for a total of 7 events is being requested. To accommodate the requested production and visitation increases, the process wastewater and sanitary waste disposal systems will be expanded, and an additional 10 parking spaces will be constructed. The expanded parking will result in the removal of approximately ¼ acre of vineyard. No other physical changes to the winery are proposed.

Tours and Tastings/Marketing Events - The winery is currently approved for retail sales, tours and tastings by appointment only for 40 persons/day and 120 persons/week. Tours and tastings are conditioned to cease at 4:00 pm, and retail sales to be completed by 4:30 pm. The marketing events include three private wine and food tasting events per month for a maximum of 25 people and two special wine and food tasting events per year, including wine auction, with a maximum of 120 people. The project proposes an increase in the number of visitors for tours and tastings to a maximum of 100 during weekdays (Monday-Friday), 150 during weekends (Saturday/Sunday), a total of 800 visitors per week, and an average of 301 per week. The proposed visitation hours are 9:00 am - 6:00

pm. The applicant will be required, as a mitigation measure, to incorporate into the project a transportation demand management plan which requires the commencement and conclusion of by-appointment visitation to occur outside of peak traffic periods (between 4:00 p.m. and 6:00 p.m. weekdays, 2:00 p.m. and 4:00 p.m. on Saturdays, and 1:00 p.m. and 3:00 p.m. Sundays); the scheduling of employee work shifts to commence and conclude outside of peak traffic periods; and to schedule marketing event set up, arrival and departure to occur outside of weekday and Saturday peak traffic periods. This will serve to address concerns for future cumulative traffic impacts at the intersections of Larkmead Lane and State Highway 29 and Silverado Trail.

The proposed modification of the marketing plan to add one additional event per month for 25 persons and one large annual event for 300 persons will result in a total of 51 marketing events per year.

Staff has prepared a table below comparing the proposed marketing and tours and tasting visitation for the winery to other wineries with annual production of 70,000 to 80,000 gallons per year. Based upon weekly average use, the proposed visitation program falls into the median amongst its peer group of wineries with approved production of 70,000 to 80,000 gallons per year. The table also provides a comparison of winery building floor area, but the project does not propose expansion of the winery floor area. The existing 19,494 sq. ft. winery is within the median range of floor area with comparison wineries ranging in size from 14,500 to 38,690 sf.

Winery	Location	Approved Production	Floor Area (sq. ft)	Tours & Tastings visitors/wk (Average)	Marketing Events per year	Employees
<b>BY APPT ONLY:</b>						
BURGESS NAPA CELLARS	Valley Floor	75,000	14,500	0	n/a	3
COQUEREL FAMILY WINERY	Valley Floor	75,000	12,741	175	67	10
KULETO VILLA VINEYARDS	Eastern Mountains	75,000	17,847	9	n/a	3
RUDD ESTATE WINERY	Valley Floor	75,000	38,690	250	n/a	6
ZD WINES	Valley Floor	70,000	22,956	200	6	10
SILENUS VINTNERS FARM	Valley Floor	72,000	13,740	490	18	11
COLLECTIVE WINERY	South Industrial Area	80,000	13,865	210	13	10
<b>PUBLIC:</b>						
ST. CLEMENT VINEYARDS	Western Hillside	72,000	6,600	490	n/a	13
<b>PROPOSAL:</b>						
LARKMEAD VINEYARDS	Valley Floor	75,000	19,494	800/wk; (301/wk ave)	51	11

Traffic - The existing winery is located on the west side of Larkmead Lane, between State Highway 29 and Silverado Trail. The intersections with State Highway 29 and Silverado Trail; State Highway 29 has a southbound left turn lane at Larkmead Lane. There is one other winery on Larkmead Lane, Frank Family Vineyards, located approximately 500 feet northeast of the subject winery. The project proposes an increase in production; an increase in daily visitation, 100 visitors weekdays, 150 visitors on weekends; and the addition of 13 new marketing events, 12 food and tasting events for a maximum of 25 persons and one food and tasting event for 300 persons.

A Traffic Impact Study for Larkmead Vineyards Expansion Project was prepared by W-Trans (dated October 30, 2014), wherein the analysis focused on potential traffic impacts and circulation from the proposed expansion of the winery. Mechanical traffic counts on Larkmead Lane were made and were well below the threshold of 2,000 vehicles per day, which is the volume a local street can carry without losing its character. The anticipated daily trip generation from the increase in visitation is projected at 36 additional trips during weekdays, and 42 additional daily trips on weekends with 27 weekend PM peak hour trips (2:00 pm - 4:00 pm, Saturdays; 1:00 pm -3:00 pm, Sundays).

The report addresses the future projected traffic volumes, using the Napa County/Solano County 2010 and 2030 Travel Demand Forecasting Model from the Solano Transportation Authority. This data was provided in the form of directional segment volumes along State Highway 29 and Silverado Trail during AM and PM peak hours and projects an estimated annual growth rate of 1.8 percent. The model does not include forecasts for average daily traffic; therefore the weekday PM peak hour growth rate was applied to the weekday and weekend average daily traffic volumes to estimate future 2030 volumes; 800 trips daily on weekdays and 630 on weekend days. The General Plan EIR expects that the 2030 volumes on State Highway 29 will result in a deterioration of that segment to a LOS F, largely as a result of regional growth beyond the ability of Napa County to control, but Silverado Trail is expected to continue operating at LOS C.

The report indicates that with application of the County's standard trip generation form, the project would generate trips during the peak period. However, if by-appointment tasting room visits added by the project are scheduled to begin and end outside of the peak traffic periods (4:00 to 6:00 PM on weekdays, 2:00–4:00 PM on Saturdays, and 1:00 to 3:00 PM on Sundays) and marketing events arrival and departure are scheduled to occur outside of the same peak hours, it would reduce potential future traffic impacts on State Highway 29 and Silverado Trail and, the project would result in no new peak hour trips. As such, mitigation measures have been added to the project, which are designed to ensure no new trips are added to the network during peak hours, the project will not result in a significant increase in traffic or contribute significantly to cumulative traffic impacts identified in the Napa County General Plan EIR.

Groundwater Availability - There is an existing Public Water System Permit on file (CA2800044), which is operated by the owner. The applicant submitted a Water System Feasibility Report (Always Engineering, Inc., dated 5/9/2014) with the application. The system was expanded to meet the needed potable water supply connection points within the recently built hospitality building and barrel hall (pursuant to the use permit approved by the Planning Commission in 2012). The proposed operation of the water system will remain as a Transient Non-Community System (public water systems which serve at least 15 service connections or 25 or more persons for at least 60 days of the year). Peak (weekend) tasting visitation is proposed to be 150 visitors per day with an average of 100 visitors per day during the week. The existing well produces flow rates of 120 gallons per minute, which is capable producing the peak daily demand of 2,845 gpd in a period of 23.7 minutes. There is an existing 1,000 gallon potable water tank for storage of treated water. Arsenic is commonly found in the ground water in this area and removal has been voluntarily incorporated into the water system. As site use is increased, the treatment capacity of the existing arsenic removal system may be doubled, but otherwise, there will be no other changes to the water system as a result of the project proposal. The report concluded that the proposed increase in use of the site is not expected to affect the ability for the existing public water system to meet the demands of the site.

Minimum thresholds for water use have been established by the Napa County 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 presumed not to have a significant effect on groundwater levels. The project is located on the valley floor in an area that has an established acceptable water use criteria of 1.0 acre foot per acre per year.

A Water Availability Analysis was prepared for the project by Always Engineering, Inc., dated May 9, 2014. The

allowable water allotment for this valley floor property is 17.85 af/yr, determined by applying a rate of 1.0 acre feet/year (af/yr) fair share water use factor multiplied by the acreage of the site. The study found that the proposed 75,000 gallon winery, with 11 employees, a maximum of 41,600 annual visitors, 51 events with a maximum of 300 people, and irrigation of 13.1 acres in vineyards would result in a total water demand of 8.54 af/yr. The existing water demand is 7.55 af/yr.

Greenhouse Gases/Climate Action Plan - The County requires project applicants to consider methods to reduce Green House Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as part of the application materials. The applicant proposes to incorporate GHG reduction methods including: extensive solar facilities installed on the original winery building and the newer barrel building, energy efficiencies that go beyond Title 24 requirements; Larkmead is certified as a Green Business (Napa Green Certified Winery) and was verified as carbon neutral through the PG&E ClimateSmart program; other GHG emission reduction measures such as high efficiency irrigation and other water conservation measures within the landscape design; on-site waste water disposal, and infiltration methods for post-construction storm water; and other planned methods including preservation of developable open space in a conservation easement; habitat restoration or new vegetation; alternative fuel and electric vehicles in fleet; vehicle miles traveled reduction plan; and an electrical vehicle charging station. Bicycle incentives, recycling 75% of all waste; 75% food and garden material composting; implementing a sustainable purchase and shipping program; public transit accessibility (The Vine- Route 10) from State Highway 29; education to staff and visitors on sustainable practices; and use of 70-80% cover crop have been implemented. The proposed project has been evaluated against the BAAQMD thresholds and determined that the project would not exceed the 1,100 MT/yr of CO<sub>2</sub>e.

GHG Emission reductions from local programs and project level actions, such as application of the CalGreen Building Code, tightened vehicle fuel efficiency standards, and more project-specific on-site programs including those winery features noted above would combine to further reduce emissions below the thresholds of significance. The project is in compliance with the County's efforts to reduce emissions as described above.

Grape Sourcing - The subject property is currently planted in ±13.2 acres of vineyards. The proposed parking area will result in the removal of ±.25 acres of vineyard. Larkmead produces estate grown wines, owning and farming 111.4 acres of vineyard located adjacent and in the near vicinity of the winery. Larkmead has an adequate source of grapes to comply with the 75% grape sourcing rule.

Public Comments - The applicant contacted the neighbors who provided comments and letters of support for the project. These documents are included with this report.

### **Consistency with Standards**

Zoning - The project is consistent with the AP (Agricultural Preserve) zoning district regulations. A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.16.030) are permitted in the AP District with an approved use permit. The project, as conditioned, complies with the Napa County Winery Definition Ordinance and all other requirements of the Zoning Code as applicable.

Environmental Health Division - Recommends approval with standard conditions in the attached Memorandum dated June 12, 2014.

Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated June 10, 2014.



Public Works Department (Ground Water and Traffic) - Recommends approval in the attached Memorandum, dated November 20, 2014.

Fire Department - Recommends approval with standard conditions in the attached Inter-Office Memo dated June 12, 2014.

**SUPPORTING DOCUMENTS**

- A . EXHIBIT A - PROPOSED FINDINGS
- B . EXHIBIT B - PROPOSED CONDITIONS
- C . Environmental Document
- D . Project Mitigatiion Measures
- E . Department Comments
- F . Letters of Comment & Support
- G . Application documents
- H . Traffic Analysis
- I . Water Analysis
- J . wastewater analysis
- K . Winery Reviews
- L . Larkmead Estate Information
- M . Project Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell