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Agenda Date: 12/7/2016

Agenda Placement: 9A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: EMILY HEDGE, PLANNER II - 259-8226
SUBJECT: Sleeping Lady Winery Use Permit P15-00423

RECOMMENDATION

SLEEPING LADY WINERY - BRIAN G. WISE - USE PERMIT P15-00423-UP

CEQA Status: Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Request: Approval of a use permit to allow the construction of a new 30,000 gallon winery with the following characteristics: a) Phasing of production beginning at 10,000 gallons annually until the fermentation pad is constructed in Phase 2 at which time production may increase to a maximum of 30,000 gallons annually. Bottling to be handled by a mobile bottling service on an as needed basis; b) Phase 1 - Restore and convert the approximately 3,600 square foot barn to an approximately 3,200 square foot winery building with an approximately 320 square foot tasting room, and an approximately 1,000 square foot uncovered mechanical area behind the winery building. Restoration will be completed in compliance with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings; c) Phase 2 - construct an approximately 4,000 square foot covered outdoor fermentation and processing work area; d) Installation of wastewater treatment systems (change in system type to coincide with Phase 2 production increase); e) Temporary hold and haul system (alternative wastewater treatment option during Phase 1); f) Outdoor hospitality area of 2,300 square feet with an arbor; g) On-premises consumption of wines produced on site in the tasting room and outdoor hospitality area in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 (AB 2004-Evans Bill); h) Seven (7) parking spaces; i) Two (2) water storage tanks (10,000 gallons); j) Driveway improvements including widening on the northern side of the driveway; k) Tours and tastings by appointment only for 20 persons per day; l) Marketing plan - Ten events (30 persons per event) and two events (75 persons per event) per year; m) Catering or pre-packaged food for events and tastings; n) Two (2) full time and two (2) part time employees; o) Hours of operation: production daily 6 AM to 6 PM and visitation daily 10 AM to 6 PM; and p) Approximately 1,000 cubic yards of spoils generated through construction to be used on-site or hauled off-site to a location pre-approved by Napa County. The project is located on a 104-acre parcel on the west side of Solano Avenue,

approximately 2 miles north of the City of Napa. The General Plan land use designation is Agriculture, Watershed and Open Space (AWOS) Designation and Agricultural Resource (AR) Designation. The property is split-zoned Agricultural Watershed (AW) and Agricultural Preserve (AP). The site address is 5537 Solano Avenue, Napa; APN: 034-170-005.

Staff Recommendation: Adopt the Negative Declaration and approve the Use Permit with the proposed conditions of approval.

Staff Contact: Emily Hedge, (707) 259-8226 or emily.hedge@countyofnapa.org

Applicant Representative: Donna Oldford, Plans 4 Wine, 2620 Pinot Way, St. Helena, 94574, (707) 963-5832 or dboldford@aol.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration for the Sleeping Lady Winery based on recommended Findings 1-7 (Attachment A);
2. Approve Use Permit P14-00304-UP based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval (Attachment B).

Discussion:

The project consists of a request for a Use Permit for a 30,000 gallon winery with visitation for 20 persons per day maximum (a weekly maximum of 140 persons) and a marketing plan of ten events (30 persons per event) and two events (75 persons per event) per year. The approximately 3,600 square foot historic barn on the property will be restored and the use converted to the winery production building and 250 square foot tasting room. Restoration will be completed in compliance with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Implementation of the proposed project would result in minimal potential environmental impacts as it consists of the conversion of an existing building, limited grading and tree removal are required for the Phase 2 outdoor production area, and no vineyards are being removed.

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. The applicant has provided evidence that the property could support the proposed winery. The proposal is comparable to the other 30,000 gallon wineries. Staff is recommending approval of the project subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

A Negative Declaration was prepared. According to the Negative Declaration, the proposed project would have no potentially significant environmental impacts. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner/Applicant: Brian G. Wise

Representative: Donna B. Oldford; 2620 Pinot Way, St. Helena, CA 94574

General Plan Designation: Agriculture, Watershed and Open Space (AWOS) Designation and Agricultural Resource (AR) Designation.

Zoning: Agricultural Watershed (AW) and Agricultural Preserve (AP).

Application filed: December 23, 2015

Resubmittals Received: May 12, 2016; July 25, 2016; September 26, 2016 (partial), November 7, 2016 (response, but no resubmittal materials).

Application complete: November 7, 2016

Parcel size: 104 acres

Vineyard Acreage: approximately 53 acres (no vineyard removal proposed)

Existing Development: main residence, second residence and garage, barn (to be converted to the winery).

Proposed Winery Characteristics: Staff calculated the following square footages provided on the architectural and civil plans dated June 20, 2016. Some of these square footages differ from those shown on Use Permit Application page 12 that was included in the original application submittal, including the Development Area, Winery Coverage, and Accessory/Production Ratio. Staff believes that the following numbers are correct and present an accurate analysis of the project. Please note that these calculations were sent to the applicant's representative for confirmation and no corrections were provided.

Winery Building Size:

Phase 1: approximately 3,200 square foot winery building including an approximately 320 square foot tasting room, and an approximately 1,000 square foot uncovered mechanical area behind the winery building

Phase 2: approximately 4,000 square foot covered outdoor fermentation and processing work area

Total: approximately 7,200 square foot building and 1,000 square foot mechanical area

Production Capacity:

Phase 1: 10,000 gallons annually

Phase 2: 30,000 gallons annually

Development Area (both phases): approximately 9,400 square feet

Winery Coverage: approximately 87,700 sq. ft. or 2% (Maximum 25% or approximately 26 acres).

Accessory/Production Ratio: (Maximum 40% permitted)

Phase 1 – 8%

Phase 2 (Total) - 4%

Number of Employees: Two (2) full-time and two (2) part-time

Visitation: Maximum 20 persons per day; Maximum 140 persons weekly

Marketing Program: 10 events (30 persons per event) and two (2) events (75 persons per event) per year. Events may be catered.

Days and Hours of Operation: Daily - 6am to 6pm (production) and 10am to 6pm (visitation)

Parking: Seven (7) spaces

Setbacks:

Required road setback (600 feet): The winery structures would be set back approximately 3,000 feet from Highway 29.

Required property line setbacks (20 feet): The existing barn is approximately 260 feet from the northern property line and the Phase 2 work area would be located on the north side of the winery building, approximately 210 feet from the northern property line. The winery building would be approximately 575 feet from the southern property line. Both structures would be approximately 2,500 feet from the western property line and 2,800 feet from the eastern property line.

Adjacent Zoning / Land Use:

North: AW, AP, and split zoned AW/AP. The properties to the north have zoning designations of both AW and AP. The properties are developed with vineyards and residences. Two wineries exist approximately half a mile north on Solano Ave.

South: AW, AP, and split zoned AW/AP. The properties to the south have zoning designations of both AW and AP. The properties are developed with vineyards and residences. Burgess Napa Cellars is located on an adjacent parcel to the south.

East: - AP. The properties to the east have a zoning designation of AP and are primarily developed with vineyards and residences.

West: AW. The properties to the west have a zoning designation of AW. Most contain steep slopes and are largely undeveloped.

Nearby Wineries (within one mile of the project site):

Attachment L lists the 16 wineries operating or approved to operate on properties within one mile of the proposed Sleeping Lady Winery.

Property/Parcel History:

Permit P15-00165 – On October 2, 2015 an administrative permit was approved for a vineyard sign.

Permit W13-00190 – In August 2013 an application was submitted for a Certificate of Compliance to recognize two legal parcels. It was determined that only one legal lot of record exists and therefore the application was denied.

Code Compliance History:

No current or historic code cases.

Discussion Points:

Setting - The existing development on the property includes a residence, second unit, and agricultural accessory building (the barn to be converted to the winery). There is an existing access driveway and septic system for the residences. Approximately 53 acres out of the 104 acres are planted in vineyards.

Viewshed - The two proposed water tanks would be located approximately 700 feet behind the winery building, on the western hillside with a slope of greater than 15%, making the tanks subject to the County's Viewshed Protection Program (County Code Chapter 18.106). Based on a site visit attended by staff, the applicant's representative, and project engineer on September 1, 2016, and information provided by the applicant's representative, it has been determined that the tanks will not be visible from designated public roads (State Highway 29) because of the surrounding topography and existing vegetation. The tanks will be situated within a grove of existing trees, minimal grading will be required for the water tank pad, and no tree removal is required. Potential views from State Highway 29 would be obstructed by the trees on the hillside, as well as, the trees that line the western side of the Highway. In compliance with County Code Section 18.106.040, prior to the issuance of a building permit, the property owner shall be required to execute and record in the county recorder's office a use restriction, in a form approved by county counsel, requiring the existing covering vegetation to be maintained, or replaced with equivalent vegetation, by the owner or the owner's successors, so as to prevent the project from being viewed from any designated public road.

Conversion of Existing Historical Barn - In April 2015, Juliana Inman, Architect, completed an architectural and historical evaluation of the existing late 19th century barn. The structures on the property have not been listed in a local inventory or on the California Register of Historic Places. Ms. Inman determined that the barn meets California Register Criterion 3 for inclusion on the California Register and retains adequate integrity to convey a sense of its significance and importance. The condition of the building is poor due to structural failure of the driveway retaining wall and pest damage and alterations may be required to retrofit the building for continued use. Condition of Approval 2.6 requires all permitted work performed on any historic resource to follow the latest edition of the Secretary of the Interior's Standards for Historic Preservation and Guidelines for Treatment of Historic Properties.

Visitation and Marketing – The application proposes a maximum of 20 visitors per day by appointment only and a maximum of 140 people a week. The marketing plan proposes 10 events for up to 30 persons per event and two events for up to 75 persons.

As can be seen in the attached winery comparison chart (Attachment L) for a comparison of the proposed winery and wineries that currently have an annual permitted production capacity of 30,000 gallons, the proposed daily visitation and number of marketing events are in line with other 30,000 gallon wineries. The annual number of visitors and overall visitation is slightly higher than other by appointment only wineries. The higher annual visitor numbers may be due to the fact that not all wineries are open seven days a week and that some wineries have a weekly maximum that could not permit the maximum allowed daily visitation to occur throughout the week.

Given this, staff finds that the proposed visitation and marketing plan are not out of scope with what has been implemented at other similarly sized wineries. Staff finds this level of visitation and marketing supportable due to the modest size of the winery, the comparable daily visitation, and the low number of events.

Wastewater – Applied Civil Engineering prepared a wastewater disposal feasibility study, dated September 7, 2015, to demonstrate the feasibility of installing onsite wastewater treatment systems. The study recommends

phasing the installation of the systems to coincide with the phasing of project development.

In Phase 1, the winery sanitary wastewater, process wastewater, and wastewater from the second dwelling unit can be handled in a combined system with a subsurface drip dispersal field. In Phase 2, the winery sanitary wastewater and the second dwelling unit wastewater would continue to be disposed of via a subsurface drip dispersal field. The increased wastewater generated from winery processing would be disposed of separately via a treatment and surface irrigation system. Conditions of Approval 2.1 and 2.2 have been provided to restrict Phase 1 production to 10,000 gallons and require the installation of the Phase 2 wastewater system prior to increasing production.

A supplemental submittal, dated October 28, 2016, included a proposal for a limited term hold and haul system during Phase 1 or until production exceeds 10,000 gallons. If this option was utilized, the sanitary wastewater would be disposed of via subsurface drip dispersal fields (as proposed for Phase 2) and winery process wastewater would utilize a hold and haul. The hold and haul tank would be located in the general vicinity of the proposed process waste treatment system tanks, east of the winery site. At peak usage, a truck would visit the site approximately 1 to 2 times per week; with a predicted annual trip calculation of 20 tank pumping events (Applied Civil Engineering, October 28, 2016). If the hold and haul option is implemented, the holding tank could be designed to work as part of the Phase 2 treatment and irrigation system to accommodate the increased flows. The study concludes that the proposed winery sanitary and process wastewater disposal needs for both phases can be accommodated onsite. The Napa County Environmental Health Division has reviewed the report and concurred with their conclusion. Full design calculations and construction plans will be prepared in accordance with Napa County standards at the time of building permit application submittal.

Groundwater Availability – For this project a Tier I Water Availability Analysis, dated September 7, 2015, was prepared by Applied Civil Engineering, to determine the estimated water use of the existing development and proposed project and to evaluate the water availability. Currently, domestic water for the residential structures is supplied from an existing City of Napa water service and groundwater is used for irrigation of vineyards and landscaping. Groundwater will continue to be used for landscape and vineyard irrigation, as well as for the proposed winery facility. There are three groundwater wells on the property. According to the property owner, the newest well in the northeast corner of the property is the primary source of all groundwater used on the property.

According to the Groundwater Monitoring Plan, the subject property is located at the boarder of the Western Mountains subarea and the Valley Floor subarea of Napa County. The analysis considered the eastern portion of the property, approximately 63 acres comprised of the vineyards and existing development, as Valley Floor and considered the approximately 40 acres of hillside as “All Other Areas”, as described in the WAA. This designation was based on USGS soil types. Due to the unique location of the property, on the border between Valley Floor and hillside areas, the analysis considered the location of the well that would serve the winery. Since the groundwater extraction would be from a well located on the Valley Floor area, the Valley Floor screening criteria of 1 acre-foot of water per acre of land was used for the 63 acres of vineyards; generating a water use availability of 63 acre-feet per year. In order to be conservative the analysis did not take into account the water availability or potential recharge of the 40 hillside acres of the property.

According to the Tier 1 analysis, the existing water use for the vineyards, landscaping, and the residential pool (domestic water for the structures is provided by the City of Napa) is 28.6 acre feet. The winery would create an increase in annual water demand, from 28.6 acre feet per year to 29.3 acre feet per year, totaling approximately 0.79 acre feet per year. Since the proposed water use of 29.3 acre-feet per year is less than the calculated availability of 63 acre-feet per year, the project is found to comply with the Napa County Water Availability Analysis requirements and a Tier 2 and Tier 3 analysis are not required.

Traffic Impact Report, Left Turn Lane Analysis, Parking – A Traffic Analysis, dated August 3, 2016, was prepared by Whitlock & Weinberger Transportation, Inc. (W-TRANS). The study looked at existing and proposed trip generation

rates, trip distribution, roadway segment operations, cumulative conditions, impacts to State Highway 29 intersections, and the County left-turn lane warrant.

The analysis utilized the County's winery trip generation sheet to calculate the proposed conditions for a peak weekday. Proposed conditions for a peak weekday were calculated at 26 total daily trips and 10 PM peak trips. Proposed conditions for a peak Saturday area were calculated at 24 total trips and 14 PM peak trips and proposed conditions for a typical Saturday during crush are calculated at 18 total trips. The analysis found that the roadway segment level of service is expected to continue to operate at LOS A upon the addition of project traffic and traffic associated with other approved and pending projects. Impacts to State Highway 29 intersections is expected to be less-than-significant.

The need for a left-turn lane on Solano Avenue at the project driveway was evaluated based on criteria contained in the Napa County Road and Street Standards (2011). Using the County's criteria, a left-turn lane is not warranted under current conditions or under the estimated future volumes.

The project proposed seven (7) parking spaces, which staff believes will be sufficient for daily visitation and employee needs. Event parking could be accommodated along the vineyard roads and access roads.

Grape Sourcing – The project site has approximately 53 acres of vineyards and no vineyard removal is proposed. The applicant proposed to use 100% estate grapes on site for the 10,000 gallons in Phase 1. For the 30,000 gallons in Phase 2, the applicant owns others vineyards in Napa County and has contracts with other local growers Napa County. The grapes available from these sources would be sufficient to accommodate the proposed production levels and comply with the 75% Napa Valley grape source requirement.

Greenhouse Gas Reduction Strategies – The applicant has indicated that the project will incorporate the following voluntary best management practices: generation of on-site renewable energy; vehicle miles traveled reduction plan including employee incentives, employee carpool or vanpool, bike riding incentives, and bus transportation for large marketing events; solar hot water heating; energy conserving lighting; installation of an energy star roof/living roof/cool roof; installation of energy conserving lighting; installation of water efficient fixtures; recycle 78% of all waste; compost 75% of food and garden material; implement a sustainable purchasing and shipping programs; limit the amount of grading and tree removal; and use of recycled materials. Additional items are included in the Voluntary Best Management Practices Checklist for Development Projects form included with the Use Permit Application.

Public Comments – As of November 29, 2016, no public comment letters have been received.

Decision Making Options:

Option 1- Approve Applicant's Proposal (Staff Recommendation)

Discussion - This option would result in approval of the actions requested in the use permit. Staff supports the application as proposed and conditioned because the proposed winery request is relatively small and the visitation and marketing plans are comparable to other 30,000 gallon wineries.

Action Required - Follow proposed action listed in the Executive Summary. If the recommended conditions of approval are to be amended, specify conditions to be amended at the time a motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant. Furthermore, the project as proposed meets all County Code requirements and complies with General Plan policies. There exist operational factors due the winery's location and particulars including compliance with all WDO and Zoning Code regulations, no viewshed impacts, no loss of sensitive habitat, no significant environmental impacts, sufficient water supply, which have led staff to conclude that the project merits approval as proposed.

Option 2 – Reduced Alternative

Discussion - This option could result in a potential decrease in the proposed winery building, production, or tours and tastings and/or marketing program. The applicant has committed to constructing the necessary infrastructure to accommodate the proposal.

Action Required - Follow proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to place limits on use. If major revisions of conditions of approval are required, the item will need to be continued to a future date.

Option 3 - Deny Proposed Project

Discussion - In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit, Commissioners should articulate what aspect or aspects of the project are in conflict with required findings. State law requires the Commission to adopt findings, based on the General Plan and County Code, setting forth why the proposed use permit modification is not being approved.

Action Required – Commission would take tentative motion to deny project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

Continuance Option

The Commission may continue an item to a future hearing date at its own discretion.

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Initial Study/Negative Declaration
- D . Use Permit Application P15-00423
- E . Water Availability Analysis
- F . Wastewater Feasibility Study
- G . Cultural Resource-Historical Evaluation
- H . Spotted Owl Habitat Study
- I . Stormwater Control Plan
- J . Traffic Analysis
- K . Graphics
- L . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina