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Agenda Date: 3/15/2017

Agenda Placement: 8C

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: Wyntriss Balcher, Planner II - 707 299-1351
SUBJECT: ZD Wines Use Permit Major Modification #P16-00026-MOD

RECOMMENDATION

ROBERT DELEUZE AND BRETT DELEUZE / ZD WINES / USE PERMIT MAJOR MODIFICATION NO. P16-16-00026-MOD

CEQA Status: Consideration and possible adoption of Categorical Exemptions Class 1: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Section 15301, Existing Facilities, which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B, under Class 1 (Existing Facilities), #1(a) reconstructing, resurfacing, and/or seal coating of the pavement]. This project is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: Approval of a Major Modification to an existing 70,000 gallon winery (#U-697778 and #U-90-42) to allow the following: 1) re-allocate and rearrange the 33 existing parking spaces and add approximately ±729 sq. ft. of pervious surfaces to the existing asphalt surface to allow all parking stalls a full nineteen feet in length; 2) re-allocate 56 sq. ft. of existing building area to expand the 815 sq. ft. second floor tasting room area to a total of 871 sq. ft.; 3) remodel and expand the existing 622 sq. ft. second floor deck, adding a partial covering for a total of 1,228 sq. ft. in area; 4) to confirm 25 full-time employees, 10 part-time employees; 5) to confirm the daily visitation level of 225 visitors; and, 6) to modify the on-premises consumption of wine condition (Permit #P14-00041 VMM) to include the "Vineyard View Room" with "Deck A and Deck B", in accordance with Business and Professions Code Sections 23358, 23390 and 2.3396.5. There is no expansion in the footprint of the winery building or increase in production. The project is located on a 5.75± acre parcel on the west side of Silverado Trail, approximately one mile northwest of Skellenger Lane and one mile southeast of Sage Canyon Rd., within the Agriculture, Watershed and Open Space General Plan land use designation and within the Agricultural Preserve zoning district. 8383 Silverado Trail, Napa. APN: 030-200-005.

Staff Recommendation: Find the project Categorical Exempt from CEQA and approve the Use Permit Major

Modification, as conditioned.

Staff Contact: Wynress Balcher, Planner II, (707) 299-1351 or wynress.balcher@countyofnapa.org

Applicant Contact: David B. Gilbreth, 1152 Hardman Ave, Napa, CA 94558, 707-337-6412;
davidgnapa@icloud.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Find the project Categorical Exempt from CEQA based on Findings 1-3 of Attachment A; and,
2. Approve Use Permit #P16-00026-MOD based upon Findings 4 through 8 of Attachment A; and subject to the recommended conditions of approval in Attachment B.

Discussion:

The original winery was established by Planning Commission approval of Use Permit #U-697778 on August 16, 1978, for a 25,000 gallon winery and no tours or public tastings. Production was increased to 50,000 gallons upon approval of Use Permit #U-697778 Mod #1 by the Board of Supervisors on January 16, 1990 on appeal, and established public tours and tasting which allowed one bus per day, 60 visitor-carrying vehicles per day, and at least 18 parking spaces on a paved surface. Production was increased to 70,000 gallons by Use Permit U-90-32 (approved by the Planning Commission on February 6, 1991), with a 13,500 sq. ft. building addition and established a marketing plan. Very Minor Modification #P14-00041 was approved by the Director on March 31, 2014 to allow on-premise consumption of wine in designated areas, and to remove previous conditions regarding outside tastings. At that time, staff noted the anticipated 50 visitors stated on the last application form. Currently, the applicant proposes to: rearrange and relocate the existing 33 parking spaces on the existing paved surfaces with the addition of a small amount of pervious materials; to expand the existing second floor decks; and to make some internal building rearrangements with no increase in the building footprint or production. In addition, the applicant requests confirmation that their Use Permit allows 35 employees and daily visitation of 225 visitors; and to modify Use Permit Modification #P14-00041 VMM condition "c" to include on-premise consumption in the "Vineyard View Room."

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. This proposal has been analyzed for its environmental impacts and was found to be exempt from CEQA. Staff is in support of the proposed project for the following reasons: 1) the winery is an existing winery and is not seeking substantial expansion of the facilities but rather to clarify/correct Pre-WDO visitation levels; 2) the proposal includes substantial greenhouse gas offset features and is a Napa Valley certified Green Winery; 3) there is no stated number of employee levels outlined in the modified winery use permits; 4) there is adequate water and waste disposal capacity to serve the existing production, visitation and employees; and 5) there is direct access from Silverado Trail with a left turn lane. Based upon these reasons, staff recommends approval of the project subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of Categorical Exemptions Class 1. It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Section 15301 Class 1 Existing Facilities and Class 1: Existing Facilities- Existing roads, #1(a) reconstructing, resurfacing, and/or seal coating of the pavement of the Napa County's Local Procedures for Implementing the California Environmental Quality Act]. This project is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5. Attachment "E" is a CEQA memorandum that provides justification for the use of a Categorical Exemption.

BACKGROUND AND DISCUSSION

Owner: ZD Wines, LLC 8383 Silverado Trail, Napa

Applicant: Robert DeLeuze and Brett DeLeuze, 8383 Silverado Trail, Napa, CA (707)963-5188, robertd@zdwines.com; brettd@zdwines.com

Representative: David Gilbreth, 1152 Hardman Ave., Napa, CA (707)337-6412, davidgnapa@icloud.com

Zoning District: Agricultural Preserve (AP)

General Plan Designation: Agriculture, Watershed and Open Space (AWOS)

Filed: January 28, 2016; **Resubmission:** September 13, 2016; **Complete:** November 18, 2016

Parcel Size: ±5.75 acres. Pursuant to NCC Section 18.104.240, regarding minimum parcel size, wineries are permitted to be located or operated on parcels zoned AP or AW and one acre or greater only if the winery was established in conformance with all applicable county regulations prior to the effective date of the WDO, February 23, 1990. The winery was established August 16, 1978.

Existing Development: 75,000 gallon winery, 27,934 ± sq. ft. in area, with ±3.04 acres of vineyard

Vineyard Acreage (Existing): 3.04 acres

Vineyard Acreage (Proposed): 3.04 acres

Winery Characteristics:

Winery Size (Existing): production ±20,467 sq. ft.; accessory ±7,467 sq. ft.

Winery Size (Proposed): production ±20,467 sq. ft.; accessory ±7,806 sq. ft.

Production Capacity (Previously Approved): 75,000 gallons

Production Capacity (Proposed): No change proposed.

Development Area (Existing): 27,350 sq. ft.

Development Area (Proposed): No change proposed. The proposed expansion would be pervious surface materials.

Winery Coverage (Existing): 47,746 sq. ft., 1.10 acres, 19% (Maximum 25% or 15 acres)

Winery Coverage (Proposed): No change proposed. The proposed expansion would be pervious surface materials

Accessory/Production Ratio (Existing): 36.48% (includes 1,011 sq. ft. outdoor tasting area)

Accessory/Production Ratio (Proposed): 38.14% (includes 1,011 sq. ft. outdoor tasting area)
(Maximum 40%)

Number of Employees (Approved): Total 33: 8 full time (production); 2 full time (tasting room); 16 full time (harvest); 6 part time (crush); 1 part time (bottling)

Number of Employees (Existing/Proposed): Total 35: 25 full time; 10 part time

Visitation (Approved): 50 visitors per day were anticipated in application (Public). Environmental mitigation measures limited visitor carrying vehicles to 60 or fewer (using 2.73 people per vehicle equals 164 visitors) and allowed no more than 1 bus per day (61 visitors on bus) for a total visitation of 225 per day.

Visitation (Existing/Proposed): 225 (Public) per day.

Marketing Program (Approved): Occasional private lunches, average 10 guests, less than six (6)/year.

Marketing Program (Existing/Proposed): Five (5) events per year, maximum 165 people; one (1) event for max 100 people.

Days and Hours of Operation (Approved): 8:00 AM - 5:00 PM (Production); 10:00 AM - 4:30 PM (Visitation)

Days and Hours of Operation (Existing/Proposed): No change

Parking (Approved): 21; at least 12 for visitors and remaining for employees

Parking (Existing/Proposed): 33 spaces; 3 loading areas

Setbacks (Required): 600 Silverado Trail; 20' side; 20' rear

Setbacks (Approved/Existing): 900' front, ±97'/ ±40' side, ±186' rear

Adjacent General Plan Designation/Zoning District/Land Use:

North and Northeast: Agriculture, Watershed and Open Space (AWOS) General Plan Designation, Agricultural Watershed (AW) Zoning District--vineyards and undeveloped open space

Northwest: AWOS General Plan Designation; Agricultural Preserve (AP) zoning district; winery and agriculture

West: AWOS General Plan Designation; AP zoning district; winery, agriculture and residential uses (closest residence 2600 ft.)

South: AWOS General Plan Designation, AP Zoning district – Agriculture; residential (closest residence over 3,000 feet.)

East: AWOS General Plan Designation, AW Zoning district: agriculture and open space

Nearby Wineries (located within 1 mile of the project):

Please refer to Attachment I.

Background/Parcel History:

ZD Winery was established with the approval of a use permit in 1978, for a 25,000 gallon production capacity, no public tours and tastings, a 5,800 sq. ft. structure; no structures located closer than 90 feet from the centerline of Silverado Trail, and, a minimum of five (5) parking spaces. An administrative "alteration" of the use permit was approved on May 10, 1988 to add office space within the existing facility and expand the concrete outdoor crush

area at the rear of the property.

A modification of the use permit (U697778-Mod#1) was approved by the Board of Supervisors in January, 1990, on appeal, to: increase winery production from 25,000 to 50,000 gallons; establish public tours and tasting with anticipated 50 visitors busiest day (total 350 per week); increase days of operation to include visitations Sunday through Saturday; provide at least 18 parking places, 12 available to visitors on a dust-free all-weather surface; and increase total employees to 15 (8 full-time, 7 part-time). The environmental document included 32 mitigation measures, including: a limit of one bus (10 wheel, 4 axle) per day allowed (between 9:00 AM-4:30 PM) to the expanded winery; installation of left turn lane (completed); a limit of 60 visitor-carrying vehicles per day; hour restrictions on outdoor activities; and at least 18 improved parking spaces must be provided.

Use Permit Modification U-90-32 was approved in February, 1991, to increase production to 70,000 gallons with 75% of production over 50,000 gallons from Napa County grapes; construct a 13,500 sq. ft. building addition, convert 1,000 sq. ft. of second floor storage area into a mechanical equipment room and office space; and convert an existing 1,856 sq. ft. covered crush pad into a case storage for a total of building area of 34,934 sq. ft.; establish marketing activities for occasional private lunches for retailers and restaurateurs, with an average 10 guests, less than 6 times per year; provide a total of 21 off-street parking spaces on a dust free all-weather surface; and limit retail sales to wine fermented and bottled at the winery. No picnicking or outdoor wine tasting was permitted. There was no change in the anticipated number of daily visitors on the busiest day: 50 people; total 350 per week. The application filed indicated a total of 33 employees (16 - harvest; 8 - operations; 2 - tasting room; 6 - bottling; 1- crush). The application form did not indicate any part-time employees (the application filed for this project states there are now 10). The conditions of the use permit did not establish an approved number of employees.

Use Permit Very Minor Modification #P14-00041-VMM was approved by the Planning Director on March 31, 2014 to add On-Premises Consumption in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 and the Planning, Building Environmental Services (PBES Director's July 17, 2008 memo, "Assembly Bill 2004 (Evans) and the Sale of Wine for Consumption On-Premises. The very minor modification request included the following conditions: "(a) The referenced Use Permit #697778 Mod.1, regarding outdoor social activities, will be removed"; "(b) In addition, Use Permit Use Permit U-90-30 Condition #7 will be modified to read: 7. Retail sales shall be limited to wine fermented and bottled at the winery. No picnicking or outdoor wine tasting shall be permitted"; and "(c) Consistent with Assembly Bill 2004(Evans) and the Planning, Building, and Environmental Services Director's July 17, 2008 memo, "Assembly Bill 2004 (Evans) & Sale of Wine for Consumption On-Premises," on-premise consumption of wine purchased from the winery may occur solely in: "The Grove"; "The Courtyard", "The Fountain Area", "The Patio", "Deck A", "Deck B", and "Tasting Room" as delineated on the Plans prepared on 8-27-92. Any and all visitation associated with on-premise consumption shall be subject to the 50 person maximum daily tours and tastings visitation limitation and/or applicable limitations of permittee's marketing plan."

Code Compliance History:

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

Discussion Points:

Setting – The subject ±5.75 acre parcel has frontage on the southwestern side of Silverado Trail, ±1 mile southeast of Sage Canyon Road. The general plan designation is AWOS, and the Zoning is AP. The existing ±27,934 sq. ft. winery covers about an acre, located on the northwestern portion of the parcel, with 3.04 acres planted in vineyard. Surrounding land uses are agriculture with the closest winery ±1,200 feet to the northwest and the closest residence ±2,600 feet to the west.

Winery Proposal - The project proposes to rearrange and relocate the existing 33 parking spaces, move the

employee spaces located behind the winery to an existing paved area along the westerly property line and to an existing paved area to the south of the winery. To allow for adequate aisle width and to avoid any grading for the project, the project proposes the use of pervious surface materials such as a turf block. Since the proposal extends beyond the area approved for development of the winery, the project is being processed as a major modification.

The project also includes a request to expand the existing second floor decks (Deck A and Deck B) adjacent to the "Vineyard View Room" (approximately 1-3 ½ feet in width) and to increase the size of a storage closet adjacent to the Vineyard View Room, using interior existing space. The proposed expansions will not increase the footprint of the winery building.

The Very Minor Modification approved in March, 2014 allowed on-premises consumption of wine produced on-site and purchased from the winery. The conditions for this action also stated "any and all visitation associated with on-premise consumption shall be subject to the 50 person maximum daily tours and tastings visitation limitation and/or applicable limitation of a permittee's marketing plan." The applicant has requested with this application inclusion of the deck area and confirmation of visitation more in line with the originally approved, as well as, confirmation of the number of employees, visitors and the number of parking spaces.

Transportation and Parking - The original use permit required a minimum of five (5) off-street parking spaces to serve the winery. The subsequent use permit modification (U-697778 Mod#1), conditions require 18 off-street parking spaces, at least 12 of which are available to visitors. The project revision statement for the project included a mitigation measure (#28) stating that at least 18 parking spaces be provided on-site. The application filed for Use Permit Modification #U-90-32 indicated 20 existing parking spaces on-site and one additional employee parking space was being requested. The use permit issued approval of 21 off-street parking spaces. All of the 33 parking spaces have been accommodated on the paved areas approved by Use Permit #U-697778 Mod #1 and by Use Permit Modification #U-90-32. This proposal is requesting the installation of pervious materials (±9' wide by 81' long) along the existing southern paved area to allow a travel aisle for the new parking spaces. The proposed expansion will not require the removal of any vines.

The language of the approval documents indicates a minimum number of parking spaces rather than a maximum number. Although the winery has installed 33 parking spaces, this has been done wholly within the existing approved paved area. The proposed change will remove the five (5) parking spaces from the northerly rear corner behind the winery building, which will require expansion beyond the existing paved area. The removal of these parking spaces appears to provide better circulation and provide access to the north side of the building.

Traffic has been previously evaluated in the approved use permits and mitigations have been imposed on the winery including the installation of a left turn lane for traffic safety, signage prohibiting left turns onto Silverado Trail; the gated entranceway design to allow stacking distance and vehicle turnaround when winery closed, limitation on hours when pickups and deliveries of grapes, supplies and wines be scheduled outside the hours when the winery is open to the general public; limitation on the number of visitor-carrying vehicles; requirement for adequate parking; and denial of access to the property at the entry gate when improved parking areas provided are full. Therefore, no additional analysis or conditions are required at this time.

Visitation and Marketing - This winery was approved prior to the adoption of the Winery Definition Ordinance. The original application did not approve tours and public tastings, but were requested and approved by U-697778 Mod #1. Unlike the current planning department practices, the number of visitors allowed was not specifically stated. The application form indicated "anticipated number of visitors" of 50 daily, 200 per week. The mitigation measures incorporated into the project state: "10. No more than 1 round trip per day by bus (10 wheel 4 axle) shall be made to the expanded winery"; "27. The number of visitor-carrying vehicles entering the subject property per day shall be limited to 60 or fewer." Modification #U-90-32 did not request any changes to visitation or marketing.

Given this, the applicant believes they are approved for 225 visitors per day, and requesting confirmation of this number for their use permit. They maintain that by utilizing an average of 2.73 visitors per vehicle multiplied by the 60 visitor-carrying vehicles, they are permitted 164 daily visitors by car. Furthermore, the applicant states that the bus will carry 61 people. Therefore, the total number of daily visitors would be 225. Staff agrees and has no concerns memorializing the visitation numbers.

Employees - The use permit was originally permitted for a 25,000 gallon winery with 5 employees. With the increases in production, subsequent use permit modification applications indicated increases in the number of employees. The application form for Use Permit U-90-32 indicated a total of 33 employees for harvest, bottling, winery administration and tasting room. The conditions of the use permit did not establish an approved number of employees. A Water Availability Analysis was prepared for the project (RSA, January 29, 2016), finding that the existing water demand of 3.59 acre-feet/year (af/yr) is within the property's allotment of 5.75 af/yr. In addition, the "Feasibility Report On Site Sanitary Wastewater Facilities" (RSA January 28, 2016) prepared for the project states that the existing on-site sanitary waste water system has capacity for the maximum daily staff, tasting visitors, and a mid-size marketing event on the same day. These two reports are based upon 25 full-time and 10 part-time employees and 225 visitors daily, therefore the existing facilities can accommodate the requested employee and visitor numbers.

Groundwater Availability - The project does not include any increase in production, the number of employees or visitation and therefore no increase in water demand. A Tier One Water Availability Analysis was prepared for the project (RSA, January 28, 2016) as confirmation that adequate water is available to meet the existing demands of the 70,000 gallon winery, 35 employees, and 225 daily visitors. The Tier 1 analysis detailed the existing and proposed groundwater demands and indicated that the groundwater recharge for the subject 5.75 acre parcel located on the Valley floor would be 5.75 af/yr. Napa County has established a water availability threshold of 5.75 af/yr for this parcel, which is calculated by applying a rate of 1.0 af/yr multiplied by the acreage of the parcel. The irrigation of the vineyards also include the use of reclaimed process wastewater. The existing and proposed water demand for the property is 3.59 af/yr (vineyard irrigation = 1.52 af/yr minus .073 af/yr reclaimed process wastewater; winery process water = 1.07 af/yr.; landscaping = .35 af/yr.; domestic water 1.37 af/yr). As estimated, the overall water demand of 3.59 af/yr is less than the threshold established for the parcel.

Greenhouse Gas Emissions - 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 Attachment F and proposes to incorporate additional GHG reduction methods including: existing ground mounted solar; use organic cover crop; alternative fuel and electric vehicles in fleet; existing VMT reduction plan; existing solar hot water heating; existing energy conserving lighting; energy star roof/cool roof; bicycle incentives; bicycle route improvements; connection to recycled water; installed water efficient fixtures; low impact development; water efficient landscape; recycle 75% of all waste; compost 75% food and garden material; implemented a sustainable purchasing and shipping program; planting of shade trees within 40 feet of the south side of the building elevations; electrical vehicle charging stations; site design oriented and designed to optimize conditions for natural heating, cooling and day lighting of interior spaces; limited amount of grading and tree removal; certified green business; use of recycled materials; vegetable gardens on site offered to all employees as available; education to staff and visitors on sustainable practices; using 70-80% cover crop; retains biomass removed on site rather than burning on-site; participating in the BMPs at a "parent" location'; and encourage all of growers to farm organically and 100% of fruit processed is farmed organically. The Winery is a certified Bay Area Green Business; Napa County Green Winery; and their ZD Wines Carneros Estate Vineyards is certified organic.

Public Comments - No public comments have been received.

Decision Making Options:

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

Disposition - This option would result in approval of the project proposal as described above. Staff has determined that the addition of the pervious surfaces proposed are not substantial since vineyard removal will not be required and that such improvement to the parking circulation will be beneficial and will provide added access to the northern side of the winery building for emergency purposes. The number of employees requested (35) is not consistent with the numbers stated in the application filed for Use Permit #U-90-32 (33). However, the change is a decrease in full-time employees, and the addition of 2 part-time employees could be considered insignificant, relative to water use and waste disposal. In addition, the Best Management Practices Checklist submitted, the applicants indicate that there is a Transportation Management Plan in place which includes financial incentives given to employees for every day of carpooling, including riding a bike, thus reducing transportation impacts. Staff is recommending in favor of approval of the request for the following reasons: 1) the winery is an existing winery and is not seeking substantial expansion of the facilities; 2) proposal includes substantial greenhouse gas offset features and is a Napa Valley certified Green Winery; 3) there is no stated number of employee levels outlined in the modified winery use permits; 4) there is adequate water and waste disposal capacity to serve the existing production, visitation and employees; and 5) there is direct access Silverado Trail with a left turn lane. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies. Staff supports this option based on the reasons discussed above.

Action Required - Follow proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be categorically exempt.

Option 2 - Reduced Parking Alternative

Disposition - This option could result in a potential parking and on-site traffic circulation problem, especially during harvest. If the re-allotment of spaces without the proposed expansion to the existing paved surface, then an adequate travel aisle would not be provided making circulation difficult during shift changes.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to reduce the permitted expansion of the parking area to allow the addition of the proposed pervious surface materials. If major revisions to the conditions of approval are required, the item will need to be continued to a future date.

Option 3 - Deny Proposed Project

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of the Use Permit Modification, Commissioners should identify what aspect or aspects of the project are in conflict with the 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. Based on the administrative record as of the issuance of this staff report, there does not appear to be any evidence supporting denial of the project.

Action Required - Commission would take tentative motion to deny the project and remand the matter to staff for preparation of required findings to return to the Commission on a specific date.

Option 4 - 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 . Prior Approval Documents
- D . CEQA Memorandum
- E . Application Documents
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Graphics
- I . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina