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Agenda Date: 3/4/2015

Agenda Placement: 9B

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: Krupp Brothers Winery Use Permit Modification # P14-0176 & Variance #P-14-00195

RECOMMENDATION

KRUPP BROTHERS WINERY - USE PERMIT MAJOR MODIFICATION NO. P14-00176 AND VARIANCE REQUEST NO. P14-00195

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

Request: Approval to modify Use Permit #P11-00348 to: 1) Relocate the site of the approved 50,000 gallon winery to the northwestern portion of the property, ± 220 ft. east from the approved driveway entrance location; 2) Construct a new two-story, 16,235 sq. ft. winery building for wine production, administration, and hospitality activities with ± 1408 sq.ft. covered crush pad; 3) Increase parking with the construction of a new 22 total space parking lot; 4) Install two (2) 10,000 gallon treated recycled water holding tanks, replacing the approved 50,000 gallon tank; and one (1) 60,000 gallon water storage tank to replace the approved 40,000 gallon domestic and fire water storage tank; 5) Relocate the approved septic system; 6) Eliminate the previously approved conversion of the existing single family residence to a winery and changes to the driveway and bridge crossing Hardman Creek, serving the residence; 7) Revise the landscape concept for the newly proposed site; 8) Abandon the previously approved Conservation Regulations exception; and, 9) Remove ± 2 acres of vineyard to accommodate the new winery location. The proposal also includes Variance #P14-00195, pursuant to County Code Section 18.104.230, to allow construction of the proposed wine production building $220 \pm$ feet from Silverado Trail, in lieu of the required minimum 600-ft winery setback. There are no proposed changes to the winery production level, visitation (maximum 124 daily visitors; maximum 868 visitors per week), marketing plan (event guests included in maximum daily visitation: 105 events/yr.- maximum 24 guests; 4/year- maximum 75 guests; 4/year-maximum 75 guests; 2/year- maximum 125 guests), number of employees (maximum 10), stone wall and entry structure, or the Hardman Creek streambed restoration project as previously authorized. The 13.23 acre project parcel is located on the east side of the Silverado Trail, approximately $\frac{1}{2}$ mile south of its intersection with Soda Canyon Road, within

the AP (Agricultural Preserve) zoning district. APN: 039-610-006. 3150 Silverado Trail, Napa, Calif., 94558.

Staff Recommendation: Adopt the Subsequent Negative Declaration and approve the Variance request and Use Permit Modification as conditioned.

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

Applicant Contact: Donna B. Oldford, Plans 4Wine; 707.963.5832; DBOldford@aol.com.

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Subsequent Negative Declaration for the Krupp Brothers Winery based on Findings 1-6 of Exhibit A;
2. Approve Variance Application (P14-00195) based upon Findings 7-11 of Exhibit A and subject to the recommended Conditions of Approval (Exhibit B)
3. Approve Use Permit Modification (#P14-00178-MOD) based on Findings 12-16 of Exhibit A and subject to the recommended Conditions of Approval (Exhibit B)

Discussion:

Use Permit #P11-00348 was approved by the Planning Commission on June 12, 2012, to establish a new 50,000 gallon per year winery as follows: a 13,675 sq.ft. production building and a 675 sq.ft. covered crush pad; conversion of a 4,525 sq. ft. existing residence into the winery hospitality and administration building with a commercial kitchen; up to 10 employees; 25 parking spaces; by appointment only tours and tastings including food/wine pairings with a maximum of 124 and an average of 60 visitors per day; an annual marketing plan with 105, 24-person events, eight 75-person events and two 125-person events annually (except on days on which 125 person marketing events occur, combined tours and tastings and marketing event visitation shall not exceed 124 persons on any day); and on-premise consumption pursuant to Business and Professions Code Sections 23358, 23390 and 23396.5 at the proposed hospitality building entry courtyard. The hours of operation was approved for 8:00 AM-6:00 PM daily. Also included in this approval was a new winery domestic and process wastewater treatment and disposal systems; a 12 foot tall 50,000 gallon recycled water holding tank and a 12 foot tall 40,000 gallon fire-flow and domestic water tank. Grading at the site will include 3,300 cubic yards of net cut with spoils disposed of on-site or at a permitted landfill. Other improvements included: abandonment of the existing residential driveway and construction of a relocated 18 foot wide winery access driveway; removal of the existing Hardman Creek driveway bridge and construction of a new 20 foot wide bridge in roughly the same location; construction of a 4–7 foot tall stone wall and entry structure, partially within the Silverado Trail right-of way; installation of a southbound Silverado Trail center left turn lane at the proposed winery driveway, and a landscape and Hardman Creek stream restoration plan. The previously approved project also included a Conservation Regulations Exception (#P11-00495) to allow encroachment within the required setback from Hardman Creek (85 feet required, 38 feet authorized). A Mitigated Negative Declaration was adopted with mitigation measures to address potential impacts to the riparian habitat of the creek, and a 50-ft setback buffer was established to protect the wetland.

The applicant is currently requesting approval of a use permit modification to relocate the site of the winery ±220 feet from the centerline of Silverado Trail; to construct a new 16,235 sq. ft. winery building with a 1,408 sq.ft. covered crush pad; construct a new 22 space parking lot; relocate and revise the sizes of the three approved water storage tanks; relocate the approved septic system; remove the approved conversion of the existing single family residence

into part of the winery from project; remove approved alterations to the existing driveway and the bridge over Hardman Creek; revise the landscape concept for the winery; abandon the previously approved Conservation Regulation exception; and removal of ±2 acres of vineyards to allow construction at the new location. Because the building will be located within the required 600 ft. winery setback, approval of a variance is being requested.

Staff finds that the property has several development constraints and that some form of variance can be made to allow the winery structure to be located within the Silverado Trail setback to avoid disturbance to Hardman Creek and its riparian habitat, and would avoid the wetlands located on the southeastern corner of the property thereby eliminating the need for a Conservation Regulation Exception. Staff finds that the project is otherwise consistent with the Winery Definition Ordinance and other applicable provisions of the Zoning Ordinance and General Plan, subject to the standard conditions of approval. However, staff believes it would be appropriate to consider reductions to the previously approved visitation and marketing program given the fact that the revised project is being predominately oriented toward Silverado Trail.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: A Subsequent Negative Declaration has been prepared to update the Mitigated Negative Declaration previously adopted for the winery on June 6, 2012. Mitigation measures that were adopted in the Mitigated Negative Declaration addressed biological resources. According to the proposed Subsequent Negative Declaration, the proposed project would have no potentially significant environmental impacts. This project site is not on any lists of hazardous waste enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: Catherine and Travis Vale of Refuge Wines (Former owners: Bart and Patricia Krupp)

Applicant: Dr. Jan Krupp, 1345 Hesta Way, Napa, CA 94558, 707-526-4707, Jan@KruppBrothers.com

Representative: Donna B. Oldford, Plans4Wine, 2620 Pinot Way, St. Helena, CA 94574, DBOldfor@aol.com

Zoning District: Agricultural Preserve (AP)

General Plan Designation: Agricultural Resource (AR)

Filed: May 27, 2014

Complete: January 22, 2015

Parcel Size: 13.23 acres

Winery Characteristics:

Winery size – Approved: ±18,200 sq. ft.

Winery size - Proposed: ±18,153 sq. ft.

Production Capacity- Approved: 50,000 gallons per year

Production Capacity - Proposed: No Change - 50,000 gallons/year

Development Area-Approved: 1.7 acres

Development Area-Proposed: .48 acres

Winery Coverage-Approved: 1.7 acres, 13%

Winery Coverage-Proposed: 1.37 acres, 10%
(25% maximum)

Accessory/Production Ratio Approved: 29%

Accessory /Production Ratio- Proposed: 29%
(40% allowed)

Visitation - Approved: By Appointment only, maximum 124 persons per day; average 60 per day

Visitation - Proposed: No change

Number of Employees-Approved: Up to 10

Number of Employees-Proposed: No Change

Days and Hours of Operation- Approved: 8:00 am to 6:00 pm, daily

Days and Hours of Operation- Proposed: No Change

Marketing Program- Approved: 105 annual events, 24-persons maximum; eight 75-person events; and two (2) 125 person events annually (except the days on which 125-person marketing events occur, combined tours and tasting and marking event visitation shall not exceed 124 persons on any day).

Marketing Program - Proposed: No change proposed

Parking-Approved: 25 spaces including 2 ADA-accessible

Parking-Proposed: No change-25 spaces including 2 ADA accessible in the new parking lot

Setbacks (required): 20 feet, side; 2 feet, rear ; 600 feet Silverado Trail

Setbacks (proposed): 20' side; ±80 feet rear; ±220 feet from Silverado Trail (Variance required)

Adjacent General Plan Designation/Zoning/Land Use:

North:

Agricultural Resource (AR)/Agricultural Preserve (AP)/Agriculture, Commercial (veterinarian), Rural Residential

South:

Agricultural Resource (AR)/Agricultural Preserve (AP)/Agriculture, Winery (Razi Winery, Kitchak Winery)

East:

Agriculture, Watershed & Open Space (AWOS)/Agricultural Watershed (AW)/Agriculture, Vineyards/Winery (William Hill Winery) and irrigation reservoir

West:

Agricultural Resource (AR)/ Agricultural Preserve (AP), Winery (Corona Winery; Silverado Hill Winery)

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

Nearby Wineries						
Winery Name	Address	Total Sq. Ft.	Total Prod.	Visitors (Ave/Wk)	Total Events/Yr	Employees
BLACK STALLION	4089 SILVERADO TRL	43,6000	100,0000	350	0	2
CORONA WINERY	3165 SILVERADO TR	31,428	100,000	280	80	24
HAGAFEN CELLARS	4160 SILVERADO TRL	6,800	50,000	150	12	6
JUDD'S HILL WINERY	2332 SILVERADO TRL	5,608	30,000	28	0	2.5
LUNA VINEYARDS	2921 SILVERADO TRL	16480	150,000	420	77	15
RAZI'S WINERY	3106 SILVERADO TRL	4,600	20,000	50	0	2
REYNOLDS WINERY	3260 SILVERADO TRL	7,800	20,000	70	3	2
ROBERT BIALI VINEYARDS	4038 BIG RANCH RD	19,706	40,000	10	2	6
SHACKFORD WINERY	2344 SILVERADO TRL	2,210	10,000	0	0	1
SILVERADO HILL VINEYARD LLC	3105 SILVERADO TRL	27,454	200,000	490	126	24
VAN DER HEYDEN VINEYARDS	4057 SILVERADO TRL	1,200	8,000	0	0	2
WILLIAM HILL WINERY	1761 ATLAS PEAK RD	102,490	720,000	250	0	8

Parcel History and Evolution of Project

Existing development is currently a single family residence and ± 7.5 acres of vineyards. On June 12, 2012, Use Permit #P11-00348 was approved by the Planning Commission, establishing a new 50,000 gallon per year winery with the construction of a two-story, 13,675 sq. ft. production building and a 675 sq. ft. covered crush pad. This proposal also included: the conversion of the existing $\pm 4,525$ sq. ft. residence into the winery hospitality and administration building with a commercial kitchen; up to 10 employees; 25 parking spaces; by appointment only tours and tastings with food/wine pairings for a maximum 124 visitors per day, an average of 60 visitors per day; on-site consumption at the proposed hospitality building entry courtyard; an annual marketing plan with 105 24-person events, eight 75 person events, and two 125 person events; a new winery domestic and process wastewater treatment and disposal systems; a 12 foot tall 50,000 gallon recycled water holding tank and a 12 tall 40,000 gallon fire-flow and domestic water tank; grading including 3,300 cubic yards of net cut material; abandonment of the existing residential driveway and construction of a new 18 foot wide winery access drive; removal of the existing Hardman Creek driveway bridge and the construction of a new 20 foot width bridge in roughly the same location; construction of a 4-7 foot tall stone wall and entry structure, partially located within the Silverado Trail right-of-way; installation of a southbound Silverado Trail center left-turn lane at the proposed winery driveway; and a landscape plan and a Hardman Creek stream restoration plan. The project also included a Conservation Regulations exception to allow encroachment within the required setbacks from Hardman Creek (85 feet required; 38 feet authorized).

Recently, ownership of the project property has changed to Catherine and Travis Vale of Refuge Wines; however, Dr. Jan Krupp remains the applicant of this request.

Code Compliance History

There are no open or pending code enforcement issues.

DISCUSSION POINTS

Setting - The 13.23 acre project parcel is located on the east side of the Silverado Trail, approximately ½ mile south of its intersection with Soda Canyon Road. The parcel is traversed from north to south by Hardman Creek, a blue line intermittent stream. There is a residence, located on the northeasterly portion of the property and served by a driveway entering the property from its southern boundary with Silverado Trail, running northerly along the creek, and crossing over the creek at a point near the house via an 18' wide bridge. The property is planted in 7.5 acres of vineyard. The lower southern portion of the parcel, west of the creek is within the 100 year flood zone. Drainage from the vineyard of an adjacent parcel to the east created a wetland on the southeasterly portion of the property. The California Department of Fish and Wildlife require a 50 foot setback from the wetland area for protection of the wetland, further limiting the area available on this property for development of the winery.

Winery Modification Proposal – The applicant proposes to relocate the approved winery to an area of the property, outside of the flood hazard zone, on the highway side of the creek to avoid disturbing the creek, as far from Silverado Trail as possible, approximately 220 feet. No change in the winery operations is proposed. Production capacity, employees, visitation, hours of operation, and the marketing plan remain unchanged. The winery structure will be redesigned, and the number of parking spaces will not change. There is a typographic error in the initial study which needs to correct the number of parking spaces in the new parking lot from 22 to 25, as originally approved. The approved driveway entrance on Silverado Trail will remain. However, the driveway will not continue back to the bridge over Hardman Creek and the residence. The residence was originally going to be incorporated into the winery, but will now remain as a residence, served by the existing driveway. Because there will be no construction on the creek, the biological mitigation measures placed on the approved project under the mitigated negative declaration will not be necessary, however, the applicant intends to complete the streambed enhancement plan incorporated into the approved project, which may require a Streambed Alteration Agreement from the Department of Fish and Wildlife.

Relocating the winery to the proposed new location will result in the removal of approximately 2 acres of vineyards. Staff has been advised that the applicant's intent is to use at least 75% Napa fruit and they have signed the Grape Source Agreement. They may use up to 100% Napa fruit. The applicant will utilize the vineyards on-site for an estate-grown wine, and they have future plans to replant the existing vineyards to achieve higher yield that would offset the vineyard removed for siting of the winery. In addition, the applicants are currently procuring contracts with Napa County growers to supply the remainder of their production. The winery will take approximately two years to build to final occupancy and it is appropriate that these vineyard contracts would be in place at that time.

The applicant's representative notes that Condition #7 of the approved project authorized the hours of operation from 8:00 am to 6:00 pm. daily, and that the application document is requesting the hours of operation 6:00 am to 6:00 pm. This hour would be the arrival time for the production employees only; the office and hospitality personnel would be working 8:00am to 6:00 pm.

Setback Variance Request – A winery is a permitted use in the AP zoning district upon grant of a use permit. Wineries shall meet a 600 foot setback from Silverado Trail (County Code Section 18.104.230). The new location of the winery is ±220 feet from the centerline of Silverado Trail which requires approval of a variance. A variance from the terms of the zoning district regulations may be granted by the Commission, subject to the findings outlined in County Code Section 18.128.060(A). Findings for approval of the variance include the identification of the special

circumstances applicable to this property, including size, shape, topography, location or surroundings, of which strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification.

The configuration of the parcel makes it difficult to accommodate the winery setback. The parcel has a depth of 745.46 feet on the north side and a depth of 563.95 feet on its south side from Silverado Trail, limiting the area wherein a winery could be accommodated; the area of the northeastern portion of the parcel where the residence is located. Approval was granted to establish a 50,000 winery on the parcel in this location, which incorporated the existing residence as part of the winery on the northeastern portion of the property.

As previously approved, the Krupp Winery complied with the 600 foot winery setback; however, the approved location required construction of a wider, replacement bridge over Hardman Creek, which traverses the property from south to north near the eastern property line of the property. In addition, approval of the Conservation Regulation Exception required an encroachment within the required setbacks for Hardman Creek (85 feet required; 38 feet approved). The proposed new winery location will avoid disturbing the creek, its riparian habitat, and the existing bridge. The application notes that the property has special circumstances because the creek bisects the property, with the eastern creek setback characterized as rather steep terrain. A wetlands area exists on the southeastern portion of the property, resulting in a 35-foot protection setback requirement and much of the lower, southwestern portion of the property are within the flood hazard area, further limiting the development area of the parcel.

As provided by staff, findings can be made to approve a variance request, as strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification because of the physical constraints on the property. The proposed placement of the winery located with a backdrop of trees and proposed landscaping will soften the view of the winery from the road. The backdrop of existing trees already obstruct the view of the western hills, and the location of the winery on the proposed site will not cause a greater obstruction of the view over existing conditions.

Visitation and Marketing - Please note that staff has attached a Winery Comparison Chart to this report for informational purposes. It should be noted that Krupp Winery as previously approved ranks at the high end of "By Appointment Only" wineries of similar size in daily visitation (868 weekly maximum) and events per year (115). Although this visitation and marketing program may have been justified for the original project program, the Commission may want to adjust this program to a more appropriate level commensurate to other similar wineries of this size given that the applicant has requested a setback variance for relocation of the winery. Staff would recommend that visitation levels be reduced to 50 visitors per day at a 350 maximum per week with a combined tours and tastings and marketing event visitation not to exceed 50 per day.

Traffic & Parking – The project does not request a change in the approved number of employees, visitors or the marketing plan. In addition, the location of driveway on Silverado Trail will not change, and the approval of the winery included a condition to construct the left turn lane into the winery driveway prior to issuance of the Final Certificate of Occupancy. The project description indicates an increase to 22 spaces in the parking lot, however, this was a typographic error and the number of parking spaces will remain at the approved 25 parking spaces in the new parking lot. In addition, the applicant indicated in the application that the proposed hours of operation were 6:00 am to 6:00 pm, instead of the approved 8:00 am to 6:00 pm. The applicant's representative advised that these hours included the arrival of the production employees who arrive earlier than the office/hospitality employees. There is no change in the number of employees, and the two shifts will avoid leaving the peak traffic hours.

Groundwater Availability – The project does not propose any change in the approved production capacity, number of employees, visitation or marketing. A "Water System Feasibility Study for a Regulated Water System" and the Phase One Water Availability Analysis document prepared by RSA (April 22, 2014) and submitted with the application. The 13.23 acre subject valley-area parcel has an Allowable Water Allotment 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. The proposed Krupp Brothers Winery is a 50,000 gallon winery, 10 employees, and maximum 124 daily visitors, annual marketing plan (105-24 person events; eight 75 person; two 125 person events) with total visitation and marketing events not to exceed the maximum 124 persons on-site daily visitation. The Phase One Water Availability Analysis document estimates that the total demand from the Krupp Brothers Winery is 4.83 af/yr. There will be a reduction of approximately 2 acres of vineyard (resulting in 5.5 acres) for the construction of the winery and associated infrastructure. The water demand for the original proposal was 5.87 af/yr. Heat and frost protection is provided by an existing fan system. The report states that up to an additional 0.75 af of recycled process wastewater could be used for beneficial vineyard irrigation during summer, but that volume was not taken into account in the Phase One analysis, and therefore, the projected water usage is conservative and reduced from the previously approved winery.

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: habitat restoration; alternative fuel and electrical vehicles in fleet; vehicle miles traveled reduction plan; solar hot water heating; energy conserving lighting; energy star roof; bicycle incentives; installation of water efficient fixtures; low impact development; water efficient landscape; recycling 75% of all wastes; composting 75% food and garden material; implement a sustainable purchasing and shipping programs; planting of shade trees within 40 feet of the south side of the building elevation; electrical charging station; public transit accessibility; site design oriented and designed to optimize conditions for natural heating, cooling, and day lighting of interior spaces; limit the amount of grading and tree removal; use of recycled materials; education to staff and visitor on sustainable practices; use 70-80% cover crop; and retain biomass removed via pruning and thinning by chipping the material and reusing it rather than burning on-site.

The proposed project has been evaluated against the BAAQMD thresholds and determined that the project would not exceed the 1,100 MT/yr of CO₂e.

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 reduce emissions.

Grape Sourcing – The subject parcel is currently planted in 7.7 acres of vineyards, but approximately 2 acres will be removed for construction of the winery and infrastructure. The applicant has submitted certification that they will employ sources of grapes in accordance with Napa County Code. Given that the property has recently changed ownership, the project representative had the new owners sign and submit a Grape Source Agreement, and indicated to staff that since the winery would take approximately two years to build, vineyard contracts would be in place by that time.

Public Comments - There was one comment from the public, which is included with this report, requesting that the variance of the setback be denied as he assumes that the setback ordinance exists for a purpose as an effort to retain appearance, if not actual substance, the rural character of Napa County.

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 18.08.040) 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 February 11, 2015.

Engineering Services Division – Recommends approval with standard conditions in the attached memorandum dated December 2, 2014.

Building Inspection Division – Recommends approval in attached memorandum dated June 19, 2014.

Fire Department - Recommends approval with standard conditions in the attached memorandum dated September 10, 2014.

Public Works (Groundwater) - Recommends no further analysis necessary in attached memo dated March 27, 2012.

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Department & Agency Comments
- D . Initial Study-Subsequent Negative Declaration
- E . Use Permit P11-00348
- F . Public Comment
- G . Application
- H . Water Technical studies
- I . Wastewater Technical Studies
- J . Stormwater Studies
- K . Comparison Winery Chart
- L . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell