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Agenda Date: 4/5/2017
Agenda Placement: 8A
Continued From: 2/15/2017

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Jason Hade, Planner III - (707) 259-8757
SUBJECT: Flynnville Wine Company Use Permit P12-00222-UP & Variance P12-00223-VAR

RECOMMENDATION

PD PROPERTIES, LLC / FLYNNVILLE WINE COMPANY / USE PERMIT NO. P12-00222-UP & VARIANCE NO. P12-00223-VAR

CEQA Status: Consideration and possible adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP). According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, noise and 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 of a Use Permit to construct a new winery with a production capacity of ~~60,000~~ 40,000 gallons per year with the following characteristics: (a) two buildings, totaling 24,210 square feet in area; (b) demolish five existing buildings totaling 21,450 square feet; (c) tours and tastings by appointment only for a maximum of 25 persons per day; (d) establish a marketing program to permit six (6) events per year with a maximum of 25 guests, six (6) events per year with a maximum of 50 guests, and three (3) events per year with a maximum of 100 guests; (e) 15 employees; (f) hours of operation from ~~8:00 AM to 8:00 PM~~ 6:30 AM to 6:30 PM (production hours, except during harvest) and 10:00 AM to 6:30 PM (visitation hours), 7-days a week; (g) parcel merger of APNs: 020-320-003; 020-320-006; 020-320-009; 020-320-015; 020-320-016; and 020-170-012 to establish a minimum parcel size of 10 acres; (h) a variance (P12-00223) to allow construction of the winery buildings at 150-feet from State Highway 29 (within the 600-foot setback), at 78-feet from Maple Lane (within the 300-foot setback), and at 84 feet from Ida Lane (within the 300-foot setback); and (i) related winery facilities and infrastructure. The project is located on a proposed 10.09 acre parcel within the Agricultural Watershed (AW) and Agricultural Preserve (AP) zoning districts and accessed via a private driveway located off Maple Lane; 1184 Maple Lane, Calistoga, CA 94515; APNs: 020-320-003; 020-320-006; 020-320-009; 020-320-015; 020-320-016; and 020-170-012.

Staff Recommendation: Adopt the Mitigated Negative Declaration and approve the Variance and Use Permit, as

conditioned.

Staff Contact: Jason R. Hade, AICP, Planner III, (707) 259-8757 or jason.hade@countyofnapa.org

Applicant Contact: Tom Faherty, 1560 Railroad Avenue, St. Helena, CA, (707) 963-1466

ITEM CONTINUED FROM THE FEBRUARY 15, 2017 REGULAR MEETING

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and MMRP based on recommended revised Findings 1-7 in Attachment A;
2. Approve Variance P12-00223-VAR based on recommended revised Findings 8-12 in Attachment A, and subject to the recommended revised conditions of approval in Attachment B; and
3. Approve Use Permit P12-00222-UP based on recommended revised Findings 13-17 in Attachment A, and subject to the recommended revised conditions of approval in Attachment B.

Discussion:

A Planning Commission hearing was held on February 15, 2017 to consider the initial applicant's proposal described in detail within the staff report dated February 15, 2017 (Attachment E). After hearing from staff, the project applicant, and project neighbors, the Commission continued the item to the hearing of April 5, 2017 to allow the applicant time to work with the neighbors to resolve concerns, revise the application, develop a reduced production alternative, review drainage issues, and explore the possibility of removing all legal non-conforming structures at the project site.

Staff was supportive of the previous request and has reviewed the revised proposal and found it addresses the issues raised by the Commission on February 15th. The applicant has followed up with the project neighbors and offered to meet with those neighbors who were interested in further discussion. To address concerns regarding site intensity, the requested maximum annual production is now 40,000 gallons rather than 60,000 gallons. Proposed non-harvest hours of operation have been reduced to further alleviate potential noise impacts beyond the mitigation measures the applicant has already agreed to implement. The original proposed hours were 8:00 AM to 8:30 PM. The proposed hours have been revised to 6:30 AM to 6:30 PM. Staff believes all drainage issues have been satisfactorily addressed within the Mitigated Negative Declaration. Removal of all onsite legal non-conforming structures was considered, but the applicant believes removal to be financially infeasible in order to implement the proposed winery project. The requested visitation and marketing program remain similar in size to those of 40,000 gallon per year production wineries with by appointment visitation. Based on these reasons, staff recommends approval of the revised project subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Mitigated Negative Declaration and MMRP. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, noise and transportation/traffic. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Revised Winery Proposal - The proposal is to construct a new phased winery with a maximum permitted capacity of up to 40,000 gallons per year rather than the previously proposed 60,000 gallons per year. Two buildings totaling 24,210 square feet would be constructed while five existing structures would be demolished. Hosted daily tours and tastings and a marketing program is also requested. Additional landscaping and fencing along the western edge of Ida Lane is also now proposed to better screen the project from the residences to the east of the site. A project specific condition has been added to the project ensuring the submittal of a landscape/fence plan in conjunction with a building permit application. (See COA No. 2.5)

Visitation and Marketing - The application proposes a maximum of 25 visitors per day and fifteen (15) marketing events per year, which would be catered. The largest event would host up to 100 guests. The attached winery comparison tables (Attachment H) compare the proposed Flynnville Winery with wineries that currently have an annual permitted production capacity of 40,000 gallons. The proposed winery has a similarly sized visitation and marketing plan as comparable to by-appointment only wineries. This marketing is not out of scope with what has been approved at similarly sized wineries. Further, the site is easily accessible via SR-29.

Noise - Although the previously prepared Mitigated Negative Declaration (MND) determined that all potential noise impacts were less than significant with implementation of the mitigation measures agreed to by the applicant, the applicant has revised the non-harvest hours of operation from 8:00 AM to 8:30 PM to 6:30 AM to 6:30 PM in an effort to further reduce potential impacts.

Neighborhood Outreach - On February 15, 2017, the Planning Commission held a public hearing to consider the previous proposal. After considering public comment, the item was continued to April 5, 2017, to allow the applicant to meet with neighbors to discuss the concerns raised. A revised project was distributed to the neighbors on March 9, 2017 (Attachment C). The meeting was held on March 28, 2017, and was attended by three neighbors. The following changes to the project were requested:

1. Limit winery production to 10,000 - 15,000 gallons;
2. Install a gate on Maple Lane;
3. Change the access from Highway 29 to a point midway between Maple Lane and Drew Drive, or use an existing service road;
4. Install landscaping fence and plant evergreen trees along both sides of Ida Lane;
5. Modify tasting room hours to 10:00 AM - 4:00 PM, Wednesday through Saturday, and 11:00 AM - 4:00 PM on Sunday, closed Monday and Tuesday;
6. Allow 25 tasting room visitors per day;
7. Allow 1 marketing event of 50-75 people per year;
8. Turn off lights by 9:00 PM, except for low-level security lighting, no light poles;
9. Limit employee hours to 9:00 AM - 5:00 PM, during non-harvest times;
10. Prohibit winery traffic on Ida Lane;

11. Limit construction hours to 8:00 AM - 5:00 PM, Monday through Friday;
12. Require bottling to occur only inside of buildings or within mobile trucks equipped with sound walls;
13. Provide pre-harvest meetings with neighbors to determine the hours of operation during harvest;
14. Re-locate the project to a more central location within the aggregated parcel, farther away from neighbors;
15. Indemnify the neighbors in the event that production is reduced in nearby wells; and
16. Indemnify neighbors for any flood damage that may result from this project.

The applicant has agreed to provide additional landscaping in No. 4 above, restrict lighting in No. 8, and prohibit winery traffic on Ida Lane in No. 10, as part of the proposed project. The number of tasting room visitors in No. 6 is already part of the proposal. The applicant does not agree to any of the remaining requested changes.

As a part of staff's recommendation, conditions of approval have been included that fully address all regulatory requirements and potential environmental impacts. Some of the requested changes described above present potential concerns with implementation. Should the Planning Commission wish to consider any of the changes requested above, staff requests the opportunity to address their feasibility, prior to Commission action.

Groundwater Availability - The project is located within the Valley Floor in an area that has an established acceptable water use criteria of 1.0 acre foot per acre per year based upon current County Water Availability Analysis policies. Based upon those criteria, the Allowable Water Allotment for the project site is 10.09 acre-feet per year (af/yr), determined by multiplying the 10.09 acre AP zoned site by a one AF/YR/acre fair share water use factor. According to the Water Availability Analysis (WAA) prepared by Summit Engineering, Incorporated on October 23, 2015, five existing wells within the AW zoning district on APNs 020-320-006; 020-320-015; and 020-320-016 near the proposed winery facility would remain in service and provide for the domestic, winery process, and irrigation needs of the property. An existing well located on APN 020-170-012 would be abandoned. Three 20,000 gallon water storage tanks are also proposed (*Flynnville Wine Company Use Permit Assistance - Water Availability Analysis, 2015*). A revised WAA was prepared to reflect the proposed decrease in production capacity from 60,000 gallons per year to 40,000 gallons per year. As stated in the revised WAA, total project water demand would be 3.96 AF/YR rather than 4.49 AF/YR as previously proposed. Existing water use for the site includes the existing businesses identified above, employees, and landscape irrigation and is 1.01 AF/YR. The total number of employees is being reduced from 50 (existing) to 20 (proposed) for a proposed annual employee water demand of 0.34 AF/YR. The proposed landscaping and vineyard would be irrigated via reclaimed and treated wastewater, not potable water. The analysis concluded that anticipated total water demand for the project site would be 3.96 AF/YR representing a 2.95 AF/YR increase over the existing water demand. The anticipated peak daily potable water demand for the parcel would be met with five existing potable water supply wells and the three proposed 20,000 gallon storage tanks (*Flynnville Wine Company Use Permit Assistance - Water Availability Analysis, 2017*). Therefore, the impacts from the project would be less than significant and no further analysis is needed.

Initial Study/MND - Given the proposed reduction to the project, it should be noted that no changes are warranted in the existing CEQA document presented to the Planning Commission (Refer to Attachment F). Comments were received from the California Department of Transportation (Caltrans) which address permit requirements for work performed within the State right of way. These requirements have been incorporated into the project's recommended conditions of approval by reference (see COA No. 3.5). Although the comments asserted that no AB 52 tribal consultation had occurred, such consultation was completed and is documented on pages 2, 3, and 24 of the MND. Comments were also received from the California Department of Fish and Wildlife (DFW) clarifying State permitting requirements and pre-construction survey recommendations. These requirements have also been incorporated into the project's recommended conditions of approval by reference (see COA No. 3.6).

Public Comments - At the time of staff report preparation, one additional letter from the DFW had been received (Attachment D) which clarified State permitting requirements and pre-construction survey recommendations as noted above.

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Applicant's Proposed Project Revisions
- D . Public Comments Received after February 15, 2017
- E . February 15, 2017 Planning Commission Staff Report
- F . Initial Study/Mitigated Negative Declaration
- G . Graphics
- H . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Melissa Frost