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Agenda Date: 5/18/2016

Agenda Placement: 9C

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: SHAVETA SHARMA, PLANNER III - 707-299-1358

SUBJECT: Mahoney Vineyards Use Permit #P14-00242

RECOMMENDATION

MAHONEY VINEYARDS-FRANCIS MAHONEY- USE PERMIT MAJOR MODIFICATION NO. P14-00242

CEQA Status: Consideration and possible adoption of Categorical Exemptions. Pursuant to the California Environmental Quality Act, Section 15301 [See Class 1 ("Existing Facilities")]; Section 15303 [See Class 3 ("New Construction or Conversion of Small Structures")]; and Section 15304 [See Class 4 ("Minor Alterations to Land")], which may be found in the guidelines for the implementation of the California Environmental Quality Act and Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Request: Approval to establish a new 30,000 gallons per year winery with the following: 1) conversion of an existing 4,450 sq. ft. wine warehouse to winery case goods storage; 2) construction of a new 1,960 sq. ft. tasting room; 3) construction of a 3,000 sq. ft. covered crush pad; 4) daily tours and tastings for 15 persons maximum per day and a maximum of 84 persons per week by appointment only; 5) a marketing program consisting of ten (10) 30 person marketing events annually and two (2) 75 person release events annually; 6) two full-time employees; 7) on-premises consumption and sale of wine produced onsite and purchased from the winery in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 (AB 2004-Evans Bill) for consumption within the 1,960 sq. ft. tasting room and outdoor tasting area; 8) a hold and haul system for process and domestic wastewater and 10,000 gallon wastewater tank; 9) two 6,000 gallon water storage tanks for emergency purposes; 10) paving of the existing 20 foot wide driveway access in accordance with Napa County Roads and Street Standards; 11) and construction of six (6) additional parking spaces, for a total of 14 parking spaces. The proposed project site is located at 1134 Dealy Lane, approximately a quarter mile north of Old Sonoma Road, on a 10.05 acre site, within the AW (Agricultural Watershed) zoning district (Assessor's Parcel # 047-090-007-000).

Staff Recommendation: Find the project Categorical Exempt from CEQA and approve the requested Use Permit request as conditioned.

Staff Contact: Shaveta Sharma, (707) 299-1358 or shaveta.sharma@countyofnapa.org

Applicant Contact: Rob Anglin, 1455 First Street, Suite 217, Napa, CA 94559; (707) 927-4274

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Find the project Categorical Exempt from CEQA based on Finding 1 of Exhibit A; and
2. Approve Use Permit (#P14-00242) based on Findings 2-6 of Exhibit A and subject to the recommended Conditions of Approval (Exhibit B).

Discussion:

The applicant, Francis Mahoney, received a Use Permit in 1982 allowing for a 5,000 sq. ft. wine warehouse and case goods storage facility on the project site. In 1984, a Use Permit modification increasing the wine warehouse to 6,000 sq. ft. was approved. The wine warehouse was constructed in 1985 and used in conjunction with Carneros Creek Winery, also located on Dealy Lane. The applicant sold Carneros Creek Winery in 2006. In 2009, building permits were obtained to convert a 1,455 sq. ft. portion of the winery warehouse to vineyard office. The applicant is now requesting approval for a 30,000 gallon per year winery with daily tours and tastings by appointment, construction of a new winery tasting room, construction of a new covered crush pad, as well as other infrastructure improvements to accommodate the associated visitors and employees.

Staff finds the proposed project consistent with the Napa County Zoning Ordinance and applicable General Plan policies and recommends approval of the project, subject to the proposed conditions for the following reasons: 1) the modest size of the winery and the conversion of existing structures; 2) no viewshed issues; 3) the placement of the winery building on previously disturbed land with no vineyard removal; 4) compliant with all Winery Definition Ordinance (WDO) and Zoning Code regulations; and 5) the below average level of visitation proposed.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of Categorical Exemptions. 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, pursuant to Section 15301 [See Class 1 ("Existing Facilities")]; Section 15303 [See Class 3 ("New Construction or Conversion of Small Structures")]; and Section 15304 [See Class 4 ("Minor Alterations to Land")], which may be found in the guidelines for the implementation of the California Environmental Quality Act and Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: Mahoney Vineyards Winery, Francis Mahoney, 1134 Dealy Lane, Napa, CA 94559

Winery Applicant: Francis and Kathleen Mahoney, 1134 Dealy Lane, Napa, CA 94559

Representative: Rob Anglin, 1455 First Street Suite 217, Napa, CA 94559; (707) 927-4274

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

Zoning: AW (Agricultural Watershed)

Filed: July 10, 2014; Resubmittals: November 5, 2014; March 31, 2015; July 7, 2015; February 11, 2016; **Complete:** March 30, 2016

Winery size:

Existing: 6,000 sq. ft.; (Currently used for Agriculture or Accessory Storage/Vineyard Office)

Proposed: 9,410 sq. ft.

Production Capacity:

Existing: N/A

Proposed: 30,000 gallons per year

Visitation:

Existing: N/A

Proposed: By-appointment Tours and Tasting for 15 persons Monday through Sunday, and a weekly maximum of 84 persons per week

Number of Employees:

Existing: N/A

Proposed: Two full-time employees

Hours of Operation:

Existing: N/A

Proposed: 10:00 AM - 5:00 PM seven days per week

Marketing:

Existing: N/A

Proposed: Ten (10) 30 person marketing events annually and two (2) 75 person release events annually

Parking:

Existing: 8 spaces

Proposed: 14 spaces

Parcel Size: 10.05 acres

Winery Coverage:

Existing: N/A (25% allowed)

Proposed: 3.2% (25% allowed)

Accessory/Production Ratio:

Existing: N/A (40% allowed)
Proposed: 26% (40% allowed)

Adjacent General Plan Designation/Zoning / Land Use:

North

Agriculture, Watershed, Open Space General Plan designation
Agricultural Watershed (AP) Zoning
wineries, vineyards, rural residential uses

South

Agriculture, Watershed, Open Space General Plan designation
Agricultural Watershed (AP) Zoning
vineyards, rural residential uses

East

Agriculture, Watershed, Open Space General Plan designation
Agricultural Watershed (AP) Zoning
wineries, vineyards

West

Agriculture, Watershed, Open Space General Plan designation
Agricultural Watershed (AP) Zoning
golf course, vineyards, rural residential uses

Nearby Wineries (located within one mile of project):

Refer to the attached spreadsheet. (Attachment A)

Property History:

1982 - Use Permit U-468182 was approved by the Planning Commission allowing the construction of a 5,000 sq. ft. wine warehouse and case goods storage facility in association with Carneros Creek Winery, located on a separate parcel.

1984 - Use Permit Modification U-548384 was approved by the Planning Commission to increase the approved winery warehouse by 1,000 sq. ft. to 6,000 sq. ft.

2006 - The applicant sold Carneros Creek Winery in 2006. As a result, the Conditions of Approval for U-468182 required that the applicant convert the warehouse structure to agricultural or accessory storage. Upon staff's inspection of the warehouse in 2014, the warehouse had some large agricultural machinery, but was otherwise vacant.

2009 - The applicant converted a portion a 1,455 sq. ft. portion of the wine warehouse building to vineyard office.

Code Compliance History:

Having discussed the application with Code Enforcement staff, toured the property, and upon review of the department's files, staff is not aware of any code compliance issues on the subject parcel. Structures allowed by use permit/building permit are in compliance at this time.

Discussion Points

Setting - The 10.05 acre parcel is located in the southwestern portion of the County and in the Los Carneros area. The winery site is relatively flat, with slopes ranging from 0-15% on the property, with the proposed development area averaging less than five percent slope. The existing development of the site consists of a 5,000 sq. ft. farm shed, 4,450 sq. ft. wine warehouse, 1,455 sq. ft. vineyard office, 4.5 acres of vines, a pond, a blue-line stream, and a 6,150 sq. ft. single-family residence. The surroundings consist of vineyards, a private golf course, a winery, and rural residential properties, the nearest of which is approximately 330 feet from proposed winery. The winery is approximately one-quarter of a mile north of Old Sonoma Road. The blue line stream runs through the property and is 100 feet from the proposed structures and impervious surfaces that are part of this project. The existing farm shed was constructed in the 1970s and originally used as a barn, the wine warehouse was constructed in 1985 and operated in conjunction with the Carneros Creek Winery until it was sold in 2006.

Winery Operations Proposal – The applicant proposes to establish a new 30,000 gallons per year winery with daily tours and tastings, a marketing program, and on-premises consumption of wine in the newly proposed tasting room, and in the outdoor patio area adjacent to the tasting room. The tasting room does not include a commercial kitchen and all marketing events will have food provided by a catering service. The proposed new tasting building and covered crush pad comply with the required 300 foot setback. The existing winery warehouse is setback 248 feet from the centerline of Dealy Lane. As the structure is a pre-WDO structure and an environmentally superior option, the structure is not subject to a 300 foot setback, pursuant to Napa County Code Section 18.104.230(c)(1). The original Use Permit that entitled the wine warehouse included in the Conditions of Approval a provision, that the wine warehouse would need to be converted to agricultural or accessory storage in the event of the sale of Carneros Creek Winery. Upon sale of the winery the applicant complied by no longer using the warehouse for barrel storage, but instead only for storage of some agricultural machinery, with the majority of the space remaining vacant.

On site parking is proposed to increase from 8 to 14 spaces. The 6 additional spaces correlates with the proposed maximum visitation level (15 daily by appointment / approximately 6 cars over the course of a day) and total of 2 employees on site. The existing 8 parking space serve existing vineyard office employees and vineyard workers. It should be noted that if the 2 employee limit the applicant is requesting is applied, any future level of employment over 2 would be subject to a Commission-level major use permit modification.

Tours & Tasting/Marketing Events – Please note that staff has attached a Winery Comparison Chart to this report for informational purposes. It should be noted that Mahoney Vineyards is below average compared to "By Appointment Only" wineries of similar wine production in daily visitation (15 daily maximum) and events per year (12). Based upon the existing locational and operational criteria of this proposed winery; staff recommends approval of the proposed visitation and marketing. The project does not have a commercial kitchen and no food will be served with tastings. Food at marketing events will be provided by a licensed caterer. Adjacent to the new tasting room, an outdoor visitation area is requested which will also be able to accommodate outdoor marketing events. There are no nearby residential uses that could be affected by the outdoor hospitality area.

Traffic & Parking – The winery traffic generated by the project is expected to be minimal. Access to the winery is from Dealy Lane, a quarter mile from its intersection with Old Sonoma Road. The applicant has submitted traffic information indicating the project will generate 16 daily trips and 6 PM peak hour trips on a typical weekday. Traffic is only slightly increased on the weekend, with 17 daily trips and 8 PM peak hour trips. The largest event would generate 75.6 trips. In order to further ensure that no potentially significant traffic impacts will occur, the applicant will not hold tours and tastings on the same day as the 75 persons marketing events. The proposed hold and haul system for the project would result in an additional 35 truck trips over a year, with most trips focused during harvest, and with no more than one truck trip every six days. Traffic counts taken by the California Department of Transportation in 2013 indicate the traffic volume at the Old Sonoma Road, averaged as many as 4,500 daily vehicle trips on weekdays and 3,600 weekend daily trips. With an estimated 16.8 vehicle trips a day increase over

existing traffic levels generated from the property.

The Fire Department and Engineering Services have reviewed project access and recommend approval of the project as proposed. The Napa County Fire Marshall has reviewed this application and has identified no significant impacts related to emergency vehicle access provided that standard conditions of approval are incorporated. Project impacts related to traffic hazards and emergency access are expected to be less than significant.

Hold & Haul - The applicant has requested a hold and haul option as outlined in the Wastewater Analysis Report, prepared by Applied Civil Engineering, as a permanent wastewater treatment option. The Engineer for the project has estimated if hold and haul were to be approved, the tanks would be pumped a total of 35 times annually, with no more than two truck trips in a given week, assuming full wine production capacity. Current regulations allow hold and haul systems, although the sustainability of allowing hold and haul at wineries has been a major discussion point over the last year as part of the Agricultural Protection Advisory Committee deliberations brought to the Board of Supervisors. The Board of Supervisors has directed staff to return with policy changes to limit the use of hold and haul system.

The applicant is requesting a hold and haul in this instance due the high groundwater table that affects the property, as well as environmental constraints from the existing blue line stream and pond on the project site. Additionally, the applicant notes that construction of a permanent septic system would require removal of vines in order to be accommodated on the site. Since this application was submitted well prior to the ongoing hold and haul policy discussion, staff does not oppose approval of a hold and haul for this project. However, it is within the discretion of the Planning Commission to require an on-site disposal system if deemed appropriate for these circumstances.

Groundwater Availability - The existing well, dug in 1989, produces at a rate between 75-80 gpm. Static water level in 1989 was noted at 63 feet. This well is the primary source of water for the residence, landscaping, vineyard office, vineyard, and the 42 acres vineyard on two sperate nearby parcels, APNs 047-080-047 and 056, also owned by the applicant. This well would also provide the water for the proposed winery project. Beginning in 1989, the well was logged biannually for static water levels before and after irrigation. Over 27 years, this well averaged a static water average of 62 feet, and post irrigation average of 114 feet for both spring and fall as well as water levels after irrigation. Over the years, there has been little change in the static water levels and drawdown has averaged 45 feet or 19% of the distance to depth of the pump set (294 ft). Typically, the well output has exceeded the pump specification of 75 gpm to produce at 80 gpm because of high static groundwater levels. Beginning in 2001, the water levels reflected in the Water Availability Analysis were measured by a third party.

A water analysis submitted February 11, 2016 indicates the total water demand on the parcel from the existing 46.5 acres of vineyards, residence, landscaping, and associated improvements is 11.405 af/yr, representing an increase of 0.675 af/yr over the existing condition, and is less than a typical single-family residence which uses 0.75 af/yr. As a result of the proposed project, there will be a modest increase in water use from from the existing water use of 10.73 af/yr. In light of substantial evidence on the record in the form of well logs and data dating back to 1989, it is apparent that the slight increase in overall water use as a result of the proposed winery would not create any significant impacts to groundwater resources. Additionally, the property will be subject to the County's standard condition of approval requiring well monitoring, a cap on annual groundwater usage relating to winery operations, as well as the potential to modify/alter permitted uses on site should groundwater resources become insufficient to supply the use.

Grape Sourcing - The applicant farms 46 acres of existing vineyards, 4.5 acres of which are on-site with the remaining acreage on nearby parcels, in the Los Carneros region. This will supply approximately 27,600 gallons annually, which will more than satisfy the 75% rule.

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 will incorporate the following measures: generation of on-site renewable energy, alternative fuel vehicles in fleet, solar hot water heating, energy conserving lighting, energy star roof, installed water efficient fixtures, water efficient landscape, low-impact development, recycling 75% of all waste, compost 75% of all food and garden materials, planting of shade trees on the south elevation, limit grading and tree removal, and retention of bio-mass via pruning and chipping.

Public Comments - At the time this staff report was prepared, staff had received two letters of support from adjacent neighbors of the property.

Consistency with Standards

Zoning - The project is consistent with the AW (Agricultural Watershed) zoning district regulations. A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.20.030) are permitted in the AW 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.

Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated May 2, 2016.

Environmental Health Division - Recommends approval with standard conditions in the attached Memorandum dated May 9, 2016.

Fire Department- Recommends approval with standard conditions in the attached Memorandum dated May 9, 2016.

Decision Making Options

As noted in the Executive Summary Section above, Staff is recommending approval of the project with conditions of approvals as described in Option 1 below. Decision making options also include a reduced development alternative and no project alternative.

Option 1 – Approve Applicant’s Proposal

Disposition – This option approves a new 30,000 gallons per year winery conversion of an existing 4,450 sq. ft. wine warehouse to winery case goods storage; construction of a new 1,960 sq. ft. tasting room; construction of a 3,000 sq. ft. covered crush pad; daily tours and tastings by-appointment; on premises consumption of wines; a marketing program; two full-time employees; an upgrade to the infrastructure to accommodate the marketing and visitation requested; and a permanent hold and haul system.

Action Required – Follow proposed action listed in the Executive Summary. If 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 without mitigation. 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 easy access off a State Highway, distance of the winery to the Highway, compliance with all WDO and Zoning Code regulations, no viewshed impacts, no vineyard removal, no loss of sensitive habitat, no significant environmental impacts, availability of estate grapes, sufficient water supply, and letters supporting the applicant and project which have led staff to conclude that the project merits approval as proposed.

Option 2 – Reduced or Modified Project Alternative

Disposition – This option could result in a potential decrease in the proposed winery building, production, tours and tastings and/or marketing program, or requiring a permanent septic system on-site. 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

Disposition – In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit modification, 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 in the General Plan and County Code, setting forth why the proposed use permit 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 project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

Option 4 –Continuance Option

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

SUPPORTING DOCUMENTS

- A . Winery Comparison Analysis
- B . Exhibit A- Findings
- C . Exhibit B- Conditions of Approval
- D . Agency Comments
- E . CEQA Memo
- F . Application with BMPs
- G . Water Availability Analysis
- H . Wastewater Feasibility Study
- I . Public Comments
- J . Graphics

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina