TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director Planning, Building and Environmental Services
REPORT BY: Jason Hade, Planner III - (707) 259-8757
SUBJECT: Beautiful Day Winery Use Permit P15-00202-UP

RECOMMENDATION

BEAUTIFUL DAY, LLC / BEAUTIFUL DAY WINERY / USE PERMIT NO. P15-00202-UP

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 area of biological resources. The property is on the California Environmental Protection Agency’s list of hazardous sites (Government Code Section 65962.5), but is listed as a closed site. In 1993, there was a minor diesel fuel spill at the pump house adjacent to the reservoir resulting from a one-time accident. The spill was remediated and the site was closed in 1993, and is therefore not considered to have any potential significant environmental effect.

Request: Approval of a Use Permit in order to construct and operate a winery which would include: 1) Annual wine production capacity of up to 30,000 gallons; 2) a 17,972 square-foot production facility, a 3,271 square-foot hospitality building, and a 3,228 square-foot covered crush pad; 3) Tastings and tours by appointment only for a maximum of 40 visitors per day Monday through Thursday and 75 visitors per day Friday through Sunday for a maximum weekly total of 385 visitors; 4) Host 25 marketing events per year for up to 40 guests, and 3 marketing events per year for up to 100 guests with catered food; 5) Employ up to 10 full-time employees; 6) On-premises consumption of wine purchased on the property, consistent with Business & Professions Code Sections 23358, 23390 and 23396.5, inside of the proposed winery building and on the adjoining outdoor visitations areas; 7) Install a left turn lane on State Route 29 at the project entrance; 8) Extend and widen the site access driveway to a 20-foot width; 9) Install parking for 13 vehicles; 10) Install a new subsurface drip irrigation wastewater treatment system for process waste and standard septic system for domestic waste; and 11) Install an 80,000 gallon fire suppression water tank. The project is located on a 28.8 acre parcel within the Agricultural Preserve (AP) zoning district and accessed via a private driveway located off St. Helena Highway North; 4500 St. Helena Highway North, Calistoga, CA 94515; APN: 020-180-037.
**Staff Recommendation:** Adopt the Mitigated Negative Declaration and approve the Use Permit, as conditioned.

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

**Applicant Contact:** George Monteverdi, P.O. Box 6079, Napa, CA 94581; (707) 761-2516

**EXECUTIVE SUMMARY**

**Proposed Actions:**

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on recommended Findings 1-7 in Attachment A; and
2. Approve Use Permit P15-00202-UP based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B.

**Discussion:**

The proposal is to construct and operate a new winery with a production capacity of up to 30,000 gallons. The winery would consist of a 17,972 square-foot production facility, a 3,271 square-foot hospitality building, and a 3,228 square-foot covered crush pad. Tastings and tours by appointment only for a maximum of 40 visitors per day Monday through Thursday and 75 visitors per day Friday through Sunday for a maximum weekly total of 385 visitors are requested. A marketing program is also requested to include 25 events per year for up to 40 guests and three (3) marketing events per year for up to 100 guests with catered food.

The project, as currently proposed, was redesigned to avoid significant incursion into the 2 acre valley oak woodland community located on the northern portion of the site. The original project design from 2015 would have resulted in the removal of 18 of the 36 trees in the woodland community, and placed an additional 6 at high risk and 6 at moderate risk to future loss due to construction disturbance. With the revised project, all 36 existing trees would be preserved except that 1 tree (tree #40 – a 44 inch diameter valley oak) would remain at high risk due to its proximity to the visitor parking lot and bio retention. As a result of the redesign, the project no longer has a significant potential to impact the oak woodland community.

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. The requested visitation and marketing program exceeds both the average and median numbers compared to those of 30,000 gallon per year production wineries with by appointment visitation. However, the project site has direct access to State Route 29 and all environmental impacts were found to be less than significant with the implementation of biological resources mitigation measures. Sufficient water is available to implement the project and a left-turn lane with sight distance improvements would be installed as part of the project. The applicant intends to install water-efficient fixtures and water tolerant landscaping, recycle winery process waste for vineyard irrigation, use energy efficient lighting, and implement several other voluntary GHG reduction business practices which in combination would serve to reduce the winery’s energy demands related to space conditioning and groundwater extraction. Based on 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 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 a mitigation measure. Mitigation measures are proposed for the area of biological resources. The property is on the California Environmental Protection Agency’s list of hazardous sites (Government Code Section 65962.5), but is listed as a closed site. In 1993, there was a minor diesel fuel spill at the pump house adjacent to the reservoir resulting from a one-time accident. The spill was remediated and the site was closed in 1993, and is therefore not considered to have any potential significant environmental effect.

BACKGROUND AND DISCUSSION
Owner: Beautiful Day, LLC
Representative: George Monteverdi, P.O. Box 6079, Napa, CA 94581; (707) 761-2516
Zoning: Agricultural Preserve (AP) District
GP Designation: Agricultural Resource (AR) Designation
Filed: June 10, 2015
Resubmittal Received: September 1, 2015, October 21, 2015, and September 7, 2016
Deemed Complete: November 24, 2016
Parcel Size: 28.8 acres

Existing Development: The 28.8 acre property is currently developed with a single-family residence, 20 AF off-stream reservoir, and approximately 17.2 acres of vineyards. The property is generally flat, with grades across the property not exceeding five percent, and it is underlain with Bale loam soil. A riparian corridor containing Kortum Canyon Creek runs along the eastern border of the site. The corridor features natural vegetation and a well-developed tree canopy. A 1.96 acre grove of California Valley Oak Woodlands is in the vicinity of the proposed winery. Site access is provided via a driveway connecting to State Route 29.

Proposed Winery Characteristics
Winery Size: 28,482 square foot winery development area with uses identified above.
Production Capacity: 30,000 gallons per year.
Winery Development Area: 28,482 square feet (0.65 acres).
Winery Coverage: 98,484 square feet (2.21 acres) (Maximum 25% or approximately 15 acres permitted).
Accessory/Production Ratio: 7,612 square feet accessory/19,923 square feet production - approximately 38%. 
(Maximum 40% permitted)

**Number of Employees:** Up to 10 full-time employees.

**Visitation:** Maximum of 40 visitors per day Monday through Thursday, 75 visitors per day Friday through Sunday and 385 visitors per week by appointment only.

**Marketing Program:** 25 events per year with a maximum of 40 guests and three (3) events per year with a maximum of 100 guests. All events to be catered.

**Days and Hours of Operation:** 10:00 AM to 5:30 PM (production hours, except during harvest) and 10:00 AM to 5:00 PM (visitation hours), 7-days a week. All events to conclude by 10 PM.

**Parking:** 13 parking spaces (12 standard spaces and one ADA space).

**Setbacks:**
- Required Road setbacks – 600 feet from the centerline of State Route 29.
- Required Property line setbacks - 20 foot side and rear yard setbacks (for structures).

Proposed: The winery would be setback approximately 785 feet from SR 29, 361 feet from the rear property line, 366 feet from the eastern side property line, and 219 feet from the western side property line.

**Adjacent General Plan Designation/ Zoning / Land Use:**

- **North:** Agricultural Resource (AR)/Agricultural Preserve (AP)/agricultural use (vineyards)
- **South:** Rural Residential (RR)/Residential Country (RC)/rural residential use/agricultural use (vineyards)
- **East:** AR/AP/agricultural use (vineyards)
- **West:** RR/RC/rural residential use

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

Please refer to Attachment K.

**Parcel History:**

The existing residence at the subject site was constructed in 1972 and the vineyards were planted in 2001.

**Code Compliance History:**

There are no open or unresolved code cases for the project site.

**Discussion Points:**

**Setting:** Site improvements as the 28.8 acre site include a single-family residence, 20 AF off-stream reservoir, and approximately 17.2 acres of vineyards. The property is generally flat, with grades across the property not exceeding five percent, and it is underlain with Bale loam soil. A riparian corridor containing Kortum Canyon Creek runs along the eastern border of the site. The corridor features natural vegetation and a well-developed tree canopy. In the vicinity of the proposed winery is a 1.96 acre grove of California Valley Oak Woodlands. Site access is provided via a driveway connecting to State Route 29.
Land uses on properties in the immediate and general vicinity of the site are also primarily agricultural and includes residential. The nearest off-site residence to the proposed winery is approximately 700 feet southeast of the shared property line of the subject property and 1,250 feet from the proposed winery.

Winery Proposal - The proposal is to develop a new winery with a maximum permitted capacity of up to 30,000 gallons per year. Approximately 21,243 square feet of floor area would be constructed. Hosted daily tours and tastings and a marketing program is also requested.

Visitation and Marketing - The application proposes a maximum of 40 visitors per day, Monday through Thursday, and a maximum of 75 visitors per day, Friday through Sunday. Twenty-five marketing events per year are proposed and would be catered. The largest event would host up to 100 guests. The attached winery comparison tables (Attachment K) compare the proposed Beautiful Day Winery with wineries that currently have an annual permitted production capacity of 30,000 gallons. The requested visitation and marketing program exceeds both the average and median numbers compared to those of 30,000 gallon per year production wineries with by appointment visitation. However, the project site has direct access to State Route 29 and all environmental impacts were found to be less than significant with the implementation of biological resources mitigation measures.

Biological Resources - The project, as currently proposed, was redesigned to avoid significant incursion into the 2 acre valley oak woodland community located on the northern portion of the site. The original project design from 2015 would have resulted in the removal of 18 of the 36 trees in the woodland community, and placed an additional 6 at high risk and 6 at moderate risk to future loss due to construction disturbance. With the revised project, all 36 existing trees would be preserved except that 1 tree (tree #40 – a 44 inch diameter valley oak) would remain at high risk due to its proximity to the visitor parking lot and bio retention. As a result of the redesign, the project no longer has a significant potential to impact the oak woodland community. The applicant has agreed to implement avoidance measure recommended by the project’s qualified arborist to protect the one tree at high risk for loss which would increase survival potential. However, in the event the avoidance measures fail, the loss of one of the 36 trees on the perimeter of the oak woodland community is considered a less than significant impact to the woodland community.

With project redesign to avoid the oak woodland community, the project’s potential to impact the trees has been reduced to a less than significant level, and consequently, potential impacts to listed migratory birds has also been reduced. However, the project biologist did not conduct a subsequent evaluation on the revised project for its potential to impact migratory birds, and given that the redesigned project is immediately adjacent to the oak woodland community and one tree (tree #40) remains at high risk to loss, implementation of the biologist’s recommended pre-construction survey mitigation measure is warranted to ensure no significant impacts to listed migratory bird species occur. Although no trees are planned for removal, construction activities have some potential for disturbance of listed bird and bat species should nesting occur concurrent with the development. A mitigation measure requires a pre-construction survey to determine if listed species are present prior to construction and between February 15th and August 31st, and if they are present, then construction shall be delayed until fledging of young is complete as determined by the qualified biologist.

Traffic and Parking - The project site is located on the east side of State Route (SR) 29 just north of the intersection of SR 29 and Diamond Mountain Road. There is currently a gated driveway along SR 29 serving the existing residence and vineyards that would be used for the proposed winery. SR 29-128 would provide visitor and employee access to the winery and has two paved 12-foot travel lanes and eight-foot wide paved shoulders adjacent to the project site. SR 29 is not controlled on its approach to the Diamond Mountain Road intersection approximately 500 feet south of the proposed project driveway. However, a left turn lane has been provided on the north bound approach to the Diamond Mountain Road intersection. Diamond Mountain Road is a two-lane rural collector County road extending westerly from its tee intersection with SR-29. It is stop sign controlled on its approach to the State highway.
Crane Transportation Group prepared a Traffic Impact Report on September 29, 2015. The study found that the proposed project would result in two inbound trips and no outbound trips during Friday AM peak hour (7:30 AM to 8:30 AM), no inbound trips and six outbound trips during the Friday PM peak hour (4:15 PM to 5:15 PM), and five inbound and six outbound trips during the Saturday PM peak hour (3:00 PM to 4:00 PM). The largest requested marketing events would have up to 100 attendees per event and occur three times a year. These events would typically be held in the evenings and on weekends would be anticipated to generate 36 two-way trips.

SR 29 is currently operating acceptably at LOS B northbound from Diamond Mountain Road and LOS D southbound from Diamond Mountain Road during the Friday AM peak hour. It operates at LOS D northbound from Diamond Mountain Road and LOS C southbound from Diamond Mountain Road during the Friday PM peak hour. During the Saturday PM peak hour this road segment operates at LOS C northbound from Diamond Mountain Road and LOS C southbound from Diamond Mountain Road. According to the study, the project would result in no significant off-site circulation system operational impacts to SR 29 or to the intersection of SR 29 and Diamond Mountain Road under Year 2014, 2020, and cumulative conditions (Traffic Impact Report Proposed Beautiful Day Winery Along State Route 29-128 Highway in the Napa Valley, 2015). The number of weekday afternoon or weekend midday peak hour trips generated by the project is no greater than one percent of existing volumes on these facilities. Therefore, the project would result in a nominal increase in trips on the study roadways. Additionally, Conditions of Approval (COAs) 4.2 and 4.11 would ensure that visitation and all additional marketing events be scheduled outside peak weekend and weekday traffic hours of 3:00 PM to 6:00 PM. Impacts would be less than significant.

After implementation of the proposed project, the site would continue to be accessed via the existing driveway on SR 29. The need for a left turn lane at the project driveway was evaluated as part of the project’s traffic study based on the Caltrans criteria. Based on the proposal’s traffic levels, a left turn lane would be warranted at the driveway serving the project site. A left turn lane would be installed at the project’s entrance on SR 29. The Traffic Impact Report stated that “sight lines to the north and south along SR 29 from the project driveway will meet Caltrans Highway Design Manual stopping sight distance criteria after realignment of the fence to the south of the project entrance 9 feet to the east fence realignment and clearing all brush and trees between the fence and the edge of the State highway are part of the proposed project” (Traffic Impact Report Proposed Beautiful Day Winery Along State Route 29-128 Highway in the Napa Valley, 2015). Proposed site access was reviewed and approved by the Napa County Fire Department, Engineering Services Division, and Public Works Department, as conditioned (COAs 6.15a and 6.15b).

The proposed project includes 13 new parking stalls on-site, inclusive of one handicapped accessible stall. The proposed parking would be sufficient to provide off-street parking for the employees and visitors to the winery.

Groundwater Availability - The existing 20 AF off-stream irrigation reservoir would remain and continue to be utilized for vineyard irrigation. The proposed addition of wine production to the property would increase groundwater use on the site by 1.27 AF/year. Presently, the existing vineyard, residence, and landscaping are estimated to require 8.18 AF/year. With the addition of the winery, estimated overall groundwater use would increase to 9.45 AF/year. Wine production process water accounts for 0.64 AF of the increase, with new winery landscaping accounting for 0.50 AF of the increase. Winery domestic water use for employees, visitors and marketing events is estimated to require 0.17 AF/year. The project site is located on the Valley Floor and qualifies for application of the annual one acre-foot of water per parcel acre criterion. The general vicinity southeast of Calistoga has no documented record of groundwater basin deficiency, and LSCE monitoring records conducted with the GRAC indicated that the Valley Floor criterion is supported at this location. The subject property has an overall size of 28.8 acres, and with groundwater use going from 8.18 AF/year to 9.45 AF/year, estimated groundwater use is well below the one acre-foot of water per parcel acre threshold. Therefore the project is considered not to have a potential to significantly impact groundwater resources.
Wastewater - The proposed project plans indicate that winery process waste would be pre-treated and dispersed as irrigation to the vineyard. A standard leachfield system with septic lines would be installed immediately west of the proposed winery for domestic waste. The proposed sanitary wastewater treatment system has been accordingly designed to be consistent with Napa County standards that recognize the relatively slower percolation rate of Bale loam soils and thus require appropriately-sized dispersal areas for pre-treated effluent. The Division of Environmental Health reviewed this design and concurred with its approach.

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 E. The applicant intends to install water-efficient fixtures and water tolerant landscaping, recycle winery process waste for vineyard irrigation, use energy efficient lighting, and implement several other voluntary GHG reduction business practices which in combination would serve to reduce the winery’s energy demands related to space conditioning and groundwater extraction.

Grape Sourcing - The existing parcel consists of approximately 17.2 acres of vineyards. According to the applicant, this represents approximately 66 percent of the wine production requested. The remaining grapes would come from grape growing contracts ensuring compliance with the County’s 75 percent rule. The recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule (COA 4.6).

Public Comments - At the time of staff report preparation, no public comments have been received.

Decision Making Options:

As noted in the Executive Summary Section above, staff is recommending approval of the project with conditions of approval as described in Option 1 below. Decision making options also include a no project alternative and a project alternative which would reduce the visitation and marketing program intensity.

Option 1 - Applicant's Proposal (Staff Recommendation)

Disposition - This option would result in approval of the proposed new 30,000 gallon per year winery. Staff recommends this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. The applicant also proposes to incorporate GHG reduction measures as part of the project. As discussed above, although the requested visitation and marketing program exceeds both the average and median numbers compared to those of 30,000 gallon per year production wineries with by appointment visitation the site is served by direct access to SR 29 and a left-turn lane is proposed as part of the project. All potential environmental impacts were found to be less than significant with the implementation of several mitigation measures for biological resources. The site layout was also significantly re-designed to avoid the removal of oak woodland.

Action Required - Follow the 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 less than significant with the implementation of mitigation measures for biological resources.

Option 2 - Reduced Visitation and Marketing Program Project Alternative

Disposition - This option would reduce the proposed visitation and marketing program numbers to more closely match those of 30,000 gallon per year production facilities with by appointment visitation. For example, a maximum visitation allowance of 135 visitors per week would be closer to the average shown in the winery comparison
analysis (Attachment K) along with a marketing program consisting of 20 events rather than the requested 28 events.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to require the reduction of the proposed visitation and marketing program. If major revisions of 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 a Use Permit, 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 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 . Initial Study/Mitigated Negative Declaration
D . Public Comments
E . Use Permit Application Packet
F . Water Availability Analysis
G . Wastewater Feasibility Study
H . Traffic Study
I . Biological Study
J . Graphics
K . Winery Comparison Analysis