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Agenda Date: 9/16/2015

Agenda Placement: 9B

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission

**FROM:** Charlene Gallina for David Morrison - Director  
Planning, Building and Environmental Services

**REPORT BY:** EMILY HEDGE, PLANNER II - 259-8226

**SUBJECT:** Dalla Valle Use Permit (P14-00121) and Viewshed (P15-00198)

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### **RECOMMENDATION**

#### **DALLA VALLE VINEYARDS - USE PERMIT P14-00121 & VIEWSHED P15-00198**

**CEQA Status:** Consideration and possible adoption of a Negative Declaration. According to the proposed negative declaration, the project would not have any potentially significant environmental impacts. The project site is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

**Request:** Approval of a Use Permit to encompass the existing Dalla Valle Vineyards Winery, approved under a 1985 Small Winery Use Permit Exemption, and to allow the construction of a new barrel storage building. The Use Permit would allow the following activities: 1) Construction of a new 5,400 sq. ft. barrel storage building that includes a barrel room, work room, lab, entryway, foyer, vestibule, work room, chemical storage, mechanical room, crush equipment storage, restroom, vineyard storage, and conference/blending room; 2) Construction of a covered outdoor production area approximately 1,270 sq. ft.; 3) Construction of a pump house and utilities enclosure; 4) Removal of approximately 1,300 sq. ft. of existing outdoor production area approved under Minor Modification P07-00553; 5) Removal of 0.25 acres of vineyards; 6) Installation of approximately 2,800 sq. ft. of new landscaping; 7) Upgraded fire turn around; 8) Continuation of existing asphalt driveway along proposed barrel building to replace existing gravel driveway; 9) Proposed 56,000 gallon water tank to be used for domestic and process water; 10) Relocation of existing power lines to accommodate the location of the proposed barrel building; and 11) Two new wells. The project includes a review of the proposed new barrel storage building under the Viewshed Protection Program (Chapter 18.106 of the Napa County Code) to review the visibility of the new construction from County designated Viewshed roads. The project also includes a request for an exception to the Napa County Road and Streets Standards (RSS). The exception proposes a reduced horizontal curve radius at one existing location, three existing nonstandard turnouts, and nonstandard turnout spacing at two locations as described in the letter from Delta Consulting & Engineering dated May 2, 2014. The road modification request is due to legal constraints (construction outside the existing easement), to avoid grading on steep slopes, and to preserve mature native trees that would otherwise have to be removed. All sections of the common driveway and private driveway not requesting a road exception will meet the Napa County Road and Street Standards. See exception request for

additional detail. The proposed project site is located at 7776 Silverado Trail, Napa, on a 26.61-acre site, in the Agricultural Watershed (AW) District. Assessor's Parcel No. 031-060-027.

**Staff Recommendation:** Adopt the Negative Declaration and approve the Use Permit, Viewshed Application, and Roads & Street Standard Exception request as conditioned.

**Staff Contact:** Emily Hedge, Planner II, (707) 259-8226, or emily.hedge@countyofnapa.org

**Applicant Contact:** Naoko Dalla Valle, Property Owner, (707) 944-2676

**Applicant's Representative:** Lester Hardy, Attorney, (707) 967-9610 or lester@lfhardy.com

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission

1. Adopt the Negative Declaration for the Dalla Valle Vineyards Winery based on Findings 1 through 7 of Exhibit A; and
2. Approve the requested Exception to the Road and Street Standards based on Findings 8-9 of Exhibit A and subject to the conditions of approval Exhibit B;
3. Approve the Viewshed Application (P15-00198-VIEW) based on Findings 10-16 of Exhibit A and subject to the conditions of approval Exhibit B;
4. Approve Use Permit P14-00121-UP, based on Findings 17-21 of Exhibit A and subject to the conditions of approval Exhibit B.

### **Discussion:**

The project proposes to bring the existing winery as approved under a 1985 Small Winery Use Permit Exemption, under a use permit and allow the construction of a new barrel storage building and minor improvements to the existing access road.

The property is currently developed with a residence, second dwelling, and winery building, and is planted with approximately 20 acres of vineyards. The existing 20,000 gallon winery was approved in 1985 under a Small Winery Use Permit Exemption. There are no changes requested to the existing winery and the winery will continue to operate under the existing conditions approved with the 1985 Small Winery Use Permit Exemption and subsequent modifications #99303-MOD and #P07-00553-MODVMIN. In review of the project history, staff believes that although there are no issues with the approvals of the modifications, the previous approvals should not have been processed as modifications to the Small Winery Use Permit Exemption. In order to allow the proposed addition of the barrel storage building and any future modifications, staff has determined that the winery should come under a Use Permit. The Use Permit would encompass the winery as it currently operates and would incorporate the addition of the barrel storage building.

As proposed the new barrel building will increase storage area for the winery. The winery production is currently around 5,000 gallons with the potential to produce the maximum permitted capacity of 20,000 gallons. Additional storage space is requested to make it possible to move barrels and other equipment out of the existing production areas and allow room for production of the maximum capacity. Furthermore, the project includes a review of the

proposed new barrel storage building under the Viewshed Protection Program (Chapter 18.106 of the Napa County Code) to review the visibility of the new construction from County designated Viewshed roads. The siting of the building on the northeast side of the existing residence and winery building will help minimize visibility of the building from many areas on Viewshed Roads and the majority of the valley floor. The building is architecturally similar to the existing residence and winery building and from many angles will appear to be a slight extension of the existing structures. Staff has determined that the landscaping plan submitted by the applicant provides adequate screening to meet the required 51% screening requirement. As proposed, new landscaping will include a combination of trees and shrubs, and the existing vineyards on the western portion of the property will remain. Lastly, the project includes a request for an exception to the Napa County Road and Streets Standards (RSS). As proposed, the Engineering Services Division and Fire Marshal recommend that the design meets the same overall practical effect as a project that complies with the standards and supports approval of the request subject to the conditions of approval provided in their memorandum dated August 13, 2015. Given the extent of this project proposal, and that there are no increases requested for production or a request for visitation and/or marketing program activities, Staff is recommending approval subject to the proposed conditions of approval.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

**ENVIRONMENTAL DETERMINATION:** Negative Declaration prepared. According to the proposed Negative Declaration, the proposed project would have no potentially significant environmental impacts. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

### **BACKGROUND AND DISCUSSION**

**Owner/Applicant:** Naoko Dalla Valle, Dalla Valle Vineyards

**Representative:** Lester Hardy, Attorney

**Zoning:** Agricultural Watershed – AW

**General Plan Designation:** Agricultural Watershed & Open Space

**Application filed:** February 25, 2014

**Application complete:** July 29, 2015

**Parcel size:** 26.61 acres

**Vineyard Acreage (Approved):** ± 20 acres

**Vineyard Acreage (Proposed):** ± 20 acres

### **Winery Characteristics:**

**Winery Size (Approved):** ±4,000 sf comprised of ±2,800 sf (building only) and ±1,200 sf covered outdoor

production area

**Winery Size (Approved and proposed):** ±9,500 sf comprised of ±2,800 sf (building only), ±5,400 sf (new barrel building), and ±1,300 sf (remodeled covered outdoor production area)

**Production Capacity (Approved):** 20,000 gallons annually; current operations approximately 5,000 gallons annually.

**Production Capacity (Proposed):** No change to approved capacity.

**Grape Sourcing:** The winery was originally permitted under a Small Winery Use Permit Exemption and was established prior to adoption of the Winery Definition Ordinance (WDO). As a pre-WDO winery, the existing production capacity is not subject to the 75% rule. If this Use Permit is approved, any future increase in production capacity will be subject to the 75% rule. A project specific condition of approval has been added for further clarification.

**Development Area (Approved):** The winery was originally permitted under a Small Winery Use Permit Exception and a development area was not regulated.

**Development Area (Proposed):** ±16,400 sf or 0.38 acres

**Winery Coverage (Approved):** The winery was originally permitted under a Small Winery Use Permit Exception and was not subject to the Winery Coverage rule.

**Winery Coverage (Existing and Proposed):** approximately 27,000 sf or 2.23% (Maximum 25% or approximately 4 acres).

**Accessory/Production Ratio (Approved):** The winery was originally permitted under a Small Winery Use Permit Exception and was not subject to the Accessory/Production Ratio.

**Accessory/Production Ratio (Approved and Proposed):** ±2,400 sq.ft. accessory/7,200 sq.ft. production; approximately 32% (Maximum 40% allowed)

**Number of Employees (Approved):** 2 full-time and 2 part-time employees

**Number of Employees (Proposed):** No change

**Visitation (Approved):** No visitation

**Visitation (Proposed):** No visitation

**Marketing Program (Approved):** No marketing program

**Marketing Program (Proposed):** No change

**Days and Hours of Operation (Approved):** 8 am-5 pm, Monday through Saturday

**Days and Hours of Operation (Proposed):** No change

**Parking (Existing):** 6 parking spaces

**Parking (Proposed):** No change

**Setbacks (Required):** 20 feet (at the time of original development).

**Setbacks (Existing winery building):** The existing winery building has approximate side yard setbacks of 1,000 feet and 275 feet, a front yard setback of 550 feet, and a rear yard setback of 650 feet. The existing building is approximately 1,300 feet from the closest point of Silverado Trail.

**Setbacks (Proposed barrel storage building):** The proposed barrel storage building would have approximate side yard setbacks of 850 feet and 700 feet, a front yard setback of 650 feet, and a rear yard setback of 550 feet.

**Adjacent Zoning / Land Use:**

North: AW – The properties to the north are forested land containing residences.

South: AW – The properties to the south are rural residential, developed with vineyards.

East: AW - The properties to the east are rural residential, developed with vineyards.

West: AW - The properties to the west are rural residential, developed with vineyards.

**Nearby Wineries (within one mile of the project site):**

The attached table lists the 17 wineries operating, approved to operate, or pursuing entitlements to operate on properties within one mile of the Dalla Valle site.

**Property History:**

June 10, 1985 – A Small Winery Use Permit Exemption was approved by the Conservation, Development and Planning Department to permit Dalla Valle Vineyards to produce up to 20,000 gallons per year within a 2,500 sq. ft. winery building. Hours of operation were approved for six days a week from 8 am to 5 pm with two full-time and two part-time employees. No tours and tastings were authorized; no visitors were anticipated.

August 21, 1986 – Use Permit #U-588586 was approved by the Zoning Administrator to permit a single family farm labor dwelling. In 1999, the property owner lawfully converted the farm labor dwelling into a second unit.

April 21, 2000 – Minor Modification #99303-MOD was approved by the Zoning Administrator to permit an expansion of the approved winery building by 259 sq. ft. to accommodate a larger office, a lab/workroom, and a covered entry vestibule.

August 21, 2007 – Minor Modification #P07-00553-MODVMIN was approved by the Director of Conservation, Development and Planning to build a pre-engineered metal roof structure (50' x 24') over the existing crush pad. The roof structure is open to the weather on three sides; the fourth side is adjacent to the existing winery building.

**Code Compliance History:**

None. There are no open or pending code violations for the subject site.

**Discussion Points:**

Property - The property is currently developed with a residence, second dwelling, and winery building, and is planted with approximately 20 acres of vineyards.

Current winery - The winery was approved in 1985 and has been processing within its allowed uses. Current production is around 5,000 gallons per year. Two minor modifications were processed to slightly increase the size of the building and to add a cover over the outdoor work area. There will be no changes to the existing winery building or production. The existing outdoor covered production area will be removed and replaced with a slightly smaller, reoriented covered area.

Barrel Storage Building –The new building, including a barrel room, work room, lab, entryway, foyer, vestibule, work room, chemical storage, mechanical room, crush equipment storage, restroom, vineyard storage, and conference/blending room, will increase storage and work area for the winery. The new building will make it possible to move barrels and equipment out of the existing production areas and allow room for production at maximum permitted capacity.

Viewshed Review – The proposed structure is located on a ridgeline that is visible from County designated viewshed roads. The project site is currently developed with a residence, second dwelling, and winery building,

and is planted with approximately 20 acres of vineyards. The new barrel room building and outdoor production area are proposed to the north side of the existing winery building and to the northeast of the existing residence. The proposed building is potentially visible along the western side of the property from areas on Silverado Trail, Oakville Cross Road, Highway 29, and Highway 128. From most locations, the new construction will be partially screened by the existing residence and existing winery building. In order to screen the building and soften the western elevation, new landscaping is proposed along the western side of the proposed barrel storage building. As proposed, new landscaping will include a combination of trees and shrubs, a trellis covered in vines and vegetation, and the existing vineyards on the western portion of the property will remain. With the installation of the landscaping potential views from viewshed roads will be reduced and the project will be substantially screened in compliance with County Code Chapter 18.106, Viewshed Protection Program.

Road Exception Request – The project also includes a request for an exception to the Napa County Road and Street Standards (RSS). The exception proposes a reduced horizontal curve radius at one existing location, three existing nonstandard turnouts, and nonstandard turnout spacing at two locations as described in the letter from Delta Consulting & Engineering dated May 2, 2014. The road modification request is due to legal constraints (construction outside the existing easement), to avoid grading on steep slopes, and to preserve mature native trees that would otherwise have to be removed. All sections of the common driveway and private driveway not requesting a road exception will meet the Napa County Road and Street Standards. See exception request for additional detail. As proposed, the Engineering Services Division and Fire Marshal recommend that the design meets the same overall practical effect and support approval of the request subject to the conditions of approval provided in their memorandum dated August 13, 2015.

Greenhouse Gas Reduction Strategies - The applicant proposes to incorporate GHG reduction methods including: installation of energy conserving lighting and water efficient fixtures, installation of a clay tile cool roof, infrastructure for an electrical vehicle charging station, and utilization of recycled process waste water for irrigation.

Water Demand and Usage Analysis - For this project, a Water Availability Analysis (WAA) was prepared by Delta Consulting and Engineering. The analysis, dated August 24, 2015 and as revised September 3, 2015, includes a Tier 1 analysis detailing the existing and proposed water uses and an analysis of the aquifer recharge rate, as well as, a Tier 2. The project site currently contains three wells and four 10,000 gallon storage tanks which supply water for the winery, the main residence, the second dwelling unit, vineyard irrigation, and vineyard heat protection.

As part of the improvements for the proposed barrel storage building, the winery is required to install a new water tank for fire protection (sprinkler and hydrant) water storage. With the new proposed 56,000 gallon water tank, the applicant has applied to the County for two additional wells. The two new wells will assist in replenishing the new fire water tank and also allow flexibility in meeting the winery water demand during the peak irrigation and/or production periods.

Although the winery is currently only producing 5,000 gallons per year, the WAA provides a conservative analysis and calculates the water usage associated with wine production at the full permitted production capacity of 20,000 gallons per year. As calculated in the WAA, the estimated annual proposed water use for all current uses on the parcel is 6.53 acre-feet. The winery water use (process water, domestic water, employees, and landscaping for the winery) is calculated at 0.597. The WAA also calculated the aquifer recharge rates based on local precipitation, soil permeability, and the land gradient. Based on the analysis of these factors, the site-specific aquifer recharge potential is estimated at an average of 7.79 acre-feet. The revised WAA used a more current data set for average rainfall than the data used in the original WAA (August 24, 2015). This change in the data resulted in a larger calculated recharge rate than what was included in the Initial Study. In both cases, the estimated winery water use on this parcel is less than the applicable water use criteria of ground water recharge and therefore the Tier 1 Water Criterion is met. Furthermore, the applicant reviewed County Environmental Health Division well records for adjacent properties and provided evidence that there are no other wells within 500 feet of the project wells and proposed new wells.

The report concludes that based on the analysis completed, the existing winery and proposed barrel room development meets both Tier 1 and Tier 2 Criteria and is therefore in compliance with the requirements of the WAA. Based on the evidence provided, the project will have a less than significant impact on groundwater supply and recharge rates. It should be noted herein, that the Department has updated the Winery Standard Condition on "wells" to now require the monitoring and submittal of well monitoring data on wells within hillside areas or wherever water availability may be of concern. Such condition has been applied to this project requiring the applicant to commence monitoring within one year of the issuance of this use permit or upon final occupancy of barrel storage building whichever occurs first, as well as, to submit well data to the County thereafter for water use associated with the winery and its landscaping (Condition #14.1 Wells).

**Consistency with Standards:**

All reviewing departments/agencies have found the project as proposed and conditioned to be consistent with their respective requirements and regulations.

1. 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 18.16.030) 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.

2. Environmental Health Division - Recommends approval with standard conditions in the attached Memorandum dated August 25, 2015.

3. Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated August 13, 2015.

4. Fire Department - Recommends approval with standard conditions in the attached Inter-Office Memo dated April 16, 2014.

**Decision Making Options**Option 1- Approve Applicant's Proposal (Staff Recommendation)

This option would result in bringing the existing winery under a use permit, approve the 5,400 sq. ft. barrel storage building and outdoor covered area, provide adequate landscaping to comply with the County's Viewshed Protection Program, and allow an exemption to the Road and Street Standards.

Action Required – Follow proposed action listed in the 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.

Option 2 - Reduced Development Alternative

This option would require the applicant to redesign the structure to scale down the size of the proposed barrel building or increase landscaping to reduce the visual impact from County Viewshed Roads.

Action Required – Applicant would prepare revised architectural and civil site plans to show the reduced building size or prepare a revised landscape plan to show additional or modified landscaping. After resubmitting to the Planning Department, staff would present the modified alternative to the Planning Commission for their review.

Option 3 - Deny Proposed Modification

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 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 project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

#### Continuance Option

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

#### **SUPPORTING DOCUMENTS**

- A . Exhibit A Draft Findings
- B . Exhibit B Draft Conditions of Approval
- C . Reviewing Agency Comments
- D . Initial Study/Negative Declaration
- E . Water Availability Analysis - September 3, 2015
- F . Water Availability Analysis - August 24, 2015
- G . Public Comments
- H . Previous Approvals
- I . P14-00121-UP Application Packet
- J . P15-00198-VIEW Application Packet
- K . Exception Request to the Road & Street Standards
- L . Winery Comparison - Wineries Within One Mile
- M . Winery Comparison - Wineries Producing 20,000 Gallon
- N . Project Graphics Packet

Napa County Planning Commission: Approve

Reviewed By: John McDowell