**PROPOSAL A:**

As representative of the hospitality sector of the business community of Napa County, I submit the following proposal for your consideration:

The minimum parcel size for a winery in the AP and AW zones of the County should remain at 10 acres for the following reasons.

1. As all new wineries will be required to abide by the “75% rule” regarding grape sourcing, the market will self-regulate the number of new wineries through increases in grape prices.
2. Any increase in minimum parcel size will exacerbate the already existing image of Napa Valley as an elitist wine region, only welcoming to those with very large sums of money. With larger minimum parcel sizes, small, family owned wineries will find the barriers to entry too large and go elsewhere.

Thank you for your consideration. Sincerely,

Stan Boyd

Chairman, Board of Directors

Visit Napa Valley

**PROPOSAL B:**

Whereas the committee is charged with the protection of agricultural activities in Napa County.

Whereas the matter of minimum parcel size is a matter of debate by the Committee.

Parcel size was used as a limiting factor in the current WDO. Other than that fact, parcel size by itself is irrelevant except as a means of discerning the ultimate number of potential wineries under the current regulation. Parcel size is relevant to the ultimate size a potential winery that could be constructed on a given parcel, by virtue of the percent coverage, and other land use regulations.

The real issues before the Committee are the net cumulative impacts of future winery development on the available water supply and on essential services for the community. I move the Committee develop guidelines that focus on cumulative impacts of future development and let the current parcel size remain as is.

Napa County’s latest changes to the WAA paired with the mandate of the Groundwater Sustainability Act (GSA) require the County to assess and regulate development and its cumulative impact on groundwater.

The County monitors groundwater by area and I recommend a similar approach in analyzing net cumulative impacts of development on traffic and public services. By use of metrics such as emergency response time or others, future development could be limited if adverse impacts were to occur as a result of the development and could not be mitigated.

Charlie Hossom

**PROPOSAL C:**

I do have a couple ideas to pitch regarding the parcel size discussion and will try to put more structure to them before our meeting. I'll mention very briefly here.

First, consider allowing a limited number of winery permits per various parcel sizes. Rather than setting a single parcel size minimum (i.e. 10, 20, 40 acres), allow xx number of permits for parcels up to 20 acres, xx number of permits for parcels between 20+ to 40 acres, and xx permits for 40+ acre parcels. That way, no size is strictly prohibited and a variation of size of development projects would be encouraged.

Second, maybe related to the first idea but not necessarily, have a finite number of permits available to purchase for winery development - similar to ABC alcohol permits. The permits could be connected to the parcel if a change of ownership occurs. Maybe such permits could have different categories to fit different parcel sizes or production capacities.

I'm trying to find a solution that avoids an outright prohibition based on parcel size or production capacity because so many other variables come into play with each situation.

Regarding net loss of vineyards, I think we need to discuss non-vineyard ag land. The main focus has been on winery development and the impacts of removing vines, but what if a fruit orchard or grazing land is lost to winery development? It might not results in a loss of vineyards, but it would have an impact on an agricultural use.

A few thoughts for now.

JD

**PROPOSAL D:**

*I would like the APAC to consider the following proposal with regard to minimum parcel size:*

*“The minimum parcel size subject to the limitations of the existing WDO will be 40 acres.  A new category of parcel, called the small winery parcel, will be added for all parcel sizes between 10 and 40 acres.  Such a parcel would be bound by much stricter conditions than the current WDO including:*

* *An absolute maximum of 10 visitors per week*
* *No entertainment events or food events of any kind.*
* *A requirement that 75% of the grapes used at the winery be grown on the property.*
* *A requirement that no offsite water be used on the property for growing grapes or making wine*
* *No net reduction in vineyard acreage.*
* *A condition that these restrictions will not be changed in the future for any reason.*

Please note that this represents my own thinking and has not been reviewed or endorsed by the Napa Valley Vintners.

*Peter McCrea*

*Proprietor*

*Stony Hill Vineyard*

*63 Years of Family Winemaking*

**PROPOSAL E:**

The following are my thoughts on suggested changes to the WDO that the committee might recommend to the Planning Commission and Board of Supervisors. As you know, I’ve been considering the need for such changes for quite some time as we’ve experienced the growth rate of new wineries (along with increases in existing winery production) far exceeding the growth rate of grape production.

While I do believe that the growth of winery production would eventually slow anyway due to market forces, there’s a real risk that excess wine production capacity would eventually lead to more failures of wineries that were unable to obtain local grapes to comply with the 75% rule. That could lead to some negative consequences, so I think some regulatory changes make sense.

All of the changes the committee has been asked to consider are interrelated, and I am inclined toward reasonable moderation in changing the rules. I’m not one of those who believes we’re in a crisis mode. We could make some changes now, see what the results are, and make further changes later if needed.

1. **Minimum Parcel Size**

I have two suggestions to consider on this topic- one simple and the other a bit more complex.

* **Increase the Minimum Parcel Size to 40 Acres.** I understand this parcel size was advocated by some when the WDO was first adopted 25 years ago. Had it been, we very likely would have had a much slower growth rate in new wineries to date. It seems obvious that such an increase would seriously inhibit winery growth in the future if we adopted it now.
	+ I would apply the same minimum in both the AP and the AW.
	+ This would be a very simple change.
	+ Existing wineries on less than 40 acres would deserve some protection to ensure their continued viability in the event of a disaster that damaged their facilities.
	+ Some restrictions on expansion of existing wineries on less than 40 acres would make sense.
	+ The major disadvantage of this change is the impact on those who own smaller parcels who have the dream of building a winery. It would also encourage larger wineries and corporate winery ownership.
* **Adopt a Tiered System of Minimum Parcel Sizes.** The primary purpose of this proposal would be to offer some potential (although limited) for owners of smaller parcels to pursue their dream of building a winery. The idea would be to allow a very limited number of wineries (i.e. 1 or 2 annually) to be built on parcels of at least 10 acres, a limited number (1 or 2) on parcels of at least 20 acres, and a limited number (2 or 3) on parcels of 40 acres or more.There areseveral iterations of the limits that could be considered, but the objective would be to establish an overall limit on new winery production that better matches the increase in grape supply over time.
	+ This approach has the disadvantage of complexity, and since the demand for new wineries is likely to exceed the supply of permits, could require a lottery. The rules for a lottery could themselves add a fair amount of complexity.
	+ The key advantage of this approach would be the encouragement of more small wineries.
	+ We would need to confirm the legal justification for such a system- I assume it could be justified since we already have a similar program in place for housing permits.
1. **Net Loss of Vineyards**

I’m not inclined to recommend a restriction of this type since I don’t believe it’s needed. While the development of a winery does sometimes displace developed vineyards, the annual total has been very modest, on the order of one tenth of one per cent of existing vineyards in the county. The Planning Commission has always considered this issue in their review of individual use permit requests, and I think we can rely on their discretion to keep the loss of vineyards under control.

1. **Estate Grape Production**

I’m also not a fan of this idea, but believe it could have some merit depending on the other requirements adopted. Santa Barbara uses this approach (typically requiring 1-2 acres of vines for every 1,000 cases of wine produced) but they don’t have some of the other restrictions we already have or are considering, such as the 75% rule and larger minimum parcel size. All of these potential changes are interrelated, and if we slow the growth by requiring larger parcels, I’m not sure this kind of restriction would be needed.

I will be sitting in for Jim Krider at the May 11th meeting. I look forward to the discussions on these topics.

Bob Fiddaman

**PROPOSAL F:**

WE ARE WHAT WE GROW -  Agriculture is the most important Aspect of any Napa Valley Activity.  The right to farm is sacrosanct and must be protected for future generations to enjoy the Napa Valley as we do today.

NET LOSS OF VINEYARD:

Why Cover over the Best Quality & Most Productive Ag Land to provide for a different use of this Napa soil and climate.  Wineries are becoming the focus of the Ag Land and displacing Ag as the highest and best use of Napa Valley Land.  Ag land and its resources of water, view, climate and lifestyle now have a higher value as a repository for a Winery business plan than its use as a growing medium.

A look at the Standard Industrial Classification (SIC) System used by OSHA to classify business types and guide them in the definition and regulation of various business activities.  Under the SIC codes used nationwide to describe various sectors of the American economy, wineries are SIC code 312130 which is in the manufacturing category. Grape growing and vineyards are SIC code 111332 which is under Agriculture and Farming category.

For Napa County to allow wineries in the ag preserve is allowing manufacturing and if the are going to continue to make an accepting for this particular type of manufacturing it should have additional limits and safeguards. A winery is not an agricultural activity but manufacturing.

To consider Manufacturing as the Highest and Best use of Napa Valley Ag land presents many problems; continued winery placement in the middle of vineyards is not a good method of protecting Agricultural Land.  In fact, it promotes a creeping Manufacturization of the Valley, somewhat similar to city/suburban sprawl into farm land.  No matter the arguments, this conversion removes the essence of our Agricultural Preserve and promotes the choking of the valley with the byproducts of the business plans.

If Ag land allows manufacturing, then any Ag use of land, ie., Animals, Row Crops, Orchards, etc, by example, enable associated manufacturing on the same land.

MOTION - No Vineyards shall be converted to Accessory or Winery Usage.

ESTATE GRAPE PRODUCTION:

Ag growing must remain as the highest and best use of Ag land.  The focus of the land must be what is growing not what is manufactured, so the growing use must not be a minority. A minimum of 100% production capacity must come from the single or combined adjacent parcels of the estate. This would be based on the Carrying capacity of the soil, and the available resources within the land to support all activity.  A sustainable operation under all climatic conditions.  Let the land owner demonstrate his ability to operate within these restrictions, and report to the county on his success as a measure of his ability to meet any permit and code requirements.

To maintain water quality in the Watersheds of Municipal Water Sources, Wineries should not be allowed in these Watersheds.

MOTION - Vineyards and Wineries must be Estate derived with 100% of winery production derived from grapes on the singular estate composed of a single or multiple adjacent parcels and these estates cannot be located in Municipal Watersheds.

MINIMUM PARCEL SIZE:

If minimum parcel size is used to realize the goals of the NET LOSS and ESTATE discussions, adjust the parcel size meet the main goals of Napa agriculture.  Municipal watersheds must be protected for the health and safety of Napa Citizens.

MOTION - The minimum parcel size for the AP shall be 40 acres; the minimum parcel size for the AW shall be 400 acres.

Gary Margadant

**PROPOSAL G:**

I was appointed to the Committee to represent District 1 after nomination by Supervisor Wagenknecht. Just to remind everyone of my background, I am a co-founder of Saintsbury, a winery in the Carneros district. Saintsbury holds a use permit governed by both pre-and post-WDO rules.

The proposal to increase the minimum lot size to 40 acres for a winery conditional use permit is a back-door means of “solving” a perceived issue: that winery marketing activities are compromising the integrity of the Agricultural Preserve and the Agricultural Watershed zoning districts as they were meant to and should be—for a narrowly-construed notion of agriculture. I believe for reasons I will begin to lay out below that such a proposal is unfair, especially to Carneros, and has the potential to stifle rather than preserve agriculture.

Let me make a few stipulations about parcel size in relation to winery use permits in the AP and AW districts.

1. Water for winery and on-site marketing use for new permits will be successfully dealt with by the improved and more robust Water Availability Analysis.
2. Contemporary wastewater treatment requires both a smaller footprint and is very unlikely to create nuisance odors for neighbors. The water is also easily reused for vine irrigation.
3. Best-practice hardscape technology (e.g. GravelPave) greatly reduces the potential for runoff impacts offsite, as well as providing onsite mitigation like vegetated swales.

Let me also observe that to view Napa County grapes as a commodity is fundamentally wrong-headed. There is no more site-specific horticultural crop than wine grapes. Many distinctive sites await their champions, many of whom would come from the ranks of small wineries. A simple mass-balance of grapes in and wine out does little to advance our understanding.

Without a use (that is to say market) for its produce, any form of agriculture is a hollow gesture and ultimately doomed. (At least in a free market, that is.) Wine grapes become wine (ideally at wineries with some connection to the source of their fruit) and then that wine must be sold to wine drinkers—and the cycle repeats. In the United States, the wine trade is regulated under a byzantine set of laws under the aegis of the 21st Amendment that repealed Prohibition. That has put in place the legally protected structure of the so-called three-tier system of wholesalers, who sell to retailers and restaurateurs who then make wine (and other alcoholic beverages) available to the final purchaser.

What has happened in the three-plus decades of my career is that wholesalers are increasing inundated by a plethora of labels from all over the world. In that time, imported wine’s market share has increased from around 10% of the total to around 30%. In addition, the retail landscape has been increasingly dominated by larger and larger chains, many of whom operate in many states. The wholesale sector has also seen a consolidation into a few large players (also multi-state), a dearth of middle-market companies and a horde of small, specialist companies. In this environment it is difficult for many small wineries in Napa and elsewhere to sell an economically sustainable volume through the traditional three-tier channel.

It is for that reason that Napa wineries of all sizes have found it necessary to focus on sales directly to consumers. And successful sales to consumers require a presence for visitors at the winery. Vintners do not reach out to visitors to fatten an already bloated bottom-line; most do it as means of preserving a viable business.

That brings me to the issue that I believe is at the heart of why we have been brought together. The estate-grown grape requirement and the zero net vineyard loss provision are merely other means to achieve the true aim of the parcel size increase: to stifle the potential for new wineries and by this imperfect, unfair and back-handed method somehow reduce the impact of visitor numbers. I have no doubt that visitor vehicle traffic at peak hours contributes to congestion issues for example on Highway 29 into St. Helena on summer weekends, and the assertion has been made that the traffic is now becoming intolerable on the Silverado Trail as well. Reducing parcel size will do absolutely nothing to address this condition.

Why aren’t we studying traffic congestion management? Should we not look at the potential for reducing congestion by staggering employee hours, for example? These sorts of efforts are in their infancy. Instead, we are asked to endorse an approach that is the classic “throw the baby out with the bathwater”. There is no reason that a winery cannot be harmonious with its agricultural setting on a 10-acre parcel. If there is an estate grape requirement, what is to become of the independent grape growers of the Napa Valley? Are they to be forbidden to develop relationships with any newly-permitted winery? New skills, a different and fresh perspective on the tried-and-true may reveal a hitherto unknown pocket of greatness, or at least uniqueness. There may indeed be a place for nuanced thoughtful changes in how winery use permits are granted as relates to visitor programs. Let’s discuss what those might be.

Few of the issues, real or imagined, that are used to justify this change exist in my home region of Carneros. Given its size, Carneros has very few wineries within its borders. To impose something like the proposed parcel size increase and its little brother, the estate grape requirement would hamstring the further beneficial development of Carneros, and its vineyards. Let us come together to find real solutions, especially to traffic issues that are fair and workable. The wine and grape community of Napa County and indeed the entire deserves better than this. I close with a quote from Robert Louis Stevenson’s diary that forms the basis of “The Silverado Squatters”:

“The beginning of vine-planting is like the beginning of mining for the precious metals: the wine-grower also ‘prospects’. One corner of the land after another is tried with one kind of grape after another. This is a failure; that is better; a third best. So, bit by bit, they grope about for their Clos Vougeot and Lafite. Those lodes and pockets of earth, more precious than the precious ores, that yield inimitable fragrance and soft fire; those virtuous Bonanzas, where the soil has sublimated under the sun and stars to something finer, and the wine is bottled poetry: these still lie undiscovered; chaparral conceals, thicket embowers them; the miner chips the rock and wanders further, and the grizzly muses undisturbed. But there they bide their hour, awaiting their Columbus; and nature nurses and prepares them. The smack of Californian earth shall linger on the palate of your grandson.”

Respectfully submitted,

David Graves

**PROPOSAL H:**

In preparation for this proposal, I must clarify that I am not advocating for stricter Use Permit requirements; I am acknowledging that if a compromise must be reached, I would rather design a fitting compromise than to lose the land use completely.

I believe the following to be one solution that can be mutually beneficial to Vintners, Growers and the community members.

1. **No increase to the minimum parcel size:**

The long standing impact of increasing the minimum parcel size from 10 to 40 acres will not achieve a reduction of traffic , noise, or environmental impact because the corporate ventures, and luxury buyers will need to build larger production facilities and have increased visitors and hospitality to justify the requirement to purchase, develop, and maintain the vineyards and winery. This line of thought contradicts section 1) item (D) of the current WDO “The preservation of agricultural land requires a reliable market to justify the investment required to acquire, develop, and maintain vineyards capable of producing high quality fruit”

 This action will only intensify the current conundrum we see today. The greatest potential tragedy as a result is the loss of the small farmer to vintner, whom is the foundation of small crafted, globally sought after wines that Napa Valley is best known for, that drives the stewardship of the Valley, makes a living as a Farmer Vintner, is at the forefront of educating visitors, and works endlessly to run an efficient agricultural business. If it were not for this group, and the global market that cannot get enough supply of these small batch wines, the value of the crop would drop, and eventually there will be no need to protect the wine grapes lands because the farmer can no longer sell at a profit.

I propose that we keep the 10 acre parcel minimum, with the following considerations:

* Use permits be no more than 15,000 gallons per year for a 10 Acre parcel, and by ratio or percentage should be increase as the parcel size increases.

By way of example (15,000 gallons per 10 acres=1500 gallons per acre multiplied by Acres = Gallons suited use permit for the size of the parcel)

* All non- permeable development (winery, main residence, guest house, granny unit) are not to exceed 40% of the 10 acre parcel or 17,424 Square feet per acre. This ratio can then be applied to parcels of any size greater than 10 acres up to 40 acres, and so on.

By way of example 40% of 10 acres equals 174,240 square feet of non- permeable development, and a buyer may then look at a prospective 14 acre parcel for sale and quantify if the acquisition is viable based on the fact that 5.6 acres is the total that can be developable for non-permeable surfaces, and the remaining 8.4 acres for agriculture, open space and or any other permissive land use in the AW.

* That the remaining 60% is left available for Vineyard production, Open space or any other permissive land use described in the General Plan.
1. **No Net loss:**

The planning commission has quantifiably shown that planted acre lost is far less than vineyard developments per year, with a net loss of 62 acres a year versus 600 planted per year. Although this is the current trend, we do know that the soils of Napa Valley are finite, and will not continue to expand at this rate forever.

* I believe it to be in the best interest of Napa County to uphold a no net loss of vineyard policy, given a property owner can mitigate the loss of vineyard acres on one given parcel within the same parcel or on another separate parcel owned.
1. **Estate Grape Production:**
* Any projects proposed that use solely estate grapes in their production should have favorable exemptions to CEQA, and a streamlined Use permit application. This type of model promotes Napa Valley to the core of “terroir”, and has the highest wine grape standard with the most risk.
* Although I think it is responsible to “grow your own” I do not think it our duty to restrict a vintner to the Estate Grape constraints.

Thank you in advance for the opportunity to participate in the preservation of the pioneering and agricultural spirit that Napa Valley was founded upon.

Best,

Harvest Duhig

APAC Alternate

**PROPOSAL I:**

The Napa County Farm Bureau thanks the Napa County Board of Supervisors for forming the Agricultural Protection Advisory Committee (APAC), as well as all of the participating members and alternates of the Committee, and county staff. This is an important opportunity for Napa County to develop and choose a direction for handling winery impact issues for the next generation and longer.

APAC is charged with reviewing past history, current conditions and future potential development within Napa County's Agricultural Preserve (AP) and Agricultural Watershed (AW) areas of the county. The driving force for the Committee is expressed in its title, "Agricultural Protection". From this work and effort APAC is to bring forward to the Planning Commission and to the Board of Supervisors recommendations on how to best protect agriculture, our watershed and our open space.

On one hand, everyone should agree that an additional 4,941 wineries (per APAC staff report, 4/27/15) is not in the best interest of agricultural protection or Napa County, overall. Realistically, the county's grape production will not be able to satisfy the Winery Definition Ordinance (WDO) requirement for new or expanded wineries to source 75% Napa County grapes. Grape supply is only one issue. The WDO Final Environmental Impact Report from 1990 correctly predicted that impacts on housing and traffic were significant and unavoidable should wineries continue to be allowed in the Ag Preserve. The establishment of so many new wineries, the liberalization of winery activities as embodied in the 2010 WDO revisions, as well as the ever-escalating permitted visitor and event numbers only accelerate the 1990 FEIR predicted impacts. All the above has and will have adverse effects on the economics, traffic, water, employment, affordable housing and quality of life throughout the county.

On the other hand, small wineries owned and operated by those without sophisticated financial pedigree and a history in Napa agriculture were the driving consideration in 1990 for Farm Bureau to successfully argue for continuing to permit wineries on legal non-conforming parcels as small as 10 acres. Achieving the objective under the current regulations has failed. The ever-increasing commercial uses allowed wineries, combined with unrestricted estate-home square footage, has created incentives which make it virtually impossible for those whose primary livelihood is farming and/or winemaking to establish a winery on a small parcel.

After having the opportunity to consider the staff report, committee discussion and public comment at the April 27th meeting of APAC, Napa County Farm Bureau attempts to address the unintended consequences of 1990's WDO and presents the following for the Committee's consideration for new or expanded wineries on AP parcels.

**WINERIES ON PARCELS FROM 10 ACRES TO LESS THAN 40 ACRES IN AP:**

1. 100% of the fruit processed shall be sourced from the winery parcel;

2. No events shall be permitted on site;

3. Only extremely limited visitations and hours for visitation shall be permitted.

**WINERIES ON PARCELS 40 ACRES OR LARGER IN AP:**

1. 90% of the winery parcel shall be used for grape production;

2. 50% of the fruit processed shall be sourced from the winery parcel;

3. 100% of the fruit processed shall be "estate" grown, using the TTB definition for "estate bottled wines";

4. Very limited events/marketing shall be permitted on site;

5. Only limited visitations and hours for visitation shall be permitted.

**ALL NEW AND EXPANDING WINERIES:**

1. The winery parcel shall have sufficient water source(s) on site for all new/or expanded winery production and winery activities (no trucking of water to augment the needs of winery production or activities shall be permitted). If water becomes insufficient for the permitted production capacity, the winery's permitted capacity shall be reduced to an appropriate level;

2. All applicable sewage/processed waste requirements and the sewage/processed waste disposal systems for new and/or expanded winery production shall be contained entirely within the winery parcel (no "hold and haul" system shall be permitted or expanded);

3. Grape source(s) shall be identified and proven to Napa County before any new or expanded winery production application is deemed to be complete;

4. Grape source, wine production and visitation counts shall be reported annually to Napa County in order to verify compliance;

5. If vines are removed for the purpose of winery production facilities, other areas (not already planted) of equal size shall be planted on the parcel so there is a "net zero" loss of vineyard. Vines shall not be removed for purposes of marketing or hospitality areas, enclosed or open. Historically planted areas will be considered as existing vineyard acreage, and not considered as "replacement/new" areas;

6. Maximum coverage of new wineries shall be 5% of the existing parcel or 5 acres, whichever is less.

The above is intended to take into account the current permitted wine production capacity, as well as the expected available planted acres for grape production within Napa County.

Napa County Farm Bureau believes that despite the recommendations above, the ability of farmers and winemakers to achieve their dreams of owning a small parcel and constructing a small winery will not be possible unless the size of estate homes on small parcels is also addressed.

Napa County Farm Bureau thanks the Committee in advance for the opportunity to address some of the issues being examined. We look forward to the discussions that this proposal will generate, and other deliberations the Committee will have in developing recommendations to the Planning Commission.

Sincerely,

Cio Perez

**PROPOSAL J:**

I would like to add the following documents to be presented to the APAC members. It seems to me that the policies that are already in the General Plan-AG/LU 2 and AG/LU 16 are important and should be pointed out to the APAC members.

If you need anything further on this please get in touch with me.

Thank You​

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Carolyn Duval Czapleski, *Proprietor*

Action Item AG/LU-2.1: Amend County Code to reflect the definition of “agriculture” as set forth within this plan, ensuring that wineries and other production facilities remain as conditional uses except as provided for in Policy AG/LU-16, and that marketing activities and other accessory uses remain incidental and subordinate to the main use.

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