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APR 13 2010



NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.



Hillary Gitelman, Director
Napa County Department of Conservation, Development and Planning
1195 Third Street, Suite 210
Napa, CA 94559

April 5, 2010

Dear Director Gitelman,

We have reviewed and wish to comment on the draft ordinance amending sections to the county code related to the marketing of wine, wine-related products and food and wine pairing in Agricultural Preserve or Agricultural Watershed zones; and the accompanying resolution establishing an interpretive guide for county staff to follow in handling related cases.

The Industry Task Force comprised of the Napa Valley Grapegrowers, the Napa County Farm Bureau, and the Napa Valley Vintners has met to discuss both documents and would like to voice our support for the language as written, assuming no change to either document. The changes are largely as we expected based on the proceedings at February/March Planning Commission and Board of Supervisor hearings.

We urge you to demonstrate greater County commitment in the areas of enforcement and code compliance. Numerous representatives at public meetings spoke to the need for increased enforcement; letters submitted to elected officials called for stronger enforcement measures; and we expected the March 23 resolution to reflect those requests. We believe there must be a more clear commitment to the increased use of "spot" audits and other measures aimed at maintaining compliance with permitted winery visitation and marketing programs.

We'd like to thank you for the diligent work you have done to date, and for the opportunity to comment on these documents.

Regards,

Handwritten signature of Bruce Phillips.

Bruce Phillips
President
Napa Valley Grapegrowers

Handwritten signature of Jon-Mark Chappellet.

Jon-Mark Chappellet
Past President
Napa County Farm Bureau

Handwritten signature of Pat Stotesbery.

Pat Stotesbery
Past President
Napa Valley Vintners



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APR 13 2010

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

April 12, 2010

Ms. Hillary Gitelman, Director
Napa County Planning Commission
1195 Third Street
Napa, California 94559

Dear Ms. Gitelman:

I have received a copy of the draft ordinance and draft resolution of the WDO from Jenne Hohn. I have been involved in the process for some time now and was honored to speak to the Board of Supervisors at their meeting in October regarding proposed changes to the WDO. I spoke of the impact of taking our events out of Napa County including the loss of large amounts of tax revenue and loss of business for local entrepreneurs.

As I read the draft legislation & resolution it seemed to be a far cry from discussions I heard at the March 2 meeting and the information the Board of Supervisors put forward which seemed to indicate that they were clearly moving toward loosening the current ordinance instead of tightening and further restricting winery definition on marketing of wine. I know I left that meeting with a sense of hope and excitement for what seemed to be good steps towards common ground for organizations regarding what has been a very heated issue for our valley.

I would like to plead the case for removing the stringent event examples as outlined in the most recent draft resolution. They are so restrictive that I believe strongly they will cause people who are currently employed in winery hospitality & marketing departments to lose their jobs at an even greater rate than what we are already experiencing. Our hope was to create jobs & opportunities and the current proposal does not seem to provide those opportunities.

To change the wording to say that "life celebrations including weddings, wedding rehearsal dinners, anniversary parties or similar events are only allowed as part of the winery's ability to market their wine and if directly related to an educational aspect to develop customers and potential customers of the winery & ambassadors of Napa Valley and are part of the approved winery marketing plan" would allow wineries a choice as to if they wish to host these events. I believe that a large number of wineries will choose not to host weddings & other life celebrations but given the option, they then can market their wines as they wish even if it's hosting a small handful of these events each year.

As one of the top event planners in the country, I am often approached by wineries who wish to have me market their wine to my clients. These wineries have no other direct access to these couples and guests, because of the choke hold the current WDO has created. I; however, am often tied to suggesting wines from the region where the couple is getting married...more often than not that is in Sonoma County. I will not waste your time reading this letter to explain the dollars and cents behind the amount of wine purchased, consumed, taken home and the number of wine clubs people have joined at my events. But I can tell you in the 15 years I've been doing events in Napa & Sonoma Valleys it has been significant. I can guarantee that our clients do not want to be holed up in a ballroom at the Westin, Ritz Carlton, St. Regis or Meadowood. They can find that experience in any city in the world. They don't come here to be married in a church, host their corporate event in a ballroom, or celebrate at a restaurant. They can do that in their hometown. Why spend money to travel to a destination when you're not going to give your guest a unique experience?

<http://www.sashasouzaevents.com>

707-253-8160 (phone)

707-255-5131 (fax)

This begs to ask the question, "Would you spend your time & money to travel to Burgundy, France if you stayed at the Sheraton and spent your days in a meeting room? And what if they hosted all the meeting events at a ballroom or prefunction space?"

Most would send their regrets as unable to attend since they would not get to experience all the area has to offer when they are there. Why travel so far when they may only get a half a day to experience the true beauty of the area? That is exactly what our clients believe. They feel this is one of the most beautiful places on earth and not experiencing it is reason enough to stay away.

With regard to the business meetings and corporate events, it is easy to create a winecentric experience around the event. Why does it matter if the CEO discusses that they earned \$1.2 billion that year in sales? They will be celebrating with food & wine, two things we are known for in this valley. Does it matter that the winery is using their space to host a fundraiser for Make a Wish Foundation or American Cancer Society? They are consuming wine, enjoying a tour of the winery and also taking home a great EXPERIENCE.

I know the Napa Valley Destination Council was established to assist & garner midweek business. This will come from the corporate attendees. As I stated above they will more than likely not get that business to come here if they cannot offer experiences to the corporations of the world that include something other than a hotel ballroom. Further, the weekend business will always be social in nature - the celebrations of life create the experience for the guests. Even if you were to allow weddings at wineries, they would not come if they were restricted from Friday, Saturday and Sunday events. To deny people the actual flavor of Napa Valley is not helping to build the Napa Valley brand.

By funneling all of the business to the hotels & restaurants it makes companies that deal with event coordination, catering, event rentals, event décor, lighting and many other categories as unnecessary. Because these entities often have everything you need built in to the property these entrepreneurs will never be recommended or hired by potential clients. The hotels & restaurants will do everything for the client and thus put people like me out of business. I take great pride in what I do, I make sure that the rules are always followed and have no issue telling my clients what is and is not permitted by the winery, estate or other location - I do everything I can to protect the beauty of the area, enforce the noise ordinances, and shuttle guests to & from the location of the celebration without incident. It's what professionals in this industry do every day. What I do not understand is the argument that there will be many drunk people at these events. This valley encourages winery tastings to car loads of people, let them drink all day and tell them they should be responsible but still put them in their cars on our valley roads. The wineries do it day after day from 10 a.m. to 4 p.m. with or without an appointment. That seems much more irresponsible for the valley & the residents than a few hundred weddings ever could be. But yet, we encourage people to come here, drink up, have a picnic and send them on their merry way all the while telling them that we don't want them to bring their friends, family or coworkers here.

I also find it sad that we were not given a seat at the table for discussions. The hospitality and events industry is made up of savvy business people who have a lot to offer and negotiate for a living. We are fair and would have made a great partner in the process. It has become evident that our voices were not heard by our government. It also seems that the special interest groups, who continue to create fear and are unwilling to allow others to make choices for themselves in a Democratic society, are not interested in what the people of this valley want.

I love where I live and raise my family. Napa is where I have chosen to call home. I think it is superior to all other areas and my goal is to protect the valley in ways that make sense for the people who live here. The draft resolution to the WDO as currently written does not make sense to anybody other than the people who do not need the proposed changes to the WDO to help them survive. Everybody will be affected and I believe it will be an immediate and difficult blow to many who are already struggling.

I am concerned that Napa County will not be able to sustain with the downturn in the economy. At the rate it is going, shutting out entire industries, this will hasten the downturn and send us down the slippery slope we are already perched upon. Napa Valley already has a lot of bad PR regarding weddings and wineries. I think

that by disallowing wineries the ability to choose how they are able to market themselves to a large audience it is going to guarantee that only the larger wineries owned by mass brands & individual wine growers with the most land will control Napa Valley. The smaller winery owner, grape grower, wine grower and wine makers will find other, more fertile grounds, to grow their vines and become profitable. I fear that our reputation has been tarnished and we are now seen as a stuck up, snobby, overly-restricted Totalitarian government - exactly the reputation that the French had before the 1976 tasting that put Napa Valley on the global map as THE wine region. We were a group of passionate people who root for the little guy.

I hope you will see my letter to you for what it is: as a plea to please reconsider the draft resolution. I believe strongly in creating relationships and love where I have lived for 11 years. I may not have been born here but I call Napa Valley home, am a 4th generation Californian and have children born in this valley. Thank you for taking the time to read my letter to you about the draft changes being presented.

Please feel free to contact me at 707-253-8160 or 707-332-4083 to discuss if you have any questions, I would love to talk to you at your convenience.

Take care,

//via email//

Sasha V. Souza, mbc



JENNE HOHN EVENTS

April 12, 2010

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APR 12 2010

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

Hillary Gitelman, Director
Napa County Planning Commission
1195 Third Street
Napa, California 94559

Dear Hillary:

Thank you for sending me the draft ordinance and draft resolution to the WDO on March 29. Thank you also, for all of the time you have committed to this process thus far. I would like to extend my input to those documents, in particular, the draft resolution.

It was my understanding at the Board of Supervisors meeting on Tuesday, March 2, that the Board was in agreement to loosen the language of the WDO, not tighten it. The draft ordinance states, "Marketing of wine may include cultural and social events directly related to the education and development of customers and potential customers provided such events are clearly incidental, related and subordinate to the primary use of the winery." My suggestion is to leave the draft ordinance as is. The problem lies in the draft resolution, Exhibit A, Interpretive Guidance, Part I.

Please remove the event examples. It is nearly impossible to define an event within the parameters of the proposed examples. There is no cookie cutter event. To ask a winery to operate within the confines of these suggested examples will create a very "grey" event experience for Napa Valley wineries and in turn, Napa Valley visitors.

Please omit or restructure the following sentence: "Examples of cultural and social events that are not permitted include weddings, wedding rehearsals, anniversary parties, and similar events where the education and development of consumers is subordinate to non-wine-related content." These types of events actually do serve to market wine and "are directly related to the education and development of customers and potential customers of the winery..."

The sentence could be revised as follows: "Weddings, wedding rehearsals, anniversary parties, and similar events are only permitted as part of 'marketing of wine' if they are directly related to the education and development of customers and potential customers of the winery and are part of an approved marketing plan that in its totality is "clearly incidental, related and subordinate to the primary operation of the winery as a production facility" (Sections 18.16.030(G)(5) and 18.20.030 (I)(5))." I would like to cite an example from personal experience.

In October of 2009, I was fortunate to have a client who owns an on-line wine store as well as multiple wine shops around the country. He chose to have his wedding in the Napa Valley. His nuptials took place at Auberge du Soleil at noon. The cake cutting and the white dress happened there too. At 8 pm, all guests were shuttled from Villagio and Auberge to a winery in Calistoga. The guests were given a tour (which all participated in) of the facility, followed by dinner and dancing. Guests were shuttled back to their hotels at

evening's end after an unforgettable experience. The winery sold wine for the party, to the guests (wine and wine club memberships), and the client's relationship with the winery was strengthened. The Napa Valley brand was strengthened. Without types of events like these to support it, the winery could cease to act as a production facility at all.

Please also consider removing the following: "Examples of business events that are not permitted include non-winery related staff meetings, conferences, shareholder meetings, and similar events where the education and development of consumers is subordinate to non-wine-related content." There are nearly 500 non-profit agencies in Napa County. Occasionally, a non-profit agency needs a place to host a business meeting and a winery will open their doors to do so. Where will these organizations go now?

One of the goals of the Destination Council is to attract mid-week business. Business travelers are here to engage in business activities but the draw is to be in the Napa Valley. Most of these travelers will spend time in hotels and so why limit what wineries can do in relation to business travelers? The Destination Council needs to be able to sell more than just room nights at hotel properties.

As the recent winner of the Napa Chamber Foundation's Hospitality Tourism Award, I am speaking on behalf of the event industry - an industry that was regrettably never given a seat at the table in these discussions. As reported by the Destination Council, "The visitor serving industry employs 17,500 people in Napa County." And, "tax revenue generated by tourism spending is \$125 million annually." Please hear our voices now. The Napa Valley Hospitality and Tourism Industry is composed of: hotel properties, wineries, event management companies, event planners, caterers, photographers, florists, transportation companies, music booking agencies, officiants, makeup artists, salons, spas, golf courses, balloon companies, audio visual companies, bakeries, restaurants, artists, and so much more. Please allow this industry to continue to serve and flourish in our own backyard.

What started as something simple has become complicated. Eight months later, event departments are closing at wineries, people are losing their jobs at an exponential rate. A bad economy has hurt our local tourism-based population. While the economy is now in a state of re-build, we must find a way to compete on an international level and maintain the prestige of the Napa Valley brand. That competition includes re-defining marketing events - not commercial industry in the Ag Preserve - but simply, a loosened definition of a marketing event wherein a winery must operate within the confines of their current permit structure.

Thank you for your consideration of my input.

Sincerely,
Jenne Hohn

CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515

707.942.2800



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NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

April 8, 2010

Diane Dillon, Chair of the Board
Napa County Board of Supervisors
Napa County Administration Building
1195 Third Street, Suite 310
Napa, CA 94559

Re: Proposed Amendments to the Napa County Winery Definition Ordinance

Dear Honorable Chair and Board of Supervisors:

Public concern was expressed at the April 6, 2010 Calistoga City Council meeting regarding pending amendments to the County's Winery Definition Ordinance (WDO), including the following changes:

1. Development of a draft ordinance implementing consensus-based clarification to the definition of "marketing of wine" and to other sections of Napa County code permitting retail sales of wine-related items and food-wine pairings;
2. Development of a draft resolution articulating Planning Commission policies related to business events and other matters; and
3. Development of a draft ordinance permitting tours and tastings without appointment.

Charlene Gallina, Calistoga's Planning & Building Director is in receipt of the County's draft Winery-related Zoning Ordinance Amendments, Associated Interpretive Guidance Resolution, and Draft Negative Declaration and will present a recommendation to our Planning Commission on April 14, 2010 and subsequently to the Calistoga City Council on April 20, 2010 for direction on a comment letter for transmittal to the Napa County Planning Commission and Board of Supervisors.

In the meantime, the City Council has directed me to forward our initial concerns associated with the proposed changes to the County's Winery Definition Ordinance.

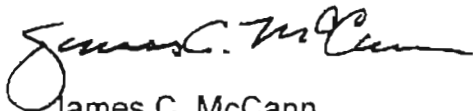
At this time, the City of Calistoga is opposed to any changes to the Winery Definition Ordinance that would expand winery business activities for the following reasons:

- The cities and the County have agreed through mutually supportive General Plans that development belongs in the cities and the primary purpose of the unincorporated area is for agriculture.
- Increased business activities in the unincorporated area may impact or compete with businesses in the cities, specifically the lodging and restaurant industry.
- Increased business activities in the unincorporated area will create jobs and increase pressure for housing, particularly affordable housing.
- Increased business activities in the County's Ag Preserve can have negative impacts on the long term viability of agriculture.

Given our concerns and those raised by other Napa Valley communities, we request that the Planning Commission and Board of Supervisors delay any action on this proposal until such time as inclusive and meaningful discussions with City representatives can occur on this topic.

Please do not hesitate to contact me at (707) 942-2805 if you have any questions about our correspondence. Thank you very much.

Sincerely,



James C. McCann
City Manager

cc: County Planning Commission
Nancy Watt, County Executive Officer
Hillary Gitelman, Director
Christopher Cahill, Planner
City Council
Planning Commission
Chris Canning, Calistoga Chamber of Commerce
Charlene Gallina, Planning & Building Director

From: Gitelman, Hillary
Sent: Tuesday, March 30, 2010 8:10 AM
To: Cahill, Christopher
Subject: Fw: WDO

Sent from my BlackBerry

From: George Caloyannidis [mailto:gecalo@comcast.net]
Sent: Sunday, March 28, 2010 4:17 PM
To: CDP
Subject: Fw: WDO

Dear Ms Gitelman:

For your information.

For the past five years, I have been heavily involved with the Calistoga Economic Vitality Report and the Urban Plan Oversight Committee, all approved by the City Council. I am a member of the non-profit Calistoga Vitality Group.

I am very familiar with the economic inter-relationships highlighted in the attachment and missing from the input.

I am sending a signed copy through the mail.

George

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MAR 30 2010

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

March 28, 2010

George Caloyannidis
2202 Diamond Mountain Road
Calistoga, CA 94515

Ms. Diane Dillon, Chair
Napa County Board of Supervisors
1195 Third Street, Suite 310
Napa, CA 94559

RE: Proposed Changes in the Winery Definition Ordinance (WDO)

Dear Chairwoman Dillon:

I have reviewed the entire file and I will not try to add valid concerns which have already been raised by the various groups or individuals.

From an overall point of view, I do not believe that the proposed changes address all concerns, especially those raised by Katherine Philippakis and Jeffrey Redding, nor do they add any degree of clarity in the way the additional contemplated commercial activities will be evaluated as to their effectiveness, let alone in the mechanism by which they can be enforced. While it would seem imperative to have an enforcement mechanism in place before adding activities, the lack of enforcement personnel as highlighted by Lois Ann Battuelo is of great concern. We can not simply allow the fox guarding the chicken pen.

However, I would like to take the opportunity to add important concerns which have not yet been addressed.

It seems that the basic impetus for contemplating changes in the WDO is *not prompted by having identified specific failures in any of its current provisions to perform as intended* but rather by the unsubstantiated notion that changes would help wineries in the Ag Preserve and the Napa Valley economy in general, during the current, temporary downturn in the economy. No supporting data or economic studies have been presented as a foundation for action as they should. They have rather been accepted intuitively and on face value. This is not enough reason to make fundamental changes in a model which has performed well and exactly as intended.

Since the proposed changes will not increase the number of visitors already mandated by individual winery use-permits and since wineries will not be allowed to profit by the new contemplated events, it is hard to understand how this would help their balance sheet. If we assume that these wineries are having a hard time disposing their inventories or that their visitation quotas are not being fulfilled, they need to provide substantiating data, which they have not. Further they need to substantiate exactly how the proposed changes will help achieve this goal. It is not enough to say that business meetings at the wineries will increase sales. And if indeed it is shown that business meetings do increase sales, it must also be shown that such meetings are not effective in town venues *where they belong*. This is the European model, which some have evoked.

The Board must also consider the fact that it is entirely possible that the Napa Valley may have reached a saturation point in its number of wineries. We must always remember that each additional winery comes at a heavy environmental cost and that there is no study which proves that additional wineries in the Ag Preserve, increase overall sales or enhance the general Napa Valley economy to justify that cost. Propping up struggling wineries by changing the model, will only encourage new ones and increase the chances of massive future failures.

The Board must also consider one more significant relationship which has yet to be acknowledged.

As empty stores indicate, businesses in the city of Napa and the towns in the upper Valley are suffering as well. Any commercial activity, from conferences, meetings, weddings, wine and food pairings and sales of any items whatsoever drain away the lifeblood of businesses in these towns. It also negatively impacts the ability of towns to improve existing venues or plan and build new ones under a viable business model. The City of Calistoga for example would like to be able to build an event center, would like to be able to develop a sustainable business model for weddings in its park, have restaurants which are able to provide private rooms where small business meetings can take place and attract resorts where large meetings and conferences can take place. When wineries, increasingly encroach on such economic activity, they preclude towns from providing the corresponding accommodations.

Interesting towns make for extended visits from which many more wineries, especially those in the Ag Preserve, will profit. Uninteresting towns encourage short visits which increase traffic and by and large limit visits to wineries on the main traffic corridors without allowing for time to discover more remote ones. It is time to realize that every meal served - or any wine book sold - at a winery is one less meal and book sold at a town store, ultimately resulting in impoverished town experiences. The Napa Valley economy as a whole - and wineries in particular - are the ultimate losers.

As Jeffrey Redding suggests, it is incumbent upon the Board to seek the input of a much wider circle than it currently has. The Various Chambers of Commerce, City Councils and business owners need to be made aware and asked to weigh in when increased commercial activity at wineries is being contemplated before any changes in the WDO are enacted because they are potentially severely impacted.

I hope that the Board will pick up the thread and engage in an active campaign to seek comprehensive input.

Sincerely,

George Caloyannidis, Architect, PhD

CC: Hilary Gitelman, Director Planning
James McCann, Calistoga City Manager
Jack Gingles, Mayor City of Calistoga
Dieter Deiss, President Calistoga Vitality Group

Cahill, Christopher

From: Gitelman, Hillary
Sent: Tuesday, March 23, 2010 3:27 PM
To: - Board of Supervisors; 'Bob Fiddaman'; 'Michael Basayne'; 'Tkscottco@aol.com'; 'Matthew Pope'; Heather Phillips
Cc: Watt, Nancy; Westmeyer, Robert; Tran, Minh; Anderson, Laura; Cahill, Christopher; McDowell, John
Subject: WDO
Follow Up Flag: Follow up
Flag Status: Red

All:

FYI, we have distributed a draft ordinance to the wine industry groups that is consistent with the Board's direction on the WDO, and have also distributed a draft resolution containing "Interpretive guidance" which we believe is consistent with the ordinance.

We've already heard some criticism of the Interpretive stuff, and hopefully we'll be working through the issues in the coming weeks. Our plan is still to get this subject to hearing at the Planning Commission on April 21, and to the Board on May 18. Please let me know if you'd like copies of the documents in advance of those discussions, or if I can help with any questions.

Hillary

(Please do not "reply all.")

03/24/2010

Cahill, Christopher

From: Luce, Mark
Sent: Tuesday, March 23, 2010 7:58 PM
To: Gitelman, Hillary; 'Bob Fiddaman'; 'Michael Basayne'; 'Tkscottco@aol.com'; 'Matthew Pope'; Heather Phillips
Cc: Watt, Nancy; Westmeyer, Robert; Tran, Minh; Anderson, Laura; Cahill, Christopher; McDowell, John; Dodd, Bill
Subject: RE: WDO

As maker of the motion, I continue to support the new definition of wine-marketing. However, I am very concerned about the resolution and examples provided in the attached. It goes way beyond the language we agreed on. Our compromise wording was to address the new world marketing realities (people market by hosting events) and the resolution simply hearkens back to the poor unenforceable concepts of the past.

The new wording requires that we define what must happen at an event to qualify as marketing. The new wording of wine-marketing has moved away from characterizing the business/non-winery aspect of the event (it is none of our business) and instead characterize what activities ultimately make this a marketing event.

Winery owners get to market when they get people on their property. Our interpretive document should distinguish between people who are just leasing their facility and those who are truly using the event as an opportunity to market their wine. It should be generic, applicable to all kinds of events without prejudice as to the non-winery activity (retreats, celebrations, ceremonies of various kinds). To judge the types of celebrations and ceremonies allowed would be a seriously intrusion on our citizens fundamental liberties.

The resolution should cite the years of debate and controversy over the previous marketing definition, that it has been poorly enforced if at all, and recognize this is our attempt to resolve the question considering the current day realities.

I urge you to read the language in the new marketing definition and provide examples that clearly follow from this language as that is what we agreed to do.

Thank you for your consideration.

Mark Luce