

EXHIBIT A

FINDINGS

Relic Wine Cellars Use Permit #P10-00162-UP & Exception to the Napa County Road & Street Standards Assessor's Parcel #: 032-090-024

Environmental Determination:

The following findings must be made in order to adopt the Negative Declaration:

1. Find that the Planning Commission has read and considered the Negative Declaration prior to taking action on said Negative Declaration and the proposed project.
2. Find that the Negative Declaration is based on independent judgment by the Planning Commission.
3. Find that the Negative Declaration was prepared and considered in accordance with the requirements of the California Environmental Quality Act.
4. Find that there is no substantial evidence in the record as a whole that the project will have a significant effect on the environment.
5. Find that the Secretary of the Planning Commission is the custodian of the records of the proceedings on which this decision is based. The records are located at the Napa County Conservation, Development & Planning Department, 1195 Third Street, Room 210, Napa, California.
6. Find that considering the record as whole there is no evidence that the proposed project will have a potential adverse effect on wildlife resources or habitat upon which the wildlife depends.

Exception to Road and Street Standards:

The Commission has reviewed the attached described Road and Street Standards exception request in accordance with Road and Street Standards Section 3 and makes the following findings:

7. **The requested exception is necessary to protect and ensure the preservation of unique features of the natural environment.**

The area that is relevant to this Exception request is an existing private road with gentle to steep slopes where mature oak trees ranging in size from 6 to 8 inches diameter at breast height (dbh), rock outcroppings and a drainage channel are located adjacent to the road at two different road segments. The exception is being requested to allow the private road, with proposed improvements, to be used as the primary access road for the proposed winery.

The first segment roadway affected by this request is located beyond the winery entrance approximately 200 feet northeast from its intersection with Soda Canyon Road at STA 12+50. It continues for approximately 100 lineal feet to STA 13+50 as reference on the submitted, "Relic Winery Site Plan", dated May 19th, 2010, by Albion Surveys, Inc. The Exception will allow this section of the roadway to be improved to an overall width of 14 feet to preserve mature oaks of at least 6" dbh. The second road segment affected by this request is located near the terminus of the winery road at STA 18+75 to 21+75. The Exception will allow this section of the roadway to be improved to an overall width of 14 feet to preserve rock outcroppings.

8. The exception is necessary to accommodate physical site limitations such as grade differentials.

Currently, the slope along a portion of road segment STA 18+75 to 21+75 that extends from STA 20+50 to STA 21+50, is between 10 to 25%. This portion will be reduced to 20% slopes to meet the County Fire standards. The Exception for reduced width (as discussed above), will allow for a reduction in the overall grading on steep slopes adjacent to a nearby drainage course.

County Planning and Public Works Departments and the County Fire Marshal have reviewed the request and are supportive that it is consistent with these goals provided the conditions of approval for the private access road outlined in the comments memorandum from the Department of Public Works, dated August 9, 2010, are met.

9. The Road and Street Standards Exception allows a situation that provides the same overall practical effect as the Standards do in providing defensible space, and does not adversely effect the life, safety, and welfare of the public or persons coming to the property.

The Commission's approval of an Exception will improve emergency vehicle access and general traffic flow along the subject private access road above existing conditions while protecting the unique features of the natural environment (mature oak trees & rock outcroppings) near the roadway and reduce overall grading of steep slopes adjacent to a nearby drainage course.

In accordance with their conditions of approval, Public Works will require the applicant to provide equivalent standards for construction and maintenance of the road section as required in their comments memorandum dated, August 9, 2010. Periodic horizontal and vertical trimming of roadside limbs as required by the Napa County Fire Marshall, (See comments dated June 15, 2010) will allow for adequate passage for vehicles and emergency vehicles. Thus, the Project has been designed to comply with emergency access and response requirements including Napa County Fire Protection requirements for defensible space, fire department access and public safety and has been reviewed by the Napa County departments responsible for emergency services; it will not have a negative impact on the health, safety, or welfare of the public or persons coming to the property.

Use Permit Required Findings:

10. The Commission has the power to issue a use permit under the zoning regulations in effect as applied to the property.

Analysis: The project is consistent with AW (Agricultural Watershed) zoning district regulations. A winery (as defined in Napa County Code § 18.08.640) and uses in connection with a winery (see Napa County Code § Section 18.20.030) are permitted in an AW zoned district with an approved use permit. Provisions required under the Winery Definition Ordinance (ORD. 947, 1990) and Napa County Code (zoning regulations as amended) can be met.

11. The procedural requirements for a use permit set forth in Chapter 18.124 of the Napa County Code (Use Permits) have been met.

Analysis: The use permit application has been filed and notice and public hearing requirements have been met. The hearing notice was posted on July 29, 2010, and copies were forwarded to property owners within 300 feet of the subject parcel.

12. The grant of the use permit, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: Granting a use permit for the winery as proposed and conditioned will not affect the health, safety or welfare of the County. Various County departments have reviewed the project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which will incorporate these comments into the project to assure the protection of the public health and safety.

13. Compliance with the General Plan

Analysis: The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan. The Winery Definition Ordinance (WDO) was established to protect agriculture and open space and to regulate winery development and expansion in a manner that avoids potential negative environmental effects. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990) and the applicable provisions of the Napa County Zoning Ordinance (Title 18, Napa County Code).

The subject parcel is located on land designated Agriculture, Watershed and Open Space on the County's adopted General Plan Land Use Map. This project is comprised of an agricultural processing facility (winery), along with wine storage, bottling, and other WDO-compliant accessory uses as outlined in and limited by the approved project scope. (See Exhibit 'B', Conditions of Approval.) These uses fall within the County's definition of agriculture and thereby preserve the use of agriculturally designated land for current and future agricultural purposes.

General Plan Agricultural Preservation and Land Use Goal AG/LU-1 guides the County to, "preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County." General Plan Agricultural Preservation and Land Use Goal AG/LU-3 states the County should, "support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands."

As approved here, the use of the property for the "fermenting and processing of grape juice into wine" (NCC Section 18.08.640) supports the economic viability of agriculture within the county consistent with General Plan Agricultural Preservation and Land Use Policy AG/LU-4 ("The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/ open space..."). Policy AG/LU-8 also states, "The County's minimum agricultural parcel sizes shall ensure that agricultural areas can be maintained as economic units and General Plan Economic Development Policy E-1 (The County's economic development will focus on ensuring the continued viability of agriculture...). Approval of this project furthers these key goals.

The General Plan includes two complimentary policies requiring that new wineries, "...be designed to convey their permanence and attractiveness." (General Plan Agricultural Preservation and Land Use Policy AG/LU-10 and General Plan Community Character Policy CC-2). The proposed winery, to the extent that it will be publicly visible, will convey permanence and attractiveness.

Agricultural Policy AG/LU-13 of the County General Plan recognizes wineries, and any use clearly accessory to a winery, as agriculture. The Land Use Standards of the General Plan Policy AG/LU-2 list the processing of agricultural products as one of the general uses recognized by the AWOS and AR land use designations. The proposed project allows for the continuation of agriculture as a dominant land use within the county and is consistent with General Plan Agricultural Policy AG/LU-13.

The project is also consistent with General Plan Conservation Policy CON-53 and CON-55 which require that applicants, who are seeking discretionary land use approvals, prove the availability of adequate water supplies which can be appropriated without significant negative impacts on shared

groundwater resources. As analyzed below, the proposed winery will not interfere substantially with groundwater recharge based on the criteria established by Napa County Public Works Department.

Finally, the “Right to Farm” is recognized throughout the General Plan and is specifically called out in Policy AG/LU-15 and in the County Code. “Right to Farm” provisions ensure that agriculture remains the primary land use in Napa County and is not threatened by potentially competing uses or neighbor complaints. Napa County’s adopted General Plan reinforces the County’s long-standing commitment to agricultural preservation, urban centered growth, and resource conservation. On balance, this project is consistent with the General Plan’s overall policy framework and with the Plan’s specific goals and policies.

14. The proposed use would not require a new water system or improvement causing significant adverse effects, either individually or cumulatively, on the affected groundwater basin in Napa County, unless that use would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Napa County Code § 13.15.070 or § 13.15.080.

Analysis: Minimum thresholds for water use have been established by the Department of Public Works using reports by the United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. Any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels.

Based on the submitted phase one water availability analysis, the subject parcel is below the established threshold for groundwater use on the parcels and would not result in a substantial depletion of groundwater supplies. The 10.30 acre parcel is located in the Mountain areas, in an area that has an established acceptable water use criteria of 0.5 acre foot per acre per year resulting in a threshold for the property of 5.10 acre feet per acre per year. The estimated water demand for the site for Phase II at build-out (i.e. cave system) would be the same: 5.10 acre-feet of water per year.