

**Exhibit A**

**BACKGROUND**

**Krupp Brothers Winery**

**Use Permit № P11-00348 and Conservation Regulations Stream Setback Exception № P11-00495**

**3150 Silverado Trail, Napa, Calif., 94558**

**Assessor's Parcel №. 039-610-006**

Owner: Bart and Patricia Krupp, (800) 526-4707

Applicant: Dr. Jan Krupp, (707) 226-2215

Representative (Planner): Donna B. Oldford, Plans4Wine, (707) 963-5832

Zoning: AP (Agricultural Preserve)

General Plan Designation: AR (Agricultural Resource)

Filed: September 21, 2011

Complete: May 1, 2012

Winery Size - Proposed: +/- 18,200 square feet (and +/- 675 square feet of covered crushpad area)

Production Capacity - Proposed: 50,000 gallons per year

Visitation - Proposed: By-appointment tours and tastings with food/wine pairings; 124 or fewer visitors daily

Number of Employees - Proposed: up to 10

Hours of Operation - Proposed: 8 am to 6 pm, daily

Marketing - Proposed: 105 24-person events, eight 75-person events, two 125-person events annually, and participation in Auction Napa Valley (all marketing events potentially include food service). Excepting the days on which 125-person marketing events occur, combined tours and tastings and marketing event visitation would not exceed 124 persons on any given day.

Parking - Proposed: 25 spaces, including 2 ADA-accessible spaces

Parcel Size: 13 acres

Accessory/Production Ratio - Proposed: 29% (40% allowed)

Winery Coverage - Proposed: Approx. 1.7 acres (15 acres max) and/or 13% of the 13 acre lot area (25% max)

Property Line Setbacks – Existing (Residential): 590' front/west (20' required); 110' north/side (20' required); 500' south/side (20' required); and 20' rear/east (20' required)

Property Line Setbacks – Proposed: 560' front/west (20' required); 110' north/side (20' required); 350' south/side (20' required); and 20' rear/east (20' required)

Winery Road Setbacks – Proposed – Silverado Trail: +/- 650' (600' required)

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

#### North

Agricultural Resource General Plan designation - AP zoning  
Residential uses on large lots; including a 7 acre residential parcel (Northrup).

#### South

Agricultural Resource General Plan designation - AP zoning  
Agricultural, residential, and winery uses on large lots; including a 15 acre winery/vineyard/residential parcel (Razi's Winery).

#### West

Agricultural Resource General Plan designation - AP zoning  
Agricultural, winery, and residential uses and transportation improvements; including the Silverado Trail, a 49 acre vineyard/residential parcel (Napa Valley Holdings LLC) and a 36 acre vineyard/winery parcel (Silverado Hill Vineyard – formerly Silverado Trail Wine Studio/Crushpad).

#### East

Agricultural Resource and Agriculture, Watershed, and Open Space General Plan designations - AW zoning  
Agricultural and winery uses on large lots; including a 159 acre winery/vineyard parcel (William Hill Winery - Gallo).

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

Robert Biali Vineyards~4038 Big Ranch Road~Producing~40,000 gallons per year~By appointment

William Hill Winery~1761 Atlas Peak Road~Producing~335,000 gallons per year~By appointment

Hagafen Cellars~4160 Silverado Trail~Producing~50,000 gallons per year~By appointment

Black Stallion Winery~4089 Silverado Trail~Producing~10,000 gallons per year~Open to the public

Van Der Heyden Vineyards~4057 Silverado Trail~Producing~8,000 gallons per year~By appointment

Reynolds Winery~3260 Silverado Trail~Producing~20,000 gallons per year~By appointment

Razi's Winery~3106 Silverado Trail~Producing~20,000 gallons per year~By appointment

Silverado Hill Vineyard~3105 Silverado Trail~Producing~200,000 gallons per year~By appointment

Kitchak Winery~1094 Hardman Avenue~Approved~5,000 gallons per year~By appointment

Luna Vineyards~2921 Silverado Trail~Producing~150,000 gallons per year~By appointment

Judd's Hill Winery~2332 Silverado Trail~Producing~30,000 gallons per year~By appointment

### **Parcel History and Evolution of this Application**

1993 – Then-owners William Hill Winery enter into a “Type A” agricultural contract with the County (**agricultural contract 93283-AGK**).

1995 – The Krupp Brothers purchase the land that will become Stagecoach Vineyards, in Foss Valley, approximately five miles north of the subject property.

1998 – The Altamura family purchases the subject property from William Hill Winery.

1999 – The Strack family purchases the subject property from the Altamuras.

2001 – The County approves **building permit № B00-00993**, allowing then-owner William Strack to construct a home on the subject property.

January 2011 – Bart and Patricia Krupp purchase the subject property.

September 2011 – Donna Oldford files this application (**use permit application № P11-00348** and **Conservation Regulations stream setback exception application № P11-00495**) on behalf of Jan Krupp.

October 2011 – The Planning and Environmental Management Departments formally determine application **№ P11-00348** to be incomplete and request additional information.

May 2012 - The applicant team submits final revised plans. The application is deemed complete for processing.

May 2012 - The Planning Division releases the project mitigated negative declaration for public comment and agendas the requested use permit and stream setback exception for review by the Planning Commission at their June 6, 2012 regular meeting. The mitigated negative declaration comment period runs from May 4, 2012 to June 4, 2012.

### **Code Compliance History**

Having discussed the application with our Enforcement desk, toured the property, and reviewed the Department's files, Planning Staff is not aware of any code compliance issues on the subject parcel.

## Discussion Points

### Setting

The project is proposed on a 13 acre parcel located on the east side of the Silverado Trail, approximately ½ mile south of its intersection with Soda Canyon Road. As the crow flies, it is 1¼ miles north of the City of Napa and 4 ½ miles southeast of the Town of Yountville. The property presently includes a 4,500 square foot single family residence, a swimming pool and other residential-accessory improvements along with approximately seven and one half acres of producing vineyard.

The parcel dips to as low as 44 feet in elevation along its Silverado Trail frontage, runs eastward along a relatively flat floodplain terrace some 500 feet to the Hardman Creek riparian corridor, and then climbs fairly abruptly up to a benchland with an average elevation of 65 feet. All of the property's existing buildings are located on the narrow north-south running bench, hemmed in by Hardman Creek on the west and the rear property line to the east. Virtually all of the parcel area west of Hardman Creek is located within the FEMA-mapped 100-year floodplain and submitted biological materials indicate that the southeastern corner of the property includes a seasonal wetland swale subject to the jurisdiction of the Army Corps of Engineers.

Land uses in the area are a mix of medium to large lot residential uses, active vineyard operations on lots ranging (generally) from 15 to 60 acres, and wineries with production ranging from 5,000 to 200,000 gallons annually. Residential uses in the area are, by the standards of unincorporated Napa County, relatively extensive; with a number of residential parcels sized at one to two acres located within ½ mile of the proposed Krupp Brothers winery.

### The Requested Stream Setback Exception

As noted in the project description, the applicant team is requesting an exception from the County's Conservation Regulations stream setbacks to allow grading associated with the proposed winery to encroach as near as 47 feet to Hardman Creek. Required setbacks on the property range from 35 to 85 feet, depending on the slope(s) adjacent to the stream's top of bank.

Because the entirety of the lower-portion of the Krupp property is located both within the 100-year floodplain and the required 600 foot setback from the Silverado Trail, staff concurs with the project team that the best location for a winery (and, indeed, for any structural development on this site) is on the thin strip of higher land located between Hardman Creek and the eastern property line. Unfortunately, in order to provide access to and around a winery built in that location it is necessary to create disturbance within required stream setbacks.

Quoting from the project's biological report;

*...existing site conditions along the stream setback consist of a channelized seasonal drainage with mature overstory of Valley Oaks along sections of the banks. Understory vegetation along the drainage has been cleared exposing bare substrate by previous owners. Bare soil is exposed along both sides of the creek channel... There is an existing residence gravel access road along the west side of the drainage which will be abandoned and a new entrance road constructed through the vineyard. It is noted that the existing entrance road is within the stream setback and removal will result in a net benefit ...*

*A revegetation planting plan for the creek setback zone has been prepared by (the applicant team). The Planting Plan consists of native riparian zone species that will function to stabilize the banks, provide vegetation layering, provide wildlife habitat, aquatic habitat and protect water quality. The proposed restoration plantings will result in a net riparian and aquatic benefit on the property as well as off site.*

Planning staff has consulted extensively with the County's Conservation Division and with the Department of Fish and Game on this project, and all concur that the project is sensitively designed and that, with the substantial creek restoration work proposed by the Krupps, the condition of Hardman Creek should actually be improved by this proposal. In addition, the project mitigated negative declaration includes a number of mitigation measures designed to protect the health of both Hardman Creek and the greater ecosystem. Those mitigation measures include requirements for pre-construction surveys for Northwestern Pond Turtle, Foothill-yellow legged Frog, Steelhead, and nesting raptors (these would be in addition to surveys completed this spring which determined that none of the aforementioned were present), the fencing off of riparian areas and native trees during construction to protect them from accidental damage, completion of the stream revegetation and restoration plan previously noted, and permanent protection of a wetland area identified by project biologists to the south of the proposed winery.

On the whole, staff is confident that the project mitigates its impacts on Hardman Creek and that required findings in support of a Conservation Regulation exception can be made. We are recommending approval.

#### Visitation and Marketing

Tours and tastings visitation to the proposed Krupp Brothers Winery would be by-appointment, with a maximum of 124 visitors per day and an average of 420 per week. A tandem marketing plan is also proposed, including 105 24-person events annually (averaging two events per week) with food prepared on-site, eight 75-person wine club events annually with food catered or prepared on-site; and two 125-person larger events annually with catered food. Excepting only the days on which the two, larger, 125 person events occur, both tours and tasting marketing visitation would be subject to a cumulative 124 persons per day maximum .

Staff has provided a table comparing marketing and tours and tastings visitation at similar sized by-appointment wineries below. The table makes a series of general assumptions regarding marketing event visitation which cause it to be somewhat imprecise in specific cases, but it is useful and valid for purposes of broad-brush comparison. When marketing and tours and tastings visitation are combined, the Krupp Brothers Winery would have the largest combined visitation program among its proposed peer group of wineries producing at, or about, 50,000 gallons per year. Lincoln Ranch Winery would be this facility's closest competitor, at 338 average marketing and tours and tastings visitors per week (For reference, Krupp Brothers proposes approximately 487). In that context, it would appear that Krupp Brothers Winery proposes a comparatively aggressive marketing program.

<b>Winery</b>	<b>Approved Production</b>	<b>Tours &amp; Tasting</b>	<b>Marketing (Ave/Week)</b>	<b>Tours and Tasting (Ave/Wk)</b>	<b>Total Visitation (Ave/Wk)</b>
ARKENSTONE VINEYARDS	48,000	By Appointment	10	50	60
CALISTOGA ARTISAN VILLAGE	48,000	By Appointment	12	240	252
DEL DOTTO FAMILY WINERY	48,000	By Appointment	<i>no data</i>	200	200
MEADOWOOD LANE WINERY	48,000	By Appointment	<i>no data</i>	90	90
NAPA VALLEY RESERVE	48,000	By Appointment	<i>no data</i>	75	75
SPRING MOUNTAIN VINEYARDS	48,000	By Appointment	<i>no data</i>	0	0
TOM EDDY WINERY	48,000	By Appointment	10	20	30
VINE CLIFF WINERY	48,000	By Appointment	<i>no data</i>	25	25
VINEYARD 29	48,500	By Appointment	18	10	28
ALTAMURA WINERY	50,000	By Appointment	<i>no data</i>	20	20
BALLENTINE WINERY	50,000	By Appointment	<i>no data</i>	10	10
BENNETT LANE WINERY	50,000	By Appointment	<i>no data</i>	168	168
BROWN ESTATE VINEYARDS	50,000	By Appointment	7	2	9
BUEHLER VINEYARDS	50,000	By Appointment	<i>no data</i>	0	0
DAVID BUSBY WINERY	50,000	By Appointment	0	5	5
FRAZIER WINERY	50,000	By Appointment	<i>no data</i>	50	50
HAGAFEN CELLARS	50,000	By Appointment	<i>no data</i>	150	150
HERMAN WINERY	50,000	By Appointment	<i>no data</i>	10	10
LINCOLN RANCH WINERY	50,000	By Appointment	38	300	338
MATERRA WINERY	50,000	By Appointment	26	40	66
MAYACAMAS VINEYARDS	50,000	By Appointment	<i>no data</i>	0	0
NIEBAUM COPPOLA ESTATE NIEBAUM LN	50,000	By Appointment	<i>no data</i>	15	15
NORMAN ALUMBAUGH WINERY	50,000	By Appointment	6	168	174
PRIDE MOUNTAIN VINEYARDS	50,000	By Appointment	<i>no data</i>	20	20
ROBERT KEENAN WINERY	50,000	By Appointment	<i>no data</i>	0	0
SHUTTERS WINERY	50,000	By Appointment	26	40	66
VILLA ANDRIANA/ SUMMERS WINERY	50,000	By Appointment	<i>no data</i>	70	70
ZL WINERY	50,000	By Appointment	35	125	160
<b>KRUPP BROTHERS</b>	<b>50,000</b>	<b>By Appointment</b>	<b>67</b>	<b>420</b>	<b>487</b>

**Note:**

Marketing Ave/Wk numbers are approximate.

### Greenhouse Gas Reduction Strategies

The applicant team has completed the Department's Greenhouse Gas Emission Reduction Worksheet, which is attached to this report under **Greenhouse Gas Analysis**. The County's Draft Climate Action Plan would require discretionary projects to reduce their GHG emissions to 38% below "business as usual" volumes as of 2020 through the application of a combination of State, local, and project-specific programs and policies. Because the Draft Climate Action Plan has not yet been formally adopted, it cannot be considered a formal threshold of significance for CEQA purposes. Nonetheless, the project was analyzed for consistency with the Draft Climate Action Plan.

The project's "business as usual" emissions were calculated by Planning staff using CalEEMod GHG modeling software, resulting in modeled annual emissions of 672 metric tons of carbon dioxide and carbon dioxide equivalents (MT CO<sub>2</sub>e). GHG Emission reductions from local programs and project level actions, such as the substantial creek setback restoration and revegetation plan proposed here, along with the application of the CalGreen Building Code and tightened vehicle fuel efficiency standards should combine to reduce this project's emissions well below the 38% below "business as usual" level. As modeled, this project would exceed the 38% reduction target by approximately 219 MT CO<sub>2</sub>e.

## **Consistency with Standards**

### Zoning

The project is consistent with AP (Agricultural Preserve) 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 18.16.030) are permitted in the AP district with an approved use permit. This application complies with the Winery Definition Ordinance and those other requirements of the Zoning Code as applicable.

### Building Division Requirements

The Building Division has reviewed this application and has no comments.

### Fire Department Requirements

The Fire Marshal's office recommends approval with standard conditions. Please see their attached memo.

### Department of Public Works Requirements

The Department of Public Works recommends approval with conditions addressing stormwater, the proposed Silverado Trail turn lane, and the proposed stone wall and entry structure adjacent to the Silverado Trail. Please see their attached memo.

### Department of Environmental Management Requirements

The Department of Environmental Management recommends approval with standard conditions. Please see their attached memo.

**Site Photos**



**Setting – Krupp Property as Viewed from the Silverado Trail**



**Existing Residence and Stream Crossing**





**Hardman Creek Channel and Existing Disturbed Riparian Zone**



**Wetland- To Be Protected**