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June 27, 2014

By email only to sean.trippi@countyofnapa.org

Sean Trippi, Principal Planner
Napa County Planning Department
1195 Third Street, Second Floor
Napa, CA 94559

Dear Sean:

In response to the comments and concerns raised by Planning Director David Morrison in our meetings yesterday, and pursuant to your comments regarding the details of implementing Director Morrison's suggestions, I am submitting for your review a draft condition of approval to regulate the phasing of visitation levels as follows:

For a minimum of two years after final occupancy, winery visitation is limited to a maximum of 420 visitors/week (Phase I). Thereafter, applicant shall not increase visitation to the Phase II level until there has been an administrative review of use permit compliance by staff with a report to the Planning Commission certifying that the applicant is in compliance with the terms of this permit (First Compliance Certification).

For a minimum of 12 months after the First Compliance Certification, winery visitation is limited to a maximum of 700 visitors/week (Phase II). Thereafter, applicant shall not increase visitation to the Phase III level until (a) the winery has produced a minimum of 50,000 gallons of wine and (b) there has been a second administrative review of use permit compliance and a second report to the Planning Commission certifying that the applicant is in compliance with the terms of this permit (Second Compliance Certification). Once the Second Compliance Certification has been approved by the Planning Commission, winery visitation is limited to a maximum of 1000 visitors/week.

Thank you for your attention to this matter. Please let me know if you have any questions regarding this submittal.

Best regards,



Lester Hardy

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June 20, 2014
Hand-delivered

Sean Trippi, Principal Planner
Napa County Planning Department
1195 Third Street, Second Floor
Napa, CA 94559

Dear Sean:

With reference to the Yountville Hill winery use permit application. I am writing to set out the applicant's responses to comments from commenting agencies, neighbors, and other interested parties. From the time neighbors first expressed their concerns, the applicant has been proactive in indentifying the issues and addressing them.

Because the applicant has taken this proactive approach, numerous reports and studies have been submitted in addition to those required by staff for environmental review of the project. All the significant impacts identified can be mitigated to a level of insignificance. All the required findings can be made. This is a very thoughtfully designed application, with a very responsive applicant. We believe our approach to the issues may serve as a model for future projects.

Regardless, in the event you have any questions regarding either the issues or the responses, please do not hesitate to call.

I. Traffic.

Various neighbors have expressed concerns regarding the potential impact of the project *on traffic on Highway 29* in the vicinity of the project. The Traffic Study produced by Omni Means, dated September 19, 2013 (*previously submitted*¹) analyzes the project impacts, and finds no effects that exceed Napa County's standards. In other words, the project will have no significant traffic impacts.

Neighbors also expressed concerns regarding traffic safety at the project intersection and its vicinity. To address these concerns, the applicant asked Omni Means to collect relevant traffic accident data and to analyze that data with reference to the project. The

¹ In order to avoid generating a file (and packet) weighed down with duplicate copies, I have chosen not to attach previously submitted reports and correspondence to this letter. If, on the other hand, you would find it more convenient for those documents to be attached, please let me know, and I will submit a copy with attachments.

Omni Means focused Collision History Analysis dated May 14, 2013 (*previously submitted*) concludes that accident rates are lower on Highway 29 than on other Napa County roads, and lower on the Highway 29 segment in the project vicinity than on Highway 29 between Yountville and St. Helena more generally. The applicant, Eric Sklar, personally delivered copies of the Collision History Analysis to representatives of the neighbor opposition group.

As a further note, the existence of a continuous turn lane at the project driveway intersection facilitates movements into and out of the project driveway. Sight distance is good, and the applicant has staggered employee work hours in order to minimize trips during the peak hours.

II. Noise.

Neighbors have also expressed concerns regarding the potential for noise impacts from the proposed winery. More particularly, concerns were raised both about the noise from mobile bottling line operations, and the noise from evening marketing events. In response to these concerns, the applicant retained Illingworth & Rodkin ("I&R") to conduct a series of noise studies, one on mobile bottling line noise, one on event noise, and one simulating outdoor event noise. Mr. Sklar personally delivered copies of all three of these noise studies to neighbor opposition representatives.

To analyze mobile bottling line noise for the report dated March 14, 2014, I&R took noise measurements during the operation of a mobile bottling line at Pine Ridge winery, and then calculated the noise levels that would be generated by a similar operation at various distances from the area where bottling would occur at the project. As this concern was raised by neighbors John and Giovanna Scruby, noise levels were calculated for the Scruby residence. The results are well below the County standards at all relevant distances, and at the Scruby residence would be no louder than normal conversation.

To analyze event noise for the report dated March 21, 2014, I&R used noise levels based on the consultant's experience with winery events. To offer all concerned some assurance that the resulting analysis is realistic, the applicant then directed I&R to (a) take actual noise measurements at a large event, (b) record the sounds at the same event, (c) playback the recording at the project site, (d) adjust the sound level on the playback equipment to the same level measured at the original event, (e) measure the resulting sound levels at locations some distance from the building site, and (f) calculate the resulting effects at sensitive locations. The I&R report dated May 30, 2014, sets out the methodology and results in detail. Sound levels were at events with 80 and 175 guests. These values were used to calculate the noise level from an event with 200 persons, and the event sound recording was then played back at the 200-person level. In all cases the resulting sound levels are well below the County standards, and, due to the relatively high levels of ambient noise in this neighborhood, even doubling the 200-person noise level (to simulate the sounds from a 475 person event) results in a relatively small increase in the noise level for the neighbors – still well below the County standards. Please note: there will be a maximum of three 200-person events each year at the winery (two

marketing events plus one wine auction event). All other events will have a maximum of 100 or fewer guests.

III. Water Supply

The application proposes a new well to supply the winery's water. Concerns were raised that the water supply analysis was speculative, because the new well did not then exist, and could not be evaluated. In response to these concerns, the applicant drilled a new well and engaged Richard C. Slade & Associates ("RCS") to analyze both the actual output of the new well and its effects on two monitoring wells located on the subject property. The results are presented in the RCS memorandum dated May 31, 2014 (*previously submitted*), which was hand-delivered by the applicant to neighbor opposition representatives.

In discussing water demand for the project, RCS relied on the August 2013 Water Feasibility Study by Reichers Spence & Associates ("RSA"). The RSA study assumes that the winery will require seven gallons of water for every gallon of wine produced. It is important to note that the 7 to 1 ratio is derived from a conservative approach to the design of winery waste treatment systems, a context in which it is generally undesirable to underestimate water consumption and wastewater flows. For purposes of analyzing the adequacy of the water supply for the proposed winery, and its potential for impacts on neighboring wells, the RSA figures provide a basis for an equally conservative approach – if one wants to insure that there will be enough water, and that the resulting water demand will not adversely affect neighbors, it is better to overestimate the project's water requirements.

The applicant agrees with the comments from the Mt. Veeder Stewardship Council that wineries can and should adopt water conservation measures to reduce their actual production water demand below the 7 to 1 ratio, and the Project Statement Addendum dated June 3, 2014 incorporates a water conservation plan into the project description that will reduce the winery's water consumption significantly below the values used in the RCS Memorandum and the RSA Study. Thus, RCS's conclusions (a) that the well is adequate to meet the project water demand and (b) that there will be no impacts on neighboring wells, are very conservative.

IV. Site Conditions.

The project site has a number of unique or unusual attributes. It is one of the only hillside parcels south of Calistoga that is east of Highway 29 and has Highway 29 frontage. Thus, it is a hillside property with frontage on a stretch of highway with one of the lowest accident rates in Napa County. There is an existing residence with a bed and breakfast use permit located at the top of the hill that occupies most of the project parcel. In other words, it is a hillside parcel with Highway 29 frontage and a vested right to a legal commercial use on a ridgeline. There is an existing paved driveway to the bed & breakfast structure that also serves an existing residence on an adjoining parcel and an undeveloped building site on another contiguous parcel.

The project design seeks to use the unique attributes of the site to minimize its impacts on the neighbors and the community. Bringing the driveway up to current driveway standards requires relocating the road onto the hillside's contours, a design which is more easily screened from view through the use of landscaping and plantable retaining walls, while making it possible to remove the existing driveway and restore it to a natural condition. At the same time, the proposed driveway offers improved emergency vehicle access to the other properties that share the driveway.

Constructing caves takes advantage of the hillside location while dramatically reducing the size of the above-ground structures required for the winery. Locating the visitor reception building at the level of the upper cave keeps that structure out of the 600-foot setback, while still placing it in a location that can be very effectively screened with landscaping. Placing the winery, administration and visitor building at the top of the hill requires replacing the existing bed and breakfast structure with one that, although larger in area, is lower in elevation and, in the applicant's opinion, more in keeping with its surroundings. Furthermore, using this site, rather than a more typical valley-floor parcel, enables the applicant to establish a winery in the heart of the County's agricultural preserve without removing a single grapevine.

In sum, the unique attributes of this site, while they require both an exception to the conservation regulations and some variances, offer (a) a solid basis for the required findings, (b) an opportunity for the approval and development of a project designed to minimize visual impacts, and (c) leave the vineyard land on the project site undisturbed.

V. Visual Impacts.

There have been a number of comments regarding the visual impacts of the project. Neighbors have expressed particular concerns regarding the potential for impacts from nighttime lighting, as well as the visual impacts of the driveway and structural retaining walls.

The applicant analyzed daylight hours to calculate the dates and times when lights might be visible at the winery. As a result of this analysis, the project description was amended to reduce the office and tasting room hours. From November through the end of February, the tasting room will close at 4:00 p.m., and the offices will close at 5:00 p.m. Excepting only the evening marketing events, this means that the lights in the winery, administration and visitor building will be on after dark for approximately 10 minutes, and even then only on the shortest days of the year. There will be 24 marketing events for which lights may be on as much as 90 minutes after dark, and 8 events for which lights may be on as much as four hours after dark.

In response to requests for a more detailed visual analysis, the applicant has prepared and submitted multiple new renderings, some based on photos of the site, and some based on photos of a to-scale model. These renderings, in turn, have been used to identify locations where additional plantings would enhance screening.

Within 5 to 10 years of planting, the retaining wall and visitor reception building at the upper cave level will be close to 100% screened from view from Highway 29. The winery, administration and visitor building at the top of the hill will be significantly more than 50% screened. As the vegetation in the plantable retaining walls fills in, the driveway road cuts will tend to disappear. Overall, the project will be much less visible than most wineries with Highway 29 frontage, and will be an improvement over the existing constructed landscape at the site.

As noted in the staff report dated March 19, 2014, because the project involves grading on slopes over 15% and will be visible from Highway 29, a viewshed review and approval is required. The project does not require any variance from or exception to the viewshed standards, which allow for construction within 25 feet of a ridgeline.

VI. Other Matters.

Pursuant to comments from CalTrans, the Cultural Resources Report was updated. Nothing new was found. The rare plant survey was completed, and no sensitive species were found. Comments from the Regional Water Quality Control Board erroneously assumed that the proposed driveway culvert would involve the placement of fill in a stream, and RSA has submitted a letter correcting this error. Finally, some neighbor comments imply that the Viewshed Ordinance prohibits construction within 25 feet of a ridgeline. As you know, this is not the case – a clarifying statement in your staff report would be greatly appreciated.

Again, if you have any questions, please do not hesitate to call.

Best regards,



Lester Hardy

PROJECT STATEMENT ADDENDUM

June 3, 2014

1. Wine Production Water Conservation Measures.

The winery will implement the following water conservation measures:

Water efficient clean-in-place (CIP) systems will be installed wherever feasible.

Water efficient nozzles will be installed on all hoses used for cleanup.

A water conservation plan will be adopted as standard operating procedure for all wine production activities.

Employees will be trained in the procedures outlined in the water conservation plan.

The water conservation plan will include, among other things, the following practices:

Tanks and barrels will be washed in a sequential process in which the final rinse water from one container is used to pre-rinse the next container in the sequence.

Floors will be dry-swept instead of hosed down for cleaning.

Sub-meters will be installed to monitor water use for key uses; employees will be trained in the use of the sub-meters to insure compliance with the adopted water conservation practices.

Racking, blending, filtration, and other wine movements will be organized to minimize the number of transfers and the number of tanks and/or barrels requiring cleaning.

2. Groundwater Monitoring.

Meters will be installed on the output of all wells used on the property, and meter readings will be recorded. The applicant will provide these records to the Planning Director upon request. In addition, the treated wastewater used to irrigate the vineyard will also be metered, and records of that use will be kept.

3. Lighting.

A detailed lighting plan will be submitted for review and approval by the Planning Director at the same time as the final landscaping plan. The plan shall be prepared in conformance with the following criteria:

The amount of exterior lighting is kept to the minimum needed for safety and wayfinding.

All exterior lighting will be shielded and directed downward.

All exterior lighting is located as low to the ground as possible.

The winery driveway will have lighting only at the curves, with a low-to-the-ground bollard fixture (Vision 3 dual head path light). These lights will be motion activated and timed, so that they are turned on only when a car is driving the road and then turn off automatically.

No flood lights or sodium lights will be used.

Low level, indirect lighting used wherever exterior lighting is installed at the buildings.

The winery, administration and visitor (WAV) building will be equipped with louvers that will significantly diminish the amount of light escaping the building.

All project lighting will be compliant with the most recent update of the "Nonresidential Compliance Manual for California's Energy Efficiency Standards" and the most recent update of the California Building Code.

4. Evening Uses.

Based on the Use Permit application for the project, there will be events occurring at the winery after 6:30 pm a maximum of 32 nights out of the year.

Of the 32 annual evening events proposed in the Use Permit application, 24 will be scheduled for the months with longer days, minimizing the amount of time when any building lights will be at all noticeable. For example, in 2014, from March 21 through September 21, the average time of sunset is approximately 7:55 pm, with the sky turning dark approximately 30 minutes later, or at 8:25 pm. Thus, for the 24 evening events proposed during the period between the spring equinox and the fall equinox, the WAV building will have lights on for approximately 90 minutes after dark. For the period between the fall equinox and the spring equinox, the average time of sunset is approximately 5:23 pm, with the approximate time at which the sky is dark at 5:53 p.m. thus, for the 8 evening events that will fall during the darker time of year, the WAV building will have lights on for approximately 4 hours after dark.

On all those days when there are no evening events, the tasting room will be closed at 6pm, with lights out in the entire WAV building by 7pm. For more than six months of the year, there will be no lights on in the WAV building after dark, except for the relatively few nights when there are evening events. In the darkest part of the winter, when the sun sets at approximately 5:00 p.m, and the sky is dark at about 5:30, except for those evenings when there are nighttime marketing events, there will be lights on in the WAV building for only 90 minutes after dark.

5. Light Reflection.

A combination of three techniques will be used to minimize reflection on the glass at the WAV building: louvers, exterior motorized shades, and non-reflective glass. These strategies (particularly the louvers and shades) will also reduce the amount of light emitted from the building on nights where the building is lit up after dark.

PROJECT STATEMENT
SECOND ADDENDUM
June 11, 2014

Winter Hours of Operation

In order to minimize the number of days and length of time when the winery, administration and visitor (WAV) building is in use after dark during normal operating hours, during the months of November, December, January and February, the tours and tastings will end at 4:00 p.m., all hospitality staff will depart at 4:30 p.m., and the offices will close at 5:00 p.m. Daylight Savings Time ends on the first Sunday in November, with the result that in 2014, sunset in Yountville occurs at 6:11 p.m. on November 1, and 5:10 p.m. on November 2nd. In the month of December, 2014, time of sunset in Yountville falls between 4:49 p.m. at the earliest and 4:58 p.m. at the latest. By closing the tasting room at 4:00 p.m. in the winter months, the length of time when the WAV building is open after dark – other than for special events – is limited to 10 to 15 minutes, and even then only on the shortest days.