

Mary 24, 2012

Napa County Conservation, Development & Planning Depart.

1195 Third Street, Suite 210

Napa, CA. 94559

Atten. Kirsty Shelton

Regarding: Use Permit modification #P11-00156

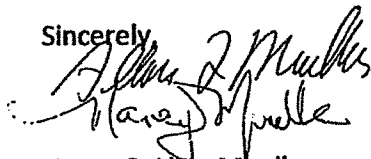
Dear Planning Commissioner,

We are property owners of two properties at 544 and 550 Zinfandel Lane, across from proposed Modification of Raymond Vineyard and Cellar/Raymond Winery. We have read the request for increasing the wine production and the amount of visitors and events at the winery, and we would like you to know that we strongly object to the proposal of Raymond Vineyards because of the extreme traffic and SPEED we already experience on Zinfandel Lane. There is already a major problem with the traffic on Zinfandel Lane. It is the only cross road in the valley that the speed limit is 55 miles an hour. In which, the traffic travels any where from 55 to 80 miles per hour every day of the year. It is very dangerous for the residence, cyclist and pets, and is just a matter of time before someone is killed on the road. To increase , this already dangerous situation, is not acceptable to us, or the majority of residence we have spoken to in regards to this matter.

Raymond winery is located in the area of Zinfandel Lane where many residence live and unless something is done to improve the speed limit and the traffic on Zinfandel Lane we have to object and vote against the Major Modification of Raymond Vineyards and Winery.

If you have any questions please feel free to contact us at Napamueller@yahoo.com or call us at 707-287-0950.

Sincerely,



Nancy & Allan Mueller

Zinfandel Lane property owners and homeowners

RECEIVED

MAY 29 2012

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

Shelton, Kirsty

From: Susan Dillman [DillmaSJ@ah.org]
Sent: Tuesday, June 05, 2012 5:13 PM
To: Shelton, Kirsty
Subject: Raymond Vineyards Winery Use permit request

Dear Kirsty,

As a neighbor to Raymond Vineyards, we have 10 acres on the corner of East Zinfandel and Hwy 29. We have a 100 year old vineyard equaling 6 acres next to Raymond Vineyard. In 1973 when we first took over the vineyard we could run 7 double head agricultural sprinklers with water to spare. Over time we can not even run one. We do not blame Raymond Vineyards for this circumstance, we realize many wineries have been established over the years, therefore the water table has gone down because of so much use....

My concern is if Raymond Vineyards increases production from 750,000 gallons per year to 1.5 million gallons per year, how will this impact the water table. We already live frugally with our water and treat it like gold.

Our other concern is the amount of traffic that will be added for this increase in industry. We are concerned having seen a huge increase in traffic over the years, making it hazardous to travel between our two properties divided by Zinfandel lane. One incident that comes to mind was of our neighbor who tried to cross the street, her dog ran ahead and was killed by a car. We have lost many cats and seen many wild animals killed on the road.... Unrelated to Raymond Vineyards, the speed limit is 55 MPH on the full length of Zinfandel. What will it be like having many more trucks, picking up grapes, working etc at Raymond Vineyards?

Kirsty, I am having someone write this for me at work. I will return on Monday so will not see a response til then. I wanted to get this to you.

Any questions or comments you can reach me at 963-5695.

Susan

10 Woodland Road
St. Helena, CA 94574

Kirsty Shelton
Planner
NCCDP Dept
1195 Third St.
Suite 210
Napa, CA 94559

5 June 2012

RECEIVED

JUN 07 2012

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

Subj: Raymond Vineyards permit# P11-00156

Dear Kirsty,

We are owners of residential property at 449 Zinfandel Lane, St. Helena, CA. This makes us a neighbor of Raymond Vineyards and a concerned citizen regarding this new permit. The *major impact* to our community, should this permit be approved, is one of traffic control on Zinfandel Lane and the surrounds.

There are many residential driveways entering and exiting on Zinfandel Lane, and yet the current speed limit is 55 mph on a "cross street"! There are no higher posted speed limits in the valley, except for four lane portions of Hwy 29. All of the other "cross streets" between Hwy 29 and the Silverado Trail with similar residential conditions like ours have lower posted speed limits down to 35 mph.

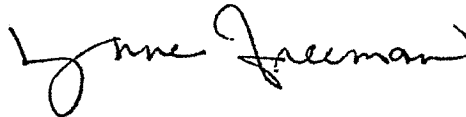
The impact of increased traffic coming & going to Raymond will be enormous given the current speed limit, and the ability of a simple two lane road to handle it. There is little hope *now* of attempting a left hand turn onto southbound Hwy 29 on any afternoon with only a stop sign to control. The number of accidents *will* rise with the increase of frustrated drivers if these conditions are not properly managed.

We urge you to look at the long range view of these problems. Raymond Vineyards did not cause these problems, but are merely adding to the unresolved issue. We have no quarrel with Raymond.s operation, but the traffic snarl impacts us all. We have copied the Director of Caltrans with this letter.

Sincerely,



Lawrence O. Freeman



Lynne Freeman

cc: Mr. Malcolm Dougherty, Director Caltrans

WINE PRODUCTION – NAPA COUNTY

- Napa County Ordinance Number 947, otherwise known as the Winery Definition Ordinance (WDO), requires all wineries established in agricultural areas of Napa County subsequent to January 23, 1990 to use at least seventy-five percent Napa grown and harvested grapes for their still or sparkling wine production (i.e. “the 75% rule”). Increases in production capacity at wineries approved prior to January 23, 1990 are also subject to the 75% rule if the physical facility (“winery development area”) is expanded.
- Wineries in the Airport Industrial Area and in the cities/town of Napa County are not subject to the 75% rule. Also, wine produced at wineries existing prior to January 23, 1990 is not subject to the 75% rule, and increases in production capacity at those pre-existing wineries are not subject to the 75% rule as long as there has been no expansion of the physical facility.
- Staff has been asked to calculate the gallons of wine production approved in Napa County that are subject to the 75% rule and has used the winery data base to prepare a rough estimate. (The winery data base has some inaccuracies, but provides a good snapshot of the wineries that have been approved in Napa County.)
- Table 1 shows the total gallons approved, the total approved that are not subject to the 75% rule, and those gallons that are subject to the rule. When the total gallons subject to the 75% rule is multiplied by 0.75, the sum equals the *maximum gallons required to be produced with Napa County fruit*.
- It is important to note that this “maximum” may not reflect wine that is made with Napa County fruit by wineries that are not subject to the 75% rule. Also *many wineries do not produce the maximum allowed by their County permit*. (Some years, most wineries do not produce the maximum allowed.) There are also some “approved” wineries have not been built and opened for business, and some that have closed since the beginning of the recession.
- The Napa County Agricultural Commissioner’s office reports the total acreage and tonnage of grapes grown and harvested every year. Table 2 includes data for 2005 through 2012 and calculates the total gallons of resulting wine per year by using a factor of 160 gallons per ton of grapes.
- Comparing the maximum gallons required to be produced with Napa County fruit (26.5 million gallons per year) to the estimated gallons of wine resulting from Napa County fruit in 2005-2011 (18.5-29 million gallons per year) indicates the potential for concern when production increases are proposed by winery applicants who cannot identify the source of the Napa County fruit they will need.

TABLE 1. Estimate of Approved Wine Production Subject to the 75% Rule

1	TOTAL GALLONS APPROVED (INCLUDES NOW EXPIRED PERMITS)	156,893,593
2	TOTAL APPROVED W/O EXPIRED PERMITS	119,033,594
3	TOTAL PRE-WDO (<u>NOT</u> SUBJECT TO 75% RULE)	37,024,813
4	TOTAL PRE-WDO EXPANSION (SUBJECT TO THE 75% RULE)	27,344,881
5	TOTAL POST-WDO APPROVED	54,663,900
6	AIRPORT INDUSTRIAL (<u>NOT</u> SUBJECT TO THE 75% RULE)	46,720,000
7	TOTAL POST WDO SUBJECT TO THE 75% RULE [Row 5-6]	7,943,900
8	TOTAL GALLONS SUBJECT TO THE 75% RULE [Row 4+7]	35,288,781
9	MAXIMUM NAPA COUNTY GALLONS REQUIRED [Row 8 x 0.75]	26,446,585

Source: Conservation, Development & Planning, June 2012

TABLE 2. Total Annual Napa County Grape Harvest and Estimated Total Wine Produced with Napa County Fruit 2005-2011*

2011 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	33,060	1,672	34,732	96,605	
White Varieties	10,208	524	10,732	42,237	
Totals	43,268	2,196	45,420	121,872	2.68 tons/acre
					Gallons – 19,499,520

2010 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	33,060	1,672	34,732	99,605	
White Varieties	10,208	524	10,732	42,237	
Totals	43,268	2,196	45,463	138,842	3.05 tons/acre
					Gallons – 22,214,720

2009 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	32,947	2,225	35,172	99,680	
White Varieties	10,084	686	10,770	43,296	
Totals	43,031	2,911	45,942	142,976	3.1 tons/acre
					Gallons- 22,876,160

2008 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	32,888	2,214	35,102	79,905	
White Varieties	9,982	850	10,832	35,958	
Totals	42,870	3,064	45,934	115,864	2.5 tons/acre
					Gallons – 18,538,240

2007 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	32,699	1,911	34,610	107,580	
White Varieties	9,639	909	10,548	37,531	
Totals	42,338	2,820	45,158	145,114	3.2 tons/acre
					Gallons – 23,218,240

2006 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	32,532	2,101	34,633	110,931	
White Varieties	9,656	847	10,503	41,844	
Totals	42,188	2,948	45,136	152,776	3.4 tons/acre
					Gallons – 24,444,160

2005 Napa Crop Report

<u>Winegrapes</u>	<u>BearingAcres</u>	<u>Non-bearingAcres</u>	<u>TotalAcres</u>	<u>Tons</u>	
Black Varieties	32,055	2,988	35,043	131,480	
White Varieties	9,855	386	10,503	41,844	
Totals	42,188	3,374	45,284	181,025	3.9 tons/acre
					Gallons – 28,964,000

*Annual acreage and harvest (tons) are from the Napa County Agricultural Commissioner's annual crop report. Tons are multiplied by 160 to estimate gallons of wine.

Source: Conservation Development & Planning, June 2012

PC - June 20, 2012
Item 9A

Summary of Public Comments for the Raymond Winery (received up until June 19th)-

1. Separate the access drives, one for public and one for production.
2. Hwy 29/Zinfandel Lane traffic light.
3. Marketing events close by 10 pm, with clean up done by 10:30 pm.
4. Valet parking prohibited on Wheeler Lane.
5. Off-site signage for trucks on Zinfandel Lane.
6. Lack of notification to neighbors.
7. Past production levels appear higher than entitled.
8. Existing and proposed compliance with the 75% rule and the economics to support it.
9. Code Compliance History.
10. Marketing events – 25/yr with no more than 3 on weekend & 3 of them outdoors.
11. Number of employees and limiting the operations to be solely for the Raymond facility.
12. Trip Generation sheet error and traffic study potential to be flawed.
13. Spray field expansion and issue with odor.
14. Close winery for tours and tastings during more than 250 people events.
15. Speed on Zinfandel Lane.
16. Water and long term sustainability for neighbors.

MEETING

JUN 20 2012

AGENDA ITEM
NO. 9A

KATHERINE PHILIPPAKIS
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June 19, 2012

Via facsimile and email to john.mcdowell@countyofnapa.org

John McDowell
Deputy Planning Director
1195 Third Street, Suite 210
Napa, CA 94559

Re: Raymond Winery Use Permit Modification

Dear John:

Our office represents the Beckstoffer family, whose home is immediately adjacent to the Raymond Winery property. We appreciate the work that staff has put into the review of the Raymond application and the proposed conditions of approval that limit the scope of activities, but we are very concerned that the impacts this project will have upon its neighborhood are ineradicable and thus the conditions are not adequate mitigation. In addition, we are disturbed by the inconsistencies and omissions in the application materials, and we would ask that the Planning Commission consider them carefully in determining whether approval of the project is appropriate.

Specifically, we wish to direct your attention to the following matters:

1. Past Production Levels. Raymond claims that their existing production capacity is 750,000 gallons per year as averaged over any consecutive three year period, not to exceed 900,000 gallons in any given year. In their application materials, they report their maximum actual production as 750,000 gallons for 2010. Significantly, they do not report production levels for 2009 or 2011. At a hastily convened meeting of the neighbors on June 4th, representatives of the winery (including its owner, who was present at the meeting) flatly refused to tell the neighbors what their actual production numbers were.

The Summit Engineering report dated May 9, 2011 and submitted by Raymond with their application materials states: "The winery production capacity is currently 750,000 gallons per year (for a 3 year average) with a peak of 950,000 gallons per year." This suggests that recent production levels exceeded both their stated production capacity and their averaged capacity. We would ask that the Commission request information on the

previous 3 years' worth of actual production and require Raymond to submit copies of both their CDFA annual reports and their monthly TTB form 702 reports so that the County may verify their actual production levels. If they have misrepresented their production levels to the County, then we ask that the Commission use its discretion to deny their requested production increase.

2. Existing Compliance with the 75% Rule. Raymond Winery representatives originally attempted to maintain that the entirety of the proposed 1,500,000 gallon production capacity was exempt from the 75% rule. When the County refuted their claim that their 1991 use permit modification could be used to calculate production area for purposes of the 75% rule, Raymond then attempted to maintain that the entirety of their existing 750,000 gallon capacity was exempt from the 75% rule. In fact, the truth is that only 250,000 gallons of their production capacity predates the WDO and no more than this amount could be exempt from the 75% rule. Indeed, recent discussions between Mr. Beckstoffer and County Counsel's office suggest that the WDO was never intended to allow pre-WDO wineries to allocate all of their pre-1991 production capacity to satisfy 75% Napa fruit expansion requirement. Rather, as is the case with pre-WDO public visitation, the intent was to limit these wineries' non-Napa production to 25% of expansion grapes plus the amount of non-Napa grapes actually crushed on an annual basis prior to 1991.

We are suspicious that the actual production (whether it was the 750,000 gallon approved capacity or the more likely 950,000 gallon number used by Summit as the basis for its peak wastewater analysis) has not been in conformity with the 75% rule. The existing Napa vineyard acreage owned by Raymond (which is 145 acres) supports somewhere between 65,000 and 90,000 gallons of production. Thus, before considering granting the proposed production increase, we would ask the Commission to require Raymond to submit documentation demonstrating its compliance with the 75% rule for at least 2009-2011. Specifically, we ask that the Commission require Raymond to provide copies of its annual submissions to the CDFA, which will show how many grapes Raymond bought, from where they were sourced, and at which facility they were crushed. Again, if Raymond is not found to be in compliance with the 75% rule, then we would ask that the Commission use its discretion to deny the proposed use permit modification.

In addition, given the recent discussion with County Counsel regarding the intent of the grape-source rule, we would also ask that the Commission require Raymond to demonstrate the amount of its 250,000 gallon pre-WDO production capacity that was actually used to crush non-Napa grapes prior to 1991, as this is the only production that is exempt from the 75% rule. The remaining gallonage must conform to the 75% rule.

3. Proposed Compliance with the 75% Rule. Before the Commission entertains the possibility of approving a massive 750,000 gallon production increase we would ask that

it gather some preliminary information as to whether compliance with the 75% rule would even be possible for a newly approved 1,500,000 gallon facility. Specifically, we ask that the Commission direct staff to analyze the total approved production capacity in Napa County for all wineries, as well as the total approved production capacity that is subject to the 75% rule. In addition, we would ask that the Commission request that the CDFA share with the County (on an aggregate basis) its information on the total number of Napa grapes crushed each year for the past 3 years, as well as the total number of Napa and non-Napa grapes crushed in Napa. Finally, we would ask that Raymond submit copies of any grape contracts or leases for 2012 and beyond (redacting prices but not tonnages) to demonstrate that it has a Napa grape supply sufficient to support at least its initial requested production phase of 900,000 gpy (only 250,000 gallons of which are a pre-WDO entitlement). Should the Commission be inclined to grant the production increase, then we would ask that the Commission require the applicant to show compliance with the 75% rule on an annual basis by submitting copies of its CDFA reports to the County, and that each additional 100,000 gallon increase in production be conditioned upon the applicant's ongoing compliance with the 75% rule.

We believe that, once the County has done background analysis on Napa grape availability as requested above, the facts will demonstrate that there are not enough Napa grapes available to enable Raymond to comply with the 75% rule and that Raymond cannot demonstrate that it has sufficient Napa grapes available to it. Furthermore, we believe that, if approved for 1,500,000 gallons of production, Raymond would not be able to comply with the 75% rule on a sustained basis – even if they had an adequate supply of Napa grapes. Attached to this letter is a copy of a primer on wine pricing economics prepared by Mike Fisher of Global Wine Partners in St. Helena. Mr. Fisher is an expert consultant in the area of winery economics. Mr. Fisher uses Cabernet Sauvignon as an example. Cabernet Sauvignon is Napa's "signature" wine and any major expansion of Napa Valley wine sales must include a large portion of Cabernet Sauvignon wine. Mr. Fisher demonstrates that a bottle of Napa Valley Cabernet Sauvignon must retail for between \$47 and \$58 to satisfy acceptable winery economics using purchased Napa fruit. The Robert Mondavi Winery, with its long history and exceptional reputation in the market, sells less than 125,000 cases of its Napa Valley Cabernet Sauvignon at \$25 per bottle. Its premium "Oakville" Cabernet Sauvignon sells less than 25,000 cases at \$45. It is unreasonable that Raymond can sell the greatly expanded gallonage at normal winery profitability with purchased 75% Napa fruit. In order to comply with the 75% rule at maximum production capacity, Raymond would need to be able to sell at least 400,000 cases of Napa wine. Although the Commission cannot dictate an applicant's business model, when that model is patently impossible, the Commission can and should take that information into account when determining whether to approve the project.



John McDowell

June 19, 2012

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For these reasons, we would ask that the Commission use its discretion to deny the production capacity increase.

4. Code Compliance History. Since the current owner of the Raymond winery acquired the facility in August 2009, there have been no less than 3 code violations. The first was a winery office expansion and conversion that was built without permits. Even after the property was red-tagged and before permits were issued, Raymond continued its construction work in violation of the stop-work order.

The other two code violations will only be rectified if the Commission approves this use permit modification: namely, the vineyard viewing platform and the conversion of the pool house to visitor and marketing uses. We ask that the Commission send a message that willful code violations will not be rewarded and deny the modification request.

5. Inappropriate Marketing Plan. We are very concerned that the proposed marketing plan will have undue impacts on the neighborhood, which –unlike many – is largely residential. As the staff report point out, the proposed marketing plan is considerably larger than that of other similarly situated wineries. In addition, there are currently 7 wineries between Highway 29 and the Silverado Trail and between Zinfandel and Galleron Lanes; an eighth is currently in the application stage, and 3 other wineries are just west of Highway 20 in this vicinity. In short, the neighborhood suffers from a surfeit of wineries.

We would like to provide some context to the proposed Raymond marketing plan. Raymond has requested 50 annual events with a maximum of 8 per month. Practically speaking, this means that there will be an event at the winery every Friday and Saturday all summer long – 34 of which will be in the evening. Furthermore, the application requests that the Commission “modify the existing conditions of approval to allow for outdoor events.” A blanket modification such as this would mean that the neighbors would suffer the impact of outdoor events every weekend evening of the summer. We believe that the documentation does not adequately address these impacts and that further analysis is required. We also would ask that the Commission, if it is inclined to approve the marketing plan, consider dramatically reducing the number of marketing events; we believe 25 events per year would be a reasonable number. In addition, we ask that the Commission place a condition of approval stating that no more than 3 events each month be on a weekend and that no more than 3 events each month be outdoors.

6. Inexplicable Employee Numbers. The modification requests an increase from 24 to 90 employees, which is an unprecedented number. We request that the Commission require the applicant to provide a breakdown of types of employees (e.g., cellar worker, tasting room employee, etc.) along with some justification for these numbers. We also ask that the Commission place an express condition of approval that these employees may only



work at the facility on matters relating to the production and sales of Raymond wines. We are concerned that the applicant may plan to use the Raymond facility as a hub for employees working on matters relating to his non-Napa wineries, or for employees associated with his Baccarat crystal distributorship (which the Commission should expressly prohibit the applicant from operating out of the Raymond facility). Neither of these would be a permitted use for Napa agricultural lands and would constitute violations of Measure J/P.

7. Faulty Trip Generation Sheet. We are particularly concerned that there appear to be a number of errors in the Winery Traffic Information/Trip Generation Sheet submitted with the application (which errors in turn affect the analysis conducted in the applicant's traffic study). Specifically, we would point out the following:
- In the section on Typical Weekday Traffic, the applicant reported 60 FT employees rather than 90, which means the analysis here is deficient by 91 trips per day. Even if the 10 PT employees are counted toward the total of 90 requested employees, the analysis is still deficient by 20 employees, or 61 trips per day.
 - Similarly, the section on Typical Weekday Traffic reports the average number of weekday visitors as 200, whereas the application itself gives the number as 400. Thus, the analysis is also deficient by 154 trips per day. This means that the Typical Weekday Traffic is under-reported by 215-245 trips/day, and these additional numbers are not reflected in the environmental documentation or in the Public Works Department conditions of approval, which rely upon faulty numbers. Given that the current traffic volumes on Zinfandel on a typical weekday are 2,665 average daily trips, the impact from the project is considerable.
 - In the section on Traffic During a Crush Saturday, the applicant reports 20 FT employees. It appears counterintuitive that there would be far fewer employees at the winery during a crush weekend than during a typical weekday. If, as is more likely, 60-90 employees are present, then the analysis is deficient by 122-213 trips per day. This underscores the need for the Commission to require additional information from the applicant on its proposed employees.
 - In the same section, the applicant reports its average annual tons of grape on-haul as 4,000 tons. A ton of grapes produces approximately 150 gallons of wine. Similarly, an acre of vineyard yields approximately 3-4 tons of grapes. The Raymond Winery property is 60 acres in size and has no more than approximately 50 acres of vineyard. This means that no more than approximately 30,000 gallons of production can be supported from estate grapes. The balance of the 1,500,000 gallons of wine will have to be made with offsite grapes. This means that 9,800 tons of grapes will need to be brought onto the property annually. Thus, this means that the Saturday crush



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numbers are deficient by 1,276 trips per day. Instead of 1292 daily trips, the total should actually be 2,568 trips – approximately double the number of trips analyzed and approximately equal to the average daily traffic volumes on the entirety of Zinfandel Lane.

Given that Highway 29 in the vicinity of Zinfandel Lane operates at Level of Service F at peak times, we believe that the traffic analysis for the project is flawed and that a fair argument exists that the project will have a significant and unmitigable impact on traffic. Rather than take the unprecedented step of requiring a winery to conduct an EIR (which would be necessary were the Commission to wish to approve the project), we ask that the Commission simply use its discretion to deny the project.

8. No Conversion of Farm Labor Dwelling. We are also very concerned that the applicant proposes to convert what we understand to be an approved farm labor dwelling for private marketing events. As you know, farm labor dwellings were given special entitlements not available to other accessory residences in order to encourage the provision of housing for agricultural workers. Given the shortage of such housing in the Valley, we would ask that the Commission refuse to allow the residence to be converted to winery use and require that it be used for the purpose for which it was permitted: as a farm labor dwelling.
9. Inexplicable Water/Wastewater Demand. The applicant reports its existing water use as 21,790 gallons per day and its anticipated future water demand as 55,595 gallons per day – more than double the current usage. We ask that the Commission require the applicant to provide further information regarding its proposed water usage and the reason for the dramatic increase. Similarly, the applicant reports its current peak domestic waste flows as 1,745 gallons per day and its anticipated peak domestic waste flows as 5,400 gallons per day – or more than triple the existing usage. If these peak water and domestic wastewater numbers are attributable to the 250- and 500-person events, then we would ask that the Commission consider requiring the winery to be closed to other visitors on days when these larger events occur.

In addition, the Raymond property has an existing easement over the Beckstoffer property for drainage; the Raymond property pumps from an existing sump to a reservoir on the Beckstoffer property. The increased flows associated with the project will flood and contaminate the Beckstoffer pond. We would ask that the Commission place a condition of approval on the project requiring that the Raymond property not increase its discharge to the Beckstoffer pond but rather find alternative means of dealing with these flows.

Finally, we are concerned that the applicant proposes to expand the spray fields used to dispose of process wastewater but the application contains no information regarding the

scope of this expansion. At the neighbor meeting, the applicant's representatives would not provide answers to questions regarding whether the spray fields would be increased. Given that the spray fields have odor impacts upon neighboring properties, we believe further information and further analysis of this issue is both necessary and appropriate.

Summary and Conclusion

For the reasons outlined above, we believe the project requested by the applicant is insupportable. Before the Commission considers whether to approve the project, we believe that additional information is required, as follows:

- Require the applicant to provide documentation of previous production levels for 2009-2011 in the form of complete copies of CDFA and TTB reports.
- Require the applicant to provide documentation of previous compliance with the 75% rule in the form of complete copies of CDFA reports for 2009-2011. Further require the applicant to provide documentation demonstrating the number of non-Napa grapes actually crushed prior to 1991.
- Request that staff provide information regarding total approved production capacity in Napa, including total approved production subject to the 75% rule.
- Request that the CDFA provide information on an aggregate basis regarding total supply of Napa grapes for 2009-2011, as well as information regarding total tonnage of Napa and non-Napa grapes crushed in Napa.
- Require the applicant to provide documentation of future Napa grape supply to support initial phase production of 900,000 gallons in the form of grape contracts and/or leases.
- Require the applicant to explain the dramatically increased employee numbers with a breakdown of types of employees and justification for numbers.
- Require that the applicant explain its water/wastewater demand increases, and require the applicant to provide additional information regarding any proposed spray field expansion and associated impacts.
- Require the applicant to revise the Trip Generation Sheet and traffic study to accurately reflect the numbers contained in the application materials.

We respectfully request that the Commission continue this matter for an initial period of at least 30 days while this information is gathered.



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In addition, should the Commission be inclined to approve the project, we would ask for the following conditions of approval to be attached to the project:

- Require Raymond to provide documentation in support of Napa grape supply for each 100,000 gallons of production beyond the initial phase of 900,000 gallons. Require that this documentation be in the form of grape contracts and/or leases. As part of this documentation, require Raymond to submit copies of its annual CDFA reports to the County to demonstrate its compliance with the 75% rule and expressly condition each 100,000 gallon increment upon its continued compliance.
- Dramatically reduce the total number of marketing events. Limit events to no more than 3 events per month to be held on a weekend, and no more than 3 events per month to be held outdoors.
- Require the winery to be closed to other visitors on days when 250- or 500-person events occur.
- Refuse to allow amplified music at outdoor events.
- Limit employees working at the facility to those employees working on matters solely relating to the production and sales of wines produced at the facility.
- Refuse to allow the applicant to increase its discharge to the Beckstoffer pond.
- Refuse to allow the conversion of the farm labor dwelling to private marketing uses.

We very much appreciate your attention to this letter. As we have outlined in this letter, we are very troubled by the scale of this project and the precedent that it will set if approved. In addition, we believe that there are inaccuracies and omissions in the application materials that require further investigation and further discussion among the Commission and interested parties. For this reason, we prevail upon the Commission to continue this project and direct that the requested information be gathered.

Most sincerely,

Katherine Philippakis /dl
Katherine Philippakis

KP:dl
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Napa Cabernet Sauvignon Wine Pricing Economics

One of the primary factors in determining wine pricing is grape costs. Because Napa Valley's grape costs are the highest in California, virtually all red wine made with Napa grapes must be retail priced at \$30 or more per bottle for the winery to receive a reasonable profit. Napa Valley's lower priced wines are dominated by white varieties, Chardonnay and Sauvignon Blanc, representing less than 25% of Napa production. The majority Napa's production is from the two Bordeaux varieties, Cabernet Sauvignon (42%) and Merlot (13%) representing 55%.

Since Cabernet Sauvignon is the dominant variety in Napa, this analysis focuses on the economics of its production and pricing. For a winery to experience a reasonable profit, grape costs should not exceed 25% of the wine's selling price. As a consequence of this, the tonnage grape price to retail bottle price ratio should range from 100 to 125 times, meaning the average Napa Cabernet Sauvignon should sell from \$47 to \$58 per bottle given that the average Cabernet Sauvignon price for the 2011 was \$4,660 per ton.

The attached analysis shows examples of winery economics at various wine pricing levels. In each of the examples, the winery receives a modest profit equal to 15% of sales. Most Napa wineries sell a mix of retail and wholesale through distributors. Traditionally, sales to distributors are at 50% of the retail price. As the price goes up, a higher portion of wine is sold retail, wine production costs increase in absolute terms, but decrease of a percentage of sales. Offsetting this are higher sales and administration costs because of lower sales volume, higher percentage of retail sales and lack of scale.

Bottom line, if the wine is retail priced at substantially less than 100 times the grape cost, the economics don't work for the winery.

Mike Fisher
June 7, 2012

Wine Pricing Economics

Winery Profiles
Cabernet Sauvignon

STATISTICS

	\$/Case	%	\$/Case	%	\$/Case	%	\$/Case	%
Retail Bottle Price	\$15		\$30		\$50		\$100	
Retail Case Price	\$180		\$360		\$600		\$1,200	
% of Sales @ Retail	5%	15%		30%		50%		50%
Weighted Case Price	\$95		\$207		\$390		\$900	
Grape Cost per Ton	\$1,536		\$3,105		\$5,850		\$13,500	
Grapes Price/Bottle Price Ratio	102		104		117		135	
Typical Annual Case Production	250,000		50,000		15,000		5,000	

INCOME STATEMENT

Sales	\$ 95	100%	\$ 207	100%	\$ 390	100%	\$ 900	100%
Cost of Wine								
Grapes	24	25%	52	25%	98	25%	225	25%
Wine Production	28	30%	52	25%	78	20%	90	10%
Cost of Wine	52	55%	104	50%	176	45%	315	35%
Gross Profit	43	45%	104	50%	215	55%	585	65%
Sales and Administration	28	30%	72	35%	156	40%	450	50%
Profit Before Interest and Taxes	\$ 14	15%	\$ 31	15%	\$ 59	15%	\$ 135	15%

JUN 20 2012

AGENDA ITEM
NO. 9A

The neighbors of the Zinfandel Sub-division have serious concerns about the expansion of the Raymond Winery due to the increase in traffic on Hwy 29, Zinfandel Lane and through our neighborhood. Also we are concerned about the number and magnitude of night and weekend events and the increase water usage & effluence. This expansion is not in keeping with our agricultural neighborhood

Ann Adams 1391 Mt View Ave

Marathy Darland, 1320 Garden Ave

Roberta E. Willert 1291 Garden

Frank Hathaway 1071 ZYGMUNT DR.

Jeanne Hathaway 1071 Zygmont DR.

Chas + Brett Peterson 1390 Mt View

Larry Elwood 1370 Garden Ave. -

John C. Ott 1260 Vineland ave

John C. Ott 1260 Vineland Ave.

Royce Hemker 1121 Zygmont Dr. SH

John C. Ott 1170 Vineland Ave

Jane Blake 1150 Mt. View Ave. SH

~~Frank R. Blake~~ 1150 MTN. VIEW AVE. SH

Cora Geisner 1151 Mt. View Ave. SH.

Joseph "Bud" Geisner 1151 MT. VIEW AVE.

EVE & CLARENCE BARKER
1500 WHEELER LANE
ST. HELENA, CA 94574

CDPC
MEETING

JUN 20 2012

AGENDA ITEM
NO. 5A

June 18, 2012

Ms. Kirsty Shelton, Planner III
Napa County Conservation, Development & Planning Department
1195 Third Street, Suite 210
Napa, CA 94559

Re: Raymond Vineyard and Cellars Use Permit Modification #P11-00156

Dear Kirsty,

My wife, Eve, and I own the property located at 1500 Wheeler Lane in St. Helena. This street is the primary access road for all traffic to and from Raymond Vineyard and Cellars (Raymond).

We purchased our property from Raymond in February 2007 with the goal of constructing our home, which was completed in 2009. During the purchase process, we were made aware of Raymond's level of production at that time and the existing permit's allowed amount. That information did not dissuade us from moving forward with the purchase.

The prospect of doubling the permit-allowed production level, which will significantly increase traffic activity that passes directly in front of our home, creates some concern.

Raymond staff have been responsive in working with county staff to address specific issues that were raised at a community meeting Raymond hosted on June 4, 2012. Their changes to the proposal should help mitigate some of the impacts. However, there are two remaining major areas associated with the increase of production at the winery. These items relate to access and safety resulting from traffic increases and is as follows:

ISSUE ONE: TRUCK ACCESS TO THE PROJECT SITE VERSUS VISITOR ACCESS

With the proposed increase in the size of events and daily visitors combined with the doubling of production, it would seem appropriate to use a dedicated, separate access for each category of use. The separation of access to the winery could be accomplished by creating dedicated truck access along what is now a dirt road that separates the vineyards West of the current two-lane access road. Only visitors would have access to the winery down Wheeler Lane.

EVE & CLARENCE BARKER
1500 WHEELER LANE
ST. HELENA, CA 94574

ISSUE TWO: INTERSECTION OF STATE ROUTE 29 AND ZINFANDEL LANE

The staff report and traffic study that the intersection of State Route 29 with Zinfandel Lane is currently at a level of service F (the lowest level of service). Raymond's proposal will increase traffic volume at that intersection by 154 trips (8%) during the afternoon peak hours. The 8% increase is significant to an intersection with an already dismal service level.

How many additional trips will be approved before a solution for public safety is at hand? The increase in traffic at this intersection also impacts all property owners on West Zinfandel. To our knowledge, they were not notified of the proposed expansion.

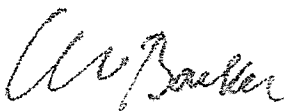
As we have previously stated, the Raymond organization has been responsive to many concerns expressed about their original application. Working within their business objectives, they have amended certain aspects of the proposal to mitigate impacts on the community and public. It is a fact that Raymond did not create the situation at State Route 29 and Zinfandel Lane. But without a traffic signal there, the public does not receive any benefit but rather suffers a burden from the proposed increase in production.

POSSIBLE SOLUTIONS

1. Limit production increases to half the requested amount until a traffic signal is installed and working.
2. Applicant could fully fund the intersection signal and be reimbursed by the county at a future date.
3. A combination of the above suggestions.

In closing, thank you for your ongoing communication and professional approach to this matter.

Best Regards,



Clarence W. Barker
(949) 422-6122
cwbarker48@yahoo.com



Eve M. Barker, MBA
(949) 244-6122
evebarkermba@gmail.com

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FACSIMILE: (415) 956-6416

June 19, 2012

Kirstey Shelton, Planner III
Department of Conservation, Development and Planning
County of Napa
1195 Third Street, Room 210
Napa, CA 94559

RE: Raymond Vineyard and Cellar Use Permit
Modification #P11-00156
APN 030-270-103; 030-050-031

Dear Ms. Shelton:

Thank you again for meeting with me prior to the previous hearing date on this matter and for being a resource during this process. Your assistance and comments have been valuable in assisting my understanding of the project and how to approach the applicant to express our concerns. I have reviewed the file, and, in particular, Jeff Redding's email of June 12, 2102 regarding updated project information that will be incorporated into the final project description as well as the revised staff report. I have also had the chance to talk to the applicant's owner, Jean-Charles Boisset, and the Vice President of Operations, Lisa Heisinger. By this letter I wish to provide my comments on the Application.

By way of background, my wife, Lynn, and I are the owners of 555 Wheeler Lane and 515 Wheeler Lane, which are two of only four properties that lie within the Raymond Vineyards property. The other properties are owned by Clarence Barker and Larry Miao, with whom we have discussed this project extensively. We purchased our properties several years ago with an expectation of no increased activity at the winery, although we are cognizant that our houses lie within an agricultural area and within a good-sized operating winery under new ownership since our purchasing one of our properties.

We have been very heartened by our discussions with the Applicant, and there are many of the aspects of the proposed use permit to which we do not object. However, we do have some concerns that we hope the Department will incorporate in any final Condition of Approval. These concerns are outlined below:

1. Marketing Events. We would ask that the Condition of Approval include the standard county ordinance regarding amplification and that events end no later than 10:00 p.m., and be done by 10:30 p.m., so that no cars or trucks are permitted to enter or leave after 10:30 p.m.

2. Valet Parking. We understand that for 500 person events, there will be off-site parking with shuttle service. For all events that will use valet parking, we ask that no valet parking be permitted to the north of the winery entrance along the road that leads from Zinfandel Lane to the winery (commonly known as Wheeler Lane).

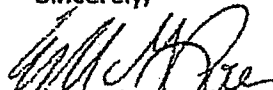
3. Off-Site Signage. We share the concerns of our neighbors on Zinfandel Lane about the speeding and trucks that cut through the neighborhood. Also, with the increased events, traffic will likely increase such that the current 55 MPH speed limits seems dangerous.

In addition, as the intersection at Highway 29 and Zinfandel Lane currently performs at level F, which is the worst level of service according to the staff report, the expansion of production adds 8% trip volume. Given the poor rating of the intersection, the additional traffic represents a looming dangerous situation. A signal at that intersection with Raymond sharing a fair share portion as reported might be a decent solution. It also may make more sense to limit the applicant's request for increased events and production until such time as the intersection is improved.

As another option, there is room for a "truck only" lane on the western side of the replanted vineyards from Zinfandel Lane that could run to the production facility, which might possibly alleviate the increased traffic to be expected at the current winery entrance.

Again, thank you for permitting us to comment on the proposal, and we look forward to working with the applicant and the county on this issue.

Sincerely,



Edward G. Poole

Shelton, Kirsty

From: Donald Young [dyoung1190@att.net]
Sent: Sunday, June 17, 2012 1:22 PM
To: Shelton, Kirsty
Subject: Fw: ZSA & Zinfandel Lane Impact from Raymond

To the attention of Kirsty Shelton,

After reading about what Raymond winery wants to do my question is where is the saturation point? As it is now we have a race track going up and down Mtn. View and Garden ave and the stop signs mean nothing on top of that we have zero police enforcement. A lot of us have lived in this neighborhood thirty plus years. With out pointing fingers it seems like people with money get what they want with the county and the locals get the cold shoulder. Maybe someone from the county should come up and go door to door in here and really listen to the locals, but guess since we can't put big free parties we are just peasants.
Don Young

Hello Neighbors,

The neighbors on Zinfandel Lane are concerned for our neighborhood the traffic issues that will arise do to Raymond Winery activities... please read below and open attached document on the traffic impact for Zinfandel Lane. Questions please call neighbor Brett Peterson 967-0614 or anyone on living on Zinfandel Lane that would have received this letter from the County. Don't miss the meeting on June 20th! How many cars are going to turn onto Zinfandel Lane due to increased traffic at Zinfandel and HWY 29.? Is our neighborhood going to become a bypass? These are the concerns. But the question is: Why wasn't our whole neighborhood informed?

Zinfandel Subdivision Association
*(sent to 29 neighbors)

Planning Commission 6/20/2012 Special Meeting

9A SET MATTER - 11:00 AM

RAYMOND VINEYARDS AND CELLAR / RAYMOND VINEYARDS WINERY USE PERMIT MAJOR MODIFICATION APPLICATION NO. P11-00156

CEQA Status: Mitigated Negative Declaration Prepared. According to the proposed Mitigated Negative Declaration, the project would have potentially significant effects on Transportation/Traffic. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code sec. 65962.5.

Request: Approval of a Use Permit Modification #P11-00156 requesting approval of the following: 1) Increase visitation from 400 to 500 total visitors (400 public and 100 by-appointment only); 2) Increase production from 750,000 gallons per year to 1.5 million gallons per year; 3) Adoption of a marketing plan to allow 50 total events, not to exceed eight per month: (a) 2 events per year for up to 500-people (b) 4 events per year for up to 250-people (c) 6 events per year for up to 150-people (d) 12 events per year for up to 100-people; and (e) 26 events per year for up to 50-people; 4) Improve the existing wastewater treatment ponds and enlarge the spray fields; 5) Expand the domestic wastewater treatment; 6) Construction of 50 additional parking spaces for a total of 130 parking spaces; 7) Inclusion of food and wine pairing as part of tours and tasting; 8) Construction of a left-hand turn lane on Zinfandel Lane; 9) Construction of 210 sq. ft. outdoor restrooms; 10) Remodel the existing 855 sq. ft. pool house to be converted to private tasting; 11) Remodel the existing 4,070 sq. ft. residence to be converted to partially 2,764 sq. ft. of private tasting and a 1,338 sq. ft. residence; 12) Construction of a vineyard viewing platform; 13) Increase the tours and tastings hours of operation from 10 am to 4 pm to 10 am to 6:30 pm; 14) Increase the production hours of operation from 6 am to 6 pm to 6 am to

10 pm 30 weekdays in a calendar year;15) Increase the number of employees by 66 from 24 to 90;16) Construction of 17,400sq. ft. of production space and interior modifications, including the conversion of 10,670 sq. ft. of production space to accessory space, including a commercial kitchen;17) Modify the existing conditions of approval to allow for outdoor events;18) Conversion of the existing swimming pool to landscape, and 19) Display of public art within one-acre of landscape. The project is located on a 60.72 acre lot located on the south side of Zinfandel Lane approximately 0.3 miles east of its intersection SR 29, within the Agricultural Preserve (AP) zoning district. (Assessor's Parcel No's 030-270-013 &-031). 849 Zinfandel Lane, St. Helena, California, 94574.

Staff Recommendation: Adopt the Mitigated Negative Declaration and approve Use Permit Modification P11-00156 as conditioned.

Contact: Kirsty Shelton, (707) 299-1377, Kirsty.Shelton@countyofnapa.org

Shelton, Kirsty

From: Marshall, Rick
Sent: Friday, June 15, 2012 3:05 PM
To: Shelton, Kirsty; Wilkinson; Paul
Subject: FW: traffic information for Zinfandel Lane

FYI – I just sent this information to a Brett Peterson, resident on Mountain View Ave., who is planning to be at the PC hearing Wednesday to speak about Raymond Vineyards.

Rick Marshall, P.E., P.L.S.
Deputy Director of Public Works
& County Surveyor
Napa County Public Works
(707) 259-8381
Rick.Marshall@countyofnapa.org

From: Marshall, Rick
Sent: Friday, June 15, 2012 3:04 PM
To: 'brett.peterson@sbcglobal.net'
Subject: traffic information for Zinfandel Lane

Average Daily Traffic (ADT) volumes have been collected at two locations on Zinfandel Lane, as follows:

Date	E/29	W/Silverado Trail
1983 (no month listed)	2604	1297
1990 December	2143	1235
1999 August	2940	2519
2003 May	2706	2786

Please let me know if you have questions or need additional information.

Rick Marshall, P.E., P.L.S.
Deputy Director of Public Works
& County Surveyor
Napa County Public Works
(707) 259-8381
Rick.Marshall@countyofnapa.org

Shelton, Kirsty

From: Gitelman, Hillary
Sent: Tuesday, June 19, 2012 8:18 AM
To: Shelton, Kirsty; McDowell, John; Gray, Melissa
Subject: FW: Planning Dept and Raymond Winery

We should provide this to the Planning Commission for their info.

Hillary Gitelman
Director of Conservation, Development & Planning
1195 Third Street, Napa, CA 94559
(707) 253-4805

From: Dillon, Diane
Sent: Tuesday, June 19, 2012 8:01 AM
To: Gitelman, Hillary; Coil, Gladys
Subject: FW: Planning Dept and Raymond Winery

Diane Dillon
Napa County Supervisor- District 3
diane.dillon@countyofnapa.org
(707) 963-0890

[Sent from my iPad; please excuse typos/brevity.]

-----Original Message-----

From: Roxanne Prager [etchmommy@sbcglobal.net]
Sent: Monday, June 18, 2012 07:38 PM Pacific Standard Time
To: Dillon, Diane
Subject: Planning Dept and Raymond Winery

Diane,

I am writing you today because of the lack of notification to our neighborhood by the County on Raymond Winery proposed changes to their use permit. Many of the neighbors have lived here for over 40 years, we are not new to the problems of Zinfandel Lane. Now, a proposed meeting on June 20 with the Napa Planning Department, that is trying to slide in this all-daylight hours+ production time, countless parties, and increased traffic. It's bad enough that "The Ranch" is open at the other end creating countless never-ending lines of trucks but now you are trying to say this is an Industrial zone, when in fact its Agriculture. How is our neighborhood of 88 homes going to have a break if this passes? How many cars, 18 wheelers or semi-trucks are going to pull into our neighborhood on Mountain View Ave, or especially Garden Ave and use it as a bypass. We have complained in the past about our neighborhood being impacted by cars and large trucks. Issues already with Sattui & Zinfandel, now Raymond. At least let the innocent people living on Zinfandel Lane be heard!! (as we know many where not notified) This is not being a good neighbor, as has rung so true with the Napa Valley Wine Auction... "the bigger you are- the more you step on the little ones!" It's unfair!

Zinfandel Subdlvision Association

Gray, Melissa

Subject: FW: Raymond Wastewater and Traffic Analysis
Attachments: Raymond Wastewater Analysis.pdf

CDPC
MEETING

JUN 20 2012

AGENDA ITEM
NO. 9A

From: Shelton, Kirsty
Sent: Tuesday, June 19, 2012 4:16 PM
To: Shelton, Kirsty; Gray, Melissa
Cc: Gallina, Charlene; McDowell, John
Subject: Raymond Wastewater and Traffic Analysis

Hi Melissa,

One of the public comment letter requested further wastewater and traffic calculations. Please see the attached wastewater report. It was inadvertently left out of the Raymond application information. Below is the extrapolated numbers from the traffic study (which analyzed 800 total visitors) to reflect the current request of 500 visitors.

Please forward to the Planning Commission and provide to the public for tomorrow's hearing.

Thanks,
Kirsty

Daily Traffic During a Typical Saturday

- 500 daily visitors/2.8 per vehicle x 2 one-way trips = 357 daily trips
 - 90 employees x 2 one-way trips per employee = 180 daily trips
 - 8 trucks x 2 one-way trips per truck = 16 daily trips
- 553 daily trips

Daily Traffic During a Typical Weekday

- 500 daily visitors/2.8 per vehicle x 2 one-way trips = 357 daily trips
 - 90 employees x 2 one-way trips per employee = 180 daily trips
 - 8 trucks x 2 one-way trips per truck = 16 daily trips
- 553 daily trips

Daily Saturday Traffic During Harvest Season (6 weeks)

- 500 daily visitors/2.8 per vehicle x 2 one-way trips = 357 daily trips
 - 100 employees x 2 one-way trips per employee = 200 daily trips
 - 30 trucks x 2 one-way trips per truck = 60 daily trips
- 617 daily trips