

Exhibit A

FINDINGS

Melka Winery

Use Permit Application № P14-00208 and Variance № P14-00209

2900 Silverado Trail, St. Helena, Calif., 94574

Assessor's Parcel №. 021-352-041

ENVIRONMENTAL DETERMINATION

The Planning Commission (Commission) has received and reviewed the proposal pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and finds that:

1. The project is Categorically Exempt, pursuant to the California Environmental Quality Act, Section 15301 [See Class 1 ("Existing Facilities")]; Section 15303 [See Class 3 ("New Construction or Conversion of Small Structures")]; and Section 15304 [See Class 4 ("Minor Alterations to Land")], which may be found in the guidelines for the implementation of the California Environmental Quality Act and see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B; and, Section 15061(b)(3), General Rule, where there is no potential for causing a significant environmental effect. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

VARIANCE

The Commission has reviewed the variance request in accordance with the requirements of the Napa County Code §18.124.060 and makes the following findings:

2. That the procedural requirements set forth in Chapter 18.128.060 have been met.

Analysis: An application and required processing fees has been submitted for a variance accompanied with a statement from the applicant outlining the reasons for the request. Site plans depicting the location of the project and elevation drawings showing the appearance of the proposed winery buildings have also been submitted. Noticing and public hearing requirements have been met.

3. Special circumstances exist applicable to the property, including size, shape, topography, location or surroundings, because of which strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification.

Analysis: The proposal herein is to convert an existing second unit which is 2,309 square feet and construct a winery production building of 2,675 square feet within the 600 foot required setback from Silverado Trail. The proposed location of the new building is within

a previously disturbed portion of the site. The existing building is at the terminus of the existing driveway from Silverado Trail. Alternate locations outside the 600 foot setback from Silverado Trail would require further grading, as well as construction on sloped over 30%, removal of native vegetation and trees, and additional impervious surfaces in the form of access roads. The location of the buildings would have the least environmental impact on the property. The slope of the property ranges from zero to 30% and the proposed location has a slope of two percent.

4. Grant of the variance is necessary for the preservation and enjoyment of substantial property rights.

Analysis: The property is located within the Agricultural Watershed zoning district in which wineries are permitted upon approval of a use permit. The predominate portion of the developable site is located within the required 600 foot setback from Silverado Trail. Any winery development on this site would require a variance. Additionally, the granting of this variance would not confer a special privilege as the subject parcel contains a unique combination of existing development and regulatory constraints, namely floodplains, floodway, multiple road setbacks, and river and creek setbacks.

5. Grant of the variance will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: There is nothing included in the variance proposal that would result in a measurable impact on the public health, safety, or welfare of the County of Napa. Construction of the new winery would be subject to County Codes and regulations including but not limited to California building codes, fire department requirements, and water and wastewater requirements. The granting of the variance to the winery road setback will not adversely affect the health or safety of persons residing or working in the neighborhood of the property. The proposed winery structures would be located in a clustered development with existing buildings. There have been no adverse impacts to public health, safety or welfare from the existing pre-1990 buildings. Various County departments have reviewed the Project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which will incorporate these comments into the project to assure protection of public health and safety.

6. In the case of groundwater basins identified as "groundwater deficient areas" under Section 13.15.010, grant of the variance would not require a new water system or improvement, or utilize an existing water system or improvement causing significant adverse effects, either individually or cumulatively, on said groundwater basins in Napa County, unless that variance would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Section 13.15.070 or 13.15.080.

Analysis: The subject property is not located in a “groundwater deficient area” as identified in Section 13.15.010 of the Napa County Code.

7. Grant of the variance in the case of other groundwater basins, or areas which do not overlay an identified groundwater basin, where grant of the variance cannot satisfy the criteria specified for approval or waiver of a groundwater permit under Section 13.15.070 or 13.15.080, substantial evidence has not been presented demonstrating that the grant of the variance might cause a significant adverse effect on any underlying groundwater basin or area which does not overlay an identified groundwater basin.

Analysis: There is nothing included in the variance proposal that would result in a measurable impact on groundwater. The projected water use for the project is 1.130 AF/YR. Existing water use for residential purposes is 0.283 AF/YR and will remain the same with the proposed project. Current water use for the vineyard is 0.209 AF/YR. The winery as part of the proposed project is expected to use 0.31 AF/YR. Landscaping currently utilizes 0.15 AF/YR and will increase to 0.35 AF/YR. There is a modest increase of water use as a result of the project from 0.842 AF/YR to 1.130 AF/YR and would not have an adverse effect on the groundwater basin. Minimum thresholds for water use have been established by the Department of Public Works using reports by the United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. Any project which reduces water usage or any water usage which is at or below the established threshold is, for purposes of the application of the County’s Groundwater Conservation Ordinance, assumed not to have a significant effect on groundwater levels. The County is not aware of, nor has it received any reports of, groundwater shortages near the project area. The project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level.

8. In the case of a development or improvement with a reasonably foreseeable connection to a public water supply as defined in 13.15.010, regardless of the number of parcels served, grant of the variance would not require a new water system or utilize an existing water system necessitating a groundwater permit pursuant to Chapter 13.15. This finding shall not be required if the applicant presents substantial evidence demonstrating that grant of the variance for such development or improvement would not have a significant adverse effect on the underlying groundwater basin; or if that variance would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Section 13.15.070 or 13.15.080 of this code.

Analysis: The nearest public water supply is the City of St. Helena. The City’s policy and Napa LAFCO policies do not support additional water connections outside the City’s boundaries. There are no indications that the sphere of influence of St. Helena would be extended to include the Property. Based on the above, a connection to a public water system is not reasonably foreseeable.

USE PERMIT

The Board has reviewed the use permit request in accordance with the requirements of Napa County Code §18.124.070 and makes the following findings. That:

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

The project is consistent with AW (Agricultural Watershed) zoning district regulations. A winery (as defined in Napa County Code §18.08.640) and uses in connection with a winery (see Napa County Code § 18.20.030) are permitted in an AW-zoned district subject to use permit approval. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990, *as amended*) and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code), as applicable.

10. The procedural requirements for a use permit set forth in Chapter 18.124 of the Napa County Code have been met.

The use permit application has been filed and noticing and public hearing requirements have been met. The hearing notice and notice of the categorical exemption were posted on February 7, 2015, copies of the notice were forwarded to property owners within 1000 feet of the Property. The CEQA public comment period ran from February 8, 2015 through February 17, 2015.

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

Various County departments and divisions have reviewed the project and commented regarding water, traffic, access, and fire protection. Conditions are recommended which will incorporate these comments into the project to assure the ongoing protection of public health and safety.

12. The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan.

The Winery Definition Ordinance (WDO) was established to protect agriculture and open space and to regulate winery development and expansion in a manner that avoids potential negative environmental effects.

The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990), the 2009-2010 Winery Definition Ordinance Update (Ord. No. 1340, 2010), and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code), all as applicable.

General Plan **Agricultural Preservation and Land Use Goal AG/LU-1** guides the County to, “preserve existing agricultural land uses and plan for agriculture and related activities

as the primary land uses in Napa County.” General Plan **Agricultural Preservation and Land Use Goal AG/LU-3** states the County should, “support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.” Approval of this project furthers both of these key goals.

The subject parcel is located on land designated Agricultural Watershed and Open Space (AWOS) on the County’s adopted General Plan Land Use Map. This project is comprised of wine production up to 10,000 gallons per year; construction of new winery buildings totaling 4,984 square feet, a covered crush pad, barrel storage, hospitality and tasting room, and office space and related improvements and accessory uses.

As approved here, the use of the property for the accessory uses thereto supports the economic viability of agriculture within the county consistent with General Plan **Economic Development Policy E-1** (“The County’s economic development will focus on ensuring the continued viability of agriculture...”).

As analyzed at item № 17, below, the winery will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level. The project is consistent with General Plan **Conservation Policies CON-53** and **CON-55**, which require that applicants for discretionary land use approvals prove the availability of adequate water supplies which can be appropriated without significant negative impacts on shared groundwater resources.

Napa County’s adopted General Plan reinforces the County’s long-standing commitment to agricultural preservation, urban centered growth, and resource conservation. On balance, this project is consistent with the General Plan’s overall policy framework and with the Plan’s specific goals and policies.

13. Minimum thresholds for water use have been established by the Department of Public Works using reports by the United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. Any project which reduces water usage or any water usage which is at or below the established threshold, is assumed not to have a significant effect on groundwater levels. Based on the submitted groundwater availability analysis, the 10.68 acre subject hillside-area property has a current water use of 0.842 AF/YR and as a result of the proposed project would increase to 1.130 AF/YR. The increase in water use as a result of the project is modest and would not result in depletion of groundwater resources. The County is not aware of, nor has it received any reports of, groundwater shortages near the project area. The project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level.