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Planning Commission Mtg.

March 30, 2015

MAR 31 2015

APR 01 2015

Charlene Gallina
David Morrison
Napa Valley Planning Commission

Napa County Planning, Building
& Environmental Services

Agenda Item # 9A

The Massa Family has owned Massa Ranch since 1940 and are neighbors of Bell Wine Cellars. In 1991, Plam Vineyards & Winery (currently Bell Wine Cellars) requested an increase of production from 20,000 to 40,000 gallons of wine. They were granted this request. The Massa Family hired an attorney to appeal this action by the Planning Department because the family residence, built in 1840, is less than 150 feet from the winery. Over the years the noise has been very disturbing to The Family. The appeal went before the Board of Supervisors and was upheld under the condition outlined in Use Permit #U-90-42. (This document is included.) In 2002, Michael Clark, grandson to Frank & Adra Massa, had discussion with Anthony Bell about tripling the size of the building, which was allowed to move forward to ease the noise from the operation of wine production. This actually made a significant difference in the noise level from the winemaking operation. However since this expansion, the winery has not abided by the Use Permit #U-90-42 in the amount of visitors and events held at the winery, as well as lighting, landscaping, and a very loud compressor.

We are still trying to be good neighbors. We have not filed any written complaints to the County, however the county has received phone calls and visits from The Family in regard to these unauthorized events, lighting, and noise from compressor.

Part of the cement slab of the back of the winery actually sits on Massa Property. In 1958 Frank Massa purchased 1.20 acres of land so we could save the 100 to 800 year old Oak trees along the creek bank across from the main residence. Recently Fish & Wildlife was called because Bell Cellars Vineyard Management stated he was an arborist removing 12" diameter limbs from our trees. There is currently a young Bald Eagle living in the trees on the creek.

I ask The Planning Commission to not move forward until a meeting can be held between the two property owners with The Planning Department present. My meetings with Anthony Bell seem to go nowhere. At these meetings, I am not provided with the same information that The Planning Department is provided. I have questioned Anthony Bell regarding the difference in the information he is providing me and The Planning Department. He tells me it is the attorney for Mr. Berberian, the property owner, who is supplying The Planning Department different information.

After all that has been stated, The Family wishes to remain good neighbors, and may be interested in letting the winery increase its production, but first there needs to be a meeting with The Massa Family, Anthony Bell, and The Planning Department. As for further increasing visitation, even 40 guests drinking wine outdoor within 150 feet of my home is comparable to having a cocktail lounge on our front gardens. This current request could result in up to 21,840 guests per year plus an additional 9,120 guests for marketing events. Currently the Yountville Wine Trolley makes a routine stop at Bell Cellars ringing its bell. This also is not consistent with the current Use Permit. We request absolutely no increase in

visitations and current visitations should be held inside the winery. As for the use of the Bocce Court, it is my understanding from The County of Napa file, the Bocce Court is allowed for winery employees, family, and owners. In this expansion, the current parking lot should be moved at least 45 feet away from the creek, and all lighting removed from this area that shines into the master bedroom of the main residence. Also, the lighting on the exterior building needs to be addressed as it is in violation of the Use Permit. I would like to see the documentation regarding the 75% rule for Napa Valley grape purchase that has not been provided to The County.

Thank you,

The Massa Family
Michael Clark
PO Box 4050
Yountville, CA 94599
(707) 480-3309

Fuller, Lashun

From: Balcher, Wyntress
Sent: Tuesday, March 31, 2015 4:04 PM
To: Fuller, Lashun; Frost, Melissa
Subject: FW: Michael Clark - Bell Wine Cellars
Attachments: NV Planning Commission Bell Wine Cellars.pdf

Attached is the letter for the planning commission
Wyntress

From: Michael Clark [<mailto:mclarkdesign@sbcglobal.net>]
Sent: Tuesday, March 31, 2015 3:56 PM
To: Balcher, Wyntress
Subject: Michael Clark - Bell Wine Cellars

Hello Wyntress,

Attached is my letter for The Planning Department. I will forward the Use Permit very soon.

Thank you,
Michael Clark

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NAPA COUNTY

**CONSERVATION -- DEVELOPMENT
AND PLANNING DEPARTMENT**

1195 THIRD STREET, ROOM 210 • NAPA, CALIFORNIA 94558-3092
AREA CODE 707/252-4416

JEFFREY REDDING
Director

RECEIVED

January 21, 1992

MAR 31 2015

Planning Commission Mtg.

Frank Massa
2240 First St.
Napa, CA 94558

Napa County Planning, Building
& Environmental Services

APR 01 2015

Agenda Item # 9A

Re: Permit Request #U-90-42 - Assessor's Parcel #36-110-30

Dear Mr. Massa:

Please be advised that the Napa County Board of Supervisors on January 21, 1992 upheld your appeal to a decision made by the Conservation, Development and Planning Commission on July 24, 1991 approving an increase in annual production at the Plan Winery from 20,000 to 40,000 gallons per year with retail sales and tours/tastings by appointment. While it upheld your appeal, the Board of Supervisors granted the requested use permit #U-90-42, subject to the attached conditions of approval.

Pursuant to Section 12806 of the Napa County Code, the use permit must be activated within one (1) year from the approval date (i.e. by January 21, 1993) or the use permit shall automatically expire and become void. A one-year extension of time in which to activate the use permit may be granted by the County provided that such extension request is made thirty (30) days prior to the expiration date. A request for an extension of time is subject to payment of a \$300.00 filing fee.

Jeffrey R Redding
JEFFREY R. REDDING
Director

- cc: John Tutuer, Assessor
- Bill Bickell, Director of Public Works
- Robert Westmeyer, County Counsel
- Gary Brewen, Building Codes Administrator
- Michael Clark
- Kenneth Plam

JRR:rl:7:Massa.Plm

CONDITIONS OF APPROVAL
U-90-42
PLAM VINEYARDS AND WINERY

- 1) The permit shall be limited to a maximum annual production capacity of 40,000 gallons with retail sales and tours/tastings by appointment with physical changes to be limited to the use of an existing shed for storage of winery-related supplies. The project shall conform to the approved site plan, floor plans, and elevations including any modifications required by these conditions. Primary case goods storage and office activities shall continue to take place off site (i.e., temporary storage and incidental office activities may occur on site). Any expansion of production capacity, changes in use, or changes in construction shall be subject to the approval of the Planning Director or if deemed necessary, the County Planning Commission.
- 2) Hours of operation of the winery, including the crush operation, shall be limited to 8:00 a.m. - 9:00 p.m. weekdays and 10:00 a.m. - 9:00 p.m. weekends.
- 3) All wine making operations authorized by this permit shall be confined to the existing slab on the north side of the existing winery building.
- 4) All existing, exterior lighting located on the south wall on the winery building shall either be removed or shielded so that light is directed away from the adjacent property to the south, within 90 days of final action by the Board of Supervisors. An inspection shall be conducted at the end of this 90 day period to ensure compliance with this condition.
- 5) Accessory uses permitted under Section 12232(j) of the County Code shall be limited to private tours and tasting as defined in Section 12070 of the Code.
- 6) Activities related to marketing of wine as defined in Section 12071 of the Napa County Code and private tours and tastings as defined in Section 12070 of the Napa County Code shall be limited to those activities identified in the attached Exhibit "A", incorporated by reference. Cultural and social events not related to wine education shall not be permitted without the appropriate approval from the County.
- 7) Visitation to the winery by buses shall be limited to a maximum of three (3) per year total. Use of the buses shall be limited to those persons who are members of the wine trade only. Operators of buses shall turn off bus engines after being on site 15 minutes. Bus passenger drop-off shall occur on the gravel parking area, north of the existing winery or at points northwesterly of this area. Buses awaiting passenger pick-up may park only in designated drop-off areas.
- 8) Retail sales shall be limited to that wine allowed by Section 12202(g)(5)(C) of the Napa County Code.
- 9) Compliance with the four (4) signed Mitigation Measures contained in the attached Project Revision Statement.
- 10) The applicant shall comply in full with the recommendations relating to outdoor equipment on the south side of the existing winery contained in the November 22, 1991

ANNE M. KIRLIN
ATTORNEY AT LAW
1001 SECOND STREET, SUITE 320
NAPA, CALIFORNIA 94559-3017
(707)224-5698
FAX (707)224-7865

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OCT 28 1991

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT.

October 23, 1991

Jeffrey Redding, Director
Conservation Development & Planning
County of Napa
1195 Third Street
Napa, CA 94559

Re: Plam Vineyards and Winery
Appeal - November 12, 1991

Dear Mr. Redding:

Following the hearing on October 8, 1991, you suggested:

- 1) That a site visit with the parties seemed appropriate;
and
- 2) That in advance of such a visit you would contact the
attorney for appellants to request that they clarify
their concerns in writing in order to focus everyone's
efforts on an effective resolution of the issues
raised.

As of this date, I am not aware of any communication between you
and the appellants attorney nor have I received any inquiries
from you regarding a time and procedure for conducting a site
visit.

Plam Vineyards and Winery remains very willing to cooperate with
the County staff and the neighbors, but we need some indication
from you on how to proceed in a timely fashion prior to the
November 12, 1991 hearing.

Very Truly Yours,



Anne M. Kirlin

ld/sec

cc: K. Plam
P. Reichers



NAPA COUNTY

CONSERVATION — DEVELOPMENT AND PLANNING DEPARTMENT

JEFFREY R. REDDING
Director

1195 THIRD STREET, ROOM 210 • NAPA, CALIFORNIA 94559-3092
AREA CODE 707/253-4416

July 24, 1991

Assessor's Parcel # 36-110-30

Kenneth Plam
330 Pratt Avenue
St. Helena, CA 94574

Dear Mr. Plam:

Please be advised that Use Permit Application Number U-90-42 has been approved by the Napa County Conservation, Development and Planning Commission based upon the following conditions.

(SEE ATTACHED LIST OF CONDITIONS OF APPROVAL)

APPROVAL DATE: July 24, 1991

EXPIRATION DATE: August 7, 1992

The use permit becomes effective ten (10) working days from the approval date unless an appeal is filed with the Napa County Board of Supervisors pursuant to Title XIII of the Napa County Code. You may appeal the conditions of approval. In the event an appeal is made to the Board by another, you will be notified.

Pursuant to Section 12806 of the Napa County Code, the use permit must be activated within one (1) year and ten (10) calendar days from the approval date or the use permit shall automatically expire and become void. A one-year extension of time in which to activate the use permit may be granted by the County provided that such extension request is made thirty (30) days prior to the expiration date. A request for an extension of time is subject to payment of a \$300.00 filing fee.

This letter serves as the only notice you will receive regarding the expiration date of your permit or procedures for extensions.

Very truly yours,

Handwritten signature of Michael Miller in black ink.

MICHAEL MILLER
Deputy Planning Director

cc: John Tuteur, County Assessor
Gary Brewen, Building Codes Administrator

CONDITIONS OF APPROVAL
U-90-42
PLAM VINEYARDS AND WINERY

- 1) The permit shall be limited to approval to increase annual production of an existing 20,000 gallon winery with retail sales and tours/ tastings by appointment to 40,000 gallons, with physical changes to be limited to the use of an existing shed for storage of winery-related supplies. The production capacity shall not exceed 40,000 gallons as averaged over any consecutive three (3) year period with a maximum 20 percent variation, and the applicant shall report to the Planning Department in December of each year the number of gallons produced during that year. The project shall conform to the approved site plan, floor plans, and elevations including any modifications required by these conditions. Primary case goods storage and office activities shall continue to take place off site (*i.e., temporary storage and incidental office activities may occur on site*). Any expansion of production capacity, changes in use, or changes in construction shall be subject to the approval of the Planning Director or if deemed necessary, the County Planning Commission.
- 2) Accessory uses permitted under Section 12232(j) of the County Code shall be limited to private tours and tasting as defined in Section 12070 of the Code.
- 3) Activities related to marketing of wine as defined in Section 12071 of the County Code and private tours and tastings as defined in Section 12070 of the County Code shall be limited to those activities identified in the Use Permit Application Supplemental Information Sheet. Cultural and social events not related to wine education shall not be permitted without the appropriate approval from the County.
- 4) Retail sales shall be limited to that wine allowed by Section 12202(g)(5)(C) of the Napa County Code.
- 5) Compliance with the four (4) signed Mitigation Measures contained in the attached Project Revision Statement.
- 6) The applicant shall comply with all requirements of the County Department of Public Works identified in their letter of March 25, 1991.
- 7) The applicant shall comply with all requirements of the County Environmental Health Department including the eight (8) conditions in their letter of March 18, 1991.
- 8) The applicant shall comply with all fire protection requirements of the Napa County Fire Department as set forth in their comments of March 13, 1991.
- 9) The applicant shall obtain all necessary approvals and permits from the State Department of Alcoholic Beverage Control and the federal Bureau of Alcohol, Tobacco and Firearms.

**CONDITIONS OF APPROVAL
FLAM VINEYARDS AND WINERY (U-90-42)
PAGE 3**

- 10) The applicant shall obtain any necessary building permit for the shed structure on the northeast side of the winery building prior to any winery-related use of that structure. As a requirement of the building permit, the structure shall be made to conform to all applicable County setback provisions, including setbacks between structures.
- 11) The applicant shall comply with all other local, State, and federal requirements.
- 12) The applicant shall report to the Department on an annual basis the source of his grapes, verifying that 75% of the annual production is from Napa County grapes. The report shall include the grape tonnage and the Assessor's Parcel Number(s) where grown. Such report shall be proprietary and not available to the public.

For the public record, the applicant shall annually submit to the Department a statement certifying compliance with the sourcing requirement and indicating the percentage of Napa County grapes utilized.

mmp5

JUL 9 - 1991

PROJECT REVISION STATEMENT

Use Permit #U-90-42 (Plant Vineyards and Winery)

NAPA CO. CONSERVATION
DEVELOPMENT & PLANNING DEPT

I hereby revise my proposal to increase annual production of an existing 20,000 gallon winery with retail sales and tours/ tastings by appointment to 40,000 gallons, with physical changes to be limited to the use of an existing shed for storage of winery-related supplies, on a 7.8-acre parcel located on the east side of Washington Street approximately 3,400 feet north of Ragatz Lane within an AP (Agricultural Preserve) Zoning District (Assessor's Parcel #36-110-30), to include the environmental mitigation measures specified below:

Traffic (Increases)

1. Marketing activities shall be limited to those identified in the use permit application Supplemental Information Sheet, and shall be scheduled to avoid vehicle arrivals and departures during the PM peak periods from 4:00 PM to 6:00 PM. The applicant shall maintain written records of all such activities for review by the County Planning Department upon request.
2. The existing winery identification sign near Washington Street shall be supplemented with the words "Tours and Tastings by Prior Appointment Only".

Traffic (Parking)

3. Prior to any increase in production, a detailed parking plan shall be submitted to the Department for review and approval indicating the location of off-street parking spaces. The plan shall provide for six off-street paved parking spaces, and said parking improvements consistent with Public Works surfacing requirements shall be installed prior to any increase in production.
4. All employee and normal customer parking shall be in the approved off-street parking area. Parking for any approved large-scale special marketing events shall be located off-street.

I further commit myself and my successors-in-interest to communicate the above specified requirements in writing to any future purchasers of the property prior to transfer of title.

EXHIBIT "A"
APPROVED MARKETING ACTIVITIES
PLAM VINEYARDS

(3/07/91)

USE PERMIT FOR PLAM VINEYARDS & WINERY EXPANSION

MARKETING ACTIVITIES, FOOD SERVICE AND SPECIAL EVENTS

- All activities and events, present and proposed, will be by appointment and/or invitation.
- No activities and events, present and proposed, other than the sale of wine, are for profit.
- There will be no increase in the number or size of activities and events with the proposed "expansion".

Private Tours, Tastings and Retail Sales (By Appointment)

<u>Individuals</u>	Number per week:	5 - 10
	Attendance:	2 - 4 people
<u>Groups</u>	Number per week:	1 - 2
	Attendance:	12 people
	Food service:	bread and cheese

Trade and Marketing Representatives (By Appointment)

Representatives from retailers, restaurants, marketing firms, brokers, distributors, press, etc.:

Number per week:	1 - 2
Attendance:	2 - 6 people
Food service:	none or bread and cheese

Marketing And Social Events (By Invitation)

For the events listed below, food service, if any, is usually catered or prepared on outdoor grill. Weather permitting, eating facilities are outdoors using the existing patio furniture or rental tables and chairs.

Lunch or dinner for trade, press, VIP's, etc.:

Number per year:	4 - 6
Attendance:	4 - 8 people

Educational lunch for club or non-profit group hosted by winery:

Number per year: 2 - 4
Attendance: 20 - 40 people

Harvest Fest, Grape Picking, Grape Stomp, etc.:

Number per year: 1 - 2
Attendance: 30 - 60 people

Open House by invitation (i.e., Napa Valley Wine Auction)

Number per year: 1 - 2
Attendance: 100 - 200 total but no more
than 20 - 30 at any given
time



1455 First Street, Suite 301
Napa, CA 94559

T: 707.252.7122
F: 707.255.6876

SCOTT GREENWOOD-MEINERT
scottgm@dpf-law.com

March 31, 2015

Planning Commission Mtg.

APR 01 2015

Agenda Item # 9A

VIA EMAIL: heather@vinehillranch.com; napacommissioner@yahoo.com;
Anne.cottrell@lucene.com; tkscott@aol.com; mattpope384@gmail.com
Napa County Planning Commission
1195 Third Street, Room 210
Napa, CA 94559

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31 2015

Napa County Planning, Building
& Environmental Services

VIA EMAIL: John.McDowell@countyofnapa.org
Mr. John McDowell, Deputy Planning Director
Planning, Building and Environmental Services
1195 Third Street, Room 210
Napa CA 94559

VIA EMAIL: Wyntress.Balcher@countyofnapa.org
Wyntress Balcher, Planner
Planning, Building and Environmental Services
1195 Third Street, Room 210
Napa, CA 94559

Re: Bell Wine Cellars Use Permit Major Modification #P13-00055

Dear Commissioners and Planning Staff:

This letter and a letter from Anthony Bell are submitted for the purpose of adding additional rationale for the increases in visitation and marketing events requested in our application. Your commission has, in the last few months, been presented with a great deal of information regarding wine market changes and the need for small wineries, such as Bell Wine Cellars, to expand direct to consumer marketing in order to sell their wine. Mr. Bell's letter provides a great deal more information about this and the evolution of Bell Wine Cellars' direct to consumer needs. Please allow me to make a few more direct comments about this application for your consideration.

Attached to this letter is a chart we have prepared of recent winery approvals and modification approvals focused on wineries near highways and collector roads in the Napa Valley. These parameters provide a more focused and timely context for comparison than the winery comparisons provided in the staff report. As you can see from the chart, Bell Wine Cellars' visitation and marketing requests are not out of line with other projects recently approved by your commission and recommended by staff, many of which reflect the same direct to consumer marketing reality facing Bell Wine Cellars. Further, Bell Wine Cellars is uniquely well located for traffic purposes as our Traffic Analysis Report indicates. Bell Wine Cellars also benefits greatly from its proximity to Yountville and its location off Washington Street which allows for a great deal of visitation by bicycle tour, something that cannot be properly quantified in a Traffic Analysis Report generated for CEQA purposes.

We highlight for you that this application asks for up to 100 daily visitors with a maximum of 420 visitors per week, with both of those limitations including the requested 4 marketing events for up to 40 people per week. (See staff report, bottom of first full paragraph.) In other words, if Bell Wine Cellars has a full capacity marketing event on a Friday in July it can only have 60 tastings by appointment that day. These weekly marketing events are not "on top of" daily and weekly visitation.

Hand in hand with the prior paragraph, please consider that Bell Wine Cellars seeks visitation and marketing levels for the "perfect day" and the "perfect week" at the winery. Again, think of July, not February. Bell Wine Cellars didn't even consider a "perfect year" with 21,840 total visitors. The CEQA/Planning process rightfully focuses on the theoretical maximum of what is possible, but Bell Wine Cellars is more realistic than that on an annual basis given the reality of visitation and marketing in the Napa Valley between Labor Day and Memorial Day.

We must also point out that Bell Wine Cellars, in its enduring efforts to be the best neighbor possible, has voluntarily agreed to a condition of approval ending all winery events at 9:00 p.m., an hour before the Napa Ordinance Code termination point.

Thank you for your consideration and we look forward to the hearing this Wednesday on this application.

Sincerely,

DICKENSON, PEATMAN & FOGARTY



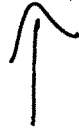
Scott Greenwood-Meinert

Encs.

cc: Anthony Bell

Recent New Winery Approvals and Modifications Located on or near Napa County Highways and Collector Roads
(only wineries required to have appointments for tours and tastings included)

Winery	Production	Daily visitors	Weekly visitors	Weekly Events/guests	Monthly events/guests	Yearly events/guests	Total annual events/guests
Krupp	50k	125	420	2/24		10/ 75-125	114/3496
Cairdean	50k	25	175		4/25-50	2/ 100	50/2024
Envy	50k	26	56		1/30	14/ 75-100	26/1550
Swanson	100k	200	497	2/24	1/36	3/ 100-250	119/3468
Paraduxx	200k	48	336	5/ 24		10/ 125	270/7490
Caravanserai	100k	400	2800		35/ 8-12	8/ 150	308/5400
Rasmussen	100k	48	336		5/ 25-50	5/ 75-125	65/2600
Quintessa	180k	100	500			13/ 20-100	13/780
Jamieson Ranch	800k	600	2000			72/ 25-200	72/8100
Odette	60k	131	917		8/ 50-150		96/9600
Tamber Bey	60k	20	140		2/ 30-75	2/ 100	26/1460
B Cellars	45k	60	250			12/ 30-150	12/1080
Hartwell	36k	24	168			7/ 25-100	7/437
Honig	300k	100	700			8/ 50-100	8/600
Coquerel	75k	25	175	1/20		14/ 50-200	66/3830
Robert Keenan	50k	35	245		20/ 30-75	1/ 300	241/12900
Corona	100k	48	336		6/ 24	8/ 75-125	80/2528
3737 Silv. Trail	60k	60	420			18/ 35-100	8/1215
Bell proposed	60k	100	420	4/40		4/ 200	212/9120
Average		115	582				88/3864





March 28, 2015

Napa County Planning Commission
1195 Third Street, Suite 210
Napa, CA 94559

RE: Bell Wine Cellars Use Permit Major Modification #P13-00055

Dear Commissioners:

I am writing this letter to clarify, and place in context, the rationale behind our use permit modification request.

Bell Wine Cellars is neither a lifestyle winery nor a second career for me. It is the continuation of a lifetime spent in the wine grape industry and this permit application is a desire to continue this career as a financially viable business entity.

My father was Chairman and MD of a large drinks company in South Africa, and our home was on a wine estate in Stellenbosch. I spent many hours as a young person in wineries, distilleries and vineyards. In 1971 I spent time working in the wine regions of Spain and France. I have an undergraduate degree in Viticulture and Enology from Stellenbosch University, and a graduate degree in Enology from UC Davis. I joined Beaulieu Vineyard in 1979 as Viticulturist/Assistant Winemaker and when I resigned in 1994 I had been Vice President and General Manager for 5 years. At the time I joined Beaulieu Vineyard there were app. 65 wineries in Napa Valley and our nascent industry was about to go through many changes - from both an industry standpoint as well as from the regulatory standpoint. I am a Napa resident and have worked in the Napa Valley wine industry for the past 36 years.

Resulting from Cabernet sauvignon clonal research I undertook at BV, a partner and I started Bell Wine Cellars in 1991, with the intention of producing Clone 6 Cabernet. We custom crushed the first seven vintages while we built up sufficient cash flow to maintain the business. We moved to the present property in 1998 when my former partner acquired the winery parcel from Plam Vineyards. In 2015 we will celebrate our 18th vintage in the winery, and our 25th year in business. During our 18 years on this property I believe we have proven to excellent neighbors, respectful of the environment and the property and considerate to those people surrounding us. Our property improvements have taken into consideration our neighbors concerns or requests, and to the best of my knowledge nobody has filed a complaint about our winery operation.

Because our business was a custom crush operation for the first 7 years, and we had no tasting room, our business model was built around the three tier system. We were very fortunate that during my tenure at Beaulieu Vineyard I had developed relationships with many executives in the distribution network and our 1,000 case brand was able to obtain representation. Today this is impossible to achieve, especially for small wineries competing with the large drinks companies that dominate the time



BELL
WINE CELLARS
6201 WASHINGTON STREET
YUCONVILLE, CA 94599
WINERY 707-944-1673
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WWW.BELLWINE.COM

and attention of distributors; a proliferation of wineries and wine brands; and a reduced number of distributors available to represent brands.

In 2002 with new partners (one of whom is a former drinks distributor with strong ties to the industry) and increased access to capital and financing we were able to invest in inventory, build upon our distributor relationships and our business grew substantially. By 2007 we were a 12,000 case winery selling 86% of our total volume in the three tier system. Although we were only nominally profitable at this volume, our business model indicated that we were approaching respectable profitability.

In November 2003 a use permit modification was approved providing for the addition of a barrel building, crush pad and exterior patio – the winery as it is presently. In hindsight we failed to address the winery marketing plan during that process. We were so committed to the three tier system that our tasting room operation was not a primary focus of our business model.

As a small winery my wife and I do all of our own sales and marketing, and have traveled extensively to promote and sell our wines – our record being a combined 63 weeks of market visits. Between 2002 and 2007 we grew our business from 2,000 cases to 12,000 cases. I have spent over 20 years traveling in the three tier system, both for my own brand and for Beaulieu Vineyard, and feel that I have seen and experienced a great deal of the how the distribution system works, and how it has evolved over time.

During the period 2007 thru 2012, while our wholesale case volume remained around 12,000 cases and was approximately 86% of our total volume, our wholesale net income, on a fully loaded basis, gradually eroded from being positive to being negative. In 2013, after spending 43 weeks on the road selling and promoting our wine, we sold 10,500 cases and made a net income of \$1,712.91. At our annual year end business review our partners and ourselves decided that this situation was not sustainable, we would no longer travel as extensively, we would look for our distribution network to perform more profitably and would focus our efforts entirely on our direct-to-consumer business. (We look at wholesale and retail as two independent stand-alone businesses within our operation. Thus wholesale carries its fully allocated share of rent, payroll, fixed overheads, selling expenses, travel, compliance, wine dinners and trade shows and promotional expenses).

During this period, as we observed the changes in the distribution operating environment, we made a decision to alter our business model from being dependent on the three tier system to being in better balance with the direct-to-consumer aspect of our business. Our focus shifted to our tasting room and online business, resulting in improved profitability for our winery. As we made this shift, our visitation began to increase and it became apparent that we would need to modify the winery marketing plan and visitation. Today our wholesale sales represent 65% of our total volume (down from 86%), with our ideal goal being closer to 50%. I do believe that, as a small winery, we should continue to be represented in the three tier system, as wholesale sales bear their share of the winery operating costs and national distribution provides a market presence and awareness for a brand – an offshoot being that when visitors come to Napa Valley they will stop in and visit our winery.



The business world changed dramatically in the period post-2007 and the effects of the recession had a significant impact upon our industry, as it did with many.

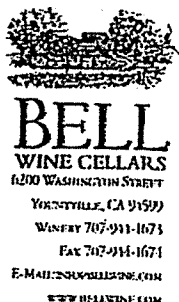
- ~ Marginal companies went out of business, be they distributors, retailers or restaurants.
- ~ The number of distributors, already limited, became even fewer, either through attrition or merger;
- ~ Small distributors, while available to represent brands are cash flow challenged, and receiving prompt payment is often difficult;
- ~ Large drinks companies became even larger, acquiring brands or adding new items, and their influence over distributor operations increased significantly, to the extent today that distributors have divisions representing single drinks companies – in effect giving the drinks company their own national sales force within the three tier system;
- ~ New products and line extensions increased, adding further pressure to an already burdened distributor sales force;
- ~ Large retail “box stores” increased in number, and have placed the small independent retailer under pressure, with many going out of business; and
- ~ Independent restaurants have reduced in number, or become assimilated into the larger restaurant chains.

I feel that in many ways the demise of the independents, be they retail or restaurant, is an even bigger challenge to the small winery as they represent the account base that can properly represent small, artisanal brands that do not have the advertising dollars or national sales force to push/pull the wine through the market. We, as a winery, have built our wholesale business on the independent sector.

Each of these factors, either individually or in sum, have reduced the market opportunity for small wineries in the three tier system – fewer distributors, fewer independent retail stores with less shelf space, fewer independent restaurants with increased competition for wine list placement or by-the-glass offerings. At the same time the number of wineries in the market, and the number of items for sale has increased, making the market extremely cluttered. As distributors have become a de facto national sales force for the large drinks companies, and for obvious business reasons need to devote considerable time and attention to these companies, they have become in many ways fulfillment agencies for small wineries. This in turn requires winery personnel to travel into the market and help the distributor sell their wine (essentially do their work for them) – a very costly endeavor for a small winery.

In 2010 our winery was one of those selected for the Annual Winery Audit. We were found to be in compliance with our approved production and visitation levels. In the preparation of the data for the audit it became very evident that (a) our marketing plan, written in 1992 (7 years prior to us purchasing the property) was hopelessly outdated and did not reflect the evolving nature of the wine business in 2010; and (b) as we changed our business model to adapt to the changes in the three tier system our winery visitation would increase and the marketing plan would need to be modified.

In 2012 we retained counsel to help prepare a modified use permit application and in February 2013 filed our initial application. Unfortunately it has taken us over three years to reach the public hearing



process. As we have slowly worked and re-worked our application, and, in recent months become subject to a very high level of scrutiny (which I believe is appropriate as it has resulted in a very carefully prepared, supported and vetted application) our visitation has grown beyond that covered by the 1992 marketing plan. From a compliance standpoint, our application needs to address maximum visitation levels. However actual visitation differs considerably from the peak levels requested. During season (May through October) our present visitation is not substantially different from that being requested. Off-season, our visitation remains substantially below that being requested. If one were to look at on- and off-season visitation combined, our annual guest traffic would be substantially lower than the 21,840 guests referred to in the staff report.

With respect to events, we consider these to be more appropriately named educational tastings for groups. During the 36 years I have worked in Napa, I have been involved in a number of initiatives that have impacted our industry. I wrote the original petition to create the Carneros AVA, and subsequently collaborated to create the Rutherford and Oakville AVA's; implemented one of the first grower relations programs in Napa; and worked to define wines in terms of where they are grown. Every bottle of wine produced by Bell is numbered, and our back label provides the customer with all the information pertaining to the wine – from date of harvest to type of barrels used for aging. Complete transparency – an attempt to give our wines a sense of place. I undertook the pioneering Cabernet sauvignon Clonal Trials at BV in 1980 that not only created an increased awareness for different clones in grapevines, but resulted in the planting of Clone 6 Cabernet in Rutherford in 1985 – a clone imported in the 1850's and abandoned in the early 1900's. When guests come to our winery the visit includes a vineyard, crush pad, and barrel room tour – interwoven with the story of Napa Valley and my interesting journey in the wine industry. We are a working winery and guests walk around us in the cellar as they tour; they taste wine amongst our tanks and barrels, and are able to watch us work from very close quarters, allowing them to ask questions about the process they are observing or questions in general. Our goal being to have our customers learn as much as possible about how wines are made, and what makes each wine special. We have become known for providing a rich educational experience, particularly with respect to Cabernet sauvignon clones. We feel this is an excellent way to build awareness for our brand, the Napa Valley and to teach people about grape growing and wine making.

I appreciate your consideration of our request and appreciate the opportunity to present my thoughts on the financial sustainability of a small wine business.

Respectfully submitted,

Anthony A. Bell
Proprietor and Winemaker

encl: Back label examples

cc: Scott Greenwood-Meinert, DPF

G:\Bell Shared\Bell Wine Cellars\Bell Correspondence\Napa County Planning Commission Letter 3-28-15.docx



Back Label Examples

WINEMAKER ANTHONY BELL PURSUES HIS PASSION FOR SPOTLIGHTING CABERNET CLONES BY CRAFTING SINGLE-VINEYARD, SINGLE-CLONE WINES DISPLAYING THE SUBTLE QUALITIES THAT MAKE THE CABERNET SAUVIGNON VARIETAL SO EXTRAORDINARY IN BOTH THE WINEY AND THE GLASS.

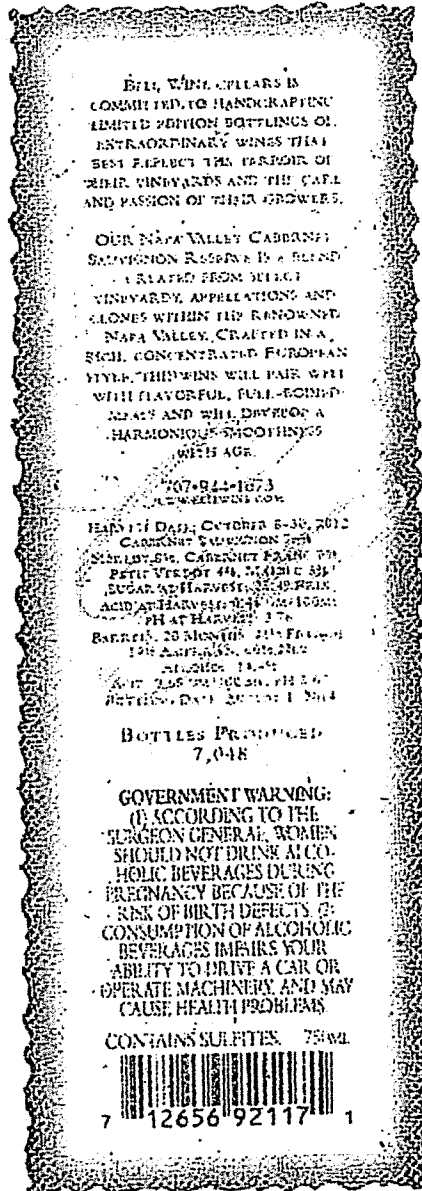
THE CLONE 6 IS A CABERNET SAUVIGNON SELECTION KNOWN FOR ITS STRONG FLAVOR PROFILE AND SMALL FRUIT PRODUCTION. THIS PLANT IS NOT HEAT-TREATED AND WAS IMPORTED IN THE LATE 1800'S, PRIOR TO PHYLLONERA. SMALL BERRIES PRODUCE EXCEPTIONAL COLOR AND STRUCTURE, WITH FIRM TANNINS.

707.944.1673
WWW.BELLWINE.COM

HARVEST DATE: OCTOBER 29 - 30, 2012
VARIETAL COMPOSITION:
CABERNET SAUVIGNON
CLONE 6, RUTHERFORD
SUGAR AT HARVEST: 25.9° BRIX
ACID AT HARVEST: 0.46 GM/100ML
PH AT HARVEST: 3.80
BARRELS: 19 MONTHS,
98% FRENCH OAK, 2% AMERICAN, 96% NEW
ALCOHOL: 14.3%
ACID: 0.66 GM/100ML - PH: 3.72
BOTTLING DATE: AUGUST 1, 2014
6,545 BOTTLES PRODUCED

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

CONTAINS SULFITES • 750ML



Fuller, Lashun

From: Balcher, Wyntress
Sent: Tuesday, March 31, 2015 12:29 PM
To: Frost, Melissa; Fuller, Lashun
Subject: FW: Bell - UP Major Mod - #P13-00055 Supplemental Information
Attachments: County-Bell Ltr.pdf; County-DPF Ltr.pdf

Attached are letters to be forwarded to the Commission

From: Scott Greenwood-Meinert [<mailto:scottgm@dpf-law.com>]
Sent: Tuesday, March 31, 2015 11:15 AM
To: Matt Pope; Heather Phillips; Anne Cottrell; tkscottco@aol.com; napacommissioner@yahoo.com
Cc: McDowell, John; Balcher, Wyntress
Subject: Bell - UP Major Mod - #P13-00055 Supplemental Information

Dear Commissioners and Ms. Balcher and Mr. McDowell;

After reviewing the staff report for Bell Wine Cellars' application and visiting with some of you out at the winery over the last few days, Mr. Bell and I felt it best to provide you all with more information about Bell Wine Cellars, its practices and its plans for marketing. Please review the letters attached at your convenience and we will be prepared to discuss marketing further with you tomorrow morning.

Thank you for time and consideration.

SCOTT GREENWOOD-MEINERT
707.252.7122 | SCOTTGM@DPF-LAW.COM

From: Barbara Barrera
Sent: Tuesday, March 31, 2015 9:55 AM
To: Scott Greenwood-Meinert
Subject: Bell - UP Major Mod - #P13-00055

BARBARA BARRERA
ASSISTANT TO TOM ADAMS,
SCOTT GREENWOOD-MEINERT,
JOHN TRINIDAD AND JEFFREY T. DODD
DICKENSON, PEATMAN & FOGARTY
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For current wine law news, visit www.lexvini.com

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From: Barbara Barrera
Sent: Tuesday, March 31, 2015 9:53 AM
To: Barbara Barrera
Subject: Scanned Document

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Balcher, Wyntress

APR 01 2015

From: Bill Hocker <bill@wmhocker.org>
 Sent: Tuesday, March 31, 2015 5:22 PM
 To: Heather Phillips; napacommissioner@yahoo.com; anne.cottrell@lucene.com; tkscottco@aol.com; mattpope384@gmail.com
 Cc: McDowell, John; Balcher, Wyntress
 Subject: Bell Cellars Winery Use Permit Major Modification #P13-00055

Agenda Item # 9A

Planning Commissioners

Doesn't this project again raise the grape sourcing question? A 50% increase in capacity. Is that the standard? Where is the 50% increase in the grape crop? I hope that a temporary contract to buy grapes out from under someone else is not the justification for a permanent increase in capacity.

And then there is the tourism. 50% to 600% (depending on paragraph) increase in tours & tastings that can now be lunch. 1300% increase in marketing that can be lunch and dinner (only 14 parking spaces?). New commercial kitchen, hospitality employees, water system, wastewater system, no restriction on busses, film festival, music events. Over 30,000 visitors/yr This is yet another poster child for the transition from an agricultural to a tourism economy.

Half of the wineries on the staff size-comparable winery list are under 5000 visitors/year - 15% of this request. 84% of the wineries on the list have less than half the visitors proposed here. 12% of the wineries have no visitors. Are they all going broke?

It is probably true that you can't continue to increase the number of small and inefficient wineries and expect them all to make a profit producing wine. So what is the answer? So far it has been to let them sell food and event tickets. But there is still no guarantee of profitability as every winery begins to sell food and tickets. And, as we are all sensing, there are long term impacts for agriculture (and for the character of the county) as the land and water resources available become co-opted for ever expanding tourism uses, the tourism workforce and the urbanization necessary to accommodate them.

Perhaps it is time to take a different approach: if a winery can't make a profit producing wine then perhaps some encouragement is needed to replace it with low-impact vines, which do seem to be a profitable enterprise, and that will serve the real long term interests of the wine industry and of the citizens that see this place as something special to be preserved.

Bill Hocker
 3460 Soda Canyon Road