

Exhibit A

FINDINGS

**Stag's Leap Wine Cellars
Use Permit Major Modification № P13-00356 and Variance № P13-00357
5766 Silverado Trail, Napa, C^{alif.}, 94558
Assessor's Parcel №. 039-030-038**

ENVIRONMENTAL DETERMINATION:

The Planning Commission (Commission) has received and reviewed the proposed Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and makes the following findings. That:

1. Prior to taking action on the Negative Declaration and the proposed project, the Commission read and considered said Declaration.
2. The Negative Declaration is based on independent judgment exercised by the Commission.
3. The Negative Declaration was prepared and considered in accordance with the requirements of the California Environmental Quality Act.
4. There is no substantial evidence in the record as a whole, that the project will have a significant effect on the environment.
5. There is no evidence, in considering the record as a whole that the proposed project will have a potential adverse effect on wildlife resources, or habitat upon which wildlife depends.
6. The Secretary of the Commission is the custodian of the records of the proceedings on which this decision is based. Records are located at the Napa County Planning, Building, and Environmental Services Department, 1195 Third Street, Second Floor, Napa, Calif.

VARIANCE

The Commission has reviewed the variance request in accordance with the requirements of the Napa County Code §18.128.060 and makes the following findings:

7. 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.

8. 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 site is an existing operational winery that was originally constructed prior to the adoption of the 600 foot setback requirement. The proposal herein is to demolish two existing production buildings and replace them with two slightly larger production buildings. The proposed location of the new building is within the previously disturbed footprint of the existing buildings. As a result of the winery's previous development, an alternate location outside the setback would result in additional grading, impervious surface, a new creek crossing across Chase Creek to access the buildings, and approximately one acre of vineyard removal. Additionally, the winery's operational needs for storage of the barrels and fermenting them need to take place amongst the existing infrastructure and caves, requiring the new production buildings to be located where the existing buildings are located. The existing buildings cannot be appropriately modernized to accommodate new technologies in the business operations and thus a replacement of the buildings is needed. The location of the buildings in the footprint of the existing buildings would have the least environmental impact on the property. 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." Approval of the variance would preserve existing agricultural uses and place the winery's production building in a more suitable location. Additionally, the intention behind the 600 foot setback was for aesthetic reasons and not safety or public health concerns. In this instance, the location of the two production buildings in the existing footprint would meet the intent of the setback, if not the language, as the buildings are visually screened from Silverado Trail by existing mature vegetation. In contrast, placing these buildings outside the 600 foot setback would increase the buildings visibility to northbound traffic on Silverado Trail.

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

Analysis: The property is located within the Agricultural Preserve and Agricultural Watershed zoning districts in which wineries are permitted upon approval of a use permit. As a result of the winery's previous development pattern, an alternate location outside the 600 foot setback would require additional grading, impervious surface, a new creek crossing, and vineyard removal. Additionally, the winery's operational needs require the new production buildings to be located where the existing buildings are located. The existing production buildings cannot be appropriately modernized to accommodate new technologies in the business operations and thus a replacement of the buildings is needed. The location of the buildings in the footprint of the existing buildings would have the least environmental impact on the property. 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 vineyards and Chase Creek that limit the opportunity to construct outside the 600 foot setback.

10. 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 adversely impact the public health, safety, or welfare of the County of Napa. Construction of the new buildings 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.

11. 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.

12. 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 9.70 AF/YR. Existing water use for residential purposes is 1.00 AF/YR and will remain the same with the proposed project. Current water use for the vineyard is 0.0 AF/YR, as the vineyards are irrigated with recycled water from the City of Yountville. The winery as part of the proposed project is expected to use 8.70 AF/YR. Landscaping currently utilizes 0.0 AF/YR and will remain the same as landscaping is irrigated via the wastewater ponds. There is a modest decrease in water use as a result of the project from 8.63 AF/YR to 8.60 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.

13. 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 Yountville. 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 Yountville 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:

14. 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) and AP (Agricultural Preserve) zoning district regulations. A winery (as defined in Napa County Code §18.08.640) and uses in connection with a winery (see Napa County Code § 18.16.030 and 18.20.030) are permitted in an AW and AP-zoned districts 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.

15. 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 noticed and public hearing requirements have been met. The hearing notice was posted and notice of the Negative Declaration were posted on April 15, 2015, copies of the notice were forwarded to property owners within 1000 feet of the Property. The CEQA public comment period ran from April 16, 2015 to close of business on May 5, 2015.

16. 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.

17. 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 Resource (AR) on the County’s adopted General Plan Land Use Map. This project is comprised of demolishing two production buildings totaling 8,514 square feet to be replaced by two new buildings totaling 10,966 square feet in size; modify the existing Marketing Plan of 150 annual events to allow 10 annual Tastings with Lunch for up to 80 persons, 40 annual Tastings with Lunch for up to 40 persons, 6 annual Tastings with Dinner for up to 100 persons, 20 annual Tastings with Dinner for up to 80 persons, 25 annual Tastings with Dinner for up to 35 persons; 50 Food and Wine Pairing seminars for up to 25 persons; two large private events with 250 persons, and participation in Auction Napa Valley; a new access driveway to the two new production buildings; restriping of existing parking area and addition of 13 parking spaces; upgrades to existing wastewater systems including reserve area; a new 738 sq. ft. covered fruit sorting and staging areas loading and staging areas; a new 682 square foot covered deck; and grading work resulting in removal of approximately 500 cubic yards of soils to be deposited off site.

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 **№ 13**, 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.

18. 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 40.22 acre subject hillside-area property has a current water use of 9.63 AF/YR and as a result of the proposed project would increase to 9.60 AF/YR. The decrease 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.