

EXHIBIT A - FINDINGS

PLANNING COMMISSION HEARING – SEPTEMBER 16, 2015

**Materra, Cunat Premium Vineyards
Use Permit Major Modification, P15-00071 – MOD
4326 Big Ranch Road
Assessor's Parcel No. 036-160-003**

ENVIRONMENTAL:

On January 7, 2009, the Planning Commission adopted a Mitigated Negative Declaration (MND) for the Materra Winery (Use Permit No. P08-00428 – UP). The initial study (IS) that informed the MND analyzed the potential environmental impacts of the then-proposed Materra Winery and identified a potentially significant impact in the area of Traffic and Transportation. With adoption of the MND, the Commission adopted a mitigation measure that required re-alignment of the winery access driveway from Big Ranch Road so as not to create unsafe vehicular traffic movements at the intersection of Big Ranch Road with Oak Knoll Avenue. The applicant has complied with this mitigation measure with the recently-built winery site improvements. Potential impacts in all other areas discussed in the initial study were found to be less than significant.

The proposed Major Modification to increase permitted annual wine production is a change in the scope of the project as described in the 2009 IS/MND. The Planning Commission has received and reviewed the Subsequent Initial Study for the Major Modification request, pursuant to the provisions of the California Environmental Quality Act (CEQA) and Napa County's Local Procedures for Implementing CEQA, and finds that:

1. The Planning Commission has read and considered the Subsequent Initial Study, as well as any comments received thereon, prior to taking action on the statement of Subsequent Negative Declaration and the proposed project.
2. The Subsequent Negative Declaration is based on independent judgment exercised by the Planning Commission.
3. The Subsequent Initial Study and Subsequent Negative Declaration were 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 the wildlife depends.
6. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5 and is not within the boundaries of any airport land use plan.
7. The Secretary of the Planning Commission is the custodian of the records of the proceedings on which this decision is based. The records are located at the Napa County

Planning, Building & Environmental Services Department, 1195 Third Street, Room 210, Napa, California.

USE PERMIT:

The Commission has reviewed the use permit request in accordance with the requirements of the Napa County Code Section 18.124.070 and makes the following findings:

8. The Commission has the power to issue the Use Permit under the Zoning Regulations in effect as applied to property.

Analysis: The winery is located on property located in the AP (Agricultural Preserve) District. Wineries in the AP District require Planning Commission approval of a conditional use permit; likewise, amendments and modifications to approved use permits to increase production capacity require Planning Commission approval (Napa County Code Sections 18.16.030 and 18.104.250.A.4). With the exception of the addition of a new, 2,000-gallon underground septic tank behind the production building, no physical changes to the property are proposed. There is no companion action, necessary for the requested Use Permit Major Modification, that would require action by the Board of Supervisors.

9. The procedural requirements for a Use Permit set forth in Chapter 18.124 of the Napa County Code (zoning regulations) have been met.

Analysis: The Use Permit Major Modification application has been appropriately filed, and notice and public hearing requirements have been met. The notice of public hearing and intent to adopt a Subsequent Negative Declaration to the 2009 IS/MND were published in the Napa Valley Register and posted with the Napa County Clerk on August 26, 2015, and copies of the notice were mailed via first class mail to owners of property within 1,000 feet of the subject parcel, as well as other interested parties. The public comment period ran from August 27, 2015, through September 15, 2015.

10. The grant of the Use Permit, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: Granting the Major Modification to the Use Permit as proposed and conditioned will not affect the health, safety or welfare of the County. Various County divisions and departments have reviewed the project and commented regarding waste disposal and water demands. Conditions are recommended which will incorporate these comments into the project to assure the protection of the public health, safety, and welfare.

11. 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.

Analysis: Compliance with the Zoning Ordinance

The proposed use is consistent with the regulations of the AP District in which the property is located. Wineries are conditionally permitted uses in the AP District (Napa County Code Section 18.16.030), and the existing site improvements currently comply with the development regulations of the AP District, including the minimum 600-foot road setback for winery buildings, 35-foot maximum building height, and maximum 12.5 percent lot coverage standards as prescribed in County Code Sections 18.104.010, 18.104.220 and 18.104.230.

Installation of a new, 2,000-gallon septic tank would be necessary to accommodate the proposed production increase but would be below ground surface and would also occur outside of any required setbacks.

Analysis: Consistency with the General Plan

As proposed and as conditioned, the requested Major Modification is consistent with the overall goals and objectives of the General Plan (2008). The General Plan land use designation for the subject parcel is Agricultural Resource.

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 Goal AG/LU-3 states that 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.” Goal AG/LU-3 and Policy AG/LU-2 recognize wineries as agricultural uses.

The approved use of the property for fermenting and processing of grape juice into wine, as well as the requested increase in the production of wine, supports the economic viability of agriculture within the County, consistent with Goal AG/LU-3 and Policy AG/LU-4 (“The County will reserve agricultural lands for agricultural use including land used for grazing and watershed/open space...”) By allowing the existing permitted winery to increase its annual production in anticipation of a projected increase in on-site fruit yield, the proposed Major Modification supports the economic viability of both the vineyard and agricultural product processing uses on the property, consistent with Economic Development Goal E-1 and Policy E-1.

The “Right to Farm” is recognized throughout the General Plan and is specifically called out in Policy AG/LU-15 and in the County Code. “Right to Farm” provisions ensure that agriculture remains the primary land use in Napa County and is not threatened by potentially competing uses or neighbor complaints. Napa County’s adopted General Plan reinforces the County’s long-standing commitment to agricultural preservation, urban centered growth, and resource conservation.

The project is also consistent with General Plan Conservation Policy CON-53 and CON-55, which require that applicants, who are seeking discretionary land use approvals, prove that adequate water supplies are available to serve the proposed use without causing significant negative impacts to shared groundwater resources. The applicant submitted with the modification request a water availability analysis (WAA) prepared in accordance with the County’s adopted WAA Guidelines (May 2015). The WAA estimates demonstrated that the requested increase in production, though it would increase water demand of the winery, would not generate a need for more than one acre-foot of well water per parcel-acre per year. Thus, the proposed modification is consistent with General Plan Goals CON-10 and CON-11, as well as the policies mentioned above that support reservation and sustainable use of groundwater for agricultural and related purposes. Greenhouse gas reduction measures specified by the project applicant also indicate intent to recycle 75 percent of all waste, including food and garden material, consistent with General Plan policy (Policy CON-87) to reduce solid waste throughout the County. (The specifically-identified goals and policies with which the proposed Major Modification is consistent are listed at the conclusion of these findings).

12. That the proposed use would not require a new water system or improvement causing significant adverse effects, either individually or cumulatively, on an affected groundwater basin in Napa County, unless that use would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Sections 13.15.070 or 13.15.080 of the County Code.

Analysis: The property is not located in any groundwater deficient area defined by Napa County Code Title 13, Map 13-1. No new water system would need to be installed to serve the winery. Concurrently with the submittal of the use permit modification application, the applicant's engineer submitted an estimate of water use associated with the production increase. The report was prepared in accordance with current Napa County Water Availability Analysis Guidelines (May 2015) and indicated that with the proposed increased production, estimated water use at the site would be 40.51 acre-feet per year (an increase of 1.73 acre-feet for the increase in production and adjustment in vineyard irrigation), and would be within the maximum 50 acre-feet per year (one acre-foot per acre on the property) that the County has established as a sustainable level of water use. It is further noted that the 40.51 acre-feet per year does not account for reductions in groundwater draws as a result of 76.5 acre-feet per year that the property owner is licensed to draw from the Napa River (California State Water Resources Control Board, Division of Water Rights, License 11513, Amended September 2008), and so, it is considered a conservative estimate of water use associated with the proposed modification.

Applicable Napa County General Plan goals and policies:

- Goal AG/LU-1: Preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County.
- Goal AG/LU-3: Support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.
- Policy AG/LU-2: “Agriculture” is defined as the raising of crops, trees, and livestock; the production and processing of agricultural products; and related marketing, sales and other accessory uses. Agriculture also includes farm management businesses and farm worker housing.
- Policy AG/LU-4: The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/open space, except for those lands which are shown on the Land Use Map as planned for urban development.
- Policy AG/LU-8: The County’s minimum agricultural parcel sizes shall ensure that agricultural areas can be maintained as economic units.
- Policy AG/LU-15: The County affirms and shall protect the right of agricultural operators in designated agricultural areas to commence and continue their agricultural practices (a “right to farm”), even though established urban uses in the general area may foster complaints against those agricultural practices. The “right to farm” shall encompass the processing of agricultural products and other activities inherent in the definition of agriculture provided in Policy AG/LU-2.
- Goal CON-10: Conserve, enhance and manage water resources on a sustainable basis to attempt to ensure that sufficient amounts of water will be available for the uses allowed by this General Plan, for the natural environment, and for future generations.
- Goal CON-11: Prioritize the use of available groundwater for agricultural and rural residential uses rather than for urbanized areas and ensure that land use decisions recognize the long-term availability and value of water resources in Napa County.
- Policy CON-53: The County shall ensure that the intensity and timing of new development are consistent with the capacity of water supplies and protect groundwater and other water supplies by requiring all applicants for discretionary projects to demonstrate the availability of an adequate water supply prior to approval. Depending on the site location and the specific circumstances, adequate demonstration of availability may include evidence or calculation of groundwater availability via an appropriate hydrogeologic analysis or may be satisfied by compliance with County Code “fair-share” provisions or applicable State law. In some areas, evidence may be provided through coordination with applicable municipalities and public and private water purveyors to verify water supply sufficiency.

Policy CON-55: The County shall consider existing water uses during the review of new water uses associated with discretionary projects, and where hydrogeologic studies have shown that the new water uses will cause significant adverse well interference or substantial reductions in groundwater discharge to surface waters that would alter critical flows to sustain riparian habitat and fisheries or exacerbate conditions of overdraft, the County shall curtail those new or expanded water uses.

Policy CON-81: The County shall require dust control measures to be applied to construction projects consistent with measures recommended for use by the BAAQMD [Bay Area Air Quality Management District].

Policy CON-87: The County shall promote solid waste source reduction, reuse, recycling, composting and environmentally-safe transformation of waste. The County shall seek to comply with the requirements of AB [Assembly Bill] 939 with regard to meeting state-mandated targets for reductions in the amount of solid waste generated in Napa County.

Goal E-1: Maintain and enhance the economic viability of agriculture.

Policy E-1: The County's economic development will focus on ensuring the continued viability of agriculture in Napa County.