

Exhibit A

BACKGROUND

**Araujo Estate Winery
Use Permit Modification and Road and Street Standards Exception № P12-00412
2155 Pickett Road, Calistoga, Calif. 94515
Assessor's Parcel № 020-340-030**

Owner: 2155 Pickett Road Partners

Applicant: Daphne and Bart Araujo, 707.942.6061, daphne@araujoestate.com

Representative (Planner): Donna B. Oldford, Plans4Wine, 707.963.5832, dboldford@aol.com

Zoning: AP (Agricultural Preserve) and AW (Agricultural Watershed)

General Plan Designation: AR (Agricultural Resource) and AWOS (Agriculture, Watershed, and Open Space)

Filed: November, 2012

Complete: June, 2013

Winery Size - Existing: +/- 8,800 s.f. plus +/- 9,700 s.f. of caves

Winery Size - Proposed: No Change

Production Capacity - Existing: 20,000 gallons per year

Production Capacity - Proposed: No Change

Visitation - Existing: By-appointment tours and tastings; 25 or fewer visitors weekly

Visitation - Proposed: By-appointment tours and tastings with food/wine pairings; 18 or fewer visitors daily (126 or fewer weekly)

Number of Employees - Existing: 3 FT and 2 PT

Number of Employees - Proposed: 12 FT and 2 PT

Hours of Visitation - Existing: 10 am to 4:00 pm, daily

Hours of Visitation - Proposed: 10 am to 6 pm, daily

Marketing - Existing: 24 five-person trade events, 12 24-person private promotional dinners, and two 80-person charity events annually.

Marketing - Proposed: Food and wine pairings with four 24-person events per month (but not exceeding 12 such events per calendar year), two 80-person events per year, one 125-person auction-related event per year, and participation in Auction Napa Valley.

Parking - Existing: +/- 10 spaces, most not formally marked

Parking - Proposed: One additional ADA-compliant space will be required by the County

Parcel Size(s) - Existing: 162 acres

Parcel Size - Proposed: No Change

Accessory/Production Ratio - Existing: 21% (40% allowed)

Accessory/Production Ratio - Proposed: No Change

Winery Coverage - Existing: Approx. 0.2 acres (15 acres max) and/or <1% of the lot area (25% max)

Winery Coverage - Proposed: No Change

Winery Property Line Setbacks - Existing: Conforming

Winery Property Line Setbacks - Proposed: No Change

Winery Road Setbacks - Existing: +/- 650' (300' required)

Winery Road Setbacks - Proposed: No Change

Adjacent General Plan Designation/ Zoning / Land Use

North

Agricultural Resource and Agriculture, Watershed, and Open Space General Plan designations – AP and AW zoning

Agricultural, residential, and open space uses on large lots; including a 22 acre vineyard/residential parcel (Frediani) and a 44 acre vineyard/residential parcel/open space parcel (Few and Far Between LLC).

South

Agricultural Resource and Agriculture, Watershed, and Open Space General Plan designations – AP and AW zoning

Agricultural, residential, and open space uses; including a 6 acre vineyard/residential parcel (Geeslin), a 12 acre winery/vineyard parcel (Venge Land Ventures LLC), and a 32 acre residential/open space parcel (Clark).

West

Agricultural Resource General Plan designation – AP zoning

Agricultural and residential uses; including a 44 acre vineyard/residential parcel (Kenefik), a 5 acre vineyard parcel (Frediani), a 1.5 acre vineyard/residential parcel (Baron), and a 1.2 acre vineyard/residential parcel (Merrill).

East

Agriculture, Watershed, and Open Space General Plan designation - AW zoning

Open space and public utility uses on large lots; including 40 acre and 117 acre open space parcels (Clover Flat Landfill Inc.).

Nearby Wineries (located within +/- 1 mile of the project)

Venge Vineyards~4708 Silverado Trail~Producing~20,000 gallons per year~By appointment

Pavitt Family Vineyards~4660 Silverado Trail ~Producing~10,000 gallons per year~By appointment

Cuvaizon~4550 Silverado Trail ~Producing~155,048 gallons per year~Open to the public

Pickett Road Wine Company~2343 Pickett Road ~Approved~12,000 gallons per year~ By appointment

Parcel History and Evolution of this Application

February, 1977

Then-owners Milton and Barbara Eisele enter into Williamson Act **Agricultural Contract #169/77**, limiting the non-agricultural use of the subject property.

August, 1977

The Eiseles successfully apply for a rezoning of a portion of the subject property as it then existed from AWR (Agriculture/Watershed/Recreation) to AP (Agricultural Preserve).

July, 1988

County Planner Jim Cool approves **Small Winery Exemption SW-28889**, allowing a 20,000 gallon per year winery on the property pending issuance of a building permit allowing the conversion of an existing barn on the property into a commercial winery building.

May, 1990

Daphne and Bart Araujo (as HOLOPONO Inc.) purchase the property from the Eiseles.

December, 1990

The Planning Director administratively approves **Modification to Small Winery Exemption Permit SW# 28889**, allowing substantial conceptual changes to the design and layout of the previously-approved small winery.

November, 1991

The Planning Commission approves **use permit U-91-13**, creating, “a use permit to govern a 20,000 gallon per year 1,400 sq. ft. winery approved as a ‘small winery exemption,’ adding a 7,000 sq. ft. wine storage cave, 2,291 sq. ft. of new winery construction, and conversion of a 1,243 sq. ft. barn to winery use (winery offices, staff kitchen, laboratory, tastings by appointment, and retail sales).”

February, 1992

The Zoning Administrator approves **certificate of legal nonconformity #CLN-91-132**, recognizing “a single story, 903 square foot caretaker’s dwelling unit” located on the subject property.

August, 1993

The Zoning Administrator approves **use permit minor modification #93049-MOD**, allowing the construction of an 860 square foot underground wine cellar.

October, 2005

The Deputy Planning Director approves **use permit very minor modification № P05-0353**, which permitted the expansion of the winery facility, including new caves, wine production structures, and accessory improvements.

March, 2011

The Planning Director approves **use permit very minor modification № P05-0353**, allowing +/- 1,600 square feet of sundry winery expansions.

November, 2012 – Donna Oldford files this application (**Use Permit Modification and Road and Street Standards Exception № P12-00412**) on behalf of 2155 Pickett Road Partners, successors to HOLOPONO Inc.

January, 2013 – The Planning and Environmental Health Divisions formally determine application **№ P12-00412** to be incomplete and request additional information.

May & June, 2013 - The applicant team submits final supporting documentation, including an updated septic feasibility study and a traffic impact analysis. The application is deemed complete for processing.

June, 2013 - The Planning Division releases the project negative declaration for public comment and agendizes the requested use permit modification and Road and Street Standards exception for review by the Planning Commission at their July 17th, 2013 regular meeting. The negative declaration comment period runs from June 27, 2013 through July 16, 2013.

Code Compliance History

Having discussed the application with Enforcement staff, toured the property, and reviewed the Department's files, Planning Staff is not aware of any code compliance issues on the subject parcel.

Discussion Points

Setting

The project is proposed on a single 162 acre parcel, split zoned AP and AW, located on the east side of Pickett Road, just north of its intersection with Rosedale Road. As the crow flies, it is about ¼ mile east of the City of Calistoga. The property presently includes a +/-8,750 square foot winery approved to produce at up to 20,000 gallons per year, +/-10,000 square feet of caves, several barns and outbuildings, two residences, a guest cottage, two sports courts, several irrigation reservoirs, a one acre olive grove, and approximately 38 acres of producing vineyard. The property dips to as low as 370 feet in elevation along its Pickett Road frontage and then proceeds upslope into the eastern foothills of the Napa Valley, where a series of undeveloped ridgelines and hilltops reach as much as 870 feet in elevation. Simmons Canyon Creek crosses the lower portion of the parcel, running north-south, parallel to and approximately 250 feet east of Pickett Road. Vineyard areas adjacent to Simmons Canyon Creek are

located within the 100-year floodplain, though this project proposes no structural development in the inundation zone.

Land uses in the general vicinity of the project are a mix of residential uses, active vineyard operations on lots ranging (generally) from 5 to 50 acres, a few scattered wineries with production ranging from 10,000 to 20,000 gallons annually, and upslope open space. There are two wineries located within ½ mile of the project area, including Venge Vineyards (20,000 gallons per year) and Pavitt Family Vineyards (10,000 gallons per year). A cluster of residences near the corner of Rosedale and Pickett Roads includes approximately 10 single family homes on lots averaging slightly more than one acre in size; residential uses in the area are otherwise quite diffuse. The City of Calistoga and a number of its major resort hotels are located less than a mile to the west of the Araujo property; the Silver Rose Hotel is located on Rosedale Road, approximately ½ mile away from Araujo, and Solage Resort is located on the Silverado Trail about ¼ mile beyond that. The subject property is split zoned AP (Agricultural Preserve) and AW (Agricultural Watershed) and split General Plan designated AR (Agricultural Resource) and AWOS (Agriculture, Watershed, and Open Space).

Road and Street Standards Exception

This application proposes a relatively minor exception to the Road and Street Standards. The request would allow the conversion of the existing 12 foot wide winery driveway, which is nonconforming to the extent that it serves two-way traffic, into a one-way loop road. County Planning, Engineering, and Fire staff have all reviewed the requested Road and Street Standards exception and recommend approval as conditioned. Those interested in additional information should turn to Patrick Ryan's June 17, 2013 memo for the Engineering Services Division, "Re: Araujo Winery Road Modification" (attached).

Traffic Impacts

The site is located on Pickett Road, approximately ¼ mile north of its intersection with the Silverado Trail and ¼ mile east of the City of Calistoga. Pickett is a two-lane rural collector street with a width of approximately 20 feet in the vicinity of the existing Araujo driveway. There is no existing turn lane at the Silverado / Pickett intersection.

At staff's request, the applicant contracted with Omni-Means Engineering for a traffic study describing existing and proposed traffic conditions in the project vicinity, it provides the basis for the negative declaration's finding in the project would not have significant impacts on roadway function or safety either individually or cumulatively.

The submitted study states that the existing function of the parcel's driveway intersection with Pickett Road is at "level of service" (LOS) A, while the Pickett Road/Silverado Trail intersection operates at LOS B. According to the study, the proposed winery would generate 47 daily trips on a typical weekday, 54 daily trips on a peak Saturday, and 55 typical daily trips during the eight week harvest season. At a 20% peaking rate, these traffic volumes would result in 15 trips during the typical weekday afternoon peak hour and 16 trips during the weekend peak hour. Those volumes would not alter existing levels of service at either the Pickett Road/Araujo driveway intersection or the intersection of Pickett Road and the Silverado Trail.

The submitted traffic study also analyzes foreseeable cumulative traffic conditions, including 2030 General Plan buildout models and recently approved projects such as the City of Calistoga's Silver Rose redevelopment. According to the study, under cumulative scenarios the project would either result in no change to the modeled 2030 level of service or, where the level of service would be impacted, the

project-derived traffic would account for less than 1% of the total flow and would not be cumulatively considerable.

Sight distances and the project's likely impacts on roadway safety were also evaluated in the Omni-Means traffic study. Quoting from that report;

Both the Araujo project driveway at Pickett Road and Pickett Road at Silverado Trail are located on primarily straight roadways with good sight distance. Field observations indicate the sight distance from Pickett Road at Silverado Trail is approximately 900-1,000 feet to the east and at least 1,000+ feet to the west, which would exceed the minimum Caltrans standards based on vehicle speeds of 49-55 mph. At the Araujo project driveway the sight distance to the north on Pickett Road is 1,000+ feet while sight distance to the south is approximately 600-700 feet. Both of these distances would exceed Caltrans standards based on vehicle speeds of 25 mph or less.

Greenhouse Gas Reduction Strategies

The applicant team has completed the Department's newly adopted Greenhouse Gas Emission BMP Checklist, which is attached to this report under **Greenhouse Gas Analysis**. Because this project proposes no structural development, many of the standard BMPs are not applicable. As noted in the project negative declaration, the applicants propose to incorporate employee carpool and alternative transportation incentives, several employees living on site, local food production, and use of 70/80% cover cropping.

Grape Sourcing

Araujo Estate Winery is a post-WDO facility, subject to Napa County "75% Rule" grape sourcing requirements for the entirety of its production. Virtually all of the winery's production is from estate grown fruit. Given the facility's limited size and the fact that this application does not propose to increase permitted production beyond the existing 20,000 gallon per year figure, staff foresees no problems complying with Winery Definition Ordinance grape sourcing requirements.

Visitation and Marketing

As noted under "Visitation" and "Marketing" at page 1, above, this application proposes an increase in both tours and tastings and marketing event above the very limited numbers which have historically characterized the Araujo operation. Tours and tastings visitation would remain by-appointment, increasing from a maximum of 25 visitors per week to a maximum of 18 per day. A tandem marketing plan is also proposed, including 12 24-person events per year, two 80-person events per year, and one 125-person auction-related event annually. The proposed marketing plan makes minor alterations to the program currently approved for the winery, but does not represent a substantial change in the extent or character of the existing marketing program. The noteworthy change requested here is the addition of up to 101 additional tours and tastings visitors weekly.

Staff has provided a table comparing marketing and tours and tastings visitation at similarly sized by-appointment wineries with approved marketing plans below. The table makes a series of general assumptions regarding marketing event visitation which cause it to be somewhat imprecise in specific cases, but it is useful and valid for purposes of broad-brush comparison. When marketing and tours and tastings visitation are combined, Araujo would have one of the larger (though certainly not the largest) visitation signatures. Given the winery's existing prominence within the high end wine market, it's focus on mailing list sales, and the high touch demands of the consumer base in the cult/boutique wine marketplace, staff does not find the numbers proposed here in any way excessive.

Winery	Approved Production	Tours & Tasting	Marketing (Ave/Week)	Tours and Tasting (Max/Week)	Total Visitation (/Week)
ABREU	20,000	By Appointment	30	10	40
BRAVANTE WINERY	20,000	By Appointment	6	10	16
BROMAN CELLARS	20,000	By Appointment	5	20	25
CARVER SUTRO	20,000	By Appointment	11	120	131
CHOW FAMILY	20,000	By Appointment	37	100	137
CHRISTINA	20,000	By Appointment	16	12	28
CLARK CLAUDON	20,000	By Appointment	5	8	13
COLGIN PARTNERS	20,000	By Appointment	5	25	30
CORISON WINERY	20,000	By Appointment	3	10	13
DEL DOTTO WINERY	20,000	By Appointment	10	50	60
FLYING HORSE	20,000	By Appointment	2	25	27
GARGIULO WINERY	20,000	By Appointment	12	40	52
GRAESER WINERY	20,000	By Appointment	5	60	65
GREENWOOD VINEYARDS	20,000	By Appointment	7	25	32
HOWELL AT THE MOON WINERY	20,000	By Appointment	4	10	14
HUDSON WINERY	20,000	By Appointment	3	25	28
HUNNICUTT WINERY	20,000	By Appointment	10	21	31
JERICO CANYON	20,000	By Appointment	4	15	19
KAPCSANDY WINERY	20,000	By Appointment	14	36	50
LAZY SUSAN	20,000	By Appointment	6	20	26
MANSFIELD WINERY	20,000	By Appointment	0	120	120
MARCIANO WINERY	20,000	By Appointment	7	75	82
MARSHALL VINEYARDS	20,000	By Appointment	11	40	51
PERATA WINERY	20,000	By Appointment	11	50	61
PUERTA DORADA	20,000	By Appointment	7	25	32
RELIC WINERY	20,000	By Appointment	7	50	57
REYNOLDS WINERY	20,000	By Appointment	2	70	72
ROSSINI WINERY	20,000	By Appointment	4	175	179
SAGE HILL	20,000	By Appointment	10	18	28
SCHWEIGER	20,000	By Appointment	2	10	12
TILLEY WINERY	20,000	By Appointment	12	13	25
T-VINE	20,000	By Appointment	3	5	8
VENGE VINEYARDS	20,000	By Appointment	8	140	148
WHITE COTTAGE RANCH WINERY	20,000	By Appointment	30	150	180
ARAUJO ESTATE	20,000	By Appointment	11	126	137

Note:

Marketing Ave/Wk numbers, and therefore also Total Visitation Ave/Wk number, are approximate.

Consistency with Standards

Zoning

The project is consistent with 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 § Section 18.16.030) are permitted in the AP district with an approved use permit. This application complies with the Winery Definition Ordinance and those other requirements of the Zoning Code as applicable.

Building Division Requirements

The Building Division has reviewed this application and has no comments.

Engineering Services Division Requirements

The Engineering Services Division recommends approval with conditions addressing ADA parking and driveway improvements. Please see their attached memo.

Environmental Health Division Requirements

The Environmental Health Division recommends approval with standard conditions. Please see their attached memo.

Fire Department Requirements

The Fire Marshal's office recommends approval with standard conditions. Please see their attached memo.

Public Works Requirements

The Department of Public Works recommends approval with standard conditions related to groundwater use.

Site Photos



Winery Entry Drive – Southern Leg



Winery Entry Drive – Northern Leg

Winery Campus

