

Exhibit B

FINDINGS

**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**

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. Considering the record as whole, there is no substantial evidence that the project will have a significant effect on the environment.
5. 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.

ROAD AND STREET STANDARDS EXCEPTION

The Commission has reviewed the requested Road and Street Standards exception request in accordance with § 3 of the County's adopted Road and Street Standards and makes the following findings. That:

6. The requested exception will preserve unique features of the natural environment including an adjacent blue line stream. As analyzed by Patrick Ryan of the Engineering Services Division in his June 17, 2013 memorandum, width reductions are therefore warranted. The approved exception protects watercourses.
7. The requested exception provides the same overall practical effect as the Standards towards providing defensible space, and consideration towards life, safety, and public welfare. The Commission's approval of an exception, as conditioned herein, will improve emergency vehicle access and general traffic flow along the subject access drive above existing conditions while protecting the vast majority of the unique features of the natural environment near the roadway including an adjacent blue line stream. The Project has been designed to comply with emergency access and response requirements and has been reviewed by the Napa County divisions and departments responsible for emergency services; it will not have a negative impact on the public

health, safety, or welfare.

USE PERMIT

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

8. 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 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) are permitted in an AP-zoned district subject to use permit approval. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990, *as amended*) and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code), as applicable.

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

The use permit application has been filed and noticing and public hearing requirements have been met. The hearing notice and notice of availability of the proposed negative declaration were posted on June 27, 2013 and copies of the notice were forwarded to property owners within 300 feet of the Property. The CEQA public comment period ran from June 27 through July 16, 2013.

10. 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, 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.

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.

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 project-area portion of the subject parcel is located on land designated Agricultural Reserve (AR) on the County's adopted General Plan Land Use Map. This project is comprised of an agricultural processing facility (winery), along with wine storage, marketing, and other WDO-compliant accessory uses as outlined in and limited by the approved project scope (see Exhibit C, Condition of Approval № 1 *et seq.*) These uses fall within the County's definition of agriculture and thereby preserve the use of agriculturally designated land for current and future agricultural purposes.

As approved here, the use of the property for the "fermenting and processing of grape juice into wine" (NCC §18.08.640) and for uses accessory thereto supports the economic viability of agriculture within the county consistent with General Plan **Agricultural Preservation and Land Use Policy AG/LU-4** ("The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/ open space...") and 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 **№ 12**, 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.

12. 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 *Phase One* water availability analysis, the 162.23 acre subject valley floor-area property has a water availability calculation of 162.23 acre feet per year (af/yr), which is arrived at by multiplying its 162.23 acre size by a 1 af/yr/acre fair share water use factor. According to the applicant, existing water usage on the parcel is approximately 25.65 af/yr, including 1.3 af/yr for residential uses, .6 af/yr for winery water use, 5 af/yr for landscape and orchard irrigation, and 18.75 af/yr for irrigation of established vineyards. No new water use is proposed hereby. Based on these figures, the project would be below the established threshold for groundwater use on the property. 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.