

Exhibit A

BACKGROUND

**Castelluci Family Winery
Use Permit Application N^o P13-00140 and Variance N^o P17-00074
3 Zinfandel Lane, St. Helena, Calif., 94574
Assessor's Parcel N^o. 025-160-006**

Owner/Applicant: Antonio Castelluci, 14 Pelican Pt. Road, Belvedere, CA 94920

Representative: Jon Webb, Albion Surveys, Inc., (707) 963-1217, 1113 Hunt Avenue, Saint Helena, CA 94574

Zoning: AP (Agricultural Preserve)

General Plan Designation: AR (Agriculture Resource)

Filed: May 1, 2013 Complete: February 22, 2014

Production Capacity - Existing: N/A

Production Capacity - Proposed: 30,000 gallons per year

Number of Employees - Existing: N/A

Number of Employees - Proposed: 10 or fewer employees

Visitation - Existing: N/A

Visitation - Proposed: Private tours and tastings; max of 50 visitors per day; max of 300 visitors per week

Hours of Operation - Existing: N/A

Hours of Operation - Proposed: 7 am to 6 pm, daily

Visitation Hours of - Existing: N/A

Visitation Hours - Proposed: 10 am to 4 pm, daily

Parking - Existing: N/A

Parking - Proposed: 10 spaces

Winery Coverage - Existing: N/A (25% max)

Winery Coverage - Proposed: Approx. 0.85 acres (15 acres max) and/or 4.4% of the 19.3 acre lot area (25% max)

Accessory Use – Existing: N/A

Accessory Use – Proposed: approximately 3,276 square feet.

Accessory to Production Ratio - proposed: 40% (accessory to production ratio is a WDO maximum of 40%)

Adjacent General Plan Designation/ Zoning / Land Use

North

Agriculture Resource General Plan designation - AP (Agricultural Preserve) zoning
Agricultural, residential, and a producing winery uses on large lots (Kent Rasmussen Winery, Heitz Winery, Joseph Phelps Vineyards)

South

Agriculture Resource General Plan designation - AP (Agricultural Preserve) zoning
Agricultural, residential, and producing winery uses on large lots (Kelham Winery, The Ranch Winery)

West

Agriculture Resource General Plan designation - AP (Agricultural Preserve) zoning
Agricultural, residential, and vineyards uses on large lots

East

Agriculture Resource General Plan designation - AP (Agricultural Preserve) zoning
Agricultural, residential, and approved winery uses on large lots (Hogue Winery, Mario Perelli Minetti)

Nearby Wineries (located within 1 mile of the project)

Kent Rasmussen Winery ~1001 Silverado Trail ~ Producing ~100,000 gallons per year~By appointment

Heitz Winery ~200 Taplin Road ~ Producing ~144,000 gallons per year~Public

Joseph Phelps Vineyards ~200 Taplin Road~ Producing ~420,000 gallons per year~By appointment

The Ranch Winery ~105 Zinfandel Lane ~ Producing ~5,250,000 gallons per year~ Public

Kelham Winery ~360 Zinfandel Lane ~ Producing ~75,000 gallons per year~ By appointment

Hogue Winery ~1450 Silverado Trail ~ Producing ~20,000 gallons per year~ By appointment

Mario Perelli Minetti ~1443 Silverado Trail ~ Producing ~20,000 gallons per year~ By appointment

Parcel History and Evolution of this Application

The site has been developed with vineyard rows for many decades along with a residence, barn, garage, cottage, several agricultural buildings, and a well. The application for a new winery and related construction was submitted on May 1, 2013. The application was complete February 7, 2014.

Code Compliance History

There are no open or pending code violations for the subject site.

Discussion Points

Setting- Castelluci Family Winery is located on a 19.3 acre parcel on the northwest corner of Silverado Trail and Zinfandel Lane. The proposed 30,000 gallons per year winery involves construction of new winery buildings totaling 12,376 square feet, including a covered crush pad, barrel storage, hospitality and tasting room, commercial kitchen, and office space; construction of a Transient Non-Community Water System; and construction of 10 parking spaces.

Land uses in the vicinity are a mix of large lot residential uses, active vineyard operations, and wineries with production ranging from 20,000 to 5,250,000 gallons annually. Residential uses in the project area are fairly sparse, with less than a dozen residences located within a mile of the Winery.

Proposed Building Design- A Variance is being requested for this property as the shape of the parcel would preclude development of a winery if the 600 foot setback was strictly enforced in this circumstance. The proposal herein is to construct two new winery buildings consisting of 12,375 square feet. There is no location on the site where a variance from this setback would not be necessary. The proposed location is at the end of an existing twenty foot wide driveway. Alternate locations would require further grading and vineyard removal. The proposed location of the buildings would have the least environmental impact on the property. There is nothing included in the variance proposal that would result in a measurable impact on the public health, safety, or welfare of the County of Napa. Construction of the new winery 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 winery buildings would be located approximately 160 feet from Silverado Trail and over 300 feet from Zinfandel Lane. The building architecture is similar to a barn and will have an overall height of thirty feet.

There is an existing residence and barn on the property which are not proposed to be used for the winery and will be conditioned to ensure are not used for any commercial purposes in the future (see Condition 2.c in Exhibit C). No Oak trees will need to be removed from the site for any new construction including the winery; approximately one acre of existing vineyard will need to be removed for the winery building.

Tours and Tastings/Marketing Events- The applicant is proposing tours and tastings by appointment only on a daily basis up to a maximum of 50 visitors per day from 10 AM to 4 PM daily; private promotional tastings with meals up to 12 per year with a maximum of 25 guests between the hours of 10 AM to 10 PM; marketing events up to three per year with a maximum of 60 guests between the hours of 10 AM to 10 PM; marketing events up to two per year with a maximum of 125 guests between the hours of 10 AM to 10 PM; and harvest events up to two per year with a maximum of 50 guests between the hours of 10 AM to 10 PM.

Staff has provided a table below comparing marketing and tours and tastings visitation at other wineries with annual production of 30,000 gallons per year. The proposed visitation program falls into the high end of the spectrum with regards to number of visitors and on the high end for events among its peer group of wineries with an approved production capacity of 30,000 gallons per year. The table also provides a comparison of winery building square footage for the wineries listed. As can be seen, Castelluci Family Winery's building square footage relative to its production capacity hits on the higher end of the spectrum at 12,376 square feet, with other wineries ranging in size from 2,000 square feet to almost 25,960 square feet.

Staff Report – 30K GPY Comparison Wineries					
Winery Name	Current Total Prod.	Tours & Tasting	Visitors(Ave/Wk)	Total Events/Yr	Building s.f.
ANTHEM WINERY AND VINEYARDS	30,000	NO	5	*	2,000
CADE WINERY	30,000	APPT	75	15	25,960
DAVID ARTHUR VINEYARDS	30,000	APPT	35	*	13,400
FONTANELLA WINERY	30,000	APPT	10	9	4,800
GOOSE CROSS CELLARS	30,000	APPT	350	14	2,504
HOURLASS WINERY	30,000	APPT	22	15	10,400
JUDD'S HILL WINERY	30,000	APPT	28	0	5,608

Staff Report – 30K GPY Comparison Wineries					
Winery Name	Current Total Prod.	Tours & Tasting	Visitors(Ave/Wk)	Total Events/Yr	Building s.f.
STAR VINEYARDS	30,000	APPT	20	0	2,800
PARADIGM WINERY	30,000	APPT	120	1	5,967
CONSENTINO WINERY	30,000	PUBLIC	350	15	11,809
CASTELLUCI FAMILY WINERY	30,000	APPT	300	19	12,376

* No Data - Attributed to older wineries with no marketing program proposed or approved.

Traffic- The winery traffic generated by the project was analyzed by Crane Transportation Group in the traffic study dated February 22, 2014 submitted with the application. Access to the winery is from Zinfandel Lane where the Level of Service is “F” as of the most recent county-wide traffic study. The traffic study which identifies that the proposed winery hours (10:00 am to 4:00 pm, Monday-Sunday for visitation and 7:00 am to 6:00 pm, Monday-Friday for production), the number of employees (10), the winery’s Tours/Tastings Plan (50 persons maximum per day), and the Marketing Plan with food catered at the winery (12-25 person private promotional tastings events per year, and seven Harvest and Marketing events) will contribute to 33 daily trips and 12 daily PM peak trips to Silverado Trail and Zinfandel Lane’s overall traffic.

Access to the site will be accommodated by a newly proposed left-turn lane on Zinfandel Lane which leads to a twenty-foot wide driveway leading to the winery. A Napa County Road and Streets Standards Exception is being requested to allow for a reduction in the required 600 feet lane transition leading up to the proposed left turn lane. The exception is needed due to the existing historic bridge over the Napa River west of the property which would be required to be widened in order to meet the 600 feet required transition lane. Due to the environmental impacts resulting from the widening of the bridge, as well as, the damage to its historic nature, staff is supportive of the exception request. There are no design features that will impact traffic on Silverado Trail or Zinfandel Lane. The Department of Public Works and the Engineering Services Division has reviewed project access, this Road and Streets Standards Exception, and recommends approval of the project as proposed. The Napa County Fire Marshall has reviewed this application and has identified no significant impacts related to emergency vehicle access provided that standard conditions of approval are incorporated. Project impacts related to traffic hazards and emergency access will be less than significant.

The Department of Public Works has reviewed the traffic study and application and recommends approval of the project on the basis that the traffic volumes are below the threshold that would impact Silverado Trail or Zinfandel Lane. There will be no residual individual or cumulatively significant traffic impacts associated with this project as regards traffic congestion and levels of service. The proposed 10 parking spaces would be sufficient to accommodate parking needs during normal business days for employees and visitors. Additional parking will be required during marketing events. As proposed, temporary event parking will be provided on-site via valet parking service. The applicant has sufficient space to accommodate some additional parking throughout the remainder of the property. No parking will be permitted within the right-of-way of Silverado Trail or Zinfandel Lane.

Grape Sourcing- The subject property contains approximately 15 acres of existing vineyards, with 14 acres available after construction. The grapes available from the estate would supply approximately 5,600 gallons annually. The applicant has also informed the County that they have ownership of other vineyard properties in the County which will be used as the an additional source for the wine produced to comply with the 75% Napa Valley grape source requirement.

Greenhouse Gases/Climate Action Plan- The County requires project applicants to consider methods to reduce Green House Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as part of the application materials. The applicant proposes to incorporate GHG reduction methods including: 1) limited grading of the site; 2) energy conserving lighting; 3) local food production; 4) and the education of staff and visitors regarding sustainability practices.

GHG Emission reductions from local programs and project level actions, such as application of the CalGreen Building Code, tightened vehicle fuel efficiency standards, and more project specific on-site programs including those winery features noted above would combine to reduce emissions. The proposed project would not conflict with or obstruct the implementation of any applicable air quality plan.

Groundwater – While the Draft Negative Declaration did not specifically address current climatic conditions, the County is cognizant of fluctuating environmental factors that could affect groundwater resources even in non-drought years as evident by the groundwater use condition of approval (see Condition 13.a in Exhibit C) that has been included on winery

approvals over the past 5 years since approximately 2009. This condition enables the County to collect additional data on the groundwater aquifer if it is determined that water usage at the winery is affecting, or would potentially affect groundwater supplies or nearby wells, due to changed circumstances or in light of significant new information provides substantial evidence that the groundwater system referenced in the permit would significantly affect the groundwater basin. This condition also allows the County to recommend additional reasonable conditions on the permittee as necessary (such as water use minimization through best available control technology, best water management conservation practices, and/or reduced groundwater extraction/use) to meet the requirements of the Napa County Groundwater Ordinance and protect public health, safety, and welfare.

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 is subject to and complies with all tenants of the Winery Definition Ordinance and all other requirements of the Zoning Code as applicable.

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

Fire Department Requirements - The Fire Marshal's office has reviewed this application and recommends approval with standard conditions. Please see their attached memo dated June 6, 2013.

Engineering Services Division Requirements - The Engineering Services Division has reviewed this application and recommends approval with standard conditions. Please see their attached memo dated September 3, 2013.

Environmental Health Division Requirements - The Environmental Health Division has reviewed this application and recommends approval with standard conditions. Please see their attached memo dated April 8, 2014.