

Exhibit B

FINDINGS

**Castelluci Family Winery
Use Permit Application № P13-00140 and Variance № P17-00074
3 Zinfandel Lane, St. Helena, Calif., 94574
Assessor's Parcel №. 025-160-006**

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.

VARIANCE

The Commission has reviewed the variance request in accordance with the requirements of the Napa County Code §18.124.060 and makes the following findings:

6. 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.

7. 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 proposal herein is to construct a new winery consisting of two buildings totaling 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 more vineyard removal. The location of the buildings would have the least environmental impact on the property. The slope of the property ranges from zero to 30% and the proposed location has a slope of two percent. Alternate locations further from Silverado trail would require removal of mature Oak trees, while the proposed location would not require any tree removal.

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

Analysis: The property is located within the Agricultural Preserve zoning district in which wineries are permitted upon approval of a use permit. The predominate portion of the site is located within the required 600 foot setback from Silverado Trail. Development of any type on this site would require some form of an exception or variance.

9. 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 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.

10. Grant of the variance will not adversely affect 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 0.80 AF/YR. Existing water use for residential purposes is 1.05AF/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 not irrigated with groundwater, but from the Napa River (State of California License # 448, Permit # 1216, Application # 2236). The Winery as part of the proposed project is expected to use 0.65 AF/YR. Landscaping currently utilizes 0.0 AF/YR and will increase to 0.15 AF/YR. Napa County has established a threshold of 19.3 AF/YR for this parcel which is calculated by applying a rate of 1.0 AF/YR multiplied by the acreage of the site; therefore the estimated water demand of 1.85 AF/YR is below the threshold established for the parcel. The increase of water is minimal and would not have an adverse affect on the groundwater basin .

ROAD EXCEPTION:

The Commission has reviewed the Road and Street Standards Exception request in accordance with the requirements with the County's Road and Street Standards Sections 3(D) and 3(E), and makes the following findings:

11. The exception will preserve unique features of the natural environment which includes, but is limited to, steep slopes, heritage oak trees, or other trees of at least 6" dbh and found by the decision-maker to be of significant importance, but does not include man made environmental features such as vineyards, rock walls, ornamental or decorative landscaping, fences or the like.

Analysis: A Napa County Road and Streets Standards exception is being requested to allow for a reduced 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. The Engineering Division has reviewed the request and has determined that the requested exception will preserve unique features in the natural environment such as steep slopes and vegetation in highly erodible landscapes.

12. Grant of the Road and Street standards exception will provide the same overall practical effect as the Standards do in providing defensible space, and does not adversely affect the life, safety, and welfare of the public or persons coming to the property.

Analysis: Approval of this exception as conditioned will comply with emergency access and response requirements. The exception has been reviewed by the Napa County departments and divisions responsible for emergency services and will not have negative impacts 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:

13. 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.

14. 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 March 26, 2014, copies of the notice were forwarded to property owners within 300 feet of the Property. The CEQA public comment period ran from March 26, 2014 through April 15, 2014.

15. 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.

16. 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 wine production up to 30,000 gallons per year; construction of new winery buildings totaling

12,376 square feet, including a covered crush pad, barrel storage, hospitality and tasting room, and office space and related improvements and accessory uses.

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 **No 17**, 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.

17. 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 combined 19.3 acre subject valley floor-area property has a water availability calculation of 19.3 acre feet per year (af/yr), which is arrived at by multiplying its 19.3 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 1.05 af/yr. The approval of winery and landscaping would use .80 af/yr with the vineyard using 7.5 af/yr (current and proposed groundwater use for the vineyard is 0.0 AF/YR as the vineyards are not irrigated with groundwater, but from the Napa River (State of California License # 448, Permit # 1216, Application # 2236) and result in total groundwater use of 1.85 af/yr, figures that are well below the fair share water use level. 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.