

**EXHIBIT A - FINDINGS
PLANNING COMMISSION HEARING – MARCH 4, 2015**

**KRUPP BROTHERS WINERY
USE PERMIT MAJOR MODIFICATION #P14-00176 & VARIANCE #P14-00195-VAR
3150 Silverado Trail, Napa, Calif., 94558
APN: 039-610-006**

ENVIRONMENTAL DETERMINATION:

The Planning Commission (Commission) has received and reviewed the proposed Subsequent Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and finds that:

1. The Planning Commission has read and considered the Subsequent Negative Declaration prior to taking action on said 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 Negative Declaration was prepared and considered in accordance with the requirements of the California Environmental Quality Act (CEQA).
4. The Secretary of the 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, and Environmental Services Department, 1195 Third Street, Room 210, Napa, California.
5. There is no substantial evidence in the record as a whole, that the project will have a significant effect on the environment.
6. 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.

VARIANCE REQUIRED FINDINGS:

The Commission has reviewed the above-described variance request and, in accordance with the requirements of Napa County Code Section 18.128.060, makes the following findings. That:

7. The procedural requirements set forth in Chapter 18.128 of the Napa County Code have been met.

Analysis: The variance application has been filed and notice and public hearing requirements have been met. The public hearing notice was posted on February 11, 2015 and copies were forwarded to property owners within 1000 feet of the subject parcel and all other interested parties. The CEQA public comment period ran from February 12, 2015 to March 3, 2015.

8. 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: County Code Section 18.104.230 requires a 600 foot setback for wineries located on Silverado Trail. A setback variance is being requested for this property because of the size and shape constraints on the parcel. The parcel has a depth of 745.46 feet on the north side and a depth of 563.95 feet on its south side, limiting the area wherein the required 600 foot winery setback could be accommodated. A winery 600 feet from the road can only be accommodated in the northeastern portion of the parcel. Approval was granted to establish the 50,000 winery on the parcel, adjacent to and within the existing residence on the northeastern portion of the property, in compliance with the 600 foot winery setback; however, the location requires construction of a wider, replacement bridge over Hardman Creek, which traverses the property from south to north near the eastern property line of the property. In addition, approval of a Conservation Regulation Exception was required to allow encroachment within the required setbacks from Hardman Creek (85 feet required; 38 feet approved). The proposed new winery location will avoid disturbing the creek, its riparian habitat, and the existing bridge.

The property is also bisected by the creek, with the eastern creek setback characterized as rather steep terrain. Many portions of the lower western reaches of the property are within the flood hazard zone; and a wetlands area exists on the southeastern portion of the property, resulting in a 35-foot protection setback requirement set by California Department of Fish and Wildlife. The southwesterly side of the parcel is located within the 100 year flood zone, further limiting the development area of the parcel.

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

Analysis: The property is located within the Agricultural Preserve (AP) district, which allows wineries, and accessory uses are permitted upon approval of a conditional use permit. As discussed in the above special circumstances finding, the approval of this variance from the 600' setback requirement from Silverado Trail will allow the applicant to avoid land disturbing activities on Hardman Creek, a blue-line stream. The proposed location of the winery building ± 220 feet from Silverado Trail is adjacent to a group of mature trees located along the property line between the project site and the home and barn on the adjacent parcel. These trees and those adjacent to Hardman Creek obstruct the scenic vista from Silverado Trail on this portion of the parcel, and the introduction of the winery building into this area will not further reduce the visibility of the hillside backdrop.

The topography, the parcel measurements, the creek and its riparian gallery and the wetland limit the available areas for the development of the winery. The proposed new location closer to Silverado Trail will result in a less environmental impact on the native landscape. The visibility of the structure will not stand out and will not degrade the vistas of the eastern hillsides due to the existing tall vegetation, and the incorporation of landscaping will provide a vegetative softening of the building's structural materials. Winery activities will occur at the rear of the building, away from the passing motorists.

10. Grant of the variance will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: The granting of the variance to the winery road setback (± 220 feet into the required 600 foot setback for Silverado Trail) will not adversely affect the health or safety of persons residing or working in the neighborhood of the property.

Various County departments have reviewed the Project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which will incorporate these comments into the Project to assure protection of public health and safety.

11. Grant of the variance in the case of other groundwater basins, or areas which do not overlay an identified groundwater basin, where grant of the variance cannot satisfy the criteria specified for approval or waiver of a groundwater permit under Section 13.15.070 or 13.15.080, substantial evidence has not been presented demonstrating that the grant of the variance might cause a significant adverse effect on any underlying groundwater basin or area which does not overlay an identified groundwater basin.

Analysis: The County requires all Use Permit and variance applicants to complete necessary water analyses in order to document that sufficient water supplies are available for the proposed project. On June 28, 2011 the Board of Supervisors approved creation of a Groundwater Resources Advisory Committee (GRAC).

Based on the GRAC recommendations, information provided by LSCE and the County's experience over the last 20 years, the Water Availability Analysis (WAA) has been updated. The WAA finds that the existing threshold of 1.0 acre foot per year (af/yr) is acceptable for parcels on the Napa Valley Floor. The subject property is located within Napa Valley Floor, Napa; where monitoring wells evaluated in the LSCE report indicated no record declining groundwater supplies. Based on the submitted "Water System Feasibility Study for a Regulated Water System" and the *Phase One* Water Availability Analysis document prepared by RSA (April 22, 2014), the 13.23 acre subject valley-area parcel has an Allowable Water Allotment of 13.23 acre feet per year (af/yr), which is arrived at by multiplying its 13.23 acre size by a one af/yr/acre fair share water use factor.

According to the study, the existing water usage on the parcel, residential and vineyard irrigation, is approximately 4.6 af/yr. The Krupps Brothers Winery is an approved 50,000 gallon winery, 10 employees, and maximum 124 daily visitors, annual marketing plan (105-24 person events; eight 75 person; two 125 person events) with total visitation and marketing events not to exceed the maximum 124 persons on-site daily visitation. The Phase One Water Availability Analysis document estimates that the total demand from relocated Winery is 4.83 af/yr.

There will be a reduction of approximately 2 acres of vineyard (resulting in 5.5 acres) for the construction of the winery and associated infrastructure. The water demand for the original proposal was 5.87 af/yr. Heat and frost protection is provided by an existing fan system. The report states that up to an additional 0.75 af of recycled process wastewater could be used for beneficial vineyard irrigation during summer, but that volume was not taken into account in the Phase One analysis, and therefore, the projected water usage is conservative and a reduction over the prior approval.

Based on these figures, the project would be well below the established 13.23 af/yr threshold for groundwater use on the property. 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. The subject property is not located in a "groundwater deficient area" as identified in Section 13.15.010 of the Napa County Code.

USE PERMIT MODIFICATION REQUIRED FINDINGS:

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. That:

12. The Commission has the power to issue a use permit under the zoning regulations in effect as applied to the property.

Analysis: The project is consistent with AP (Agricultural Preserve) zoning district regulations. A winery (as defined in Napa County Code Section 18.08.640) and uses in connection with a winery (see Napa County Code Section 18.16.030) are permitted in an AP zoned district with an approved use permit. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990) and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code) as applicable.

13. The procedural requirements for a use permit set forth in Chapter 18.124 of the Napa County Code (Use Permits) have been met.

Analysis: The use permit modification application has been filed, noticed and public hearing requirements have been met. The hearing notice was posted on February 11, 2015 and copies were forwarded to property owners within 1000 feet of the subject parcel and all other interested parties. The CEQA public comment period ran from February 12, 2015 to March 3, 2015.

14. The granting of the use permit modification, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: Various County departments have reviewed the project and commented regarding water, waste water disposal, traffic and access, and fire protection. Conditions are recommended which will incorporate these comments into the project to assure the ongoing protection of the public health and safety.

15. 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: The proposed modification 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) and the applicable provisions of the Napa County Zoning Ordinance (Title 18, Napa County Code).

This proposal is consistent with the *Napa County General Plan 2008*. 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 an agricultural processing facility (winery), along with wine storage, bottling, and other WDO-compliant accessory uses as outlined in and limited by the approved project scope. (See Exhibit 'B', Conditions of Approval.) 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.

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.”

As approved here, the use of the property for the “fermenting and processing of grape juice into wine” (NCC Section 18.08.640) 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...”). Policy AG/LU-8 also states, “The County’s minimum agricultural parcel sizes shall ensure that agricultural areas can be maintained as economic units and General Plan Economic Development Policy E-1 (The County’s economic development will focus on ensuring the continued viability of agriculture...). Approval of this project furthers these key goals.

The General Plan includes two complimentary policies requiring that new wineries, “...be designed to convey their permanence and attractiveness.” (General Plan Agricultural Preservation and Land Use Policy AG/LU-10 and General Plan Community Character Policy CC-2). The proposed winery, to the extent that it will be publicly visible, will convey permanence and attractiveness.

Agricultural Policy AG/LU-13 of the County General Plan recognizes wineries, and any use clearly accessory to a winery, as agriculture. The Land Use Standards of the General Plan Policy AG/LU-2 list the processing of agricultural products as one of the general uses recognized by the AR land use designations. The proposed project allows for the continuation of agriculture as a dominant land use within the county and is consistent with General Plan Agricultural Policy AG/LU-13.

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 the availability of adequate water supplies, which can be appropriated without significant negative impacts on shared groundwater resources. As analyzed below, the proposed winery will not interfere substantially with groundwater recharge based on the criteria established by Napa County Public Works Department.

Finally, 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. On balance, this project is consistent with the General Plan’s overall policy framework and with the Plan’s specific goals and policies.

16. The proposed modification use would not require a new water system or improvements causing significant adverse effects, either individually or cumulatively, on the 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 Napa County Code Section 13.15.070 or Section 13.15.080.

Analysis: The subject property is not located in a “groundwater deficient area” as identified in Section 13.15.010 of the Napa County Code. The County requires all Use Permit applicants to complete necessary water analyses in order to document that sufficient water supplies are available for the proposed project. On June 28, 2011 the Board of Supervisors approved creation of a Groundwater Resources Advisory Committee (GRAC). The GRAC’s purpose was to assist County staff and technical consultants with recommendations regarding groundwater, including data collection, monitoring, well pump test protocols, management objectives, and community support. Based on the GRAC recommendations, information provided by LSCE and the County’s experience over the last 20 years, the Water Availability Analysis (WAA) has been updated. The WAA finds that the existing threshold of 1.0 acre foot per year (af/yr) is acceptable for parcels on the Napa Valley Floor. The subject property is located within Napa Valley Floor, Napa; where monitoring wells evaluated in the LSCE report indicated no record declining groundwater supplies.

Based on the submitted “Water System Feasibility Study for a Regulated Water System” and the *Phase One* Water Availability Analysis document prepared by RSA (April 22, 2014), the 13.23 acre subject valley-area parcel has an Allowable Water Allotment of 13.23 acre feet per year (af/yr), which is arrived at by multiplying its 13.23 acre size by a one af/yr/acre fair share water use factor.

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There will be a reduction of approximately 2 acres of vineyard (resulting in 5.5 acres) for the construction of the winery and associated infrastructure. The water demand for the original proposal was 5.87 af/yr. Heat and frost protection is provided by an existing fan system. The report states that up to an additional 0.75 af of recycled process wastewater could be used for beneficial vineyard irrigation during summer, but that volume was not taken into account in the Phase One analysis, and therefore, the projected water usage is conservative.

Based on these figures, the project would be well below the established 13.23 af/yr threshold for groundwater use on the property. 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.