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Recommended Findings

**PLANNING COMMISSION HEARING – JUNE 2, 2021
RECOMMENDED FINDINGS**

**Materra Winery, Use Permit Major Modification Application No. P20-00184-MOD
4326 Big Ranch Road, Napa, California
Assessor's Parcel No. 036-160-003**

ENVIRONMENTAL:

The project is subject to the requirements of the California Environmental Quality Act ("CEQA," Public Resources Code Section 21000 *et seq.*) The Planning Commission has received and reviewed the Initial Study for the Use Permit Major Modification request, pursuant to the provisions of CEQA, the State CEQA Guidelines and Napa County's Local Procedures for Implementing CEQA, and finds that:

1. The Planning Commission has read and considered the Initial Study, as well as any comments received thereon, prior to taking action on the Negative Declaration and the proposed project.
2. The Negative Declaration is based on independent judgment exercised by the Planning Commission.
3. The Initial Study and Negative Declaration were prepared and considered in accordance with the requirements of CEQA.
4. There is no substantial evidence in the record as a whole that the proposed project will have a significant effect on the environment when made subject to compliance with standard conditions of Napa County land use permit approval.
5. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5 and is not within the boundaries of any airport land use compatibility plan.
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 that wildlife depends.
7. The Secretary of the Planning 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 & Environmental Services Department, 1195 Third Street, Second Floor, Napa, California.

USE PERMIT MAJOR MODIFICATION:

The Planning Commission has reviewed the Use Permit Major Modification request in accordance with the requirements of Napa County Code Section 18.124.070 and makes the following findings:

8. The Commission has the power to issue the Use Permit Major Modification under the Zoning Regulations in effect as applied to the property.

Analysis: The winery is located on property located in the AP (Agricultural Preserve) District. Wineries in the AP District require Planning Commission approval of a conditional use permit; likewise, amendments and modifications to an approved use permit to increase permitted wine production capacity, modify accessory to production ratio, expand tours and tastings, or change other terms of the approved use permit require Planning Commission approval (Napa County Code Sections 18.20.030 and 18.104.250.A.4.) There is no companion action necessary for the requested Use Permit Major Modification that requires action by the Board of Supervisors.

9. The procedural requirements for a Use Permit Major Modification set forth in Chapter 18.124 of the Napa County Code (Zoning – Use Permits) have been met.

Analysis: The application for a Use Permit Major Modification has been appropriately filed, and notice and public hearing requirements of Napa County Code Section 18.136.040 and CEQA Guidelines Section 15164 have been met. On or prior to May 12, 2021, notice of public hearing and intent to adopt a Negative Declaration for this project was published in the Napa Valley Register; posted with the Napa County Clerk; mailed via first class mail to owners of property within 1,000 feet of the subject parcel; and mailed via first class mail or electronic mail to the applicant and property owner, the owner's/applicant's representative, and other interested parties who had previously requested such notice. The CEQA public comment period ran from May 12 to June 1, 2021.

10. The grant of the Use Permit Major Modification, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: The proposed winery and related wine marketing activities will increase water demands by less than one (1) acre-foot per year, and the total estimated water use (42 acre-feet per year) will fall within the County's acceptable use threshold for groundwater use for properties on the Valley Floor, not exceeding one (1) acre-foot per parcel acre per year for the 50-acre site, and prior to accounting for groundwater demands that are reduced by already licensed drawing of water from the Napa River.

The project will increase visitor and employee vehicle trips to the site by up to seven (7) additional winery employees that currently do not work on the premises and as many as 16 additional visitors that currently do not come to the winery for tours and tastings. The estimated 83 daily trips anticipated under existing conditions plus the proposed project are under the Governor's Office of Planning and Research's suggested screening criterion of 110 new daily vehicle trips for which further analysis of potential impacts to vehicle miles traveled (VMT) should be performed. Thus, the proposed project would have a less than significant impact with respect to VMT, though the winery operator has nonetheless proposed to implement a transportation demand management (TDM) program to reduce winery vehicle trips by providing cash incentives for group transportation, flexible work options and shuttle services for some winery guests.

Off-site, transportation improvements proposed with the project include a left-turn lane on Big Ranch Road at the winery entrance, which will provide sheltered area for left-turning vehicles to wait outside the flow of traffic in the through lanes. Preliminary plans for construction of the left turn lane in that right-of-way also reflect an additional four (4) feet of pavement outside of the through travel lane. While not proposed to be striped as

a bicycle lane, this additional four (4) feet of pavement provides equivalent width to a bicycle lane for a collector street (see Napa County Road and Street Standards, Detail C-3) and is consistent with the currently-adopted Countywide Bicycle Plan identifying a Class 2 lane on the roadway. No improvements are proposed on Oak Knoll Avenue north of the project site, where current bicycle plan policy also indicates a proposed Class 2 lane, but where the eastbound lane adjacent to the project site abuts an open drainage ditch extending the length of the property line. Thus, while currently-adopted bicycle planning policy calls for a bicycle lane on this east-west roadway, construction of the lane could have negative hydrology and biological resources impacts. There are no sidewalks or transit services on Big Ranch Road or Oak Knoll Avenue near the project site.

The project includes continued use of on-site renewable energy achieved through a roof-mounted solar array, and reduction of energy demands for space conditioning and lighting with use of existing light-emitting diode (LED) fixtures in the building, as well as, the light color of the existing winery building roof and walls. Coupled with the winery operator's commitment to recycling, composting and other sustainable business practices, these measures will reduce greenhouse gas emissions generated by existing and proposed operations of the winery compared to operations without them.

With some modifications including a new subsurface tank and leachlines, utility infrastructure on-site will be adequate to accommodate wastewater treatment demands of the property under the requested modification, and there is adequate area within the more than 36 acres of vineyard to accommodate the necessary expansions. Based on analysis submitted by the applicant with the Use Permit Major Modification request, the increases in noise associated with outdoor wine consumption on the new patio and with the increase in vehicle trips from additional employees and winery guests will not result in significant increases or highly noticeable changes to the existing noise environment.

Various County divisions and departments have also reviewed the project and provided recommendations pertaining to the proposed project. Recommended conditions will incorporate these comments, along with other project-specific and standard County conditions pertaining to noise, air quality and light and glare, into the project approval to assure the protection of the public health, safety, and welfare.

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.

Analysis: Compliance with the Zoning Ordinance

The proposed use is consistent with the regulations of the AP District in which the property is located. Wineries are conditionally permitted uses of land in the AP District (Napa County Code Section 18.16.030). The requested Use Permit Major Modification includes construction of an approximately 12,610 square foot, two-story addition housing winery accessory uses including visitor reception area, a wine library for wine tasting with food pairings, additional wine tasting space, a low-risk (catering) kitchen, wine storage and administrative offices. The addition includes an approximately 740 square foot uncovered, adjacent patio, which the applicant requests to be included among the winery's identified areas for on-site consumption of wine purchased at the winery.

The building addition as proposed is consistent with the development regulations for structures and wineries as provided in Napa County Code Chapter 18.104. The height of the proposed winery hospitality building addition to the highest point will be 35 feet above grade and will not exceed the maximum building height of 35 feet as allowed under Napa County Code Section 18.104.010. A chimney will extend an additional eight (8) feet above the highest point of the roofline, for a height of 43 feet above grade, but it will not exceed the maximum 50-foot height allowed for ornamental and architectural features not intended for human occupancy (Napa County Code Section 18.104.120, Subsection C). The winery building addition to the site complies with minimum building setback and maximum winery lot coverage standards, as it will not encroach into 20-foot side or rear setbacks, nor the 600-foot winery setback from Big Ranch Road or the 300-foot setback from Oak Knoll Avenue, and it will increase lot coverage to just 2.8 acres where up to 12.5 acres of the 50-acre parcel could be covered with winery uses (Napa County Code Sections 18.104.010, 18.104.220 and 18.104.230). Because the site is flat and development will not occur on any slope in excess of 15 percent, the proposed addition is not subject to review under the County's Viewshed Protection Program (Napa County Code Chapter 18.106). With well over 1,000 feet between the addition and the Napa River, and with no other streams on-site, the project as proposed will not encroach into any minimum riparian setbacks and is compliant with the County's Conservation Regulations (Napa County Code Chapter 18.108).

Analysis: Consistency with the General Plan

As proposed and as conditioned, the requested Use Permit Major Modification is consistent with the overall goals and objectives of the General Plan (2008).

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 Goal AG/LU-3 states that 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." The continued use of the property for fermenting and processing of the requested increased quantity of grape juice into wine supports the economic viability of winery and agriculture in general within the County, consistent with Goal AG/LU-3, as well as Economic Development Policy E-1 and Policy AG/LU-4 ("The County will reserve agricultural lands for agricultural use including land used for grazing and watershed/open space..."). General Plan Policy AG/LU-2 recognizes wineries as agricultural uses of land.

The General Plan land use designation for the subject parcel is Agricultural Resource (AR). The primary intent of this land use designation is to "identify areas in the fertile valley and foothill areas of the county in which agriculture is and should continue to be the predominant land use" (General Plan Policy AG/LU-21). The agricultural development currently on the property (winery), is consistent with the general uses identified in the General Plan as being compatible with the AR designation, and the requested Use Permit Major Modification will facilitate continued operation of the current agricultural activity of grape processing. Water demand generated by the requested Use Permit Major Modification is in line with General Plan goals supporting sustainable water use and prioritization of groundwater for agricultural purposes (CON-10 and CON-11).

The General Plan includes two policies (Policy AG/LU-10 and Community Character Element Policy CC-2) requiring new and expanded wineries to be designed generally of a high architectural quality for the site and its surroundings. Although the Materra Winery is not a new winery, the Use Permit Major Modification request includes a building addition, and the project as proposed is consistent with the intent of these policies. The addition has been professionally designed with an architectural style that reflects that of existing structures on the property, following on the existing French country architectural style of the existing, recently-built winery building and single-family residence. As depicted on the project plans, the exterior walls of the proposed winery building addition will be built of cement plaster finished in neutral tan, brown and gray-green colors. Combined with the deep building setback and placement of the new structure behind the existing single-family residence, these neutral color selections will reduce the prominence of the winery building expansion from the perspective of the nearest public vantage point of Big Ranch Road and soften the reflectivity of the existing winery's white exterior walls.

12. The proposed use would not require a new water system or improvement causing significant adverse effects, either individually or cumulatively, on an 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 Sections 13.15.070 or 13.15.080 of the County Code.

Analysis: The project is consistent with General Plan Conservation Policy CON-53, which requires that applicants who are seeking discretionary land use approvals prove that adequate water supplies are available to serve the proposed use without causing significant negative impacts to shared groundwater resources.

There are four existing wells on the property, all of which are located west of the winery building in the vineyard area between the winery and Big Ranch Road. Water for the winery and existing residence on-site is currently provided from the well located near the southwestern corner of the property; this well would continue to serve the project as modified. As noted in the "Transient Non-Community Water System Information for the Materra Winery," prepared for the applicant by Applied Civil Engineering and dated June 19, 2020, the project well meets standards to serve a new public water system that would be required for the winery because the proposed visitation increase will increase the daily number of winery employees and visitors on the property to 25 or more on at least 60 days of the year (see California Health and Safety Code, Division 104, Part 12, Chapter 4). Other wells on the property supply water for on-site landscape irrigation. Under California State Water Resources Control Board, Division of Water Rights, License 11513 (amended September 2008), the property owner is also licensed to draw supplemental water from the Napa River for irrigation and frost protection purposes, in an amount not to exceed 76.5 acre-feet per year (35 acre-feet for reservoir storage between January 15 and March 15, and up to 2.99 cubic feet per second between March 15 and May 15 for replenishment of storage).

Consistent with General Plan Policy CON-53, the "Tier 1 Water Availability Analysis for the Materra Winery Use Permit Modification," prepared for the applicant by Applied Civil Engineering and dated June 12, 2020 (Materra Winery WAA), provides an estimate of water usage associated with proposed winery operations, applying utilization factors from Appendix B of Napa County's "Water Availability Analysis Guidelines" (May 2015) to the various winery activities occurring on-site. Applying these water usage factors, the

Materra Winery WAA estimates annual groundwater demand for the requested entitlement at 42 acre-feet, prior to accounting for groundwater demands that are reduced by already licensed drawing of water from the Napa River.

The subject property is located within the Napa Valley Floor – Napa subarea of Napa County according to Figure 2-2 of the “Napa County Groundwater Monitoring Plan 2013.” Within the Napa Valley Floor, the County has determined that an annual groundwater draw of up to one (1) acre-foot of water per acre of a parcel is a scientifically and operationally adequate threshold. Any project on the Napa Valley Floor for which groundwater demand is at or below that threshold is concluded not to have a significant effect on groundwater levels (Napa County “Water Availability Analysis Guidelines,” May 2015, pages 7-8). Thus, while groundwater demands of the winery will increase as a result of the proposed production increase and hospitality and employment program changes, with fewer than 50 acre-feet of groundwater extraction per year, the proposed project will not have significant adverse effects to groundwater. The property is not located in any groundwater deficient area defined by Napa County Code Title 13, Map 13-1.

Applicable Napa County General Plan Goals and Policies:

- Goal AG/LU-1: Preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County.
- Goal AG/LU-3: Support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.
- Policy AG/LU-2: “Agriculture” is defined as the raising of crops, trees, and livestock; the production and processing of agricultural products; and related marketing, sales and other accessory uses. Agriculture also includes farm management businesses and farm worker housing.
- Policy AG/LU-4: The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/open space, except for those lands which are shown on the Land Use Map as planned for urban development.
- Policy AG/LU-10: New wineries and other agricultural processing facilities as well as expansions of existing wineries and facilities in agricultural areas should be designed to convey their permanence and attractiveness.
- Policy AG/LU-21: The following standards shall apply to lands designated as Agricultural Resource on the Land Use Map of this General Plan.
- Intent:** To identify areas in the fertile valley and foothill areas of the county in which agriculture is and should continue to be the predominant land use, where uses incompatible with agriculture should be precluded, and where the development of urban type uses would be detrimental to the continuance of agriculture and the maintenance of open space which are economic and aesthetic attributes and assets of the County of Napa.
- General Uses:** Agriculture, processing of agricultural products, single-family dwellings.
- Policy CC-2: New wineries and other uses requiring the issuance of a Use Permit should be designed to convey their permanence and attractiveness.
- Goal CON-10: Conserve, enhance and manage water resources on a sustainable basis to attempt to ensure that sufficient amounts of water will be available for uses allowed by this General Plan, for the natural environment, and for future generations.
- Goal CON-11: Prioritize the use of available groundwater for agricultural and rural residential uses rather than for urbanized areas and ensure that land use decisions recognize the long-term availability and value of water resources in Napa County.

Policy CON-53 The County shall ensure that the intensity and timing of new development are consistent with the capacity of water supplies and protect groundwater and other water supplies by requiring all applicants for discretionary projects to demonstrate the availability of an adequate water supply prior to approval. Depending on the site location and the specific circumstances, adequate demonstration of availability may include evidence or calculation of groundwater availability via an appropriate hydrogeologic analysis or may be satisfied by compliance with County Code “fair-share” provisions or applicable State law. In some areas, evidence may be provided through coordination with applicable municipalities and public and private water purveyors to verify water supply sufficiency.

Goal E-1: Maintain and enhance the economic viability of agriculture.

Policy E-1: The County’s economic development will focus on ensuring the continued viability of agriculture in Napa County.