



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/30/2018
Agenda Placement: 9B
Set Time: 9:15 AM PUBLIC HEARING
Estimated Report Time: 30 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: David Morrison, Director, Planning, Building & Environmental Servi - (707) 253-4805

SUBJECT: Discussion of Proposed Terms of a Development Agreement with Carneros Inn Resort

RECOMMENDATION

Director of Planning, Building and Environmental Services and County Counsel request that the Board take public comment and provide direction to staff on the proposed terms of a proposed Development Agreement between the County and GF Carneros Inn, LLC, GF Carneros Tenant, LLC, and Carneros Inn Mutual Water Company (Applicant). The Development Agreement is being processed concurrently with the Applicant's pending request to modify the Carneros Inn Resort's Use Permit. The Applicant has proposed connecting the Carneros Inn Mutual Water Supply Company to the Congress Valley Water District's municipal water system, to provide water for the Resort, so that the Resort can fully comply with the water supply permit issued by the Environmental Health Division to secure a reliable source for potable water.

The project site is located at 4048 Sonoma Highway, Napa, California on approximately 23.83 acres, exclusive of the 24 home sites. The project site is located on the north side of Sonoma Highway approximately opposite Los Carneros Avenue, within the Commercial Limited and Agricultural Watershed Zoning Districts (APN's: 047-110-003, 047-110-027, 047-110-028, and 047-110-062).

EXECUTIVE SUMMARY

The Applicant has proposed certain material terms and conditions to be included in a Development Agreement which would be processed concurrently with its pending Use Permit modification to the existing Carneros Inn Resort. The Development Agreement, if approved, would guide development at the Carneros Inn Resort and provide certain assurances to the applicant while also providing public benefits in return

Procedural Requirements

1. Open public comment

2. Staff report
3. Applicant presentation
4. Public comments
5. Close public comments
6. Board provides direction to staff on the material terms and conditions to be included in the Development Agreement

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action to provide staff direction is not a project as defined by 14 California Code of Regulations 15378 (State California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable. The Development Agreement will be evaluated under CEQA prior to its being considered for final action.

BACKGROUND AND DISCUSSION

History

In May, 2015, the Applicant submitted a Use Permit Modification which has been since been revised. The Applicant is currently requesting approval to:

1. Relocate the main entryway and installation of a new entry structure and signage;
2. Install off-site roadway landscape improvements within Caltrans and County rights-of-way;
3. Replace the existing wood fence along Old Sonoma Road with a sound wall;
4. Relocate the Boon Fly Café restaurant seating to The Market restaurant and use the Boon Fly Café location for storage and staff needs;
5. Relocate The Market restaurant to a smaller, existing office space in the adjacent building;
6. Relocate six existing RV (recreational vehicle) spaces to the Hilltop location;
7. Realign the existing Hilltop pool and add expanded decks;
8. Relocate the kitchen gardens located on the flag lot to the farm area;
9. Install a permanent water line to supply the Carneros Inn Mutual Water Supply Company with water from the Congress Valley Water District, thereby eliminating all groundwater use at the site;
10. Install a pickle ball court;
11. Convey to the County 1.0 acre of land along Old Sonoma Road in exchange for a 0.2 acre parcel on the Sonoma Highway opposite the Resort (APN: 047-110-024), which the Applicant intends to landscape and use for signage, parking, or storage;
12. Use the adjoining Commercial Limited (CL) zoned parcel (APN: 047-110-027) as overflow parking for the Resort; and
13. Abandon the southerly portion of the Old Sonoma Highway and re-use the area as kitchen gardens.

Development Agreement

Development Agreements are authorized by state law (Govt. Code Section 65864 et seq.). The purpose of a Development Agreement in this case would be to provide the Applicant with a vested right to develop the project for 20 years in accordance with the applicable laws and entitlements in effect at the time of project approval. In exchange, the Applicant would agree to terms that would address the impacts of the project which could not have been otherwise required under applicable law. A summary of the material terms and conditions include the following:

- a. Dedicate 1.0 acres of land located along Old Sonoma Road from the Applicant to the County, in return for 0.2 acres of land located on Old Sonoma Highway from the County to the Applicant. At no cost to the County, the Applicant would relocate the existing fire facility on the 0.2 acre parcel to the 1.0 acre parcel. The Applicant would also construct a concrete pad, provide a driveway connection to Old Sonoma Road, and connect the facility to the Applicant's water line with a separate meter. Electrical connection and a septic system would be the responsibility of the County.
- b. Install approximately 0.5 miles of permanent 2-inch water line from the Congress Valley Water District to the Carneros Inn Mutual Water Supply Company within the County right-of-way along Old Sonoma Road. Once the water line is operational, 26.96 of current groundwater pumping at the Resort would cease. The District would provide up to 42 acre-feet of water annually to the Applicant.
- c. Once the water line is operational, all trucked water to the Resort would cease, except in the case of emergency and with immediate notification to the County.
- d. A new primary entrance to the Resort would be developed to the west, reducing use of the entrance near the current location of the Boon Fly Café.
- e. Applicant would waive the right to construct any residential units that are permitted but not yet constructed.
- f. Applicant would reaffirm the restrictions on the property to the north of the Resort, restricting its use to agriculture and fire protection purposes.
- g. Resort parking would be allowed on the adjoining parcel to the west.
- h. The Boon Fly Café would be allowed to relocate onto the same parcel as The Market restaurant.
- i. So long as diligent efforts are made to implement the water line, the County would not pursue enforcement action against the Carneros Inn Mutual Water Supply Company regarding its continued use of trucked water. Applicant shall provide quarterly reports to the County regarding trucked water usage until the water line is operational.
- j. If the water line from the Congress Valley Water District is not operational within two years, then the County may pursue an enforcement action against the Carneros Inn Mutual Water Supply Company.

Staff is requesting direction on the above terms of the proposed Development Agreement. This action does not obligate the Board to approve the Development Agreement. Upon receipt of Board direction, staff will prepare a draft Development Agreement which will be processed concurrently with the pending Use Permit Modification. Both the Development Agreement and the Use Permit Modification will be considered by the Planning Commission, which will make its recommendation to the Board of Supervisors. It is expected that the Planning Commission would consider both proposals in December 2018, with the Board of Supervisors making the decision in January 2019. Notice to the public of the future hearings before the Planning Commission and the Board of Supervisors will be provided in advance of the meetings.

SUPPORTING DOCUMENTS

A . Attachment A - Draft Development Agreement Term Sheet

CEO Recommendation: Approve

Reviewed By: Helene Franchi