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Agenda Date: 12/8/2015  
Agenda Placement: 9B  
Set Time: 9:10 AM  
Estimated Report Time: 30 Minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Laura Anderson for Minh Tran - County Counsel  
County Counsel  
**REPORT BY:** Laura Anderson, Deputy County Counsel - 259-8252  
**SUBJECT:** Reverie on Diamond Mountain Winery Appeal (Findings of Fact)

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### **RECOMMENDATION**

County Counsel requests consideration and adoption of a Resolution of Findings of Fact and Decision on Appeal regarding the appeal filed by George Caloyannidis to a decision by the Planning Commission on June 17, 2015 to approve the Reverie on Diamond Mountain Winery - Use Permit Major Modification No. P13-00027 to allow the following: 1) increase the approved production capacity from 5,000 to 9,200 gallons per year with a condition on estate grown grapes for the net increase of 4,200 gallons; 2) the 1,460 sq.ft. second floor area of the winery building to be allocated to accessory use; 3) use of the 4,710 +/-sq.ft. cave for wine production, case storage and wine barrel storage; 4) increase in approved number of employees from two (2) full-time employees plus one (1) part-time employee during harvest to a maximum of five (5) full-time employees; 5) authorize on-premises consumption of the wines produced on-site, consistent with Business and Professions Code §23356, 23390, and 23396.5 (also known as AB 2004 (Evans Bill 2008 or the Picnic Bill)) within the winery building, in the redwood grove, and other designated outdoor areas; 6) catered food and wine pairings; 7) abandonment of an existing septic system and the installation of a new code compliant domestic and winery waste system subject to Condition of Approval No. 2(I); 8) installation of a temporary crush pad cover; 9) installation of a new ADA compliant parking space; 10) installation of a new well; 11) approval of "by appointment visitation" and a marketing plan; and 12) a historic rock bridge over Teal Creek (the Project).

The Project also includes a Use Permit Exception (No. P15-00141) to the Conservation Regulations with regards to retention of the following: 1) the portal for the existing wine cave that encroaches into the 45-foot creek setback for the small tributary creek on the property; and 2) the minor landscaping improvements along a portion of Teal Creek that are within the required setback of that creek. The Project further includes an Exception to the Napa County Road & Street Standards to allow for a reduction in the required 20 foot roadway width to preserve unique features of the natural environment.

The Project is located on a 39.83 acre parcel approximately 1,000 feet west of Diamond Mountain Road and approximately 4,000 feet from its intersection with State Highway 29/128, within the AW (Agricultural Watershed) Zoning District; 1530 Diamond Mountain Road, Calistoga, CA, APN: 020-440-005.

**ENVIRONMENTAL DETERMINATION:** Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed Project would have no potentially significant environmental impacts. This Project site is not on any of the lists of hazardous waste enumerated under Government Code Section 65962.5.

### **EXECUTIVE SUMMARY**

At the appeal hearing of October 13, 2015, the Board heard and considered evidence submitted from the Appellant, Staff and members of the public regarding the appeal. After considering all evidence presented, the Board closed the public hearing and adopted a motion of intent to: (1) grant the first ground of the appeal in part and deny it in part; (2) deny the second through twelfth grounds of appeal in their entirety; (3) adopt the Negative Declaration for the Project; (4) modify the conditions of approval adopted by the Planning Commission; and (5) approve the Project.

### **PROCEDURAL REQUIREMENT**

1. Staff reports.
2. Chair invites interested parties to comment on the proposed findings.
3. Motion, second, discussion and vote on the findings.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed Project would have no potentially significant environmental impacts. This project site is not on any of the lists of hazardous waste enumerated under Government Code Section 65962.5.

### **BACKGROUND AND DISCUSSION**

On June 17, 2015, after considering all written and verbal evidence presented at the June 3 and June 17, 2015 hearings, the Planning Commission voted 3:1 (Cottrell absent) to adopt the Negative Declaration for the Project and approve: 1) an Exception to the Road and Street Standards; 2) Conservation Regulation Exception (P15-00141); and 3) Use Permit No. P13-00027-MOD subject to conditions of approval.

On June 29, 2015, subsequent to the Commission's decision and within the prescribed period, a Notice of Intent to Appeal was filed by Appellant. On July 14, 2015, an Appeal Application was submitted by Appellant within the required timeframe.

At the appeal hearing on October 6, 2015, the Board opened and continued the hearing to October 13, 2015. At the continued hearing on October 13, 2015, the Board heard and considered all evidence

presented relating to the appeal, including the administrative record, testimony and documentation of County staff, Appellant, the Applicant's representatives, and the public. After considering all evidence presented, the Board closed the public hearing and adopted a motion of intent to: grant the first ground of appeal in part and deny in part and to deny the remaining grounds of appeal. The Board further adopted a motion of intent to approve the Project and modify the conditions of approval adopted by the Planning Commission by reducing the visitation from 40 by appointment visitors per day with an average of 200 per week to a maximum of 20 by appointment visitors per day and a maximum of 100 visitors per week. (Please see Condition of Approval No. 4.1) The Board made no change to the marketing plan approved by the Commission. The modified Project tentatively approved by the Board is consistent with Option No. 2 which was the staff recommendation that was made to the Planning Commission.

The Board directed staff to return on December 8, 2015 with Findings of Fact and Conditions of Approval. Staff has prepared a proposed Resolution of Findings of Fact and Decision on Appeal and Modified Condition of Approval that reflect the Board's intent as expressed on October 13, 2015. Staff provided the Resolution of Findings and the Modified Conditions to Appellant, Applicant, and the real party in interest's representative for review and comment. The parties reviewed the documents and provided some minor comments. The final documents were provided to the same parties for final review and comment. None of the parties raised any objection to the form or content of the Resolution of Findings and Modified Conditions that are attached. The public hearing is closed. Public comment is limited to whether or not the proposed Resolution of Findings and Modified Conditions accurately reflect the Board's intent as expressed on October 13th.

Staff recommends that the Board adopt the proposed Resolution of Findings with the Modified Conditions of Approval.

#### **SUPPORTING DOCUMENTS**

A . Resolution of Findings

CEO Recommendation: Approve

Reviewed By: Helene Franchi