



A Tradition of Stewardship
A Commitment to Service

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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: Joint meeting with the Planning Commission

RECOMMENDATION

Joint meeting of the Board of Supervisors and Planning Commission, with discussion and possible direction regarding the following related to addressing concerns about the cumulative impacts of new development on the County:

1. Direct staff to return with a draft resolution and guidelines to establish an Ad Hoc advisory committee to review the Winery Definition Ordinance and Conservation Regulations;
2. Form a Board of Supervisors ad hoc committee to plan a forum with the cities to discuss joint efforts to address regional land use issues;
3. Direct staff to revise the Circulation Element of the General Plan, including preparation of a draft traffic mitigation fee; and
4. Direct staff to complete the Climate Action Plan.

EXECUTIVE SUMMARY

The Planning Commission meets periodically with the Board of Supervisors to discuss items of a planning nature. This is the first such meeting in 2015 and is intended to provide the Commission and the Board with an update on issues related to the cumulative impacts of development on the Napa Valley. The Board and Commission may also wish to discuss other topics of interest that are within their jurisdiction.

PROCEDURAL REQUIREMENTS

1. Planning Commission roll call & Planning Commission Chair calls Planning Commission Special Meeting to order

2. Staff presentations
 - a. David Morrison, County Planning – Land Use Overview
 - b. Kevin Johnson, Fehr and Peers – Traffic Behavioral Study
 - c. Larry Florin, County Intergovernmental Affairs – Tourism Overview
3. Board and Commission questions and discussion
4. Public comment
5. Board discussion and direction to staff

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Planning, Building and Environmental Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The formation of an Advisory Committee and planning for a regional forum would result in staff costs to support these efforts. These efforts may require a reprioritization of other staff tasks, but would require limited costs other than staff time. Contracts to provide supplemental consultant services for revising the Circulation Element and preparing the Climate Action Plan can be largely accommodated through the existing budget process. These actions would be paid for by the General Plan fee.
Is the general fund affected?	Yes
Future fiscal impact:	Work may extend into future fiscal years.
Consequences if not approved:	If this item is not approved, the Department of Planning, Building and Environmental Services will not prioritize staff time and contracts to focus on the recommended actions.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Procedures by definition do not change the law, but provide for its implementation. Therefore the proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and CEQA is not applicable. Also, it can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable pursuant to the General Rule contained in the Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3).

BACKGROUND AND DISCUSSION

Napa County has long been a leader, both for California and the nation, in setting standards and policies for the

preservation of agriculture. Although most residents are already familiar with the history of Napa's accomplishments, it is important to remember them in the context of the current discussion:

- | **1968** - Agricultural Preserve is established, which set new restrictions for non-agricultural development on the valley floor.
- | **1969** - First "Preliminary General Plan" for Napa County
- | **1979** - First County General Plan adopted
- | **1980** - Growth Management System ("Measure A") is adopted, which limits new residential development in the unincorporated area to a maximum of 1 percent growth per year
- | **1990** - Winery Definition Ordinance adopted, placing limits on new wineries and uses including limits on tours and tasting and requiring the production of wines with minimum 75% Napa County grape content
- | **1991** - Conservation Regulations adopted, which controlled erosion in hillside areas and protected areas adjacent to streams.
- | **1991** - Agricultural Lands Preservation Initiative ("Measure J") is enacted, requiring voter approval of conversion of lands designated agricultural in the General Plan to non-agricultural uses
- | **2008** - Farmland Protection Act ("Measure P") approved, extending the provisions of Measure J until 2058.
- | **2008** - Second County General Plan is adopted
- | **2010** - Guidelines for the Winery Definition Ordinance adopted, providing guidance interpretation for the consideration of ancillary visitation uses.

It is also useful to review the assumptions made in the Certified Environmental Impact Report ("EIR") for the 2008 General Plan. The EIR projected that between 2005 and 2030, the unincorporated area of the County would add 150 new wineries (the majority of which would be less than 50,000 gallons of production). The EIR also assumed that up to 12,500 acres of new vineyard would be developed during this time, looking at four different scenarios (valley floor, watersheds for municipal water supplies, timberlands, and steeper slopes). Finally, the EIR assumed that 6,838 acres of farmland could be converted to non-agricultural uses.

Napa County is 10 years (40 percent) into the 25-year projections assumed in the General Plan EIR. This relatively short time period has seen an economic boom, the Great Recession, and a slow recovery. Despite the turbulent economy, the projections in the General Plan EIR have, to date, held up very well.

- | By 2015, it was expected that up to 5,000 acres of new vineyards would be planted. According to the Agricultural Commissioner and PBES records, only 1,658 net acres of new vineyards have been developed to date.
- | By 2015, the County would have approved 60 new wineries, at least 50 percent of which would have a maximum production of less than 50,000 gallons. A total of 52 new wineries have been approved since 2007, 80 percent of which have permitted production of 50,000 gallons or less.
- | By 2015, 2,735 acres of farmland were to have been converted to non-agricultural uses. According to the California Department of Conservation, 2,410 acres have been converted to date (although this number includes existing development that was not previously mapped). In addition, 1,650 acres of farm land were converted to permanent wetlands along the southern Napa River.

The amount and type of winery development, the amount of vineyard development, and the conversion of farm land, have all occurred as anticipated in the General Plan.

Among the actions required in the General Plan was the preparation of a Climate Action Plan (CAP). The Planning Department started work on the document in 2011. A proposed CAP was recommended for adoption by the Planning Commission in early 2012 and later considered by the Board of Supervisors, who sent the document back to staff for more work. Among other things, the Board requested that the CAP be revised to better address transportation emissions, and to credit past accomplishments and voluntary efforts. The Board also directed that

the Planning Commission consider “best practices” when reviewing projects until a revised CAP can be prepared and adopted. The work remains unfinished.

Action Item CIR -19.1 in the General Plan directed that a traffic impact fee be prepared to pay the cost of planned road improvements listed in Policy CIR-13, which were designed to address cumulative traffic concerns. Since the General Plan was completed, the list of proposed network improvements has not been clarified and some may no longer be feasible. The analysis for the fee study should also include a review of the network improvements. This work has not yet been done.

Over the past year there has been increasing concern in the public and among the Planning Commission regarding the rate, intensity, and location of development within the unincorporated area. Although development has occurred consistent with the projections of the 2008 General Plan, there are new concerns about the impacts of these foreseen developments, both in terms of impact to the environment and impact to the quality of life in Napa County.

In response to these concerns, the County has taken a number of actions in recent months to address these issues, including:

- | The Board directed staff to prepare a proposal to expand the winery audit;
- | The Planning Commission directed staff to prepare draft guidelines to provide a consistent basis for comparing wineries based on production and other relevant factors and/or potential environmental impacts;
- | The Board approved a change to the County CEQA (California Environmental Quality Act) Guidelines, increasing the noticing requirements from 300 feet to 1,000 feet from the property line of the proposed project;
- | The Board approved a change to the County CEQA Guidelines requiring that environmental consultants be contracted to the County for the preparation of all development-related CEQA documents;
- | Staff has already implemented the updated Water Availability Analysis (WAA) to require more detailed studies of groundwater for projects located in hillside areas, particularly where there is the potential for off-site well impact;
- | Staff rewrote the Traffic Impact Study guidelines to ensure more comprehensive analysis and accuracy for consultant prepared traffic studies;
- | The Planning Commission directed staff to evaluate whether outdoor entertainment areas should be included in calculating the ratio between hospitality and production within a winery footprint;
- | Staff has stepped up enforcement of special events, weddings, and use permit compliance.

Staff believes that the above actions are important in providing better information for both the public and decision makers on the impacts of proposed development projects, as well as enhanced transparency in the hearing process.

While these steps are valuable given community concerns expressed by the public, staff believes that it is appropriate to take additional actions to comprehensively assess these cumulative issues, as well as potential solutions. Specifically, staff recommends the following:

1. Direct staff to return with a draft resolution and guidelines to establish an Ad Hoc advisory committee to review the Winery Definition Ordinance and Conservation Regulations. Staff recommends that the committee include the following members:
 - | 2 members from the wine associations (Napa County Farm Bureau, Napa Valley Grape Growers, Napa Valley Vintners, and Winegrowers of Napa County);
 - | 2 members from the general business community (e.g., Chambers of Commerce, Hotel Association, Visit Napa Valley);

- l 2 members from the five cities;
 - l 2 members from environmental groups (e.g., Sierra Club, Audubon Society, Living Rivers Council, Get a Grip on Growth, Mt. Veeder Stewardship Council, Friends of the Napa River, Land Trust of Napa County, Sustainable Napa County, etc.);
 - l 2 members from neighborhood/community groups (e.g., Yountville Hill Neighbors, Save Rural Angwin, Watersheds Alliance of Atlas Peak, Defenders of the East Napa Watersheds, Soda Canyon Road, Protect Rural Napa); and
 - l 5 at-large members, one from each Supervisorial District.
2. Form a Board of Supervisors ad hoc committee to plan a forum with the cities to discuss joint efforts to address regional land use issues. These issues could include: coordination on trucked water, expanding the affordable and workforce housing supply, a joint effort to address climate change, the collective impacts to the county caused by development within the cities and unincorporated area, and a regional approach to transportation.
 3. Direct staff to revise the Circulation Element of the General Plan, including preparation of a draft traffic mitigation fee. Staff would budget money in fiscal year 2015-2016 to contract with Fehr and Peers to provide consultant services.
 4. Direct staff to complete the Climate Action Plan. Staff would budget money in Fiscal Year 2015-2016 to contract with Ascent Environmental to provide consultant services.

Members of the community have expressed the need for a moratorium on new and expanded winery development while the County reviews and/or revises existing land use regulations. They are concerned that additional winery use permit approvals may exceed available environmental constraints and that continuing to allow further development may damage both the environment and quality of life within the Napa Valley. Staff does not recommend a moratorium on wineries or other development permits at this time.

There are several reasons for staff's position. Moratoriums are enacted to address a current and immediate threat to the public health, safety, or welfare. The purpose of a moratorium is to allow time for the jurisdiction to study the potential impact of specific activities and determine whether and how these activities should be regulated to address the immediate threat. Staff acknowledges that there are challenges and concerns in Napa County that need to be addressed, which is the reason for the above recommendations. However, the pace and type of development is occurring consistent with the expectations outlined in the 2008 General Plan. As a result, staff does not believe that there is an immediate threat. In addition the following reasons are important to consider in evaluating a moratorium:

- l A moratorium would deal only with development in the unincorporated area, which accounts for 19 percent of the population and 23 percent of the jobs. Similarly, the wine and hospitality industries account for only 26 percent of total employment. Cumulative and regional issues concerning transportation, climate change, housing, and others cannot be fully addressed by the County or the wine industry alone.
- l A moratorium could adversely affect the County's cost for bond financing. The County is currently looking to secure significant loans to construct the new jail facility, continue with earthquake damage repairs, and relocate facilities out of the downtown Napa. A moratorium would be seen by bond firms as an increased risk to the County's ability to repay those loans and would likely result in higher interest rates, increasing the County's cost of financing capital improvements.
- l A moratorium may also negatively impact the tourism industry. A moratorium would signal that problems in the Napa Valley have gotten so bad that the public health and safety require an immediate stop to all further development. It took a substantial effort to re-engage visitors to return to Napa after national media created the impression that downtown Napa laid in ruins. This could have a lesser impact, one that may affect not only winery visitation, but hotels and restaurants, the businesses that support them, and local government revenues.
- l Finally, the budget for the building division is 100 percent paid for by development fees. The planning and environmental health divisions have a goal of 80 percent funding from development fees. A moratorium

could require significant additional support from the general fund during its implementation, or could result in staff layoffs without supplemental funding.

Today's item will begin with presentations by David Morrison, County Planning – Land Use Overview, Kevin Johnson, Fehr and Peers – Traffic Behavioral Study, and Larry Florin, County Intergovernmental Affairs – Tourism Overview. After the presentation, staff recommends receiving Board and Commission questions, accepting public comment, and providing direction to staff.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan