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Agenda Date: 1/15/2020
Agenda Placement: 7C
Continued From: 12/4/19

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Charlene Gallina, SUPERVISING PLANNER - 299-1355
SUBJECT: Shadybrook Winery

RECOMMENDATION

RAPP RANCH ESTATE, LLC / SHADYBROOK ESTATE WINERY / MAJOR MODIFICATION P18-00450-MOD

CEQA Status: Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Request: Approval of a Major Modification for an existing 30,000-gallon per year winery to allow the following: **A. COMPONENTS NECESSARY TO REMEDY EXISTING VIOLATIONS:** 1) recognition of the demolition of a previously existing agricultural barn which was replaced with four new steel buildings approximately 12,000 sf (square feet) in size and recognition of the conversion of one of the steel buildings of approximately 3,001 sf into winery production space for barrel storage; 2) recognition of the winery's new access and outdoor visitation/marketing event patio which includes a barbecue/fire pit/bocce ball court area and outdoor event garden area; 3) recognition of existing nine full-time employees and two part-time employees (two full-time and one part-time employees currently authorized); 4) recognition of the reconfigured parking area including 26 parking spaces (nine spaces currently authorized); and 5) recognition of the winery's existing amplified sound system or amplified music utilized outside of approved, enclosed winery buildings within the existing outdoor visitation/marketing event patio and event garden area (currently prohibited). **B. EXPANSION BEYOND EXISTING ENTITLEMENTS:** 1) increase annual wine production from 30,000 to 70,000 gallons per year; 2) increase daily visitation from 21 per day with a maximum of 147 per week to 50 per day with a maximum of 350 per week; 3) amend the existing marketing program from eight catered food and wine events per year with a maximum of 30 persons and one Wine Auction event per year with a maximum of 30 people to six events per year with a maximum of 30 persons, six events per year with 50 visitors and six events per year with 100 visitors. Events with 50 visitors or less will be catered using the winery's existing commercial kitchen; larger events will be catered off site; 4) minor improvements to the existing parking area and outdoor patio and garden area; and 5) allow on premise consumption of wines produced on-site within the outdoor visitation area and hospitality building designated tasting areas in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5. There are no proposed changes to winery's hours of operation which

occur seven days per week from 9 am to 5 pm or to the Marketing Events which occur seven days a week from 11 am to 10 pm. The project is located on an approximately 11.37 acre parcel accessed via Rapp Lane, which is a gated private road located on the north end of Second Avenue at the intersection with Chateau Lane within the AW (Agricultural Watershed) zoning district; 100 Rapp Lane, Napa, CA 94558; APN 052-170-019.

Staff Contact: Charlene Gallina, Supervising Planner, phone 707-299-1355 or email Charlene.Gallina@countyofnapa.org

Applicant: Rapp Ranch Estates, LLC, David & Sue Alkosser; (714) 206-7856; 100 Rapp Lane, Napa CA 94558; dalkosser@gmail.com

Applicant's Representative: David B. Gilbreth; Attorney; 1152 Hardman; Napa, CA 94558; (707) 337-6412; dbgilbreth@gmail.com

CONTINUED FROM THE DECEMBER 4, 2019 COMMISSION MEETING.

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Initial Study/Negative Declaration prepared for the proposed project, as set forth in Findings 1-7 of Attachment A; and
2. Approve Major Modification Application No. P18-000450-MOD, based on Findings 8 through 12 of Attachment A, and subject to the revised recommended Conditions of Approval (Attachment B).

Discussion:

On December 4, 2019, the Planning Commission held a public hearing to consider approval of a Major Modification to a previously-approved 30,000 gallon winery use permit (formerly named D'Ambrosio Vineyards and Verismo Winery) that had been established in 2007. The December 4, 2019 Staff Report is available at: <http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=5740>. Staff presented to the Commission both the components necessary to remedy the existing physical improvements that were installed without County permits, to address unpermitted employees and wine production barrel storage space, as well as, the requested new permit modifications to change permitted winery operations (increase wine production, visitation and marketing activities).

This item was heard and continued to January 15, 2020 to allow the applicant to respond to issues discussed at the Commission Meeting and for staff to return with a final project recommendation, findings and revised conditions of approval. Specifically, the Commission expressed concerns that the increased amount of visitation and marketing events requested was too high given the surrounding rural neighborhood, existing wineries in the vicinity, and in relation to the amount of visitation and horse-related events and limited parking currently being requested at the adjacent Rapp Equestrian Center's Use Permit (P18-00197), which is also owned by the applicant. (Note: Rapp Equestrian Center is currently requesting approval of a Use Permit to recognize and remedy existing building code violations associated with a commercial horse boarding, riding, and lessons facility with existing employees (nine), visitation (50 per day) and horse related events (six events each at 30, 50 and 100 persons). Given this, the Commission requested that the applicant reconsider a lower number of visitation and marketing events upon return to the Commission on January 15th. At this time, the Applicant has not proposed any reduction in visitation and marketing events. Instead, the applicant has provided clarification on how much activity

can actually occur at the winery given the requested shared wastewater system between the winery and the equestrian facility and proposes changes concerning parking between the two facilities.

As stated in the December 4, 2019 Staff Report, staff still recommends approval of the project (components necessary to remedy existing violations and the requested expansions beyond the existing entitlements except for the existing project signage, amplified music and/or a sound system, string lights, and bocce ball court, subject to the recommended conditions of approval.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

On December 4, 2019, the Planning Commission held a public hearing to consider approval of a Major Modification to a previously-approved 30,000 gallon winery use permit (formerly named D'Ambrosio Vineyards and Verismo Winery) that had been established in 2007.

The Commission expressed concerns regarding the increased amount of required visitation and marketing events given the surrounding rural neighborhood, existing wineries in the vicinity, and in relation to the amount of visitation (50 per day) and horse-related events (six events each at 30, 50 and 100 persons) and limited parking (nine) currently being requested at the adjacent Rapp Equestrian Center under Use Permit (P18-00197), which is also owned by the applicant. Given this, the Commission requested that the applicant reconsider a lower number of visitation and marketing events upon return to the Commission. Furthermore, the Commission took tentative action on the following project components:

The Commission tentatively supported the following project components:

A. Components Necessary To Remedy Existing Violations:

- | recognition of the demolition of a previously existing agricultural barn which was replaced with four new steel buildings approximately 12,000 sq. ft. in size and recognition of the conversion of one of the steel buildings of approximately 3,001 sq. ft. into winery production space for barrel storage;
- | recognition of the winery's new access and outdoor visitation/marketing event patio which includes a barbecue/fire pit and outdoor event garden area;
- | recognition of nine existing full-time employees and two part-time employees;
- | recognition of the reconfigured parking area including 26 parking spaces; and
- | recognition of the winery's use of existing sound system for background music only outside of approved, enclosed winery buildings within the existing outdoor visitation/marketing event patio only.

B. Expansion Beyond Existing Entitlements (New):

- | increase annual wine production from 30,000 to 70,000 gallons per year;
- | minor improvements to the existing parking area and outdoor patio and garden area; and
- | allow on premise consumption of wines produced on-site within the outdoor visitation area and hospitality building designated tasting areas in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5.

The Commission tentatively did not in support the following project components:

A. Components Necessary To Remedy Existing Violations:

- | use of amplified music or a sound system beyond background music in the existing outdoor visitation/marketing event patio and event garden area;
- | use of existing string lights that did not meet County lighting regulations or standard conditions of approval;
- | use of the bocce ball court located in the existing outdoor visitation/marketing event patio; and
- | use of an existing 125 sf winery and equestrian center identification sign at the winery entrance that did not meet County sign regulations.

In their tentative action, the Commission noted that they could not support activities and/or improvements that did not comply with existing County regulations and/or mitigation measures associated with the Winery Definition Ordinance.

B. Expansion Beyond Existing Entitlements:

- | increase daily visitation from 21 per day with a maximum of 147 per week to 50 per day with a maximum of 350 per week;
- | amend the existing marketing program from eight catered food and wine events per year with a maximum of 30 persons and one Wine Auction event per year with a maximum of 30 people to six events per year with a maximum of 30 persons, six events per year with 50 visitors and six events per year with 100 visitors. Events with 50 visitors or less will be catered using the winery's existing commercial kitchen; larger events will be catered off site. All marketing activities will be scheduled to occur between the hours of 11 am and 10 pm.

Based upon public comments, the winery comparison chart of similarly sized wineries ranging 65,000 to 75,000 gallons per year, and other wineries located on Rapp Lane and Chateau Lane, the Commission expressed concern that the proposed numbers were too high for the surrounding rural neighborhood and potentially in conflict with similar visitation/event numbers requested with the adjacent Rapp Equestrian Center. Therefore, the Commission requested that the applicant consider lower numbers. The Commission further indicated that they would consider not allowing any increase in visitation and marketing events and instead request that the applicant return within a year after proof of remedying existing violations.

Visitation/Marketing - For Commission review, staff has provided an updated comparison chart identifying existing and proposed production, visitation, marketing events at Shadybrook Estate Winery, Italics Winery, Covert Winery and the activities proposed at the Rapp Equestrian Center (Attachment E). The summary reveals that both Shadybrook Estate Winery and Rapp Equestrian have proposed a higher visitation and event program than existing at other facilities. At this time, the applicant has not proposed any reduction in visitation or marketing events. Instead, the applicant has provided clarification on how much activity can actually occur at the winery given the

shared wastewater system (Attachment C). Specifically, the applicant has provided a Supplement to the Wastewater Feasibility Reports prepared for the two projects restating that the process wastewater and sanitary wastewater would be treated on-site using the existing treatment systems with minor improvements located on the winery property. As designed, the wastewater system cannot exceed the capacity of 1,165 gallons per day between both facilities meaning that the maximum combination of visitors (100) and employees (11) cannot exceed 111 persons. Given this, staff recommends that standard condition of approval (COA #s 4.2 and 4.3) be modified and project specific condition (COA #4.20(f)) be added to reflect this restriction by identifying that the maximum number of employees and visitors between the winery and the equestrian center cannot exceed 111 persons per day to ensure compliance with the maximum wastewater approved daily capacity is not exceeded. Furthermore, staff has added a project specific condition (COA #4.20(b)) that restricts no horse related event activities shall occur on the parcel in conjunction with winery operations, visitation, or marketing events.

Under the applicant's proposal, the staff from the winery and equestrian facility would be left to coordinate activities with each other to ensure compliance. Should the Commission want to monitor visitation and event activities at the winery on a regular basis, staff would recommend that a project specific condition be added to the project that requires employee, visitation and marketing event monitoring records be submitted to the County on an annual basis over the next three years. Should the winery and the equestrian facility exceed the combined daily limitations of 111 persons then staff can bring the winery and the equestrian center back to the Planning Commission for a status compliance review and a reconsideration of visitation and marketing event activities with the Planning Commission. For consistency and because the daily combined cap is also required of the Rapp Equestrian Center, a similar condition of approval should be imposed on the use permit.

Traffic and Winery Access - In response to the final TIS assessment prepared for the project, public comments were received that traffic was a problem in the vicinity of the Rapp Equestrian Center and Shadybrook Winery and that drivers were speeding on Second Avenue heading into Rapp Lane. Furthermore, concerns were expressed that winery visitors were using Chateau Lane to access both properties, including using this Lane for parking during events.

As previously reported, the TIS analyzed the intersections of First Avenue and Second Avenue and North Avenue and Coombsville Road. The study revealed that all four intersections currently operate at acceptable service levels overall (LOS A or B) and the minor street approaches during peak hours it would be expected to continue doing so with the proposed project and with the Rapp Equestrian Center. Under anticipated future volumes with and without project-generated traffic, the intersections are expected to operate acceptably at LOS A and B overall and on the stop-controlled approaches during both peaks. Access to the site occurs via Rapp Lane. Sight lines along Second Avenue from the project access roadway have been determined adequate. Left-turn lanes have been determined not warranted, and therefore, not recommended at the project's access on Second Avenue. Using the County's winery trip generation assumptions, the proposed project would be expected to generate an average of 46 new weekday trips, with 17 trips during the p.m. peak hour, and 44 net new weekend trips, with 25 trips during the weekend peak period. The Rapp Equestrian Center currently generates 64 daily trips, with 24 trips during the p.m. peak hour and 36 trips during the weekend peak hour; this would not change as result of the Conditional Use Permit being requested at this time.

Although the TIS prepared for the project did not reveal any significant impacts in traffic generation as a result of increased winery activity, it was recommended and the applicant has incorporated into the project the following: when reservations are made for a larger groups, staff should encourage the guests to carpool or use a shuttle or van. Additionally, it was recommended that the winery implement a Traffic Demand Management (TDM) plan that may reduce peak-hour vehicle trips by promoting employee carpooling, implementing a Guaranteed Ride Home (GHR) program and potentially providing lunch on-site. To ensure that these activities are conducted, staff recommends the inclusion of project specific condition (COA #4.20(c)) to ensure that a TDM plan is implemented by the winery.

With regards to winery access, as proposed, the winery would continue to be accessed via the existing Rapp Lane, which is a gated paved private road commencing at the north end of Second Avenue and Chateau Lane. Staff has also added a project specific condition (COA #4.20(d)) that requires all winery related activities take access via the Rapp Lane access road and that no winery access or parking is authorized on Chateau Lane except for the existing residential units located on the parcel and for maintenance of the property's water tanks. Furthermore, staff has also added a project specific condition (COA #6.15(g)) that requires vehicular driveway signage for the winery to be installed at the intersection of Chateau Lane and Rapp Lane to ensure compliance with project specific condition (COA 4.20(d)).

Parking – The winery was originally approved for nine (9) parking spaces. Currently, there are a total of 25 parking spaces available to accommodate current winery operations. The applicant is requesting one additional space for a total of 26 spaces and requesting recognition of the current parking configuration to accommodate the winery's existing and proposed business plan, visitation, marketing activities, and number of employees. Events over 30 persons would require group transportation as proposed by the applicant (COA #4.3(b) and (c)). Staff had originally identified that they had no concerns with this parking lot configuration and the increased number of parking spaces. However, upon review of the adjacent Rapp Equestrian Center, staff had concerns regarding the limited number parking spaces (nine) that was provided on-site given the number of existing employees, daily visitation and horse-related events that were being requested to be recognized. Furthermore, the public expressed concern that Chateau Lane was being utilized for parking of both facilities. It should be noted that there are three units located on the Rapp Equestrian Center and one unit on the Shadybrook parcel that are authorized to access Chateau Lane through an easement. However, this same easement prohibits access for winery and equestrian center activities.

In response to Commission and staff concerns on the Rapp Equestrian Center, the Shadybrook's project plans have been revised by the applicant's project team to identify a horse trailer drop-off and pick-up zone, as well as, a shuttle drop-off and pick-up zone (Attachment D). The applicant will prepare a easement between Rapp Equestrian Center and Shadybrook Estate Winery for reciprocal parking, shuttle and horse trailer drop-off and pick-up. Given this proposal, staff has added a project specific condition (COA #4.20(e)) requiring the agreement to be filed with the Planning, Building and Environmental Services Department within 30 days of project approval. As identified above staff has added a condition (COA #4.2(g) and COA #4.3(e)) prohibiting daily visitation at the winery when marketing events are scheduled, as well as, maximum visitation restrictions between the winery and equestrian center associated with wastewater generation on the property.

Public Comments – At the time of staff report preparation, staff did not receive any additional comments.

Decision-making Options Regarding Remediating Existing Violation:

Staff recommends approval of the components of the project necessary to remedy the existing violation with conditions of approval as described in Option 1 below.

Option 1: Approve Applicant's Proposal (Staff recommended option).

Disposition - This action would result in approval of the demolition and replacement of the existing agricultural barn with a portion (3,001 sf) converted into wine production for barrel storage space for the winery. It would also recognize the number of employees currently working at the winery, existing parking configuration and number of spaces, the existing sound system with background music only utilized outside of the approved, enclosed winery buildings within the existing outdoor visitation/marketing event patio and existing improvements made to the winery without prior authorization and/or building permits except the existing bocce ball court, string lighting in the outdoor visitation/marketing areas, outdoor amplified music, and winery signage. As analyzed by staff, such improvements and number of employees will have minimal impacts to the environment and the surrounding area. Therefore, staff recommends this option, as it would be consistent with the Zoning Ordinance and applicable General Plan

policies, as presented in the Recommended Findings (Attachment A).

Action Required - Follow the proposed action listed in the Summary section of this staff report.

Option 2: Prohibit or Reduce Requested Modifications.

Disposition - This option would result in a reduction in the number of existing employees, size of the proposed barrel storage building, the number of parking spaces, or prohibit use of background only music outdoors. This option could result in inefficiencies at the winery with respect to wine storage space and employees needed to accommodate winery operations. Upgrading of existing wastewater equipment may still be required under this option if some level of employee increase is necessary.

Action Required – Follow proposed actions listed in the Executive Summary and amend scope and project-specific conditions of approval to reduce the scope of the project. This option would have proportionately fewer environmental impacts as compared to those discussed in the Initial Study/Negative Declaration, and thus, no new analysis beyond that of the Negative Declaration would be necessary. The item would need to be continued to a future date if significant revisions to the recommended conditions of approval or desired.

Option 3: Deny the Applicant's Proposal.

Disposition – This action would result in the winery reverting back to the originally approved operations and improvements authorized in Use Permit #P06-01095-UP and Very Minor Modification #P12-00374-VMM, thereby all improvements made to the winery outside of the original entitlements would have to be removed and reconstructed back to this approval. Employee levels would be reduced to two full-time and one part-time.

Action Required - In the event that the Commission determines that the proposed Major Modification does not or cannot meet the required findings for grant of a Major Modification, Commissioners must articulate the basis of the conflict with the findings. The Commission would then make a tentative motion to deny the proposal and remand the matter to staff to draft the required findings of denial, based on the Commissioners' statements. Staff would return to the Commission with the findings of denial on a specified date.

Continuance Option.

The Commission may continue an item to a future hearing date, at its discretion.

Decision-making Options Regarding Expansions Beyond Existing Entitlements: Staff recommends approval of Option 1.

Option 1: Approve Applicant's Proposal (Staff recommended option).

Disposition - This action would increase the winery's permitted production level from 30,000 to 70,000 gallons of wine per year, a change to visitation and marketing operations and minor very minor improvements to the winery subject to daily restrictions based upon the combined wastewater system between the winery and the Rapp Equestrian Center. The CEQA analysis, an Initial Study/Negative Declaration, prepared for the project concluded that there would be no significant environmental impacts associated with increased operations at the winery, and the addition of a small wine barrel storage building which will be located where an existing agricultural barn was located and had been recently replaced with a new building. The analysis revealed that there would be no significant impacts associated with proposed traffic increases and/or no noise impacts from expanded winery operations (e.g., production, visitation, marketing, and employees). It was determined that groundwater demands would fall below the existing groundwater permit levels established for the property. Based on the reasons stated above, this option would be consistent with the Zoning Ordinance and applicable General Plan policies and would

support the business operations of the existing winery.

Action Required - Follow the proposed action listed in the Summary section of this staff report.

Option 2: Modify the Applicant's Proposal to Allow a Reduced Number of Wine Production, Visitation, and/or Marketing Events.

Disposition - As with Option 1, this option would allow an increase in wine production, visitation, and marketing events, but less than what the applicant is requesting. Automobile trips associated with this option would be fewer than the estimated number of trips identified above, as well as, projected use of groundwater and wastewater. Upgrading of the existing wastewater system on-site would still be necessary under this option.

Action Required – Follow proposed actions listed in the Executive Summary and amend scope and project-specific conditions of approval to reduce the number of production, visitation and marketing/or events to a specified maximum. This option would have proportionately fewer impacts as compared to those discussed in the Initial Study/Negative Declaration, and thus, no new analysis beyond that of the Negative Declaration would be necessary. The item would need to be continued to a future date if significant revisions to the recommended conditions of approval or desired.

Option 3: Deny the Applicant's Proposal.

Disposition – This action would result in the winery reverting back to the approved operations and improvements authorized in Use Permit #P06-01095-UP and Very Minor Modification #P12-00374-VMM, thereby all improvements or operations made to the winery outside of the original entitlement scope would have to be removed and reconstructed back to this approval. As with Option 2 above, this option would result in maintenance of the existing condition and result in fewer daily trips, less groundwater use and less wastewater generation as compared to the proposed project, and no physical changes to the winery's production facilities or utilities infrastructure would be necessary.

Action Required - In the event that the Commission determines that the proposed Major Modification does not or cannot meet the required findings for grant of a use permit, Commissioners must articulate the basis of the conflict with the findings. The Commission would then make a tentative motion to deny the proposal and remand the matter to staff to draft the required findings of denial, based on the Commissioners' statements. Staff would return to the Commission with the findings of denial on a specified date.

Continuance Option.

The Commission may continue the item to a future hearing date, at its discretion.

SUPPORTING DOCUMENTS

- A . Recommended Revised Findings
- B . Recommended Conditions of Approval & Agency Memos
- C . Applicant Response to Comments
- D . Revised Proposed Project Plans
- E . Supplemental Winery Comparison Analysis - Summary of Changes
- F . Staff Report of December 4, 2019

G . Graphics

Napa County Planning Commission: Approve

Reviewed By: Brian Bordona