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Agenda Date: 10/17/2018  
Agenda Placement: 7A  
Continued From: 1/17/18 & 3/7/18

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission  
**FROM:** Vincent Smith for David Morrison - Director  
Planning, Building and Environmental Services  
**REPORT BY:** Wyntress Balcher, Planner II - 707 299-1351  
**SUBJECT:** Caldwell Vineyards Major Modification #P17-00074-MOD

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### **RECOMMENDATION**

#### **CALDWELL VINEYARDS, LLC / CALDWELL VINEYARDS WINERY / MAJOR MODIFICATION #P17-00074-MOD AND ROAD & STREET STANDARDS EXCEPTION REQUEST**

**CEQA Status:** Consideration and possible adoption of a Revised Negative Declaration. According to the proposed Revised 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 Use Permit Modification for an existing winery to allow the following: 1) increase the winery production capacity from 25,000 gallon to 35,000 gallons per year; 2) increase the existing area of the winery caves; 3) increase the number of daily by-appointment visitation from eight to ~~60/day~~ 35/day; 4) increase the number of employees; 5) modify by-appointment tasting hours; 6) modify the Marketing Plan; 7) allow for on-site consumption of wines; 8) construct a crush pad cover and a trellis shade structure; 9) increase the width of portions of the existing roadway, 10) installation of traffic calming measures on Kreuzer Lane; and 10) a request for an Exception to the Napa County Road and Street Standards. The project is located on a ±42.96 acre parcel at the terminus of Kreuzer Lane; within the Agricultural Watershed (AW) zoning district; 270 Kreuzer Lane, Napa; APN: 045-310-056 and 045-310-055.

**Staff Recommendation:** Adopt the Revised Negative Declaration and approve the Use Permit Modification and RSS Exception, as conditioned.

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**ITEM CONTINUED FROM THE JANUARY 12, 2018 AND MARCH 7, 2018 PLANNING COMMISSION MEETINGS.**

**EXECUTIVE SUMMARY****Proposed Actions:****That the Planning Commission:**

1. Adopt the Revised Negative Declaration, based on Findings #1 - #7 (Attachment A);
2. Approve the requested Exception to the Napa County Road and Street Standards based on Findings #8 - #9 of Attachment A and subject to the recommended revised Conditions of Approval (Attachment B); and
3. Approve Use Permit Modification (P17-00074-MOD), based on Findings #10 - #14 (Attachment A), and subject to the recommended revised Conditions of Approval (Attachment B).

**Discussion:**

On January 17, 2018, the Commission held a public hearing to consider a use permit modification request which is described in detail within the January 17, 2018 Staff Report (Attachment E). On January 15, 2018, several emails from neighbors for the Commission were forwarded to staff, expressing concerns about the project. Subsequently, on January 16, 2018, the neighbors forwarded emails and letters to the Commission requesting the item be continued in consideration of neighbors who could not attend. The Commission opened the hearing and heard staff's presentation, the applicant, and interested party's testimony. The neighbors in attendance stated their concerns and requested the Commission continue the item to another date. The Commission continued the item to the March 7, 2018 hearing. The Commission heard testimony on March 7, 2018, but continued the hearing of this item to an unspecified date with direction that the applicant reduce the intensity of visitation; install of traffic calming measures on the private portion of Kreuzer Lane; and preserve certain trees discussed at the hearing located along the private portion of Kreuzer Lane. The Commission also requested accountability of compliance with the original conditions of approval and wanted to see some action toward the installation of safety measures at the intersection of Kreuzer Land and Fourth Avenue. Staff conducted a field inspection to determine the status of the original conditions of approval. The applicant contacted the Department of Public Works regarding a request for stop control for eastbound traffic, but not as a part of the pending Caldwell Vineyards Winery Use Permit, but as a community request. The Board of Supervisors approved the installation of the stop sign which was subsequently installed. The applicant submitted a revised project description on June 7, 2018, proposing a reduction of the number of weekly visitors, acceptable traffic calming measures, and additional covering and screening of necessary outdoor production activities.

This revised proposal has been analyzed for its environmental impacts, which were found to be less than significant and do not trigger recirculation of the Revised Negative Declaration. Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies and is recommending approval for the following reasons: Sufficient grapes and water supplies are available to serve the proposed project; all current outstanding code compliance issues at the project site have been resolved or will be resolved with this application; the requested number of marketing events per year is similar to wineries of similar production; the proposal includes voluntary greenhouse gas offset features; the wine production operates predominantly within the existing caves and improvements to the receiving/crush outdoor area will provide additional screening and stormwater runoff protection; the project is located in close proximity to its main grape source, and no vineyard removal is proposed promoting the continuation of agriculture. There are no viewshed issues and the project will be subject to the County's expanded housing impact fees. The project proposes safety improvements to the existing road and initiated other safety improvements to the public roadway.

**FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

Consideration and possible adoption of a Revised Negative Declaration. According to the proposed Revised Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

The project description has been revised to reduce the requested number of visitors from 60/day to 35/day, utilize an existing cave portal apron as a covered crush pad/work area with the installation of a permanent cover and to install traffic speed calming measures (such as speed limit signs; speed bumps or rumble strips) on the private access road (Kreuzer Lane) between their property and the public right-of-way to help decrease the downhill speed of vehicles leaving the winery. The revised project description was not a "substantial revision", inasmuch as no new, avoidable significant effects were identified, and no mitigation measures or project revisions must be added.

Pursuant to State CEQA Guidelines Section 15072, the public review period for the notice of intent to adopt a Negative Declaration ran from December 27, 2017 to January 16, 2018. Pursuant to Section 15073.5 Recirculation of a Negative Declaration Prior to Adoption, the following provisions apply: (A) a lead agency is required to recirculate a negative declaration when the document must be substantially revised after public notice of its availability has previously been given pursuant to Section 15072, but prior to its adoption. Notice of recirculation shall comply with Sections 15072 and 15073. (B) A "substantial revision" of the negative declaration shall mean: (1) A new, avoidable significant effect is identified and mitigation measures or project revisions must be added in order to reduce the effect to insignificance, or (2) The lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required. (C) Recirculation is not required under the following circumstances: (1) Mitigation measures are replaced with equal or more effective measures pursuant to Section 15074.1, (2) New project revisions are added in response to written or verbal comments on the projects effects identified in the proposed negative declaration which are not new avoidable significant effects, (3) Measures or conditions of project approval are added after circulation of the negative declaration which are not required by CEQA, which do not create new significant environmental effects and are not necessary to mitigate an avoidable significant effect and (4) New information is added to the negative declaration which merely clarifies, amplifies, or makes insignificant modifications to the negative declaration.

Analysis: The revisions to the proposed project did not result in a "substantial revision" of the Negative Declaration prepared and circulated. There were no new avoidable significant effects identified and no mitigation measures or project revisions added to the negative declaration in order to reduce the effect to less than significant. No mitigation measures are being replaced with equal or more effective measures pursuant to Section 15074.1. The Transportation Section of the initial study found that approval of the project, and the level of visitation proposed by the project, would not result in an adverse significant impact on the environment. The revised project proposes a reduction of the amount of visitation trips, thus reducing the potential traffic impacts, and will not result in a substantial revision of the Negative Declaration. The proposed covered crush pad/work area will be located on an existing pad, where minimal, land disturbing activities will be associated for the installation of the footings for the pad cover. Stormwater control measures required by current County regulation will be required as a condition of approval, avoiding any potential adverse hydrological impacts. Therefore, this proposal does not require a substantial revision of the Negative Declaration. The installation of the traffic-calming measures will not result in any land disturbance, and will serve to improve traffic safety. Although identified as a concern by the neighbor, the Negative Declaration did not identify the existing sloping road as a design feature hazard, thus, there was no

substantial adverse significant impact identified. The County Road and Street Standards were amended in 2017 and all new use permit projects are required to comply with the new standards, requiring improvements to the width of road. With the proposed speed calming measures (such as signs and speed bumps or rumble strips) the potential safety impacts are positive and the proposal will not result in a substantial revision of the Negative Declaration.

## **BACKGROUND AND DISCUSSION**

On March 7, 2018, the Planning Commission held a public hearing to consider a modification to the existing Caldwell Winery. A copy of this the Staff Report and the January 17, 2018 are provided in Attachment D and Attachment E. The complete staff reports can be found at <http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=5351> and <http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=5348>. The current staff report contains only updates in response to the Commission's March 7, 2018 action to continue the hearing of this item to an unspecified date. The hearing was continued to allow the applicant time to present a project with a reduction of the intensity of visitation; installation of traffic calming measures on the private portion of Kreuzer Lane; and the preservation of certain trees discussed at the hearing located along the private portion of Kreuzer Lane. The Commission also requested accountability of compliance with the original conditions of approval and wanted to see some action toward the installation of safety measures at the intersection of Kreuzer Land and Fourth Avenue.

Compliance Inspection - On March 11, 2018, staff conducted a field visit with the applicant's representative to address public comments that the applicant had not complied with the original conditions of approval. Staff found that the conditions of approval had been met with the exception that one of the trees proposed for screening was not in place and the outdoor receiving and crush activities conflicted with the condition that no outdoor winery activities were allowed. The findings of the inspection are outlined in the March 26, 2018 letter to the applicant's representative. (see Attachment F). A field inspection was conducted by staff on June 11, 2018, and confirmation was made that the replacement tree, landscaping and screening covers over the cave venting equipment had all been installed. The project was modified to recognize the use of the outdoor crush pad area and required cover.

Fourth Avenue and Kreuzer Lane Safety Measures - The residents living on Kreuzer Lane sent a memorandum dated March 5, 2018, documenting their concerns regarding the safety of the intersection of Kreuzer Lane and Fourth Avenue to the Napa County Planning Commissioners and Planning Staff. The applicant contacted the Department of Public Work regarding a request for stop control for eastbound traffic, but not as a part of the pending Caldwell Vineyards Winery Use Permit, but as a community request. In addition, the applicant had a traffic analysis prepared with recommendations for improvements to the intersection to address the concerns raised by the residents. Based on County staff review, it was found that the addition of a stop sign, striping and warning signage would improve public safety, due to the unusual configuration of the intersection of Fourth Avenue and Kreuzer Lane, paired with a sight distance concern for drivers on southbound Fourth Avenue who want to turn left onto eastbound Kreuzer Lane. There is a drainage crossing approximately 500 feet west of the intersection and the road has an approximately 200 foot long dip or depression at the crossing that makes it difficult to see vehicles in the low part of the road from the intersection. The Department of Public Works presented the proposal to the Board of Supervisors on July 10, 2018, and recommended approval of the proposed signing and striping configuration at the intersection of Fourth Avenue and Kreuzer Lane. The Board approved the request (see Attachment H).

Road and Street Standards (RSS) Exception - The exception to the RSS was requested to allow a reduction in commercial roadway width at two stretches of the road, STA 21+55 to 26+96 and STA 30+55 to STA 37+35. The exception will preserve unique features of the natural environment which includes, but is limited to, steep slopes, heritage oak trees, or other trees of at least 6"dbh and found by the decision-maker to be of significant importance, but does not include man made environmental features such as vineyards, rock walls, ornamental or decorative landscaping, fences or the like. The olive trees discussed at the hearing are not included as a part of the findings

for the exemption, but will be protected as a result of the approval of the exception.

The shared private lane currently provides access to a few residences and vineyard developments as well as Caldwell Vineyard Winery. The existing paved private lane is approximately  $\frac{3}{4}$  of a mile long and varies from 14 feet to 24 feet, with an average longitudinal slope of less than 18%. There are constraints from existing topographical features, steep slopes, and setback from the natural water course as allowed by the RSS Section 3, (d)i and (d)ii. Grant of the Road and Street Standards Exception will provide the same overall practical effect as the Standards do in providing defensible space, and does not adversely affect the life, safety, and welfare of the public or persons coming to the property by providing horizontal and vertical vegetation management along the entire length of the private lane and around any existing and proposed structures to create defensible space and improvements to the existing private lane to bring the majority of the road into compliance with the Napa County RSS, with the exception of the 680 foot section for access which will have a varied roadway width between 14 to 20 feet. Mitigation along this stretch includes an existing fence on the east side of the driveway to protect vehicles from the steep cliff, proposed reflector signs to serve as a warning to vehicles of drain inlets on the west side of the road, and two 20-foot inter-visible section of road throughout this section which allows vehicles to pass each other.

Revised Project Proposal - On June 7, 2018, the applicant submitted a revision to the winery project description which included the following: a reduction in the number of visitors requested from 60/day to 35/day; the construction of a covered crush pad on the existing cave portal apron and authorization of crushing and related activities outside of the winery at the location of the proposed crush pad; and the installation of traffic calming measures (such as speed limit signs; speed bumps or rumble strips) on the private portion of Kreuzer Lane, between their property and the public right-of-way, to help decrease the downhill speed of vehicles leaving the winery. Therefore, the project now includes a request to obtain approval to modify an existing winery use permit to allow for an increase in winery production, alter the custom crush parameters, increase the marketing plan, increase daily visitation, increase employees, allow on-site consumption of wine produced at the winery, add traffic calming measures on the private portion of Kreuzer Lane, add covered crush pad and allow grape crushing and associated activities outside of the winery cave, add additional space within the cave for the purpose of a prep kitchen, and convert existing barrel storage to a small auxiliary lab space. The proposed reduction in the number of visitors from 60 to 35 visitors per day with a maximum of 245 visitors per week responds to the Commission's request. The Winery Comparison Chart (See Attachment J) has been revised to include the revisions to the number of visitors requested. Although reduced, the number of weekly visitations is still higher in comparison than the average and median numbers of the by-appointment wineries and pre-WDO wineries.

The applicant contacted the Department of Public Works to request the installation of the stop sign expressed as a safety concern by the Commission and the neighbor's. This request was authorized by the Board of Supervisors on July 10, 2018, and the stop sign is now installed for eastbound traffic on Fourth Avenue to stop at Kreuzer Lane. The proposed traffic calming measures, speed limit signs, rumble strips and speed bumps, on the hill of the private portion of Kreuzer are now included in the project description in response to the neighbors expressed concern regarding vehicular speeds from the winery and vineyards. The traffic calming devices are prohibited by the Road and Street Standards, but, as allowed, the installation of the rumble bumps are acceptable to the Fire Marshall, but the speed bumps are not, in consideration of their fire protection equipment.

The original use permit included a condition that no tasks were authorized outside of the caves, however, grape receiving and crushing activities occur on the portal entrance apron, causing the winery to be violation of this condition. The application has been revised to clarify the activities to be allowed within the processing area of the caves. A permanent cover over the crush area which will serve to implement the County stormwater protection regulations, reducing any impact in the release of potential polluted stormwater runoff. The design of the proposed crush pad cover will complement the curves of the existing cave portals and will provide additional screening of the crush activities to the residents located above the winery. The missing tree has been replaced and additional screening of the cave ventilation equipment has been installed. Although not a finding for approval of the Road Exception request, the required road improvements will not affect the olive trees discussed during the March 7th

hearing.

### **Decision Making Options:**

As noted in the Executive Summary Section above, staff is recommending approval of the project with conditions of approval as described in Option 1 below. Decision making options also include a reduced visitation/marketing alternative and no project alternative.

#### Option 1 - Approve Applicant's Proposal (Staff Recommendation)

Disposition - Primary operational changes resulting from this option would be an increase in production capacity to 35,000 gallons, an increase in daily and weekly visitation, an increase in marketing activities, an increase in the number of employees, a change in visitation hours and to allow custom producers to have retail sales, tours and tasting, the installation of acceptable traffic calming measures on the private drive, and a clarification of the location of the delivery and crush activities on the outdoor cave portal apron. This option has been analyzed for its environmental impacts, which were found to be less than significant. Sufficient grapes and water supplies are available to serve the proposed project. There are no current outstanding code compliance issues at the project site. No changes were made to the number of marketing events per year, which were found similar to wineries of similar production. The proposal includes voluntary greenhouse gas offset features; the wine production operates predominantly within the existing caves and improvements to the receiving/crush outdoor area will provide additional screening and stormwater runoff protection; the project is located in close proximity to its main grape source, and no vineyard removal is proposed. There are no viewshed issues and the project will be subject to the County's expanded housing impact fees. The project proposes safety improvements to the existing road and initiated other safety improvements to the public roadway. The project, as proposed, meets all County Code requirements and complies with General Plan Policies. There exist operational factors, including compliance with all WDO and Zoning Code regulations, and no significant environmental impacts, sufficient water supply, which have led staff to conclude that the project merits approval as proposed and conditioned.

Action Required - Follow proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at the time the motion is made.

#### Option 2 - Reduced Visitation/Marketing Alternative

Disposition - This option could result in a further decrease in the proposed visitation and marketing program as originally requested and modified by the applicant.

Action Required - Follow the proposed actions listed in the Executive Summary and amend the scope and project specific conditions of approval to reduce the permitted visitation and marketing events. If major revisions to the conditions of approval are required, the item will need to be continued to a future date.

#### Option 3 - Deny Proposed Project

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of a Use Permit Modification, Commissioners should identify what aspect or aspects of the project are in conflict with the required findings. State Law requires the Commission to adopt findings, based on the General Plan and County Code, setting forth why the proposed Use Permit Modification is not being approved.

Action Required - Commission would take tentative motion to deny the project and remand the matter to staff for preparation of required findings to return to the Commission on a specific date.

#### Option 4 - Continuance Option

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

**SUPPORTING DOCUMENTS**

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Memos
- C . Revised Initial Study/Negative Declaration
- D . Planning Commission Staff Report March 9, 2018
- E . Planning Commission Staff Report January 17, 2018
- F . Compliance Findings Report
- G . Revised Use Permit Application Request
- H . Fourth Avenue Board of Supervisor Resolution
- I . Graphics
- J . Revised Winery Comparison Analysis & Summary of Changes

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith