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Agenda Date: 10/21/2015

Agenda Placement: 9A

Continued From: 8/19/15

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: Wyntriss Balcher, Planner II - 707 299-1351
SUBJECT: Girard Winery Use Permit #P14-00053

RECOMMENDATION

GIRARD WINERY USE PERMIT #P14-00053-UP

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 to establish a new winery with an annual production capacity of 200,000 gallons as follows: 1) A new winery building, totaling 32,771 sq. ft. in area to include: 28,955 sq. ft. production area (crush area, fermentation and barrel storage, restrooms); $\pm 3,816$ sq. ft. of accessory use area (offices, tasting rooms, retail storage, catered food prep area, and visitor restrooms), maximum building height 33.5 ft. with 15 ft. tall decorative cupolas to 45 ft. In addition a $\pm 2,560$ sq. ft. covered veranda; and a $\pm 2,871$ sq. ft. covered work area; 2) Hosted daily tours and tastings for wine trade personnel and consumers by appointment only for a maximum of 75 persons per weekday (Monday-Friday); maximum of 90 persons per weekend day (Saturday-Sunday); 3) Hours of operation: 8:00 AM to 6:00 PM (production hours, except during harvest) and 10:00 AM to 6:00 PM (visitation hours), 7-days a week; 4) Employment of: 11 employees (8 full time; 3 part-time) non harvest; 19 additional employees (12 full time and 7 part time) during harvest, for a total maximum of 30; 5) Employee hours: production, 7:00 AM to 3:00 PM; hospitality/ tasting room, 9:30 AM to 6:30 PM; 6) Construction of twenty-two (22) parking spaces; 7) Installation of landscaping, an entry gate and a winery sign; 8) A Marketing Program as follows: a. Four (4) events per year with a maximum of 75 guests; b. Four (4) events per year with a maximum of 200 guests; c. One (1) Harvest event per year with a maximum of 500 guests; d. All food to be catered utilizing a ± 184 sq. ft. small prep/staging area; 9) 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 2008 or the Picnic Bill) within the tasting rooms ($\pm 2,320$ sq. ft.), covered veranda ($\pm 2,560$ sq. ft.), and within a 4,000 sq. ft. portion of the front entry landscaped winery garden; 10) Construct a new 24-ft. wide winery access driveway from Dunawael Lane to the winery; 11) Construction of additional piping and service connections to the existing Clos Pegase water system on the site, and update the

existing Clos Pegase Transient Non-Community Water System contract to include Girard Winery; 12) Installation of on-site sanitary disposal improvements and installation of connections into the existing on-site winery wastewater processing ponds serving Clos Pegase Winery (APN: 020-150-012); and, 13) Installation of a ±45,000 gallon water storage tank (±30 ft. diameter; ±12 ft. height). The project is located on a 26.53 acre parcel on the east side of Dunaweal Lane, approximately 1000 feet south of its intersection with Silverado Trail, within the AP (Agricultural Preserve) Zoning District; 1077 Dunaweal Lane; Calistoga, CA 94515, APN: 020-150-017.

Staff Recommendation: Adopt the Revised Negative Declaration and approve the Use Permit as conditioned.

Staff Contact: Wyntress Balcher, Planner II, (707) 299-1351 or wyntress.balcher@countyofnapa.org

Applicant Contact: Pat Roney, 205 Concourse Blvd, Santa Rosa, CA 95403, (877) 289-9463

Representative Contacts: Heather McCollister; 1512 D Street, Napa, CA 94559; bhmccolli@sbcglobal.net and Scott Greenwood-Meinert, 1455 First Street, Napa, CA 94559 (707) 252-7122; scottgm@dpf-law.com

CONTINUED FROM THE AUGUST 19, 2015 REGULAR PLANNING COMMISSION MEETING

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Revised Negative Declaration for the Girard Winery based on revised Findings 1-6 of Exhibit B; and
2. Approve Use Permit (P14-00053) based on revised Findings 7-11 of Exhibit B, and subject to the recommended revised Conditions of Approval (Exhibit C).

Discussion:

On December 17, 2014, the Planning Commission held a public hearing to consider Use Permit application #P14-00053 to establish a new 200,000 gallon/year winery which includes the construction of a new winery building totaling 32,771 sq. ft. in area and associated support systems. The item was continued to January 21, 2015, based upon a neighbor's request to allow additional time to review the staff report, associated environmental analysis, and the technical studies.

The Planning Commission resumed the public hearing on January 21, 2015, and received testimony and evidence from a neighbor, interested parties and the applicant's representative. Representatives for the neighbor, Ms. Tofanelli, also submitted a letter (Shute, Mihaly & Weinberger, dated January 20, 2015) to the Commission citing various points they considered were inadequately addressed in the CEQA document prepared for the project, specifically: hydrology; water quality; transportation/parking; noise; air quality; visual resources; inconsistency with the WDO and General Plan; weddings and the water and wastewater shared resources. As a result, the item was continued to February 21st to allow time to respond to the issues raised by the Commission and interested parties. Because the issues required the preparation of additional analysis the project was ultimately removed from the calendar for re-noticing at a later date.

A comprehensive hydrological study was performed by O'Connor Environmental, Inc. (OEI), a private consulting firm with expertise in hydrogeology, and additional analysis was prepared by the traffic engineer. As a result, staff revised the initial study/negative declaration to incorporate this additional information and to address the issues

previously raised by the Commission and public. Furthermore, staff revised the proposed findings and conditions of approval, accordingly. On August 19, 2015, the results of these studies were presented to the Commission, and additional comments were generated along with requests to continue the hearing to allow time for review of the supplemental materials. Therefore, this item was continued to October 21, 2015. Staff continues to support approval of this project for the following reasons: 1) the proposal includes substantial greenhouse gas offset features; 2) the proposal will be incorporated into an existing water/wastewater recycling system, lessening project demand on groundwater resources; 3) County policy regarding new winery development, although currently under review, has not changed and no direction to suspend processing of pending applications has occurred; 4) Girard is currently producing wine from Napa Valley fruit in Sonoma County and approval of this facility will return its production to Napa County; 5) the project will be subject to the County's expanded housing impact fees; 6) visitation is within the scope of what has been approved at other similar facilities, and marketing is on the low end; 7) the amount of visitation space is relatively modest in comparison to the amount of production space; and, 8) the project requires no reductions, variances, or alternatives to winery zoning standards.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

A Revised Negative Declaration was prepared and made available for public review and comment, from July 17, 2015 to August 18, 2015. The initial environmental document prepared for this project consisted of a proposed Mitigated Negative Declaration, with mitigation proposed to address potential traffic impacts. No other potentially significant impacts were identified in the original document. Comments on the previously prepared Mitigated Negative Declaration were made by the law firm of Shute, Mihaly, & Weinberger, LLP on behalf of Ms. Tofanelli asserting that the Project could have a number of potentially significant impacts on the environment. In response, a revised proposed Negative Declaration has been prepared. The revised document, attached, provides responses and augmented analysis on areas of potential impact raised by the neighbor. As a result of the augmented traffic analysis, the project was found not to have a potential to significantly impact traffic conditions, and thus, the originally proposed traffic mitigation measure was removed, and a revised Negative Declaration was prepared and circulated.

BACKGROUND AND DISCUSSION

DISCUSSION POINTS:

On August 19, 2015, the project was scheduled for hearing to address the comments made in January, 2015, regarding groundwater availability, groundwater contamination, groundwater recharge for Napa River, groundwater stability, traffic impacts; parking impacts, noise and air quality impacts, inconsistency with the Winery Definition Ordinance (WDO) and aesthetics. The staff report prepared for the August 19, 2015 hearing addressed comments presented and included an extensive hydrogeological study and clarification of the traffic information. Further, the Napa County Comprehensive Groundwater Monitoring Program 2014 Annual Report and CASGEM Update was presented to the Napa County Board of Supervisors on March 3, 2015 which reported that the groundwater level trends in the Napa Valley Subbasin of the Napa-Sonoma Valley Groundwater Basin are stable in the majority of wells with long-term groundwater level records. The proposed Negative Declaration was revised and recirculated for public review on July 16, 2015.

At August 19, 2015 hearing, the neighbor's representative submitted additional comments, stating that the comments outlined in their January 20, 2015 letter were either still not addressed or inadequate and that the analysis of impacts from wastewater treatment was inadequate. Additional comments were also received from the public, and the hearing was continued to allow time for staff to respond. The comments received have been listed on Attachment F with staff's responses to the comments. The project engineers responded to the water comments, prepared a revised wastewater report, and the traffic engineer provided a more consolidated traffic report, which are also attached. The Environmental Health Division has advised that there is adequate information to issue the septic system permits.

The following is another synopsis of the project as previously presented in the December 17, 2015 staff report.

Zoning: Agriculture Preserve – AP

GP Designation: Agricultural Resource – AR

Filed: February 28, 2014; **Completed:** November 12, 2014

Parcel Size: 26.53± acres

Existing Development: 12± acres of vineyard; one well with associated water system serving Clos Pegase Winery; one irrigation reservoir and two wastewater ponds with associated equipment serving Clos Pegase Winery.

Proposed Winery Characteristics:

Winery Size (Proposed): 32,771 sq.ft. production building including: 28,955 sq.ft. production area (crush area, fermentation and barrel storage, restrooms); 3,816 sq.ft of accessory use area (offices, tasting rooms, retail storage, catered food prep area, and visitor restrooms), maximum height 35 ft. with 45 ft. tall cupolas; with a 2,628 sq. ft. covered veranda; and a 2,871 sq. ft. covered work area.

Production Capacity (Proposed): 200,000 gallons per year.

Development Area (Proposed): 139,763 sq. ft., or 3.21 acres.

Winery Coverage (Proposed): 132,793 sq. ft.; 3.05 acres; 11.49% of the 26.53± acre parcel (Maximum 25% or 15 acres).

Accessory/Production Ratio (Proposed): 10.23,816 sq. ft. accessory and 37,129 sq. ft. production; 10.2% (maximum 40% allowed).

Accessory Ratio Compliance: The Planning Commission requested that staff conduct an accessory / production ratio evaluation that includes outdoor visitation areas as well as enclosed visitation areas. The project includes an entry garden and covered veranda at the entrance to the hospitality area of the winery. Graphics (attached) include elevations of the proposed seating on the covered veranda. The proposed plans indicate that the production uses (barrel storage and tank area) are 28,955 sq. ft. with a 2,781 sq. ft. covered work area. The hospitality area (tasting room and office) is 3,816 sq. ft., plus the 2,628 sq. ft. covered veranda. The ±4,000 sq. ft. of paths within the 13,360 sq. ft. landscaped garden would also be available to the public. Although the uses of these outdoor areas vary greatly in purpose and intensity, even with inclusion of all outdoor spaces, the overall accessory/production ratio would be 33%, which is substantially below the 40% maximum permitted by regulations.

Number of Employees (Proposed): Maximum of 30 employees: maximum 11 employees (8 full time; 3 part-time), non harvest days; maximum 19 additional employees hired (12 full time and 7 part time) during harvest.

Visitation (Proposed): Hosted daily tours and tastings for wine trade personnel and visitors by appointment only for a maximum of 75 persons per weekday (Monday-Friday); maximum of 90 persons per weekend day (Saturday-Sunday). Maximum of 555 persons/week.

Marketing Program (Proposed):

Four (4) events per year with a maximum of 75 guests, between the hours of 6:00 PM – 10:00 PM;
Four (4) events per year with a maximum of 200 guests between the hours of 6:00 PM – 10:00 PM; and,
One (1) Harvest event per year with a maximum of 500 guests between the hours of 6:00 PM – 10:00 PM.
All food to be catered utilizing a ±184 sq. ft. small prep/staging area located adjacent to the tasting room.

Days and Hours of Operation (Proposed): Employee hours: production, 7:00AM to 3:00 PM; hospitality/tasting room, 9:00 AM to 6:00 PM

Parking (Proposed): 22 on-site parking spaces with 2 loading areas (15 visitor spaces and 7 employee spaces). The parking area also proposes to include an electric vehicle charging station space and one visitor clean air vehicle space.

Setbacks (Required): 20' side, 20' rear, 300' from Dunaweal Lane.

Setback (Proposed): No variance proposed. All required setbacks will be met.

Winery Comparison Charts

Exhibit A provides a summary of the locational and operational criteria of the proposed project as well as information on wineries within one mile of the project site. Furthermore, staff has updated information for the winery comparison for 175,000 to 225,000 gallon wineries. The proposed Girard winery falls below the Pre-WDO winery comparison median for visitation proposal and falls between the average and median calculation for parcel size. For the By-Appointment winery comparison, the proposed winery is somewhat greater than the average daily visitation calculations, but much lower than the average and median calculations for weekly and annual visitations. The number of events is one higher than the median, but much lower than the average. In terms of parcel size, the project site is slightly smaller than the median which is 38.92 acres.

Decision Making Options

As noted in the Executive Summary Section above, Staff is recommending approval of the project with conditions of approvals as described in Option 1 below. Decision making options also include a reduced development alternative and denial of the project.

Option 1 – Approve Applicant's Proposal

Disposition – This option would result in the development of a new 200,000 gallons per year winery approximately 32,771 sq.ft. in size, including a covered veranda (2,560 sq.ft.) and a covered work area (2,871 sq.ft.), a visitation and marketing program, employees, and other attributes associated with development of a winery.

Action Required – Follow proposed action listed in the Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant.

Option 2 – Reduced Project Alternative

Disposition – This option would result in a decrease in the overall winery size which could include (but not limited to): decrease in the production, visitation and marketing program, and/or size of proposed facility. It should be noted that the Applicant has further demonstrated through additional analysis with respect to water and traffic that

the subject parcel could accommodate the proposal, subject to project conditions. However, there is an ongoing policy discussion that is before the Agricultural Protection Advisory Committee and Planning Commission, which will be elevated to the Board of Supervisors before the end of the year, concerning the appropriate scope for additional winery development.

Action Required- Follow proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to place limits on use. If major revisions of conditions of approval are required, the item will need to be continued to a future date.

Option 3 – Deny Proposed Modification

Disposition – In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit modification, Commissioners should articulate what aspect or aspects of the project are in conflict with 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. Based on the administrative record as of the issuance of this staff report, there does not appear to be substantial evidence to date warranting denial of the project.

Action Required – Commission would take tentative motion to deny project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

Option 4 –Continuance Option

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

SUPPORTING DOCUMENTS

- A . Exhibit A - Comparison Charts
- B . Exhibit B - Findings
- C . Exhibit C - Conditions of Approval
- D . Department Conditions
- E . Revised Initial Study/Proposed Negative Declaration
- F . Supplemental Water and Traffic Consultant Reports
- G . Revised Wastewater Report
- H . Public Comments - Staff Response
- I . Public Comment Letters
- J . Graphics
- K . Previous Staff Report August 19, 2015

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina