



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/3/2018

Agenda Placement: 7B

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: Donald Barrella, Planner III - 707-299-1338

SUBJECT: Anthem Winery, P14-00320-MOD, P14-00321-VAR, and P14-00322-ECPA

RECOMMENDATION

JULIE ARBUCKLE / ANTHEM WINERY / USE PERMIT MODIFICATION # P14-00320-MOD, VARIANCE #P14-00321-VAR, VIEWSHED, EXCEPTION TO THE NAPA COUNTY ROAD AND STREET STANDARDS, AND AGRICULTURAL EROSION CONTROL PLAN #P14-00322-ECPA

CEQA Status: Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures (or MM's). MM's are proposed for the following area(s) Biological Resources, Geology and Soils, and Noise. 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 Major Modification for an existing winery permit to allow the following: (1) an increase in annual permitted production capacity from 30,000 to 50,000 gallons; (2) the construction of a new 10,388 sq.ft. Winery Facility including a 1,508 sq. ft. Tasting Room, a 1,724 sq. ft. Office, Catering and Conference Room, and outdoor marketing areas; (3) the development of 29,053 sq.ft. of caves including the on-site placement and storage of spoils; (4) an increase in on-site parking; (5) the development of winery support facilities (water tanks, septic system, and rainwater harvesting and winery process water recycling and reuse systems); (6) an increase in the number of employees; (7) a change in the in the winery's hours of operation; (8) a marketing plan that includes daily tours and tastings by appointment, 36 annual marketing events, and on-site consumption of wine produced on-site; and (9) the reconfiguration of an existing access driveway including the construction of a clear span bridge and approximately 650 feet of new driveway to provide adequate access to the winery. The project also includes an Exception to the Napa County Road and Street Standards for reduced commercial driveway widths and for road grades exceeding 18%, a Variance to allow construction of the proposed winery a minimum of 65 feet from a private access drive where a minimum 300-foot setback is required, a Viewshed request; and, an Agricultural Erosion Control Plan for the installation and maintenance of approximately 1.19 acres of new vineyard. The project is located on an approximate 44.8 acre holding within the Agricultural Watershed (AW) zoning district that consists of two parcels: i) the Winery Parcel (3454 Redwood Road, APN 035-470-046) an

approximate 27.23 acre parcel located on the east side of Redwood Road approximately 1.5 miles north of its intersection with Browns Valley Road; and ii) the Access Parcel (3123 Dry Creek Road, APN 035-460-038) an approximate 17.54 acre parcel located on the west side of Dry Creek Road approximately 1.7 miles north of its intersection with Redwood Road (or approximately 0.4 miles north of its intersection with Linda Vista Avenue). Access to the winery is proposed from Dry Creek Road.

Staff Recommendation: Adopt the Mitigated Negative Declaration and act on the Exception to the Napa County Roads & Street Standards, the Variance, the Viewshed, the Use Permit modification, and the Agricultural Erosion Control Plan, as conditioned.

Staff Contact: Donald Barrella, Planner III, (707) 299-1338 or Donald.barrella@countyofnapa.org

Applicant: Julie & Justin Arbuckle, Trustees of the Arbuckle Family Trust dated May 5, 2016; (707) 227-0722 or jarbuckle@sbcglobal.net

Applicant Representative: Rob Anglin, Holman Teague Roche, Anglin LLP.; (707) 927-4280 or angling@htrlaw.com.

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on recommended Findings 1-7 in Attachment A;
2. Approve an Exception to the Napa County Road & Street Standards, based on Findings 8-9 of Attachment A and subject to the recommended conditions of approval in Attachment B;
3. Approve Variance P14-00321-VAR, based on recommended Findings 10-14 of Attachment A and subject to the recommended conditions of approval in Attachment B;
4. Approve Viewshed request based on recommended Findings 15-21 of Attachment A and subject to the recommended conditions of approval in Attachment B;
5. Approve Use Permit P14-00320-MOD based on recommended Findings 22-26 of Attachment A, and subject to the recommended conditions of approval in Attachment B.
6. Approve Agricultural Erosion Control Plan P14-00322-ECPA, based on the recommended Findings and conditions of approval in Attachment C.

Discussion:

The winery was initially approved by the Planning Commission on December 18, 1996 under Use Permit #96006-UP, for an annual production of 30,000 gallons, a 1,600 square foot cut and cover barrel storage facility (or cave), and a 240 sq.ft. fermentation tank pad, and one part-time employee with operational hours from 9:00 AM to 5:00 PM. This use permit only allowed fermentation, aging, bottling (via mobile/portable facility), and storage. Other than infrequent wine trade visits for tasting occurring up to one day per week with up to five persons, no public tours, tasting, or retail wine sales was allowed under this use permit.

The proposal is to expand the existing 30,000 gallon winery by increasing annual production to 50,000 gallons, construct a new winery facility including caves, and introducing a marketing plan that includes daily visitation and marketing events. Major components of the expanded winery include a 10,388 square foot Winery Facility (two

4,000 square foot Fermentation Buildings that will house crush pads, and a 2,833 square foot Bottle Room), a 1,508 square foot Tasting Room; a 1,724 square foot Office, Catering and Conference Room Building; three outdoor marketing event areas totaling approximately 4,600 square feet, and 29,053 square feet of caves that includes a 1,257 square foot cave terrace and associated portal, parking areas providing 22 spaces, and eight 10,000 gallon water storage tanks. The facility would also feature the recycling and reuse of winery process wastewater and the development of a rainwater harvesting system. Due to the location of the proposed facility on the project site, viewshed review is required pursuant to Napa County Code Chapter 18.106.

Operational components include an increase of up to seven full-time and four part-time employees, expanded hours of operation from 8:00 AM to 8:00 PM, daily tours and tasting between 10:00 AM to 6:00 PM with a maximum of 32 persons per day on weekdays and a maximum of 48 persons per day on weekends with an overall maximum of 256 persons per week, and an annual marketing program that includes the following: (i) twenty four events with a maximum of 30 guests with no more than one of these events occurring in the evening; (ii) ten events with a maximum of 100 guests; (iii) one event with a maximum of 200 guests; and (iv) one event with a maximum of 300 guests. Events would occur from 11:00 AM to 10:00 PM on weekdays, and on weekends from 11:00 AM to 12:00 AM with events over 30 guests moving indoors by 10:00 PM.

A variance has been requested to allow the construction of the proposed Winery Facility a minimum of 65 feet from the centerline of the Applicant's private access drive located on the abutting parcel to the north (i.e. the Access Parcel, 3123 Dry Creek Road, APN 035-460-038) where 300 feet is required. Furthermore, an exception to the Napa County Roads & Street Standards (NCRSS) is requested to allow for a reduced commercial driveway widths and excessive slopes within approximately the first 1,700 feet of the driveway. All other portions of the proposed driveway will be improved to conform to the commercial roadway requirements as outlined in the NCRSS.

The owner/applicant is also requesting approval of an Agricultural Erosion Control Plan #P14-00322-ECPA to develop and maintain approximately 1.19 acres of new vineyard. No trees would be removed as part of this ECPA.

While staff has reviewed the proposal and found it consistent with the Zoning Ordinance and applicable General Plan policies, the requested weekly and annual maximum visitation is above the average and the median of other 50,000 gallon per year production wineries with by appointment visitation and marketing activities. The requested number of marketing events is also above both the average and median for similar production capacity by appointment wineries. Staff has also reviewed the variance request and the evidence submitted and believes the findings can be met. Considering a similar winery facility in scope and scale as the proposed winery, the strict application of the required minimum winery setback from the private access drive located on the Access Parcel, in conjunction with site constraints (primarily excessive slopes) would result in larger more visible facility as viewed from off-site locations than the proposed winery. Additional grading would also be necessary to extend a compliant access drive to a location that observes the winery setback, as well as the permanent removal of approximately 0.5 acres of existing vineyard. The proposed location would also assist in developing a winery facility that is consistent with County Viewshed Requirements.

Staff, including the Engineering Division and Fire Marshall have reviewed the Road and Street Standards Exception request and determined that the proposed driveway design, given its physical and legal constraints and incorporation of the Emergency Ingress/Egress Plan, has been designed to the maximum extent practical to provide adequate emergency access to the project site, and that the required findings can be met. It should be noted that any modification of the existing winery would likely require similar driveway improvements to provide adequate access.

As detailed in the Project's Initial Study and Mitigated Negative Declaration (Napa County, August 30, 2018), potential environmental impacts were found to be less than significant with implementation of conditions of approval and project specific mitigation measures in the areas of biological resources, geology and soils, and noise. Based on the reasons stated above, staff can recommend approval of the project subject to the

recommended conditions of approval. However, given the scope and scale of the proposed project, existing site conditions and constraints including access and slopes, and the amount of estate grown grapes to support the requested annual production capacity increase, staff has included several general alternatives for the Commission's consideration that include: a Reduced Production Capacity Alternative, a Reduced Visitation and Marketing Alternative, and a Vineyard Only Alternative.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Mitigated Negative Declaration and MMRP. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, geology and soils, and noise. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owners: Julie and Justin Arbuckle, Trustees of the Arbuckle Family Trust dated May 5, 2016, 3454 Redwood Road, Napa CA 94558

Applicant: Julie and Justin Arbuckle; 40 Braewood Place, Dallas TX 75248; (707) 227-0722;
jarbuckle@sbcglobal.net

Representative: Rob Anglin, Holman Teague Roche Anglin, LLP., 1455 First Street, Suite 217, Napa, CA 94559; (707) 927-4280; angling@htralaw.com

Zoning: Agricultural Watershed (AW)

GP Designation: Agriculture, Watershed & Open Space (AWOS)

Filed: October 7, 2014; **Resubmittals Received:** March 17, 2015; December 4, 2015; April 11, 2017; August 30, 2017; January 19, 2018; and June 27, 2018; **Deemed Complete:** July 27, 2018

Parcel Size: Winery Parcel (APN 035-470-046, 3454 Redwood Road) 27.23 acres; Access Parcel (APN 035-460-038, 3123 Dry Creek Road) 17.54 acres; Combined 44.8 acres

Existing Development: The Winery Parcel (APN 035-470-046) is currently developed with a single-family residence and associated accessory structures (a car port, four sheds and a propane tank, two ±10,000 water tanks, four wells), a winery consisting of a 1,600 square foot cave and associated 240 square foot tank and crush pad; a ±0.5 acre landscape orchard, and approximately 7.5 acres of vineyard (6 planted acres). This parcel also contains approximately 1 acre of vineyard currently being developed under #P12-00401-ECPA, and approximately 0.05

acres of vineyard proposed under #P14-00322-ECPA (as further described below). Access to this parcel and winery is provided by an existing private access drive off Redwood Road, which was found to be adequate at the time with the addition of vehicle turn outs.

The Access Parcel (APN 035-460--038) is currently developed with a single-family residence, a guest cottage, propane tank, four wells. This parcel contains approximately 2.7 acres of vineyard currently being developed under #P12-00401-ECPA, and almost the entirety of the vineyard proposed under #P14-00322-ECPA: approximately 1.14 acres. Access to this parcel is provided by an existing approximate 0.5 mile long ±8 foot wide paved access drive leading from Dry Creek Road to the existing residence.

Neither of the driveways serving the Winery Parcel or Access Parcel, in their existing configurations, conform with current NCRSS requirements or provides adequate emergency access.

Proposed Winery Characteristics: "Winery Parcel"

Winery Size - Approved and Existing: 1,600 square feet (cave) and 240 square foot crush/fermentation pad.

Winery Size - Proposed: 13,620 square feet consisting of a 10,388 square foot Winery Facility that includes two 4,000 square foot Fermentation Buildings (that will also house two crush pads), a 2,833 square foot Bottle Room (that also contains lab, restroom and service/mechanical areas); a new 1,508 square foot Tasting Room; and a new 1,724 square foot Office, Catering and Conference Room Building). The development of 29,053 sq.ft. of caves including the on-site placement and storage of spoils.

Production Capacity Approved: 30,000 gallons per year.

Production Capacity Proposed: 50,000 gallons per year.

Winery Development Area - Approved and Existing: 1,600 square feet (cave) and 240 square foot crush/fermentation pad (as identified in permit) / 2,500 sq. ft pursuant to applicant statement.

Winery Development Area - Proposed: 16,090 square feet.

Winery Coverage Approved: 8,712 square feet or approximately 1.28%.

Winery Coverage Proposed: 94,712 square feet or approximately 8%.

Accessory/Production Ratio Approved: 0 square feet accessory - approximately 0%.

Accessory/Production Ratio Proposed: 5,502 square feet accessory/38,296 square feet production - approximately 12.5%.

Number of Employees Approved: 0 full-time and 1 part-time.

Number of Employees Proposed: 7 full-time and 5 part-time.

Visitation - Approved: No public tours, tasting, or retail wine sales, with wine trade visits occurring up to one day per week with a maximum of five persons.

Visitation - Proposed: By appointment only, 32 visitors per day on weekdays and 48 visitors on weekends, and a maximum of 256 visitors per week.

Marketing Program - Approved: None.

Marketing Program - Proposed: A Marketing Program would establish the following program: (i) 24 annual events for up to 30 guests; (ii) 10 annual events for up to 100 guests; (iii) one annual event for up to 200 guests; and (iv) one annual event for up to 300 guests. Total events requested under the marketing program would be 36 per year.

Days and Hours of Operation - Approved: 9:00 AM to 5:00 PM Monday through Sunday (production hours).

Days and Hours of Operation - Proposed: 8:00 AM to 8:00 PM Monday through Sunday (production hours) and

10:00 AM to 6:00 PM Monday through Sunday (visitation hours). Marketing events 11:00 AM to 10:00 PM weekdays, 11:00 AM to 12:00 AM weekends with events over 30 guests moving indoors by 10:00 PM.

Parking - Approved: 2 parking spaces.

Parking - Proposed: 22 parking spaces.

Setbacks:

Required Winery/Road setback - 300 feet from centerline of private access drive located on the Access Parcel.

Required Property Line setbacks - 20 feet side and rear yard setbacks (for structures) except where the 300-foot setbacks are applicable.

Proposed Setbacks - A Variance is requested because the winery has proposed a minimum of 65 feet from a private access drive that provides access to more than one parcel (i.e. the Access Parcel). The winery, a majority of which would encroach into the winery/road setback, is located in the northeast corner of the Winery Parcel. The only proposed winery structures and/or features located outside the winery setback include the Winery Office/Catering/Conference Room Building and associated terraces, two of the outdoor hospitality areas, and cave patio. See the discussion below for additional details. The application meets all other setback requirements. In relationship to public roads, the winery is set back over 1,800 feet from Dry Creek Road and over 800 feet from Redwood Road.

Adjacent General Plan Designation/ Zoning / Land Use:

North: AWOS / AW / Small to Large Size Semi-Rural Residential and agricultural lots, and the Matthiasson and Woolls Ranch Wineries

South: AWOS / AW / Small to Large Size Semi-Rural Residential and agricultural lots, and the Olney Family Winery and Frisinger Vineyards

East: AWOS / AW / and AR / AP Small to Large Semi-Rural Residential and agricultural lots

West: AWOS / AW / Large Semi-Rural Residential and agricultural lots

Surrounding land uses consist predominantly of semi-rural residential and agricultural uses, predominately consisting of vineyard, and occasional wineries. The project site falls within a transitional area between the Agricultural Preserve (AP) zoning designation of the Napa Valley floor to the east, and the Agricultural Watershed (AW) zoning designation associated with the Mt Veeder area to the west. Therefore, there is a various mix of parcels sizes ranging from ± 0.75 acres to ± 250 acres within approximately a mile of the project site.

Nearby Wineries (located within 1 mile of the project)

Please refer to Attachment T.

Parcel History:

On December 18, 1996, Use Permit #96006-UP was approved by the Planning Commission on the Winery Parcel for a 30,000 gallon per year winery that included a 1,600 square foot cut and cover/sub-surface barrel storage facility (or cave), a 240 sq.ft. fermentation tank pad, and two fermentation tanks. This use permit only allowed fermentation, aging, bottling (via mobile/portable facility), and storage: crush activities, office, case good storage would occur off-site. One part-time employee from 9:00 AM to 5:00 PM was identified under this permit, and other than infrequent wine trade visits for tasting occurring up to one day per week with a maximum of five persons, no public tours, tasting, or retail wine sales were allowed under this use permit. Access to the winery under this use permit was provided by an existing private access drive off Redwood Road, which was found to be adequate with the addition of turn outs for vehicles to pass.

A modification to the Use Permit (#99033-MOD) was subsequently approved by the Planning Commission on December 19, 2001, which authorized on-site crushing activities and a third fermentation tank. No visitation or marketing events, other than the occasional wine trade visits identified in #96006-UP were allowed under this modification. On May 2, 2012, a subsequent very minor modification (#P12-00084-VMM) was approved by the Planning Director allowing case good storage at the winery.

Vineyard located on the Winery Parcel was originally approved by the Planning Director on May 6, 1999, under Agricultural Erosion Control Plan (ECPA) #98301-ECPA. This ECPA was subsequently modified by the Planning Director on March 11, 2009 (#P08-00345-ECPA), to augment the location and design of erosion and runoff control features specified in #98301-ECPA (such as detention basins, check dams and diversions ditches, and subsurface drain lines), adjust vinerow directions, and adjust the bounds of approved vineyard blocks, resulting in an approximate 0.65 acre increase in vineyard development from approximately 6.8 gross acres (± 5.5 planted acres) to 7.5 gross acres (± 5.9 planted acres).

On April 24, 2013, #P12-00401-ECPA was approved by the Planning Director for approximately 3.7 acres of additional new vineyard (± 2.8 planted acres) located on both the Winery and Access Parcels. Approximately 1 acre of this ECPA occurs on the Winery Parcel, with the remaining ± 2.7 acres of vineyard occurring on Access Parcel. Initiation of #P12-00401-ECPA commenced in June 2016, consisting of tree and understory removal. No additional activities associated with implementation of this ECPA (such as land ripping, vineyard infrastructure installation, or planting) has occurred since 2016.

Code Compliance History:

None. There are no open or pending code violations on either parcel. The County is not aware of any compliance issues on the properties and no complaints have been filed.

Discussion Points:

Setting - The project site is situated in the eastern foot-slopes of the Mayacamas Mountains generally where the terrain transitions from the Napa Valley Floor located to the east to the intervening hills, valleys and ridges associated with Mt Veeder located to the northwest. Topography in the vicinity of the project area and the project site generally consist of gentle to very steeply sloping east and southeast facing ridgelines, hills and valleys, and the flatter Napa Valley to the west. Topography of the project site generally consists of varied, moderately to severely sloped, southeast facing hilltops and valleys, with slopes within the project area generally ranging from 10% to 30%. Elevations in the project area ranging from approximately 375 feet to 450 feet above mean seal level (msl).

Geology of the project site and immediate area consists of sedimentary bedrock units of the Great Valley Sequence. Soils of the project site and area consist of Fagan Clay Loam, 30-50 percent slopes (Soils Series #133), and Felton Gravelly Loam, 30-50 percent slope (Soil Series #136). Vegetation types of the area and the project site predominately consist of Oak woodlands and Semi-natural Annual Grassland (California Annual Grassland and/or Wild Oats Grassland), interspersed with vineyard. The proposed project site is located within a moderate fire severity zone and the State Responsibility Area (SRA) district.

The project site is located in both the Redwood Creek and Salvador Channel Drainages. Generally, a majority of each project parcel (i.e. the Winery Parcel and the Access Parcel) is located within the Redwood Creek Drainage, with northeastern portions of each parcel occurring within the Salvador Channel Drainage. Redwood Creek generally abuts the western periphery of each of the project parcels. Redwood Creek generally drains southeast to Napa Creek, thence to the Napa River located approximately 5.25 miles to the southeast. Within the Salvador Channel Drainage, there are two unnamed blue-line tributaries to the Napa River, which are located approximately 0.25 miles to the northeast and southeast of the project site, these tributaries ultimately drain to the Napa River

approximately 4 mile to the east. Other than Redwood Creek, there are no other identified or known definitional streams located within the project area. The project site is not a FEMA designated flood zone.

Winery Proposal – The proposal is to further modify an existing winery permit (#96006-UP, #99033-MOD, and #P12-00084-VMM) to increase in the annual production amount to 50,000 gallons, and a new 13,620+/- square foot winery facility constructed within three structures (a 10,388 square foot fermentation and bottling facility that will also house crush pads, a 1,508 square foot tasting room, and a 1,724 square foot office/catering/conference room building), and new 29,053 square foot cave system. The fermentation and bottling facility would be built (set) into the hillside at the northeast portion of the site and feature a roof terrace, and the tasting room and office/catering/conference room building would be located at grade south of the fermentation and bottling facility. The height of the fermentation and bottling facility is approximately 30 feet, with an overall height of approximately 42 feet when taking into account the roof top terrace located on the bottling facility. Because the fermentation/bottling facility is set into the hillside the 35 foot height limitation would not be exceeded in that building height is measured from natural grade. The tasting room and office/catering/conference room building are single story with an overall height of +/-16 feet. All project spoils generated from construction activities will be disposed on-site by integrating into the project's site design and through stockpiling by incorporating spoils into the proposed vineyard development.

The proposed winery buildings will have stained wood and natural stone siding, the roofs will either be Tesla solar roof tiles or corrugated metal with low reflectivity, the metal doors and window frames will be dark bronze metal, the wood doors will be brown or tan, and the integral color board formed concrete walls will be grey in color. The planned color scheme for all of these features will be earth tones in the range of the following color variations: greys, tans, browns, and dark bronze (metal doors and window frames only).

Guest parking is located next to the fermentation and bottling facility. Visitors access the tasting room by passing through the bottling area and up to the roof top terrace, which leads to pathways to the tasting room and outdoor marketing areas. The caves would primarily be accessed through the fermentation and bottling facility in three locations and include, a 400,000 gallon water storage component, hospitality/tasting areas, mechanical areas, and a cave portal located within the central portion of the site.

Phasing - As proposed construction of the Anthem Winery will be completed in three phases. The first phase includes construction of the driveway, parking, septic system, winery production structures (Fermentation Buildings and Bottling Room), outdoor tasting area, and cave storage tanks for harvested rainwater. The second phase includes construction of the caves, and the third phase includes construction of the tasting room and the office/catering/conference room building.

Variance – A Variance is requested for approval because a majority of the winery is proposed within the required 300 foot winery setback from a private access drive located on the abutting parcel to the north (i.e. the Access Parcel) that is currently owned by the applicant. The winery is proposed a minimum of 65 feet from the private access drive. The only proposed winery structures and/or features located outside the winery setback include the Tasting room, the Office/Catering/Conference Room Building and associated terraces, two of the outdoor hospitality areas, and a cave portal/patio. As detailed in the Project's Variance Application (Attachment F) and as shown on its Visual Simulation Exhibits (Sheets VS-A through VS-C of Attachment F), prepared by Backen Gillam, strict application of the required setbacks for a winery of this size and production capacity could result in a much larger winery structure that would be more visible from surrounding properties and roadways, result in the permanent removal of approximately 0.6 acres of existing vineyard and the inability to develop approximately 0.4 acres of entitled/approved vineyard, as well as result in increases in energy consumption and Greenhouse Gas (GHG) emissions necessary to construct and operate a winery that observed this setback.

Variances must satisfy the criteria in Government Code Section 65906 and County Code Section 18.128.060. Generally, to grant a variance an applicant must demonstrate that: 1) they will experience practical difficulties and

unnecessary hardships in the absence of the variance, 2) these hardships result from special circumstances relating to the property that are not shared by other properties in the area, and 3) the variance is necessary to bring the applicant into parity with other property owners in the same zone and vicinity. In addition, an applicant must show that the proposed variance will not be contrary to public interest, safety, health, and welfare. To approve a variance, the Planning Commission must make all findings required pursuant to Section 18.128.060 that are listed below.

As outlined below, Staff believes adequate evidence exists to meet the required findings, and therefore, supports the variance and that the Planning Commission consider granting the requested variance.

Finding 1) *That the procedural requirements set forth in this chapter have been met.*

Notification of the public hearing for this variance request has been provided in accordance with NCC Section 18.136.040.

Staff Comment: This requirement has been met.

Finding 2) *Special circumstances exist applicable to the property, including size, shape, topography, location or surroundings, because of which strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification.*

Staff Comment: The 27.23 Winery Parcel has constraints not shared by other properties in the vicinity including slopes in excess of 30%, and existing agricultural and residential development (i.e. vineyard, winery and single-family residence) which influence and limit siting options of structures and site improvements in the overall site design. The variance request is also predicated, in part, by the winery setback being measured from a private access drive located on the Access Parcel, which is under the ownership of the applicant, rather than a public road. These constraints make it difficult to expand the winery absent the requested variance. As shown in Exhibit 1 (RSA+ May 2017) of the Variance Application, approximately 40% (or 11 acres) of the Winery Parcel contains slopes over 30%. This Exhibit, which also shows the location of existing site development, in conjunction with Exhibits VS-A through VS-C of Attachment G, show that siting the winery to observe required setbacks, avoid slopes over 30%, and avoid existing site improvements to the maximum extent practical, would result in the permanent removal of approximately 0.6 acres of vineyard and the inability to develop approximately 0.4 acres of entitled/approved vineyard, as well as result in a larger facility that would be more visible from surrounding properties and public roadways. Additionally operation of a winery with the capacity of the proposed winery that observed the winery setback could result in increased energy consumption and GHG emissions, as further described in Finding #3 below. The granting of this variance would not confer a special privilege as the subject parcel contains a unique combination of constraints.

Finding 3) *Grant of the variance is necessary for the preservation and enjoyment of substantial property rights.*

Staff Comment: This finding requires the applicant to demonstrate that grant of the variance is necessary for the preservation and enjoyment of substantial property rights generally enjoyed by other properties in the same zone and vicinity, but would be denied to the applicant's parcel due to special circumstances of the property and unnecessary hardship: this is generally referred to as "parity". The property is located within the AW zoning district in which wineries are permitted upon approval of a use permit. Denial of the variance could deprive the applicant of the ability to develop an expanded winery in close proximity of the existing winery, which would result in increased grading and disturbance within the site, a much larger winery structure necessary to provide equivalent production and storage capacity as the proposed expansion, that would be more visible and located closer to adjacent residences. A larger winery structure would also result in increased operational energy use and GHG emissions. Approval of the variance would allow the Winery Parcel to expand its agricultural use consistent with the site's zoning and General Plan land use designations in a manner that takes advantage of existing site conditions to

reduce the prominence and visibility of the winery, reduces operational energy use and GHG emissions, and provides the ability to site the winery expansion further from adjacent residential structures. Additionally, the variance to the winery setback would allow the applicants to achieve a degree of parity with other properties in the vicinity within the same zoning district that are currently in agricultural use and are not constrained by the site conditions described above. Strict application of the setbacks, results in both practical and financial hardships, which would restrict the ability to expand and modify the existing winery use permit. Grant of the variance would bring the parcel into "parity" with other properties zoned AW that have been granted use permits and variances for wineries.

Relocation of the winery outside of the 300 foot winery road setback would create a hardship in that any alternative location on the 27.23 acre parcel would necessitate the construction of a larger winery structure, improvement of longer access driveways, the permanent removal of approximately 0.6 acres of vineyard, the loss of approximately 0.4 acres of approved but not yet developed vineyard, and would result increased operational energy use and GHG emissions.

The economic burden of developing and operating an expanded winery that observed the required winery road setback and avoids existing agricultural and residential site improvement would have the potential to create a substantial hardship. According to a building contractor contacted by the applicant on this issue, additional construction costs associated with construction of a comparable facility (an approximate 30,800 square foot structure) located approximately 800 feet south of the existing winery cave and crush pad would total approximately \$1,331,200, consisting primarily of the following: (i) grading and importation of approximately 14,800 cubic yards of offsite fill to level the site; (ii) widening, grading and paving an approximate 800 foot segment of existing driveway located between the existing winery and the alternate location to meet road and street standards; and (iii) extending water, electric, sewer, and septic lines and other infrastructure to the alternate location (see Exhibit 2, of Attachment F). Ongoing annual energy use and cost associated with controlling the temperature of a significantly larger winery production and storage building, and for pumping water and wastewater to and from the facility, and increases in associated GHG emissions would be significant. According to an engineering and environmental science firm contacted by the applicant such a facility would use about 336,000 kWh of energy more per year at an additional cost of \$74,000 per year. In addition to increased energy use and cost, the use of approximately 336,000 kWh of energy per year would result in approximately 236 metric tons of additional GHG emissions as compared to the proposed winery. Another potential hardship would be the loss of wine due to the evaporation that occurs in large winery buildings compared to caves. A barrel of wine stored in a typical wine cave loses about 1 gallon of wine per year per barrel, however, barrel of wine stored in a typical warehouse can lose up to 4 times that amount (4 gallons per barrel per year) (see Exhibit 3 of Attachment F). Considering the average wholesale price per bottle and the amount of wine Applicant plans to produce, it is estimated that the value of the additional 5,000 gallons of wine that will be lost to evaporation each year is \$1.25 million for a winery located outside the winery road setback.

As detailed in the Applicant's Variance Application, the Applicant's driveway is the only shared driveway on similar parcels in the vicinity that is shared by itself (because the parcels are under common ownership), and there are other properties in the vicinity under the AW zoning designation that enjoy permitted wineries without setbacks from their own driveways. These wineries include (in order of proximity) Phoenix Vineyards, Woolls Ranch Winery, Olney Family Winery, Frisinger Vineyards, Hendry Ranch Winery, and Hess Collection. Other wineries in the vicinity under the identical zoning designation enjoy permitted wineries within the 300 foot winery road setback including the Phoenix Vineyards Winery (APN 035-460-022: 3171 Dry Creek Road: a Pre-WDO winery), located approximately 800 feet from the Winery Parcel, is within the 300 foot setback from a driveway it shares with other neighbors, and the Shifflet Winery (APN 034-190-038: 1201 Darms Lane) located approximately 1.7 miles north of the Winery Parcel that was granted a variance (#03333-VAR) to allow a 48 foot setback. As previously noted the Applicant's driveway is not shared with any other neighbor but itself, but is subject to the 300 winery road setback.

Further, the variance to the winery setbacks would allow the applicant/Permittee to achieve a degree of parity with other properties in the vicinity within the same zoning district that are currently in agricultural use and are not

constrained by the site conditions described above. Strict application of the setbacks, results in both practical and financial hardships, which would restrict the ability to expand on the existing winery use permit. Grant of the variance would bring the parcel into "parity" with other properties zoned AW that have been granted use permits for wineries.

Finding 4) *Grant of the variance will not adversely affect the public health, safety or welfare of the County of Napa.*

Staff Comment: There is nothing included in the variance proposal that would adversely impact the public health, safety, or welfare of the County of Napa. Construction of the new buildings would be subject to County Codes and regulations including but not limited to California building codes, fire department requirements, and water and wastewater requirements. The granting of the variance to the winery road setbacks would not adversely affect the health or safety of persons residing or working in the neighborhood of the property. The proposed winery facility, caves and site development, with the required variance, would be over approximately 500 feet to the west of the nearest residences and would be located approximately 1,000 feet to the north and east of the next closest residences. The majority of winemaking activities would occur within the proposed fermentation building and bottling buildings. As disclosed in the project Initial Study and Mitigated Negative Declaration (IS/MND) (Attachment D), considering project site characteristics, surrounding environment, and the scope and scale of the proposed project, the project with incorporation of identified mitigation measures and conditions of approval, is not anticipated to result in either project specific or cumulative significant unavoidable impacts. Furthermore, the proposed use would include activities that are typically considered normal and reasonable for a property within an Agricultural Watershed zoning district. Various County departments have reviewed the Project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which would incorporate these comments into the project to assure protection of public health, safety, and welfare.

Findings 5, 6, and 7) - These three findings pertain to groundwater use, and the applicable finding depends on whether the project is located in a groundwater deficient area (Finding #5), located outside of a groundwater deficient area (Finding #6), or connecting to a public water supply (Finding #7). In this case Finding #6 applies with operative language as follows: "... *substantial evidence has not been presented demonstrating that grant of the variance might cause a significant adverse affect on any underlying groundwater basin ...*"

Staff Comment: Water sources for the project, as disclosed and analyzed in the Project's IS/MND Hydrology and Water Quality Section (Attachment D - Section IX), and the Project's Water Availability Analysis (WAA - Attachment J), would consist of a combination of three (3) existing project site groundwater wells, recycled/reclaimed winery process water, and harvested rainwater. The estimated long-term groundwater demand for both existing and proposed uses occurring on the project site (i.e. the Winery and Access Parcels) is estimated to be 5.51 AF/yr during a drought year and 4.71 AF/yr during an average water year, presuming the rainwater harvesting and winery process water recycling systems are operating at anticipated levels: the proposed rainwater harvesting system is estimated to yield between 0.75 AF/yr to 1.55 AF/yr, and reclaimed/recycled process water could provide up to 0.77 AF/yr: without these alternate sources, total groundwater demand could be up to approximately 7.04 AF/yr during normal or drought years. The WAA has estimated that annual groundwater recharge would be up to approximately 11.01 AF/yr of during average rainfall years and up to approximately 5.29 AF/yr during dry rainfall years. The Owner/Permittee is committed to minimizing ground use on the property, and that anticipated groundwater use does not exceed the use envisioned by the project as a result of the installation of supplemental water sources, the Department of Public Works has recommended project specific conditions of approval that include, among other provisions, limiting overall ground water use to 4.71 AF/yr, demonstration of adequate on-site water storage prior to issuance of Certificates of Occupancy, and requiring any other water sources that were not evaluated as part of these applications to be subject to additional environmental review and use permit modification if necessary. For these reasons the project does not have a significant impact on groundwater resources and this finding can be met. (Refer to groundwater availability discussion below for additional details regarding the WAA and its review).

Viewshed Application - Portions of the project site include slopes that are over 15% and are viewable from Dry

Creek Road to the east, which is identified as a designated scenic roadway in the General Plan, and therefore subject to the Viewshed Protection Program (NCC Chapter 18.106). Redwood Road is also a designated scenic roadway; however, due to project siting, site topography, and existing vegetation associated with Redwood Creek and along Redwood Road the proposed winery structures would not be visible from Redwood Road. The new winery structures are proposed within the northeast corner of the Winery Parcel on slopes between 15% and 30% and shielded from Redwood Road.

While the project would remove woodland the siting, orientation, and design of the Winery Facility, which includes partially setting its larger elements (i.e. the fermentation buildings and bottling room) into the hillside would reduce height and visual mass of these elements on the landscape and ensure that it will not be silhouetted against the sky. This design feature also maximizes the ability of adjacent trees and woodland to remain as part of the project to screen the Winery Facility by placing it partially below the surrounding tree canopy, as exhibited in the Project's Viewshed Analysis (Attachment H). While the Facility's Tasting Room and Office/Catering/Conference Room Building would not be substantially screened by existing vegetation, their small size (1,508 square feet and 1,724 square feet, respectively) and single story design (+/-16 foot overall height) would not introduce large structural features into the natural and human landscape or be silhouetted against the sky. Sixteen (16) 36-inch box Mulberry trees are proposed around these two buildings to provide additional screening. As sited the winery facility avoids grading on slope over 30%, and as designed over 50% of the Winery Facility would be screened from Dry Creek Road by existing vegetation, which is in substantial conformance with the design and screening requirements of the Viewshed Protection Program. Additionally, based on the Project's Viewshed Analysis, only approximately 20% of the proposed winery building would be visible from the Napa Valley floor located approximately 2,000 feet to the east of the project site.

Because the ability to design a site access that incorporates recommendations of the Viewshed Protection Manual (such as contouring to the existing terrain to minimize extensive cuts and fills and the use and height of retaining walls) is constrained by the property's configuration (i.e. flag lot with 20.5 foot wide access stem), the proposed access will need to include cut and fill slopes and retaining walls to construct. While some of these walls would be visible from off-site locations, the limited height (generally up to 6 feet) and construction material (wood), would assist in minimizing their effect on the on the landscape.

Furthermore, views into the project site from adjoining properties will not significantly be changed as a result of the project. The subject property and several of the properties in the immediate vicinity are in agricultural use primarily featuring vineyards and agricultural support buildings and semi-rural residences. Addition of the proposed winery buildings and facilities will not significantly change the semi-rural character of the subject property or surrounding area. The proposed winery facility has no potential to block views of major or minor ridgelines, scenic rock outcropping or otherwise substantially degrade the visual quality of the area.

Visitation & Marketing – Because the existing winery permit (as modified by #99033-MOD, and #P12-00084-VMM) does not allow public tours, tasting, or retail wine sales, other than infrequent wine trade visits for tasting occurring up to one day per week with a maximum of five persons, the application proposes to establish a visitation and a marketing program that includes daily tours and tastings by appointment and 36 annual marketing events. A maximum of 32 visitors per day on weekdays (Monday through Friday) and a maximum of 48 visitors per day on weekends (Saturday and Sunday) for a maximum weekly total of 256 visitors is proposed. The marketing events will consist of: (i) twenty four (24) events per year with a maximum of 30 guests, (ii) ten (10) events per year with a maximum of 100 guests, (iii) one (1) event per year with a maximum of 200 guests, and (iv) one (1) event per year with a maximum of 300 guests. Events to be scheduled between 11:00 AM and 10:00 PM on weekdays and 11:00 AM to 12:00 AM on weekends with events over 30 guests moving indoors by 10:00 PM. The attached winery comparison tables (Attachment T) compare the Anthem Winery with wineries that currently have an annual permitted production capacity of 50,000 gallons.

As shown in Attachment T, the requested visitation for tours and tastings and marketing all fall well above the

average and median visitation for similar production size winery facilities with a maximum of 15,532 visitors a year. The project would have the second highest visitation rate of wineries within approximately one mile (the Woolls Ranch Winery located approximately 0.5 miles to the northwest has an annual visitation of 22,840 guests), and would have approximately twice the average and median visitation rates of wineries within a similar production limit. However, this proposal is similar in scope with what has been recently approved at a similarly sized winery in the area (Woolls Ranch), and potential impacts have been addressed, and the project would be consistent with General Plan and zoning requirements.

The applicant has proposed to conduct Marketing events from 11:00 AM to 10:00 PM weekdays and 11:00 AM to 12:00 AM weekends with events over 30 guests moving indoors by 10:00 PM. The County's Standard Conditions of Approval adopted by the Board of Supervisors restricts marketing events to 10:00 PM excluding quiet clean-up whether conducted inside or outside of a winery, including caves (Standard COA 4.3 Marketing). This restriction is to ensure that adjacent properties are not impacted by winery activities, including vehicular traffic, beyond 10:00 PM. In this case, 36 events per year are proposed to end after 10:00 PM. For larger events (12 events), the applicant has indicated that shuttle bus service would be provided to accommodate guests. Given that the Board of Supervisors established policy (i.e. customs and practices) that marketing events end by 10:00 PM, staff cannot recommend approval on this request. Although, the noise analysis prepared for the project indicated that there would not be any significant impact associated with winery operations including the hospitality component and recommended that events be moved indoors after 10:00 PM, without direction from the Board staff nor the Planning Commission can authorize this request. The scope of the recommended conditions of approval (Attachment B) has been crafted to reflect this limitation.

Additionally, to ensure that conflicts with traffic and parking do not occur between normal visitation and marketing events, staff is recommending the tasting room be closed during marketing events and that shuttle service be provided for marketing events of with more than 30 guests.

The application also requests temporary tasting/marketing during winery construction, while wine production is occurring at the existing winery. The tasting/marketing area that would be located within the existing 1,600 square foot winery cave and associated crush pad. Presently wine is not being produced on-site. As proposed construction of the expanded winery will be completed in three phases: (i) construction of the driveway, parking, septic system, winery production structures, bottle room, outdoor tasting area, and cave storage tanks for harvested rainwater; (ii) construction of the caves; and, (iii) construction of the tasting room and office buildings. Staff, including the Fire Marshall and Engineering Services, is recommending denial on this request because adequate emergency access would be necessary to accommodate public access, and that the existing cave and crush pad are not designed or installed to accommodate public access and use. For the existing cave to accommodate temporary public use, improvements such as fire sprinklers and venting would need to be installed, and Class III exiting requirements would need to be met. Accommodating this request would also be in conflict with the project specific condition of approval recommended by the Public Works Department requiring demonstration of adequate water storage sufficient to meet the maximum monthly storage requirements exist on site (1.26 acre-feet) (see Condition #4.20(d). Furthermore, without any specifics related to this request, such as but not limited to, tour and tasting and/or event frequency and number of guests, this request cannot be adequately or appropriately assessed. The scope of the recommended conditions of approval (Attachment B) has been crafted to exclude this project component.

Noise - As detailed in the Project's Environmental Noise Assessment (Illingworth & Rodkin, Inc. July 2017 - Attachment N) noise generated from the proposed winery as a result of typical winery operations including mechanical equipment, crush activities, bottling activities, facility maintenance and forklift operation, as well as noise generated from the winery's parking and shipping/delivery areas and traffic on the access road, would not exceed prescribed noise standards at the closest residences to the winery. Noise generated from marketing activities located inside the Winery Facility would not exceed prescribed Daytime or Nighttime noise standards at the closest residences to the winery which are approximately 500 feet to the west. As proposed operational

activities of the winery including crushing and bottling would occur inside the proposed fermentation buildings, and the fermentation buildings and caves include dedicated service and mechanical areas to house or otherwise enclose operational and mechanical equipment within the winery, to the maximum extent practical, to minimize noise impacts of the winery.

The Environmental Noise Assessment also shows that marketing events being held outside, except for the 300 person marketing event, are not expected to exceed prescribed Daytime or Nighttime standards, provided they end or moved inside by 10:00 PM. As indicated, the proposed marketing plan, marketing events would end or move inside by 10:00 PM. Regarding the 300 person event, the Environmental Noise Assessment has concluded that this event would exceed the Daytime standard. Implementation of Mitigation Measure NOI-1, which will require the design of this event area to include solid 6 foot barriers/panels that can be installed to reduce noise generation from this area during the 300 person marketing event below identified Daytime standards. The use of demountable solid surface barrier panels are expected to reduce event noise generated by the 300 person event by 7 dBA at the closest off-site residence, resulting in an L50 sound level of 40 dBA.

Additionally, enforcement of Napa County's Noise Ordinance by the Division of Environmental Health and the Napa County Sheriff, including the prohibition against amplified music, and implementation of standard conditions would further ensure that marketing events and other winery activities do not create a significant noise impact. Based upon the analysis in the MND, the proposed project would not result in long-term significant permanent noise impacts with the implementation of mitigation measures identified in the recommended conditions of approval (Attachment B).

Biological Resources - As disclosed and analyzed in the Project's IS/MND Biological Resource Section (Attachment D - Section IXV) and identified in the Project's Biological Resource Reconnaissance Surveys (Attachment O) there would not be any direct impacts to special-status plant or animal species; however potential indirect impacts have been identified. Potential indirect impacts to the pockets of grassland within the project site that contain higher concentrations of native grassland species (in particular purple needle grass) that are considered native grasslands would be avoided through implementation of Mitigation Measure BIO-1. Potential indirect impacts to special-status raptors/birds and bats would be avoided with implementation of Mitigation Measures BIO-2 and BIO-3.

With respect to tree and woodland removal associated with the project, the project would remove up to approximately 130 trees covering approximately 1.1 acres of oak woodland (approximately 0.9 acres for the winery facility and approximately 0.2 acres for the access drive improvements). There is approximately 26.5 acres of oak woodland located on the project site therefore approximately 25.4 acres of the project site's 26.5 acres of oak woodland would be retained consistent with General Plan Policy CON-24, which requires a 2 to 1 avoidance and retention ratio. Additionally potential indirect impacts associated with inadvertent tree and oak woodland removal adjacent to development areas would be minimized through implementation of Mitigating Measure BIO-4.

Geology - On August 24, 2014, a magnitude 6.0 earthquake with an epicenter located about 6 miles southwest of the City of Napa along the West Napa fault occurred: this event is referred to as the "South Napa Earthquake". Because this earthquake resulted in the formation of several ground cracks on the project site, the applicant prepared a Fault Investigation Report (Ryan Geological Consulting Inc., February 7, 2015 - Attachment M). On January 11, 2018, the California Geological Survey released new Alquist-Priolo Earthquake Fault Zone designations (A-P Zones) for the West Napa fault. The Anthem project site is located at the northern extent of new western A-P zones. Because of the new A-P Zone designations, the applicant had Ryan Geotechnical supplement its previous investigation to evaluate the potential for surface fault rupture (SFR), and how it could impact the proposed site improvements and to satisfy the requirements of the new A-P Zone (Ryan Geological Consulting Inc., June 30, 2018 - Attachment M). These two Fault Investigation Reports are included in Attachment M.

The Ryan Geological Consulting Fault Investigations, which included six (6) exploratory trenches located within and

immediately adjacent to the winery development area and geophysical surveys to supplement the exploratory trenches, did not encounter evidence of an active fault crossing through the proposed winery improvements. The results of the site-specific investigations performed by Ryan Geological Consulting to evaluate the potential for SFR at the planned development do not support the presence of the inferred faults identified in the California Geological Survey, A-P Zone Fault Evaluation Report (January 2018). Ryan Geotechnical Consulting, based on their investigations, have also concluded that a fault may be located along the base of the hillside above Redwood Creek that may cross through the western periphery of the Winery Parcel. While no faults have been identified in the project area, major dilations during larger earthquakes have the potential to result in ground cracks in the soil, as occurred in the South Napa Earthquake. To mitigate for potential ground cracks in the soil from opening beneath building foundations during an earthquake Mitigation Measure GEO-1, as recommended by Ryan Geotechnical, will be implemented. Furthermore, construction of the project would be required to comply with the latest building standards and codes, including the California Building Code that would further reduce potential impacts associated with geologic conditions.

Groundwater Availability - As indicated in the Variance Finding #5 above, water sources for the proposed project would consist of a combination of three (3) existing project site groundwater wells, recycled/reclaimed winery process water, and harvested rainwater (also see Attachment J and Attachment K). The estimated long-term groundwater demand for both existing and proposed uses occurring on the project site (i.e. the Winery and Access Parcels) is estimated to be 5.51 AF/yr during a drought year and 4.71 AF/yr during an average water year, presuming the rainwater harvesting and winery process water recycling systems are operating at anticipated levels: the proposed rainwater harvesting system is estimated to yield between 0.75 AF/yr to 1.55 AF/yr, and reclaimed/recycled process water could provide up to 0.77 AF/yr. Without these alternate sources, total groundwater demand could be up to approximately 7.04 AF/yr during normal or drought years). The WAA (Attachment J) has estimated that annual groundwater recharge would be up to approximately 11.01 AF/yr of during an average rainfall years and up to approximately 5.29 AF/yr during dry rainfall years.

The Project's Tier 1 Water Use Calculations (RSA+ June 2018 - Attachment J) also detail, for comparative purposes, water use calculations based on implementation and operation of the full extent approved/entitled uses on the project site. Entitled uses include approximately 2.7 acres of vineyard approved under #P12-00401-ECPA that has not been planted yet, and operation of the existing winery approved under #96006-UP (as modified) at full capacity. Presently wine produced from the existing project site vineyard is occurring off-site. Based on the Water Use Calculations the proposed project may result in a theoretical reduction in groundwater use when comparing potential groundwater use expected as a result of implementation and operation of existing entitlements on the project site, which are calculated to be approximately 6.49 AF/yr, against the proposed projects groundwater use of 4.71 to 5.51 AF/yr. This commitment would also result in groundwater use commensurate with anticipated recharged potential during drought conditions which has been calculated to be 5.29 AF/yr.

Because of potential groundwater supply issues that the County has recently become aware of in this area through review of the Woolls Ranch Winery and this proposed project (in that the owner/applicant has trucked water to the project site in the recent past), and the other components involved in the proposed water supply system for the expanded winery (particularly rainwater harvesting and winery process water recycling/reuse), the Public Works Department had the County's groundwater consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), conduct the adequacy review of the Project WAA (Attachment K). Based on that review the Public Works Department in cooperation with LSCE determined the WAA was adequate and provided recommended project specific conditions of approval for the proposed project. To ensure groundwater use is minimized and does not exceed the use disclosed and identified for the project, the Public Works Department has recommended project specific conditions of approval that include, among other provisions, limiting overall ground water use to 4.71 AF/yr and demonstration of adequate on-site water storage prior to issuance of Certificates of Occupancy (Refer to COA #4.20 and #6.15?). For these reasons the proposed project, with implementation of standard conditions and project specific conditions, is not anticipated to result in potentially significant impacts to groundwater supplies, groundwater recharge, local groundwater aquifer levels, and well interference or drawdown effects on nearby

wells.

Wastewater - According to the Project's Winery Wastewater Feasibility Report prepared by RSA+ (June 5, 2018 - Attachment R), the project site and proposed wastewater system has adequate disposal capacity to serve the project. The Report concluded that that enough dispersion area is available to make the sub-surface drip system a feasible option for treating domestic wastewater, and that it is feasible to treat the winery process wastewater for distribution to the vineyard via drip irrigation.

Greenhouse Gas Emissions – The County requires project applicants to consider methods to reduce Green House Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as Attachment F?. The applicant proposes to incorporate the following GHG reduction methods into the project: installation of rooftop solar panels; installation of electric vehicle parking/charging space and bike racks; processing of wastewater on-site as opposed to hold and haul; installation of energy efficient winery equipment; installation of energy conserving lighting (CFD LED lighting where practical); a design that features the use of significant north facing windows in the fermentation building to provide natural lighting; solar hot water heating; energy star cool roof on the fermentation buildings; installation of rainwater harvesting system for irrigation, recycling winery process water for irrigation; installation of water efficient landscaping consistent with the Water Efficient Landscape Ordinance (WELO), recycling 75% of all waste; implementation of sustainable purchasing and shipping programs; certification of the winery and vineyard under the Napa Green Winery and Napa Green Land programs (the existing on-site vineyards are already certified Napa Green Land), among other BMPs.

Traffic and Access – Both the Winery Parcel and the Access Parcel lie between Dry Creek Road and Redwood Road. The Winery Parcel is currently accessed by a ±0.25 mile long 10 foot wide paved private access drive leading from Redwood Road. The Access Parcel is flag lot with its body located approximately 1,700 feet west of Dry Creek Road and includes an approximately 0.5 mile long 8 foot wide paved access drive leading from Dry Creek Road that currently provides access to this parcel. The Project is requesting access be provided to the Winery Parcel via the Access Parcel (i.e. 3123 Dry Creek Road), because the existing Redwood Road access would not be able to be improved to a sufficient level to provide adequate emergency access to the proposed winery. The access and upgrades, and exception request to the Napa County Road and Street Standards (NCRSS) associated with this proposed access are discussed in greater detail below.

A focused Traffic Analysis in accordance with the criteria established by the Napa County, and consistent with the standard traffic engineering techniques, was prepared by W-Trans (March 7, 2018, Amended Final Traffic Analysis for Anthem Winery - Attachment L). Operating conditions along Dry Creek Road and Redwood Road in the vicinity of the project area were evaluated for future and future plus project scenarios based upon recently updated significance criteria utilized in all recent County traffic studies. Dry Creek Road is a two-lane undivided roadway running in a north-south direction consisting of 12-foot wide travel lanes in each direction with a posted speed limit of 40 miles per hour (mph). Peak hours for the project area are generally considered to occur Monday through Friday 7:15 AM to 8:15 AM, and 4:30 PM to 5:30 PM; during the weekends the peak hours generally occur midday from anywhere between 11:00 AM to 3:30 PM. Additionally, based on data from the Napa-Solano model traffic volumes on Dry Creek Road drop substantially north of Wine Country Avenue and remain at about the same level continuing north of Orchard Avenue (W-Trans, March 2018).

As calculated by the Applicant's Traffic Consultant, the proposed project is expected to generate an average of 56 daily trips, 19 weekday PM Peak hour trips, and 29 Saturday midday peak hour trips. The Traffic Consultant has also provided calculations that take into account trips associated with the existing winery located on the Winery Parcel. Under this modeling assumption new trips associated with the proposed project would be approximately 50 net new trips daily, including 17 net new trips during the PM Peak hour and 27 net new trips during the Saturday midday peak hour (W-Trans, March 2018). Based on the analysis and conclusions detailed and provided in the

Project's Traffic Analysis, the existing Level of Service within the project area is not expected to be effected by the project. The need for a left-turn lane on Dry Creek Road at the Project's driveway intersection with Dry Creek Road was evaluated on the criteria contained in the Napa County RSS. The Project's Traffic Analysis found that Dry Creek Road near the project access, between Orchard Avenue and Linda Vista Avenue, has an approximate Average Daily Traffic (ADT) volume of 850 vehicles. Based on this volume and the 56 new daily new trips the project is expected to generate, a left-turn land is not currently warranted on Dry Creek Road at the Project's access point. With respect to traffic generated as a result of marketing events, the Traffic Analysis predicted that there would be up to approximately 29 trips associated with marketing events with up to 30 attendees, which also does not warrant a left-turn lane. Because the project only included larger events up to twice per year, that would likely occur during non-peak (or off-peak) traffic hours, the project Traffic Engineer did not consider these scenarios appropriate for evaluation purposes.

The Project Traffic Analysis also analyzed potential construction traffic impacts, and concluded given the general development phasing described by the applicant in combination with trips associated with the requested temporary use of the existing winery (i.e. cave and crush pad) for visitation and marketing purposes, that construction and temporary visitation could result in approximately 58 to 62 daily trips, slightly higher than the 56 daily trips predicted/modeled under the project scenario. Therefore, construction trips are not anticipated to negatively affect the LOS or traffic volumes in the vicinity of the project.

Parking - The project is proposing 22 parking spaces (21 standard spaces and 1 ADA accessible space) with at least one space being equipped with an electric vehicle charging station. Staff believes this number of parking spaces is commensurate with the proposed number of employees and visitation. The proposed parking will meet the anticipated daily parking demand and will avoid providing excess parking. Additionally, the Owner/Permittee is intending to provide shuttle bus service from a preauthorized location for the larger marketing events (i.e. over 30 guests) to minimize the effects of marketing event traffic on the local circulation system and on-site parking issues.

Access Site Distance and Safety - Sight distances were evaluated in the Project Traffic Analysis based on the criteria contained the most recent Highway Design Manual published by Caltrans. Dry Creek Road is a two-lane undivided roadway 24 foot wide (two 12-foot wide travel lanes in each direction) with a posted speed limit of 40 mph. For 40 mph roadways the minimum stopping sight distance is 305 feet. Based on site investigations conducted by the Project Traffic Engineer, there are site lines exceeding 500 feet in both travel directions from the proposed winery access. Therefore site distances are adequate for the project.

The Emergency Ingress/Egress Plan (Attachment G) utilizes the permanent placement and use of traffic controls consisting of static and electronic yield signs at the winery and along the access drive to direct and control outbound vehicles during an emergency so that adequate emergency access can be provided. Specifically, outbound traffic would be yield-controlled through signs located at the western end of each driveway segment that is less than 18 feet wide (as further described in the Emergency Ingress/Egress Plan and below) directing outbound vehicles to yield to inbound vehicles, and directing outbound traffic to either Dry Creek Road or Redwood Road depending on the nature of the emergency. Static signs would be placed along the access drive, electronic signs would be located at the winery site. Electronic signs will be manually operated by a switch at the winery and employees would be trained in evacuation procedures as detailed in the Project's Emergency ingress/Egress Plan. The Project's Traffic Analysis reviewed the Ingress/Egress Plan and associated driveway plans (RSA+, June 5, 2018, Anthem Winery Driveway Entry Option 2 Plans - Attachment G) submitted in combination with the requested RSS Exception. That review concluded that the Emergency Ingress/Egress Plan in combination with the proposed access improvements would provide sufficient emergency access to and from the project site. The proposed site access analysis has been reviewed by the Napa County Fire Department, Engineering Services Division, and Public Works Department and been deemed appropriate and acceptable.

RSS Exception - The project includes an Exception to the Napa County Roads & Street Standards (NCRSS) to

allow for a reduced commercial driveway widths and periodic exceptions to the minimum slope requirements within approximately the first 1,700 lineal feet of the proposed access drive, as measured from its intersection with Dry Creek Road to the western end of the proposed clear span bridge. Specifically, the NCRSS Exception requests relief from the following: providing two 10 foot wide traffic lanes and 22 feet of horizontal clearance, the 22 foot wide turnouts, and slope exception for road grades exceeding 18% (but not exceeding 20%) without the required transition zones of 10% in two driveway segments. Generally, this section of the access drive would consist of a 16 to 18 foot wide paved travel way (14 foot wide travel way for the bridge segment). The remaining 650 feet of proposed access drive located west of the proposed clear span bridge has been designed to meet applicable NCRSS standards.

The NCRSS Exception requests are necessitated by physical and legal constraints presented by the 20.5 foot wide flagpole section of the Access Parcel's connection with Dry Creek Road, and the easement located within the northwest corner of the abutting parcel to the east (Lands of Rowe, 3109 Dry Creek Road, APN 035-460-024) which currently contains a portion of the existing driveway that provides access to the residence located at to 3123 Dry Creek Road.

As discussed above the Project's Traffic Assessment included review the Emergency Ingress/Egress Plan and Anthem Winery Driveway Entry Option 2 Plans. Their review concluded the proposed access in combination with the Emergency Ingress/Egress Plan would provide sufficient emergency access to the project site. The proposed road design and exception, including the Emergency Ingress/Egress Plan, has also been reviewed by the County Division of Engineering Services and the Fire Marshal who have determined that the proposed driveway design, given its physical and legal constraints and Emergency Ingress/Egress Plan, has been designed to the maximum extent practical to provide adequate emergency access to the project site, and can support grant of the exception as currently designed. To grant a Road Exception the Planning Commission must also find that the alternative design meets the same overall practical effect as a project that complies with the standard. As proposed, the Division of Engineering Services and the Fire Marshal recommend that the design meets the same overall practical effect.

Grape Sourcing – Anthem Winery has been harvesting the existing vineyard on the project site to produce its own wines since 2009: presently wine production is occurring off-site at a custom crush facility. The Winery Parcel (3454 Redwood Road) is currently developed with approximately 7.5 acres of vineyard (+/-6 net planted acres) developed under #98301-ECPA as modified by #P08-00345-ECPA. This parcel also contains approximately 1 acre of vineyard currently being developed under #P12-00401-ECPA. Based on currently accepted assumptions regarding yields and production (an average yield of 5 tons of grapes per acre and 165 gallons of wine per ton of grapes) the existing vineyard could yield up to 30 tons of fruit equating to approximately 5,000 gallons of wine. The Access Parcel (3123 Dry Creek Road) contains approximately 2.7 acres of vineyard currently being developed under #P12-00401-ECPA. The net/planted acreage of vineyard under #P12-00401-ECPA is identified to be approximately 2.8 acres which could yield up to 14 tons of fruit equating to approximately 2,300 gallons of wine. The proposed vineyard under #P14-00322-ECPA (approximately 0.95 net planted acres) could yield up to 5 tons of fruit equating to approximately 825 gallons of wine. Typically it takes anywhere from 3 to 5 years for grape vines to start producing fruit once planted. As a reminder the project includes the temporary removal of approximately 1 acre of vineyard, which would slightly augment the aforementioned yield and production estimates. Given this, total production for both properties yields approximately 8,000 gallons annually. Additionally, existing out haul grape truck trips associated with grapes currently being produced on site range from 4 to 8 trips annually.

The remainder of the grapes necessary to achieve the requested 50,000 gallon production level would be sourced from independent grape growers within Napa County. Anthem Winery has no relationships with growers outside of Napa and intends to crush grapes of its winemaker's three other brands (currently Tor Kenward, RADIUS, and Mayacama Farms) that are located in Napa and produce Napa wines, so that compliance with the County's 75 percent rule can be achieved. The recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule: see COA 4.6 in Attachment B). Based on an average yield of 5 tons of grapes

per acre and 165 gallons of wine per ton, approximately 50 acres of grapes would need to be sourced off-site, in addition the existing, approved and proposed on-site vineyard (totaling approximately 10 acres), to achieve the requested production capacity.

The owner has provided documentation associated with its off-site wine production activities and levels to support and demonstrate that they have the means (i.e. agreements to source fruit, or grape growing contracts) to adequately supply the production of up to 50,000 gallons of wine (Attachment T).

Public Comments – At the time of staff report preparation, several letters have been received (dating back to December 2014) expressing concerns about allowing this winery and objecting the project, as well as letters in support of the proposed project. These comments also include detailed information and supporting documentation specific to the projects technical studies (in particular water availability and use) that the Commission should consider during review of the project. Staff needed additional time to compile these letters and will post on Granicus on September 26th end of day.

Decision Making Options:

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

Option 1 - Owner/Applicant's Proposal

Disposition - This option would result in approval of the expansion of the existing 30,000 gallon winery to 50,000 gallon per year winery with visitation and marketing, a variance, a viewshed request, an exception request to the Roads and Street Standards, and an Agricultural Erosion Control Plan. Staff recommends this option as the request is consistent with the Zoning Ordinance, applicable General Plan policies, and other County regulations. The requested visitation and marketing program is similar in size to recently approved 50,000 gallon per year production winery with by appointment visitation and marketing activities within the area. Furthermore, staff has found the grape supply is commensurate with the proposed production request, sufficient water has been demonstrated to be available to implement the project, the applicant proposes to incorporate GHG reduction measures as part of the project, and there will be no significant unavoidable environmental impacts associated with the project with implementation of identified mitigation measures. As indicated in the Visitation & Marketing Section of this report, staff is not recommending approval of the extended marketing event hours past 10:00 PM and permitting the winery to conduct temporary visitation and marketing activities during construction of the winery.

Action Required - Follow the proposed action listed in Executive Summary. If proposed 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 pursuant to CEQA, which were found to be less than significant with incorporation of project specific mitigation measures and conditions of approval.

Option 2 – Reduced Visitation and Marketing Alternative

Disposition - This option would result in a decrease in the proposed visitation and marketing program numbers commensurate with other wineries located in the surrounding area. Based on the averages for similar capacity wineries identified in the Winery Comparison Table (Attachment T), the winery could be limited closer to the visitation and marketing averages for a 50,000 gallon winery located in the area. Staff also suggests reevaluating the number of requested employees if this alternative is considered.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project

specific conditions of approval to require the reduction of the proposed visitation and marketing program. If major revisions of the conditions of approval are required, staff recommends the item be continued to a future date.

Option 3 - Reduced Production Alternative

Disposition - This option would reduce the annual production somewhere between 30,000 and 50,000 gallons consistent with existing on-site vineyard production, as well as, new vineyards being established. This alternative would better align production capacity with existing and proposed on-site vineyard (including vineyard currently being developed), and the uncertainty of a reliable long term grape source as a result of contracting with independent grape growers on an ongoing basis to supply necessary fruit to achieve maximum production levels. If the Commission elects to consider this option, staff recommends that the maximum daily and weekly visitation, and the marketing program (including the number of events and visitors) be reduced in correlation with the annual production capacity. Staff also suggests reevaluating the number of requested employees if this alternative is considered.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to require an annual production limit of 30,000 gallons. If major revisions of the conditions of approval are required, staff recommends the item be continued to a future date.

Option 4 - Vineyard Alternative

Disposition - This option would only consider the proposed Agricultural Erosion Control Plan (#P14-00322-ECPA) for the development of 1.19 acres of new vineyard at the project site.

Action Required - Continue the item to allow staff to prepare documentation to adopt the Mitigated Negative Declaration, deny the Exception to the Napa County Road & Street Standards, deny Variance P14-00321-VAR, deny the Viewshed request, deny Use Permit P14-00320-MOD, and Approve Agricultural Erosion Control Plan P14-00322-ECPA, based on the recommended Findings and conditions of approval in Attachment C.

Option 5 - Deny Proposed Project (or No Project Alternative)

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of the Napa County Road & Street Standard Exception, the granting of a variance, or the granting of a modified use permit, the 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 and exception request is not being approved.

While in staff's opinion there is adequate documentation in the administrative record as of the issuance of this staff report to support and approve the proposed project, given the Project's multiple components, environmental setting and site constraints, and extent the site would need to be manipulated to provide adequate access and accommodate an expanded winery of the requested production and visitation level, consideration can be given to this option. In addition to the standard findings, consideration should be given to appropriate production levels given available grape resources and sourcing, appropriate levels of visitation and marketing given the location of a winery and characteristics of surrounding wineries, configuration and characteristics of local roadways utilized to access the site including site access itself to provide appropriate and adequate access, and potential inconveniences associated with the marketing of wine.

In short given the local context of the winery site, and the efforts and requests necessary to accommodate the winery, this site may not be appropriate for a winery of the requested production and visitation level. For these reasons, particularly responding in a proactive way to identify issues before they become crises and effectively respond to these changes, that may not have been foreseen in the General Plan, the Commission has the ability to

consider this option to preserve the current vision of the County.

Furthermore, it is staff's opinion that denial of the expanded winery would not result in the reduction or elimination of substantial property rights, in that there is currently economic benefit afforded to the Winery Parcel because of its existing vineyard, winery and residential development.

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 6 - Continuance Option

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

SUPPORTING DOCUMENTS

- A . Recommended Findings, UP, VAR, RSS Exception, Viewshed
- B . Recommended Conditions, UP, VAR, RSS Exception, Viewshed
- C . Recommended Agricultural Erosion Control Findings and Conditions
- D . Initial Study Mitigated Negative Declaration
- E . Use Permit Application with Architectural and Civil Plans
- F . Varinace Application
- G . Road and Street Standard Exception Request and Plans
- H . Viewshed Application and Landscape Plans
- I . Agricultural Erosion Control Plan Application and Plans
- J . Water Availability Analysis
- K . Water Availability Analysis Review
- L . Traffic Study
- M . Fault Studies
- N . Noise Study
- O . Biological Studies
- P . Water System Feasibility Study
- Q . Hydrology Report
- R . Wastewater Feasibility Report
- S . Stormwater Control Plan
- T . Winery Comparison Chart
- U . Graphics

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina