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Agenda Date: 10/3/2018

Agenda Placement: 7D

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: Vincent Smith for David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: Wyntress Balcher, Planner II - 707 299-1351

SUBJECT: Gandona Winery Use Permit Modification #P17-00068-MOD and Variance #P17-00069-VAR

RECOMMENDATION

MANUEL PIRES, SAGE HILL VINEYARDS LLC/GANDONA WINERY USE PERMIT MODIFICATION #P17-00068-MOD & VARIANCE #P17-00069-VAR , ROAD & STREET STANDARDS EXCEPTION REQUEST, AND CONSERVATION REGULATIONS EXCEPTION REQUEST

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

Request: Approval of a modification to an existing 20,000 gallon winery to: a) construct a new, two story winery administrative/agricultural equipment storage building; b) increase by-appointment tours and tastings; c) increase the winery's marketing program; d) add additional employees; e) add additional parking spaces; and, f) add on-premises consumption of wine in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5. In addition, the project includes a Variance request to allow construction of the new winery administration building/agricultural storage building 118 feet from the private road in lieu of the required 300 ft. winery road setback; an Exception to the County Road and Street Standard for selective reduction in the width of the private access road; and, g) an Exception to the Conservation Regulations. The project is located on a ±114.7 acre site within the AW (Agricultural Watershed) zoning district, on the east side of a private road, ±.9 miles south of its intersection with Sage Canyon Road (State Highway 128), across from the Lake Hennessey boat launch, APN: 032-010-079. 1533 Sage Canyon Rd, St. Helena.

Staff Recommendation: Adopt the Negative Declaration, approve the Variance, the Exception to the Conservation Regulations, RSS Exception, and the Use Permit Modification, as conditioned.

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

Project Representative: Priscillia de Muizon, Coombs & Dunlap, LLP, (707) 252-9100,

pdemuizon@coombslaw.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration, based on recommended Findings 1-7 of Attachment A;
2. Approve Variance #P17-00069-VAR based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B;
3. Approve an Exception to the Napa County Road and Street Standards based on Finding 13-14 of Attachment A, and subject to the recommended Conditions of Approval in Attachment B;
4. Approve an Exception to the Conservation Regulations based on Findings 15-21 of Attachment A; and subject to the recommended Conditions of Approval in Attachment B; and,
5. Approve Use Permit P17-00068-MOD based on Findings 22-26 of Attachment A, and subject to the recommended Conditions of Approval in Attachment B.

Discussion:

Gandona Winery is an existing, Pre-WDO, 20,000 gallon winery, first established by use permit #U-457778, and subsequently modified by use permit # P07-03480-MOD and variance #P08-00080-VAR to construct the current winery building and cave, establish visitation, and a marketing program. This application proposes to increase by-appointment tours and tastings to a maximum of 12 visitors/day but no more than 72/week; and to increase the winery's marketing program to 13 annual marketing events. The intent of the proposal is to take advantage of direct-to-consumer sales, upon which the winery relies. There are currently three employees (two full-time and one part-time) and three additional employees are being requested (two full-time and one part time), for a total of six employees. Approval under AB 2004 for on-premises consumption of wine has been included. A request for physical expansion of the winery is proposed with the construction of a two story building, the upper story to be used for winery administration purposes, and the lower story for agricultural equipment storage. Its location adjacent to the existing facilities will be within the 300 foot winery setback, thus, the project includes a variance request. The findings presented by the variance cite existing geological constraints limiting the location of any new winery structures. No change in production is requested. The proposed structure is located on a 32% slope, thereby requiring an exception to the Conservation Regulations for construction of structures on slopes over 30%. The project is subject to the current County Road and Street Standards (RSS), which will include an increase in the width of the existing access road. A request is also included for selective narrowing of the roadway and a reduction to the horizontal inside radius of curvature, in order to preserve natural features of the environment.

This proposal has been analyzed for its environmental impacts, which were found to be less than significant. Staff believes there is adequate rationale to support approving the winery's expansion of the administration facilities; wastewater system; parking, and visitation/marketing program for the following reasons: 1) there is sufficient water supply available; 2) there is existing, improved direct access to State Highway 128 and any improvements to the access driveway will be only necessary to accommodate the RSS for emergency equipment access; 3) the applicant proposes to incorporate GHG reduction measures as part of the project; 4) the requested visitation and marketing program has been found similar in size to those of 20,000 gallon per year production wineries with by appointment visitation and marketing activities; 5) project is located in close proximity to its main grape source and all grapes produced on the estate will be processed at the winery; 6) there are no current outstanding code compliance issues at the project site; 7) there will be no vineyard removal. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies,

subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

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

BACKGROUND AND DISCUSSION

Owner/Applicant: Manuel Pires, Sage Hill Vineyards, LLC, 1533 Sage Canyon Rd. St. Helena, 95474, (203) 206-6191, manuel@gandona.com

Representative: Priscillia de Muizon, Coombs & Dunlap, LLP, 1211 Division St. Napa, CA, 94559, (707) 252-9100, pdemuizon@coombslaw.com

Zoning District: Agricultural Watershed (AW)

General Plan Designation: Agriculture, Watershed & Open Space (AWOS)

Filed: February 16, 2017; **Resubmitted:** August 8, 2017; **Resubmitted :** March 14, 2018; **Resubmitted:** August 3, 2018; **Complete :** August 3, 2018

Parcel Size: ±114.7 acres

Existing Development: Development on the property include the winery building and caves, a single family residence, several agricultural outbuildings, and producing vineyards

Vineyard Acreage (Existing): ±19 acres

Vineyard Acreage (Proposed): ±19 acres

Winery Characteristics:

Winery Size (Existing): ± 3,458 ft² single-story winery building with a 797 ft² covered outdoor work area, and 4,716 ft² of caves for a winery totaling 8,971 ft² winery

Winery Size (Proposed): 2,022 ft² administration building for a total 10,993 ft² winery

Production Capacity (Previously Approved): 20,000 gallons/year

Production Capacity (Proposed): No increase in production proposed

Development Area (Existing): 7,359 ft²; 0.17 acres

Development Area (Proposed): 9,491 ft²; acres

Winery Coverage (Existing): ±19,513 ft², 0.44 acres or 0.43%

Winery Coverage (Proposed): ±21,535 ft², 0.49 acres or 0.43%

(Maximum 25% or 15 acres)

Accessory/Production Ratio (Existing): 852 ft²/ 7,322 ft² = 10.42 %

Accessory/Production Ratio (Proposed): 2,874 ft² / 7,322 ft² = 28.19%

(Maximum 40% allowed)

Number of Employees (Existing): Three -Two full-time and one part-time employees (one full-time employee is located off-site 50% of the time)

Number of Employees (Proposed): Six - Four full-time and two part-time employees (one new full-time employee is located off-site 75% of the time)

Visitation (Existing): By appointment tours and tasting to a maximum of six visitors/day with no more than a total of 18 visitors per week

Visitation (Proposed): By-appointment tours and tastings to a maximum of 12 visitors/day, with no more than 72 per week

Marketing Program (Existing): Five marketing events/year, maximum of 15 persons and one event per year with a maximum of 50-person, wine auction event

Marketing Program (Proposed): Ten events per year, maximum of 25 persons and three events/year, maximum of 150 persons events (with attendees traveling by small buses)

Days and Hours of Operation (Existing): Daily, 8:30 AM– 5:30 PM (Production); Monday – Saturday, 9:00 AM to 6:00 PM and Sundays, 9:00 AM–12:00 PM (Hospitality)

Days and Hours of Operation (Proposed): No change proposed

Parking (Existing): 10 parking spaces

Parking (Proposed): 14 parking spaces

Setbacks (Required): 300-ft. winery road setback; 20-ft. side yards; 20-ft. rear yard

Setbacks (Existing): 153-ft. road setback (approved by Variance P08-0008-VAR); 20-ft. side yards; 20-ft. rear yard

Setbacks (Proposed): 118-ft. road setback; 20-ft-side yards; 20-ft. rear yard (Variance required for road setback)

Adjacent General Plan Designation/Zoning District/Land Use:

North: Agriculture, Watershed and Open Space (AWOS) / Agricultural Watershed (AW) / agriculture, wineries, residential

South: AWOS /AW / agriculture, and wineries, residential

West: AWOS / AW / City of Napa, undeveloped land

East: AWOS/ AW/ agriculture, wineries, residential

Nearby Wineries Located within one mile of the project :

Please refer to Attachment L

Parcel History:

The Planning Commission approved Use Permit #U-457778 on May 3, 1978, to establish a 5,000 gallon/year winery within a proposed new 900 ft² winery building, plus the addition of 900 ft² at a later date, for a total 1,800 ft² winery with a limit of 5 visitors per week, no public tours or public wine tastings.

A Small Winery Use Permit Exemption was approved on June 10, 1982, to increase production to 6,000 gallon/year, within an existing 1,800 ft² building. No changes were proposed regarding operations and no tours/public tastings were authorized.

On June 4, 2008, the Planning Commission approved Use Permit #P07-0348-MOD for a modification of the use permits and approved Variance #P08-00080-VAR, to allow the construction of a new winery structure 153 feet from the centerline of the shared access road. The modification allowed the following: a) an increase in production from 5,000 gallons to 20,000 gallons per year; b) construction of a new 3,458 ft² single-story winery building with a 797 ft² covered outdoor work area, and 4,716 ft² of caves, resulting in an 8,971 ft² winery, located within the winery road setback; c) two full-time and one part-time employees, for a total of three employees; d) ten parking spaces including one ADA-accessible space; e) tours and tastings by appointment only with a maximum of six visitors per day with no more than a total of 18 visitors per week; f) a marketing plan with five, 15-person marketing events per year, and one 50-person Wine Auction event annually; g) the installation of two additional 10,500 gallon fire flow water tanks; h) the installation of below grade process and domestic wastewater treatment tanks; and, i) treated wastewater disposal through subsurface disposal fields or via hold and haul. In addition a Conservation Regulations Use Permit Exception was approved to allow the construction of the proposed winery facility on a building location slope averaging 39% (a use permit is required for development on slopes of 30% or greater), an Exception to the Road and Street Standards to allow a winery access drive with 14 feet of surfaced roadway plus drivable shoulders ranging between three and six feet (18 feet of surfaced roadway plus two foot shoulders was required), and the original winery facilities were converted to an allowed non-winery agricultural use.

Use Permit Minor Modification P10-00116-MMOD was administratively approved on August 2, 2010, to allow alterations to the approved winery access driveway.

Code Compliance History:

There are no open or pending code violations for the subject site.

Discussion Points:

Setting – The project is located on a ±114.7 acre parcel accessed via a private road beginning directly to the northeast of the intersection of Sage Canyon Road (State Highway 128) and Chiles Pope Valley Road, across from the Lake Hennessey boat dock. This property is located in an area called Pritchard Hill, where the property rises from approximately 800 feet in elevation to more than 1500 feet along the hillsides that form the southern edge of Sage Canyon and Lake Hennessey. Due to the topography and vegetation, the winery is not visible from State Highway 128 or Chiles Pope Valley Road, Viewshed Protection Highways. An unnamed USGS blue-line stream, which empties into Lake Hennessey, crosses the lower southwestern portion of the parcel. Native vegetation types in the project vicinity would have included annual grasslands with scattered oaks, madrones, and Gray pines.

According to geotechnical reports on file and the geological/geotechnical evaluation of location constraints for the proposed structure (Condor Earth Technologies, Inc., October, 2007, and December 20, 2016), the topography of the property, and of much of the surrounding area, was created by a massive prehistoric landslide. The proposed building site is on natural ground below a fill slope consisting of slurried riprap, located southwest of the existing winery building and parking area.

Development on the property include the winery building and caves, a single family residence, several agricultural outbuildings, and ±19 acres of producing vineyard. Adjacent land uses in the area are dominated by undeveloped open space, large lot residential properties, vineyards, and wineries (Villa del Lago, Brand Napa Valley, Bryant Family Winery, Chappellet Winery, Colgin Partners Winery, and David Arthur Vineyards). The closest off-site residence is located ±1,100 feet southeast of the project site on a bench above the winery. The access road serves

the winery parcel, two other residences and vineyards. There is an existing easement that goes through to the next driveway, but due to oversized trees, it's currently not passable.

Winery Proposal - Request for approval of a major modification to use permit U-457778 and use permit modification P07-0348 to expand an existing 20,000 gallon/year winery to:

- construct a new a new 3,789 ft², two story building, the 2,022 ft² second story to serve as the winery administration offices and the 1,767 ft² lower level for non-winery agricultural equipment storage use for a total 10,993 ft² winery;
- increase by-appointment tours and tastings to a maximum of 12 visitors/day, but no more than 72 per week;
- increase the winery's marketing program to 10, 25 person events and three 150 persons events annually (with attendees traveling by small buses);
- add two additional full-time employees and one part-time employee;
- add four parking spaces for a total of 14;
- add on-premises consumption of wine in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 on the patio outside the winery;
- allow an exception to the Conservation Regulations to build on slopes over 30%; and,
- allow an exception to the County Road and Street Standard for selective reduction in the width of the private access road.

The project also includes a Variance request to allow construction of the new winery administration building/agricultural storage building \pm 118 feet from the private road in lieu of the required 300 ft. winery road setback.

Tours & Tasting/Marketing Events - The winery was approved for a maximum of 1,061 annual visitors, including events guests (six visitors per day, maximum 18/week; five, 15-person marketing events/year and one 50-person event/year). The project proposes to increase visitation to 12 visitors/day, a maximum of 72/week, and to modify the marketing plan to increase marketing events to ten, 25-person events/year and three 150-persons events annually, for a total of 4,444 visitor per year. No change of the hospitality hours is proposed. A winery comparison chart has been prepared for informational purposes. Based on the winery database comparison chart shown in Attachment L, the proposed total annual visitation is slightly higher (4,444 visitors vs average 3,329 visitors = +21%) to the average by-appointment wineries and, also to the pre-WDO wineries (4,444 visitors vs average 3,130 visitors = +29%). The average and median number of marketing events is similar to the by-appointment wineries and twice as many as the pre-WDO wineries. It can be noted that the number of samples for 20,000 gallon wineries is significant (67), and the visitation numbers of subject winery are very similar to many wineries.

Traffic & Parking - Based on the Trip Generation Sheets prepared for the project, the existing number of total daily trip is 9.99 trips, and 3.8 trips at PM peak hours. For weekends, the total daily trips are 7.35 trips, and 4.2 trips during the PM peak hour. With the proposed project, the projected number of trips increase to 25.29 total daily trips and 9.61 PM peak hour trips. The project weekend total daily trips are projected to be 14.67 trips and 8.36 PM peak hour trips. No visitation is proposed during crush. Attendees to the larger event will travel by small buses to the event. Historically, the visitation is by groups in hired cars with private drivers. The project statement noted that one of the new full-time employees will not be on location regularly. The project was reviewed the Department of Public Works who determined that the proposed increase in use in the proposed location will not result in any significant impacts, either project-specific or cumulative on traffic circulation in the vicinity. This determination was made based on the characteristics of the project: The project takes access from Sage Canyon Road (SR-128), a roadway designated a Rural Collector in the Napa County General Plan, and is not expected to reach an unacceptable Level of Service (LOS) under the buildout of that Plan. Further, the project as proposed is forecast to generate 12 additional Average Daily Trips (ADT) on weekdays. Weekend trip generation is estimated at seven additional ADT. Further, the application indicates that there is no other winery traffic on the private roadway serving the winery and no tours and tasting occur during crush. A condition of approval on the three larger marketing events is recommended to be held at times that will not increase volumes along Sage Canyon during times of peak traffic

activity, and the marketing event not to begin or end during the hours of 3:00 - 6:00 pm.

There is currently sufficient on-site parking for the existing residential use and the winery. The previous project approval authorized ten parking spaces for the 20,000 gallon per year winery and the project proposes four additional spaces. These parking spaces would be sufficient to accommodate parking needs during normal business days for employees and visitors. The application indicates that during larger events, the guests will attend by way of small shuttlebuses (± 30 /bus). The applicant has noted there is sufficient space to accommodate some additional parking throughout the remainder of the property. No parking will be permitted within the right-of-way of the private access road.

Groundwater Availability - The project is located on a ± 114.72 acre parcel and is not located in the Napa Valley Floor or a groundwater deficient area. A Water Availability Analysis was prepared (RSA, July 28, 2017) and submitted with the application utilizing the Napa County's Water Availability Analysis (WAA) Guidance Document (Adopted May 12, 2015). The analysis concluded that a Groundwater Recharge Rate of 0.82 af/yr has been identified for the parcel. This yields an annual estimated recharge (Allowable Water Allotment) of 94.07 af/yr in average rainfall year, and in a dry year, the groundwater recharge rate is assumed to be 75% of the average year. The analysis indicates that the existing total water demand is 10.78 af/yr, specifically: Winery Processing: 0.31 af/yr; Employees: 0.04 af/yr; Visitors: 0.01 af/yr; Marketing Events: 0.004 af/yr; Residence: 0.50 af/yr; Winery Landscaping: 0.10 af/yr; Vineyard (± 19.64 ac) Irrigation: 9.82 af/yr.

The analysis concluded that the projected water demand for the project is 10.87 af/yr, specifically: Winery Processing: 0.31 af/yr; Employees: 0.09 af/yr; Visitors: 0.03 af/yr; Marketing Events: 0.02 af/yr; Residence: 0.50 af/yr; Winery Landscaping: 0.10 af/yr; Vineyard (± 19.64 acres) irrigation: 9.82 af/yr. The proposed water demand of 10.87 af/yr is less than the estimated annual recharge of 94.07 af/yr in an average rainfall year and less than the estimated annual recharge rate of 70.55 af/yr in a dry year. Therefore, the proposed project will not significantly affect the groundwater recharge rate of the parcel.

The WAA included the Tier 2 Well and Spring Evaluation analysis and found that there are no wells located within 500 feet of the existing well utilized by the project winery and vineyards and there are no springs located in within 1500 feet. Therefore, based on the Tier 2 well and spring interference criteria being satisfied, the project will have a less than significant effect on groundwater.

Variance Request – A Variance is requested in tandem with the use permit modification request in order to allow a new winery office and storage building to be located approximately 118-ft from a private road, where a 300-ft winery setback is required. A similar variance request was required and approved in 2008 at the time of the winery use permit, due to the fact that nearly all other building sites on the property are within a large ancient landslide area. Accordingly, the applicant retained Condor Earth Technologies to conduct a site inspection, which found that there was an additional historic landslide deposit on the property that further impacted the ability to develop the winery on the property; and that there was only one viable site location on the property outside of the area of the ancient landslide and supported by rock. This location was unfortunately less than 300 feet from the private driveway, therefore a variance to the road setback requirement was required. The variance request was applied for and was granted by the Planning Commission, along with the use permit application, and the existing winery was constructed at that location.

The use permit application indicates that office space in the existing winery needs to be converted to additional lab space as the lab was not properly designed and is too small to accommodate the required equipment and personnel, and a new office space is proposed for the administrative needs of the winery. The applicant is proposing a new two-story administrative office and storage building across the existing parking lot from the winery, housing two offices, a meeting space, an employee break-room with kitchenette, and bathrooms. The lower story will serve as an unoccupied agricultural equipment storage area. A variance is required again due to the site constraints and the location of the proposed new office structure adjacent to the existing winery and within

the 300 foot road setback area.

The County geologic maps show a large ancient landslide area on the property, and a site inspection by a geotechnical engineer (see Attachment G) confirmed that the Gandona property, has a large landslide deposit covering much of the property, an additional old landslide discovered by Condor's site inspection, and surface slopes greater than 30% on almost all of the remaining land. The winery was accordingly constructed on the site identified by Condor, with a variance to address the fact that the site is within the 300' setback from the small road shared with two other parcels. Notably, no other wineries use this small shared road, and a letter of support from neighbor Dominic Chappellet, who owns an undeveloped parcel that shares the access road, was submitted with the use permit application.

Studying the properties in the area to the South of the Gandona property on the County GIS/Environmental Sensitivity Map: these properties are situated on top of a plateau made of solid rock and do not have landslide deposits. Although some have surface slopes that appear to be 30% or greater, there are large relatively flat open areas on each parcel that would allow for development outside of road setback restrictions. Studying the properties in the areas roughly to the North of the Gandona property on the County GIS/Environmental Sensitivity Map: these properties are labeled as being within the County's mapped landslide zone, but they were able to obtain approvals and be developed with wineries without road setbacks issues.

Variations must satisfy the criteria in Government Code Section 65906 and County Code Section 18.128.060. Generally, the findings for a variance must meet each prong of a three-prong test to satisfy the statutory requirements together with additional local findings contained in the County Code. An applicant must demonstrate that: 1) they will suffer 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 five of the required findings listed below. As discussed below, Staff believes the project site can meet all of the required findings, and thus, supports grant of the variance.

Required Findings pursuant to Section 18.128.060:

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

Staff Comment: This requirement has been met.

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: As described above, and as can be seen from the attached exhibits, the Gandona parcel has a unique combination of constraints that are not shared by the parcels in the vicinity with the same zoning designation (AW). Although the subject parcel is over 114 acres and well above the 10 acre requirement for a winery parcel, its shape forms a sort of bottle-neck right near the private road, which is also the location identified by the geotechnical experts as the only location with a surface slope of 30% or less, and outside of the landslide area. As such, the only suitable building site for the winery was within the 300 foot road setback area. As can be seen from the Condor exhibit, the property is almost completely covered in either pink (surface slope of 30% or greater) or yellow (landslide deposit). Development of the remaining areas would require construction of an access road that would pass through areas with greater than 30% slope and sensitive habitat and were not considered viable options.

The neighboring parcels roughly to the South are not impacted by the landslide deposit. The rest of the developed neighboring parcels roughly North of the subject property were able to obtain approvals for construction despite the broad landslide mapping on their parcels and without requiring variances for road setbacks limitations. The undeveloped parcels in the area do not share the same irregular shape as the subject property and do not have the same concentration of steep slopes. For instance, nearby Bryant Family Winery was able to locate a stable site for the winery that was not within the road setback area. Granting of this variance is not a special privilege as the subject parcel contains a unique combination of constraints not shared by other parcels.

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 property 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 the "parity" prong. The property is located within the AW zoning district in which wineries are permitted upon approval of a use permit. The location of the existing winery was approved up grant of a use permit and variance; approval of the variance is necessary to allow the subject winery to be expanded to accommodate the growth of the business.

As already articulated, the combination of unique circumstances creating hardships for this parcel places the applicant at a disadvantage vis-a-vis other landowners in the area. This hardship is not self-induced as the County originally identified the landslide deposit impacting this property, and the applicant was required to retain a consulting firm which then identified the site where winery was ultimately built.

Requiring the applicant to build its expansion in any location other than adjacent to this same previously-identified site on which its existing winery is located would be a major hardship in that: (1) winery operations would be dispersed across the large 114-acre property, making operation of the winery inefficient and creating a hardship. Specifically, the costs associated with requiring Gandona Winery to situate its expansion elsewhere on the property would be as follows:

(i) The cost of developing a commercial driveway on flat land is roughly considered by experts to be one million dollars per mile. When building on the above-described challenging terrain, requiring extensive earthwork, walls, and drainage, the price increases exponentially. For instance, the cost of 1,000 linear feet of wall at six feet in height would be approximately a half a million dollars alone based on rough figures used by local engineering firms. This additional cost of building a second commercial driveway on a forested hillside property when there is an existing commercial driveway serving the existing winery structure is a hardship that would not be shared by neighboring properties without the same unique combination of site constraints.

(ii) The cost of developing a second set of utilities and another septic system elsewhere on the property is also a hardship on the applicant.

(iii) Engineering, architect, geotechnical, and other consulting fees with specialists involved in construction on hillside property such as this with unique environmental constraints including landslide deposits, 30% slopes, and sensitive habitat.

(iv) The cost of the loss of efficiency in running a small winery in two locations on such a property is impossible to quantify but would again be a hardship for Gandona and one that is not shared by neighboring properties without the same set of site restrictions.

(v) The potential loss of planted vineyard acreage in order to provide suitable land for building, would be a huge detriment to this small production winery which uses exclusively estate-sourced grapes.

(vi) The environmental cost of developing elsewhere on the property, outside of the existing winery footprint, is also impossible to quantify but would involve ripping of trees, construction on slopes, destruction of sensitive habitat and vegetation, and viewshed issues.

Parity -The exhibits included with the application show and the discussion above demonstrate how the subject property differs substantially from other parcels in relevant aspects such as shape, topography, access, and site options in relation to the road setback requirements. The requested variance serves only to enable the applicant to make an expansion to a modest winery in order to rectify a space problem, in that the winemaking lab was not properly designed and is too small to accommodate the required equipment and personnel. As has been discussed already, there are numerous properties in the vicinity that have substantial wineries much larger than Gandona's existing footprint let alone this modest expansion, many of which may have been expanded (for instance, Brand Winery expanded its operations on or around 2010), with such operations occurring attached or adjacent to the existing structure. For instance, nearby Chappellet is over 12 times the size of Gandona Winery with over 7 times the production; and Colgin Partners Winery is more than twice the size, and Continuum more than three times the size of the proposed square footage of the existing and proposed Gandona structures combined. Gandona Winery is seeking only to be in parity with those other properties in making this expansion, in order to have sufficient square footage to effectively run its winery operations, and requires grant of this variance application in order to do so.

Notably, no other properties appear to have the same road setback problems. Granting of this variance request is necessary in order to enable the applicant to achieve a degree of parity with the other properties in the area not constrained as the subject property is constrained. Strict application of the applicable requirements would restrict the applicant's ability to expand this modest winery, whereas granting of the variance brings the parcel into parity with other properties zoned AW that have been granted use permits for wineries and winery expansions.

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 building 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 applicant has indicated that the setback in question applies only to a small private road which is accessed by only two private residences, the Chappallet family and Greg Melanson. The Chappallet family has provided a letter in support of the use permit modification and variance request. The applicant further states that grant of the variance will facilitate improvements to the neighborhood because it will minimize the destruction of existing vegetation and preserve a traditional agricultural setting, the proposed structure will not degrade the viewshed or the groundwater basin, and the requested variance does not violate the intent of the road setback ordinance, as the structure will not be visible from any major road.

Various County departments have reviewed the Project and commented regarding water, wastewater 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.

5) Grant of the variance in the case of other groundwater basins, or areas which do not overlay an identified groundwater basin, where grant of the variance cannot satisfy the criteria specified for approval or waiver of a groundwater permit under Section 13.15.070 or 13.15.080, substantial evidence has not been presented demonstrating that the grant of the variance might cause a significant adverse effect on any underlying groundwater basin or area which does not overlay an identified groundwater basin.

Staff Comment: As set forth in the attached initial study Negative Declaration Hydrologic Section and Water

Availability Analysis and Groundwater Recharge Report, the applicant has demonstrated that the parcel has a sufficient water allotment of 94.07 acre-feet per year. The project is located on a ±114.72 acre parcel and is not located in the Napa Valley Floor or a groundwater deficient area. Water Availability Analysis was prepared (RSA, July 28, 2017) concluded that a Groundwater Recharge Rate of 0.82 af/yr has been identified for the parcel and this yields an annual estimated recharge (Allowable Water Allotment) of 94.07 af/yr in average rainfall year. The analysis states that the existing total water demand is 10.78 af/yr and then concluded that the projected water demand for the project would be 10.87 af/yr. The project does not have a significant impact on groundwater resources and this finding can be met.

RSS Exception - The project also includes an Exception to the Napa County Roads & Street Standards (NCRSS) to allow selective narrowing of the roadway at nine road stations (STA 9+00 to 10+75; STA 11+75 to 15+00; STA 16+50 to 18+25; STA 18+75 to 19+75; STA 22+50 to 24+50; STA 28+50 to 32+50; STA 39+00 to 40+00; STA 41+50 to 46+25; STA 46+25 to 51+50) in order to preserve natural features of the environment. At these road stations, the common driveway is flanked by steep slopes on the uphill and downhill side of the roadway, natural water courses, and several large native mature trees that vary in diameter from 6 inches to 24 inches or more in diameter breast height. Due to the constraints noted above the applicant cannot improve the driveway to fully comply with the RSS width requirements. The applicant is proposing to widen driveway to maximum road width achievable in these areas and provide full improvement in the areas not listed. In addition, this request also asks for a reduction to the horizontal inside radius of curvature and/or a reduction to the increased pavement widening at five road stations (STA 10+75 to 11+75; STA 19+75 to 22+50; STA 24+50 to 26+00; STA 26+00 to 28+50; STA 35+00 to 37+00; STA 40+00 to 41 +50) where the RSS requirement is 50 feet plus an additional 4 feet of widening. At the noted stations, the common driveway is in close proximity to natural drainage courses, steep slopes, and large native trees. Widening the road in these areas would require extensive grading on steep slopes over 30% and would require extensive earthwork within the existing natural water course. The applicant has provided an exhibit illustrating that these areas will accommodate the turning of large emergency vehicles. The proposed road exception have been reviewed by the Division of Engineering Services and the Fire Marshal who support grant of the exception as currently designed preserve unique features of the natural environment. 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.

Conservation Regulation Exception - The project proposes to physically expand the winery with the construction of a two-story building located southwest of the existing winery, on natural ground, below a fill slope consisting of slurried riprap. The slope of the building site is an average of 32%, requiring approval of an exception to the Conservation Regulations, since the slope is over 30%. The proposed structure will lie parallel to the existing grade, and will not strike off at an angel against it. The proposed structure has two levels, stepping down the slope, following natural grade, minimizing cut and fill and the need for retaining walls. The proposed 55 cubic yards of fill is not substantial, and to balance the cut and fill, an additional 36 cubic yards will be required to level the building pad. There will be no permanent stockpiling of spoils required. The proposed building has been designed to complement the natural landform and to avoid excessive grading. The proposed structure will lie parallel to the existing grade, and will not strike off at an angel against it. The proposed structure has two levels, stepping down the slope, following natural grade, minimizing cut and fill and the need for retaining walls. The proposed 55 cubic yards of fill is not substantial, and to balance the cut and fill, an additional 36 cubic yards will be required to level the building pad. There will be no permanent stockpiling of spoils required. The development minimizes removal of existing vegetation. Adequate fire safety measures have been incorporated into the design of the proposed structure. This exception has been reviewed by the County Engineering Services Division and the Fire Marshall, and as stated in the Engineering Services Division Memorandum, dated April 19, 2018, it has been determined that the requested Exception will provide safe access for emergency apparatus safe civilian evacuation, and the avoidance of delays in emergency response based on the demands of the property.

Wastewater - The proposed project will not violate any known water quality standards or waste discharge

requirements. Improved on-site domestic and process wastewater systems are proposed to accommodate the increase in visitation. The Napa County Division of Environmental Health has reviewed the proposed domestic process wastewater systems and recommends approval as conditioned. The project proposes the use of portable toilets for the three 150-guest marketing events.

Grape Sourcing – The application indicates that the winery processes only estate-grown grapes, and produced under 5,000 gallons of wine in the past few years. The property is planted in ±19 acres of vineyard, the latest expansion of vineyard occurred with the approval of the use permit modification requesting the production increase. The winery was established prior to the WDO, and 5,000 gallons of the approved 20,000 gallon production is not subject to the 75% rule.

Greenhouse Gases/Climate Action Plan - Greenhouse Gases/Climate Action Plan - 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 part of the application materials. The applicant proposes to incorporate GHG reduction methods including: preservation of developable open space in a conservation easement (in preliminary discussions with Land Trust); solar hot water heating; install energy-conserving lighting; has installed water efficient fixtures; has limited the amount of grading and tree removal; uses 70-80% cover crop; retains biomass removed via pruning and thinning by chipping the material and reusing it rather than burning on site.

Public Comments – One letter of support from an adjacent neighbor has been presented.

Decision Making Options:

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

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

Disposition – This option would result in approval of an expansion for an existing 20,000 gallon/year winery, with the construction of a new 3,789 ft², two story administration and vineyard storage building, located within the 300 ft. winery setback on a slope over 30%; an increase in daily and weekly visitation, an increase in marketing events; an increase in the number of employees; the construct of additional parking; the expansion of the existing wastewater disposal system; and an exception to the RSS to allow selective reduction in the width of the private access road. This option has been analyzed for its environmental impacts, which were found to be less than significant. Sufficient grapes and water supplies are available to serve the proposed project. The project is located in close proximity to its main grape source and all grapes produced on the estate will be processed at the winery. There are no current outstanding code compliance issues at the project site. There is existing, improved direct access to State Highway 128 and any improvements to the access driveway will be only necessary to accommodate the RSS for emergency equipment access.

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

Option 2 - Reduced Visitation/Marketing Alternative

Disposition - This option could result in a potential decrease in the proposed visitation and marketing program.

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

specific conditions of approval to reduce the permitted visitation and marketing events. If major revisions to the conditions of approval are required, the item will need to be continued to a future date.

Option 3 - Deny Proposed Project

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

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

Option 4 - Continuance Option

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

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Previous Project Conditions
- D . Initial Study/Negative Declaration
- E . Public Comments
- F . Use Permit Application & Exception to Conservation Regulations Application
- G . Variance Application
- H . County Road & Street Standards Exception Application
- I . Water Availability Analysis
- J . Wastewater Feasibility Study
- K . Graphics
- L . Winery Comparison Analysis and Summary of Changes

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith