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A Commitment to Service

Agenda Date: 10/4/2017

Agenda Placement: 8B

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: Jason Hade, Planner III - (707) 259-8757
SUBJECT: Paul Hobbs - Nathan Coombs Winery Use Permit P15-00128-UP

RECOMMENDATION

PAUL HOBBS / PAUL HOBBS - NATHAN COOMBS WINERY / USE PERMIT NO. P15-00128-UP

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

Request: Approval of a Use Permit in order to construct and operate a winery which would include: 1) Annual wine production capacity of up to 60,000 gallons; 2) Two winery buildings, totaling 19,250 square feet in area to include: a 10,820 square foot winery building (Phase 1) with a 8,040 square foot production area (storage, mechanical equipment room, fermentation room, barrel storage, lab, and 2,210 square foot covered crush area); 2,780 square feet of accessory use area (kitchen, tasting room, hallway, and 1,390 square foot porch area); with a maximum building height of approximately 35 feet. Demolition of an existing agricultural building would also be included in Phase 1. Phase 2 would include the construction of a 14,835 square foot winery building with 13,825 square feet of production area (barrel storage, fermentation, wine library, case goods/cold room and 2,265 square foot covered crush area), 1,010 square feet of accessory use area (break room, offices, and copy room); 3) For Phases 1 and 2 the applicant requests tastings and tours by appointment only for a maximum of 30 visitors per day Monday through Sunday for a maximum weekly total of 210 visitors; 4) Host 2 marketing events per year for up to 50 guests, and 2 marketing events per year for up to 100 guests with catered food; 5) Employ up to 9 full-time employees; 6) On-premises consumption of wine purchased on the property, consistent with Business & Professions Code Sections 23358, 23390 and 23396.5, inside of the tasting room and porch area; 7) Install parking for 17 vehicles and 27 event overflow spaces; 8) Install a new wastewater treatment system; 9) Install one 3,000 gallon water storage tank and use three existing wells; 10) Construction of one new driveway to access Fourth Avenue; and 11) Install landscaping. The project is located on an approximately 90 acre site within the AW (Agricultural Watershed) zoning district on the north side of Imola Avenue approximately 1.3 miles southwest of its intersection with State Route 221; 2184 Imola Avenue, Napa, CA; APN: 046-351-001; and 016.

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

Staff Contact: Jason R. Hade, AICP, Planner III, (707) 259-8757 or jason.hade@countyofnapa.org

Applicant Contact: Steve Martin, P.E., 130 South Main Street, Suite 201, Sebastopol, CA 95472; (707) 824-9730

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration based on recommended Findings 1-7 in Attachment A; and
2. Approve Use Permit P15-00128-UP based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B.

Discussion:

The proposal is to construct and operate a new winery with a production capacity of up to 60,000 gallons. The winery would consist of two winery buildings totaling 19,250 square feet and 2,210 square feet of covered crush pad. Tastings and tours by appointment only for a maximum of 30 visitors per day Monday through Sunday for a maximum weekly total of 210 visitors are requested. A marketing program is also requested to include two (2) events per year for up to 50 guests and two (2) marketing events per year for up to 100 guests with catered food.

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. The requested visitation and marketing program is below both the average and median numbers compared to those of 60,000 gallon per year production wineries with by appointment visitation. All environmental impacts were found to be less than significant. Sufficient water is available to implement the project. The applicant proposes to incorporate additional Greenhouse Gas Emissions reduction methods including: exceeding Title 24 energy efficiency standards; implementation of a Transportation Demand Management program; installation of energy efficient lighting; installation of bicycling parking facilities; use of process wastewater from winery production for vineyard irrigation after treatment; installation of water efficient fixtures; implementation of low-impact development; use of water efficient landscaping; recycling of 75 percent of all waste; planting of shade trees within 40 feet of the south side of the building elevation, location of production areas which need to be cooled on the north and east side of the building to reduce energy needed to cool these spaces; and minimization of grading and tree removal. The vineyards already use 70 to 80 percent of cover crop. Based on these reasons, staff recommends approval of the project 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 project would not have any potentially significant environmental impacts. The project site is not on any of the

lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: Paul Hobbs

Representative: Steve Martin, P.E., 130 South Main Street, Suite 201, Sebastopol, CA 954721; (707) 824-9730

Zoning: Agricultural Watershed (AW) District

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

Filed: April 17, 2015

Resubmittal Received: January 27, 2016, July 7, 2016, and January 11, 2017

Deemed Complete: April 25, 2017

Parcel Size: 90 acres

Existing Development: The existing parcel consists of approximately 67 acres of vineyards. The site also includes an agricultural building, a 35 acre-feet (AF) irrigation reservoir and three (3) wells. Existing site access is provided via a vineyard access road to Imola Avenue.

Proposed Winery Characteristics

Winery Size: 29,405 square foot winery development area with uses identified above.

Production Capacity: 60,000 gallons per year.

Winery Development Area: 29,405 square feet (0.66 acres).

Winery Coverage: 78,865 square feet (1.80 acres) (Maximum 25% or 15 acres permitted, whichever is less).

Accessory/Production Ratio: 3,790 square feet accessory/21,865 square feet production - approximately 17%. (Maximum 40% permitted)

Number of Employees: Up to nine full-time employees.

Visitation: Maximum of 30 visitors per day Monday through Sunday and 210 visitors per week by appointment only.

Marketing Program: Two (2) events per year with a maximum of 50 guests and two (2) events per year with a maximum of 100 guests. All events to be catered.

Days and Hours of Operation: 7:00 AM to 6:00 PM (production hours, except during harvest) and 10:30 AM to 5:00 PM (visitation hours), 7-days a week. All events to conclude by 10 PM.

Parking: 17 parking spaces (15 standard spaces and two ADA spaces). Twenty-seven (27) event overflow spaces would also be provided.

Setbacks:

Required Road setbacks – 300 feet from the centerline of Imola Avenue and Fourth Avenue.
Required Property line setbacks - 20 foot side and rear yard setbacks (for structures).

Proposed: The winery would be setback approximately 1,450 feet from Imola Avenue, 925 feet from Fourth Avenue, 950 feet from the rear property line, and 315 feet from the western side property line.

Adjacent General Plan Designation/ Zoning / Land Use:

North: Agriculture, Watershed, and Open Space (AWOS)/Agricultural Watershed (AW)/agricultural use (vineyards)

South: AWOS/AW:Skyline Wilderness Park) overlay/institutional use

East: AWOS/AW/rural residential and agricultural use (vineyards)

West: AWOS/RC/rural residential use

Nearby Wineries: (located within 1 mile of the project)

Please refer to Attachment K.

Parcel History:

Historic aerial photographs of the property indicate that the site has been planted in vineyards since at least 1993.

Code Compliance History:

There are no open or unresolved code cases for the project site.

Discussion Points:

Setting - The 90 acre project site is located within the AW zoning district on the north side of Imola Avenue approximately 1.3 miles southwest of its intersection with State Route 221. Site topography ranges from 0-15 percent within the vineyard area. The soils on site consist primarily of Haire Loam, 2 to 9 percent slopes. Kreuse Creek bisects the property. The site is developed with an agricultural building, a 35 AF irrigation reservoir and three (3) wells.

The property is surrounded by vineyards and rural residential uses. Favia Erickson Winery lies to the north of the proposed project site while rural residential uses are located to the east of the site. The Napa County Office of Education and Skyline Wilderness Park are located near the project site south of Imola Avenue. Single-family homes within the City of Napa are located immediately to the west of the existing irrigation reservoir. The proposed winery buildings are located approximately 585 feet to the northeast of the nearest neighboring residence. The project site is located outside the boundaries of the 100 and 500 year flood hazard zones. Native vegetation of the site includes grassland and riparian woodland; most of the site is disturbed and primarily planted with vineyards and developed with an agricultural structure.

Winery Proposal - The proposal is to develop a new winery with a maximum permitted capacity of up to 60,000 gallons per year. Approximately 19,250 square feet of floor area would be constructed. Hosted daily tours and tastings and a marketing program is also requested.

Visitation and Marketing - The application proposes a maximum of 30 visitors per day, Monday through Sunday. Four marketing events per year are proposed and would be catered. The largest event would host up to 100 guests. The attached winery comparison tables (Attachment K) compare the proposed Paul Hobbs - Nathan

Coombs Winery with wineries that currently have an annual permitted production capacity of 60,000 gallons. The requested visitation and marketing program is below both the daily average and median numbers compared to those of 60,000 gallon per year production wineries with by appointment visitation.

Noise - The nearest off-site residence to the proposed winery is approximately 585 feet to the southwest of the proposed winery structures. Under the proposed project, the largest outdoor event that would occur on the parcel would have an attendance of no more than 100 people, and all events would end by 10:00 p.m., excluding quiet clean-up. Winery operations would occur between 7:00 a.m. and 6:00 p.m. (excluding harvest).

Noise sampling performed as part of the Paul Hobbs-Nathan Coombs Winery Environmental Noise Assessment prepared in June 2016 by Illingworth & Rodkin, Inc. estimated typical noise source levels for winery operations and seasonal production activities, maintenance and forklift operations, promotional event noise, and project traffic. The noise assessment included an analysis of impacts associated with vehicular noise on the access road and on-site, mechanical equipment noise, crush related noise, bottling noise, maintenance and forklift operations, and promotional event noise at adjacent residential uses. In each of these impact assessment categories, impacts were found to be less than significant as noise levels would not exceed the County's noise standards or the project specific noise criteria established in the noise assessment (*Paul Hobbs-Nathan Coombs Winery Environmental Noise Assessment, 2016*). Continuing enforcement of Napa County's Noise Ordinance by the Division of Environmental Health and the Napa County Sheriff, including the prohibition against amplified music, should further ensure that marketing events and other winery activities do not create a significant noise impact. Events and non-amplified music, excluding quiet clean-up are required to finish by 10:00 p.m. Amplified music or sound systems would not be permitted for outdoor events as identified in standard Condition of Approval 4.10 below. Temporary events would be subject to County Code Chapter 5.36 which regulates proposed temporary events.

Traffic and Parking - The project study area consists of Imola Avenue east of Soscol Avenue which runs along the southern edge of the project site, and Fourth Avenue, which runs along the eastern side of the site. The project site would be accessed via a new private driveway on Fourth Avenue. Imola Avenue is a two-lane undivided roadway that runs east-west in the study area with 12-foot travel lanes in each direction and a posted speed limit of 35 miles per hour (mph) from Soscol Avenue to Penny Lane and 40 mph from Penny Lane to Fourth Avenue. Drivers are required to reduce their speed to 25 mph when children are present near Napa Preschool and Napa County Community School between Navarre Street and Penny Lane.

W-Trans prepared a *Traffic Impact Study* on August 24, 2017. Anticipated project trips are identified in Table 1 of the study and include four inbound trips and nine outbound trips during the weekday PM peak hour (4:00 PM to 6:00 PM) and 13 inbound trips and 12 outbound trips during the weekend midday peak hour (2:00 PM to 4:00 PM). The requested additional marketing events would have up to 100 attendees at the largest event which would occur two times a year. These events would typically be held in the evenings on weekends and would be anticipated to generate 91 trip ends at the driveway including 45 inbound trips and 46 outbound trips.

According to the study, the study segment of Imola Avenue operates at LOS A during both peak periods and is expected to continue operating at this level with the addition of project-generated trips. Under future conditions, "Imola Avenue is expected to operate at LOS C during the weekday PM peak hour and LOS A during the Saturday midday peak hour. The Level of Service is anticipated to remain the same with the addition of project generated trips" (*Traffic Study for the Paul Hobbs-Nathan Coombs Winery Project, 2017*). The project is expected to contribute 0.6 percent of the anticipated increase in traffic volumes at the intersection of Soscol Avenue and Imola Avenue. Public Works Department staff reviewed the study and concluded that the study adequately demonstrates that the proposed use in the proposed location would not result in any significant impacts, either project-specific or cumulative, on traffic circulation in the vicinity. Therefore, the project would result in a nominal increase in trips on the study roadways. Additionally, a project specific condition would ensure that all additional marketing events be scheduled outside peak weekend and weekday traffic hours. Impacts would be less than significant.

After implementation of the proposed project, the site would be accessed via a new driveway on Fourth Avenue. Sight distance along Fourth Avenue at the project driveway was evaluated based on sight distance criteria contained in the *Highway Design Manual* published by Caltrans. The study found that "sight distance at the approximate location of the proposed project driveway on Fourth Avenue is adequate with sight lines that exceed the minimum required sight distances" (*Traffic Study for the Paul Hobbs-Nathan Coombs Winery Project, 2017*). A project specific condition would require that any proposed landscaping be maintained in a manner which does not interfere with this sight distance. Proposed site access was reviewed and approved by the Napa County Fire Department, Engineering Services Division, and Public Works Department, as conditioned (COAs 6.15a and 6.15b).

Based on the forecast of traffic to be generated by the proposed project, and the volume of traffic on Fourth Avenue, the project would not require the installation of a left-turn lane at the location of the proposed project driveway.

The proposal includes construction of 17 parking spaces (15 standard spaces and two ADA spaces) and 27 event overflow spaces. Based upon the County standard of 2.6 persons per vehicle during weekdays and 2.8 persons per vehicle during weekends and 1.05 persons per vehicle for employees the minimum parking required for daily activities would be 21 parking spaces. However, it is unlikely that the winery would host 30 visitors at one time.

Groundwater Availability - The project is categorized as being located within the MST groundwater deficient area that has an established acceptable water use criteria of 0.3 acre foot per acre per year or no net increase, whichever is less, based upon current County Water Availability Analysis (WAA) policies. Based upon those criteria, the Allowable Water Allotment for the area of the project site located within the MST area is 27.0 acre-feet per year (af/yr), determined by multiplying the 90 acre MST area by a 0.3 AF/YR/acre fair share water use factor. A Groundwater Permit was approved in 2005 which authorized the extraction of 23.39 AF/YR of groundwater for the project site. Therefore, water usage for the project parcel is limited to 23.39 AF/YR based upon the approved Groundwater Permit. Existing water demand for the site is 23.39 AF/YR. The Water Availability Analysis concluded that sufficient water would be available to serve the proposed project. According to the Water Availability Analysis, a total future demand of 22.79 AF/YR, representing a 0.06 AF/YR decrease, would be required to serve the site which is below the parcel's authorized groundwater extraction permit of 23.39 AF/YR. In summary, the existing yield would be sufficient to serve all uses on the property. Any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels. Impacts would be less than significant as there is sufficient water supply available to serve the proposed project.

Wastewater - Wastewater disposal would be accommodated on-site and in compliance with State and County regulations. According to the Wastewater Feasibility Study prepared by Steve Martin Associates, Inc. in April 2015, the project site and proposed system has adequate disposal capacity to serve the project. The study concluded that "the proposed new wastewater management system(s) described above and herein will be adequate to treat and dispose of the projected SW and PW flows generated from the new winery facility" (*Wastewater Feasibility Study, 2015*). The Division of Environmental Health reviewed this report and concurred with its approach.

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 E. The applicant intends to incorporate additional Greenhouse Gas Emissions reduction methods including: exceeding Title 24 energy efficiency standards; implementation of a Transportation Demand Management program; installation of energy efficient lighting; installation of bicycling parking facilities; use of process wastewater from winery production for vineyard irrigation after treatment; installation of water efficient fixtures; implementation of low-impact development; use of water efficient landscaping; recycling of 75 percent of all waste; planting of shade trees within 40 feet of the south side of the building elevation, location of production areas which need to be cooled on the north and east

side of the building to reduce energy needed to cool these spaces; and minimization of grading and tree removal. The vineyards already use 70 to 80 percent of cover crop.

Grape Sourcing - The existing parcel consists of approximately 67 acres of vineyards. According to the applicant, this represents approximately 73 percent of the 60,000 gallon per year wine production requested. The remaining grapes would come from grape growing contracts ensuring compliance with the County's 75 percent rule. The recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule (COA 4.6).

Vineyard Removal - The project site currently has approximately 67 acres of vineyards and approximately 1.41 acres of vineyards would be removed as part of the proposed project for the Phase 2 winery structure and associated parking area. General Plan Policy AG/LU-9 discourages the County from converting farmland to non-agricultural uses, where feasible, and if infeasible, preservation of one acre of farmland for each acre that is converted to non-agricultural use is required. However, Policy AG/LU-9 is not applicable to this Project because winery offices, tasting rooms, and infrastructure improvements such as access roads and wastewater disposal areas that serve a winery are considered accessory or supporting agricultural uses under the County's General Plan and zoning regulations. This interpretation was expressly articulated by the Board of Supervisors as part of the 2008 General Plan Update and the General Plan Update Draft Environmental Impact Report, which adopted the farmland conversion mitigation measure that established Policy AG/LU-9. The General Plan Update Draft EIR states that the:

“[c]ontinued expansion of agricultural operations could involve the use of farmland by supporting uses and facilities (e.g., winery sites may consist of up to 15 acres of impervious surfaces under NCC Section 18.104.220). However, these potential uses of farmland are not considered significant since these supporting uses are locally considered “agriculture” and are intensively regulated (in terms of size, intensity, etc.)” (Emphasis added.) (See General Plan Update DEIR, pg. 4.1-23.)

In Napa County the removal of vineyard to accommodate a new winery is not a conversion of farmland to a non-agricultural use, and therefore, Policy AG/LU-9 is not triggered. It is merely replacing one form of agriculture (vineyard) with another form of agriculture (winery). Wineries and uses accessory thereto are conditionally permitted uses that are consistent with the agricultural land use designation of the property. (General Plan Policies AG/LU-2 and AG/LU-21).

Public Comments - At the time of staff report preparation, no public comments have been received.

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 no project alternative and a project alternative which would reduce the production intensity.

Option 1 - Applicant's Proposal (Staff Recommendation)

Disposition - This option would result in approval of the proposed new 60,000 gallon per year winery. Staff recommends this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. The applicant also proposes to incorporate GHG reduction measures as part of the project. As discussed above, the requested visitation and marketing program is below both the average and median numbers compared to those of 60,000 gallon per year production wineries with by appointment visitation. All potential environmental impacts were found to be less than significant.

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

Option 2 - Reduced Production Project Alternative

Disposition - This option would reduce the proposed annual production capacity to allow for all grapes to be estate grown. For example, a maximum annual production capacity of 50,000 gallons would likely avoid the need to transport grapes to the site. However, given that the proposed visitation and marketing program is below both the average and median numbers compared to those of 60,000 gallon per year production wineries with by appointment visitation and approximately 73 percent of the 60,000 gallons per year of wine production requested would be supplied by estate grown grapes, staff does not believe a reduction in production is necessary.

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 maximum annual production capacity. If major revisions of 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, 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 is not being approved. Based on the administrative record as of the issuance of this staff report, there does not appear to be any evidence supporting denial of the project.

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 . Initial Study/Negative Declaration
- D . Public Comments
- E . Use Permit Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Traffic Study
- I . Noise Study

J . Graphics

K . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina