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Agenda Date: 10/7/2015

Agenda Placement: 9A

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: SHAVETA SHARMA, PLANNER III - 707-299-1358
SUBJECT: Hudson Vineyards Winery Use Permit #P14-00202

RECOMMENDATION

HUDSON VINEYARDS WINERY-LEE HUDSON- USE PERMIT NO. P14-00202-UP

CEQA Status: Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration, the proposed project would have potentially significant effects on Transportation/Traffic unless mitigation measures are adopted. 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 new winery Use Permit to allow the following: 1) production up to 80,000 gallons per year; 2) construction of approximately 33,042 square feet Type III cave; 3) tours and tastings by appointment only on a daily basis up to a maximum of 120 visitors per day and a weekly maximum of 480 visitors; 4) marketing events up to six per month with a maximum of 24 guests; 5) marketing events up to seven per year with a maximum of 50 guests; 6) marketing events up to three per year with a maximum of 150 guests; 7) a maximum of 24 employees; 8) construction of a new winery hospitality building totaling 6,911 square feet, with a commercial kitchen, 2,327 square foot winery office building with storage and laboratory space, and a 4,810 square foot covered crush pad; 9) request for on premise consumption of wines produced on site within the hospitality building and outdoor patio consistent with Business and Professions Code §§23356, 23390, and 23396.5; 10) construction of a Transient Non-Community Water System (a water system to serve the winery, visitors, and employees); 11) construction of a wastewater treatment system; 12) construction of 29 parking spaces; 13) construction of a twenty foot wide access driveway to the proposed winery buildings; and 14) landscaping improvements including a picnic area near the hospitality building. The project is located on a 166.8 acre parcel, within the AW (Agricultural Watershed) zoning district on the north side of State Highway 12/121, approximately one mile west of its intersection with Old Sonoma Road; 5398 Carneros Highway, Napa CA; APN: 047-070-016.

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

Staff Contact: Shaveta Sharma, (707) 299-1358 or shaveta.sharma@countyofnapa.org

Applicant Contact: George Monteverdi, PO Box 6079, Napa, CA 94581; (707) 761-2516;
george@monteverdiconsulting.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration, based on Findings 1-7 of Exhibit B; and
2. Approve Use Permit No. P14-00202-UP based on Findings 8-12 of Exhibit B and subject to the recommended conditions of approval (Exhibit C).

Discussion:

The Applicant requests approval of a Use Permit to establish an 80,000 gallons per year, construction of approximately 33,042 square feet Type III cave, tours and tastings by appointment only on a daily basis up to a maximum of 120 visitors per day and a weekly maximum of 480 visitors, marketing events, and other necessary infrastructure improvements.

This proposal has been analyzed for its environmental impacts, which were found to be less than significant with appropriate mitigation measures that the applicant has agreed to. The applicant can accommodate the proposed production with local Napa grapes. Staff believes there exist good rationale for approving the winery as proposed, including the project's easy access off a State Highway; large parcel size; distance of the winery to the Highway and neighbors; no variances are requested; no viewshed impacts, no vineyard removal, no loss of sensitive habitat, no significant environmental impacts, availability of estate grapes, and letters supporting the applicant and project which have led staff to conclude that the project merits approval as proposed.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration, the proposed project would have potentially significant effects on Transportation/Traffic unless mitigation measures are adopted. 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: Hudson Vineyards Winery, PO Box 636, St. Helena, CA 94574; (707) 302-2034

Applicant: Lee Hudson Vineyards; 5398 Carneros Highway, Napa, CA 94559; (707) 255-1455

Representative: George Monteverdi, Monteverdi Consulting, LLC; PO Box 6079, Napa, CA 94581; (707) 761-2516; george@monteverdiconsulting.com

Zoning: Agricultural Watershed – AW

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

Filed: June 5, 2014; **Completed:** August 20, 2015

Parcel Size: 166.8± acres

Existing Development: The existing parcel consists of 100 acres of vineyards which were originally planted between 1986 and 2008. The site also includes an existing residence of 1,260 square feet, farm operations center, irrigation reservoir, two wells, greenhouse, and several agricultural workshop, storage, and maintenance buildings.

Proposed Winery Characteristics

Winery Size-Proposed: 9,238 square feet

Production Capacity Proposed : 80,000 gallons per year

Winery Coverage Proposed : 102,838 square feet; 2.36 acres; 1.42% (Maximum 25% allowed)

Accessory/Production Ratio Proposed : 9,238 square feet/65,187 square feet; 14% (Maximum 40% allowed)

Number of Employees Proposed : Maximum of 25 full time employees.

Visitation - Proposed: Maximum 120 persons/day; Maximum 480 persons/week; 24,960 persons/year

Marketing Program - Proposed: Marketing events up to six per month with a maximum of 24 guests; up to seven per year with a maximum of 50 guests; up to three per year with a maximum of 150 guests (2,528 guests annually)

Days and Hours of Operation-Proposed: 10:00 AM to 6:30 PM for visitors; 5:00 AM to 7:00 PM for employees

Parking-Proposed: 29 spaces

Setbacks required- 600 feet from State Highway 12/121; 20 feet from side and rear property lines

Setbacks proposed- 3,665 feet from State Highway 12/121; 460 feet and 1,080 feet from the side property lines, and 680 feet from the rear property line

Adjacent General Plan Designation/ Zoning / Land Use:

North:

Agricultural Watershed and Open Space (AWOS)/ Open Space

South:

Agricultural Watershed and Open Space (AWOS)/Agricultural use (vineyards), and wine production

East:

Agricultural Watershed and Open Space (AWOS)/Agricultural use (vineyards), and wine production

West:

Agricultural Watershed and Open Space (AWOS)/Agricultural use (vineyards), large lot residential

Nearby Wineries (located within 1 mile of the project)

Refer to the attached spreadsheet.

Parcel History and Evolution of this Application

The 166.8 acre parcel consists of a is developed with a residence, 100 acres of vineyard, farm operations center, irrigation reservoir, two wells, greenhouse, and several agricultural workshop, storage, and maintenance buildings. The applicant purchased the property on 1982 and has developed additional vineyards on the parcel since his purchase. In addition to grapes the applicant also raises pigs on the property.

Code Compliance History

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

Discussion Points

Setting - The 166.8 acre parcel is located the north side of State Highway 12/121, approximately one mile west of its intersection with Old Sonoma Road. The property has a steep northern slope with slopes ranging from zero to 30%. The location to be developed with winery buildings averages less than five percent slope, the proposed cave area is over 15% slope. The parcel is developed with a residence, 100 acres of vineyard, farm operations center, irrigation reservoir, two wells, greenhouse, and several agricultural workshop, storage, and maintenance buildings. The property also currently includes livestock and orchard operations. The property produces both olive oil and products prepared from fruit trees on site. The applicant intends to include olive oil tastings and sales within the proposed winery. The surrounding land uses include vineyards, wineries (Artesa Winery, Domaine Carneros, Cuvaision Carneros, Michael Mondavi Family Winery), and residential development on large parcels, the nearest of which is approximately 2,700 feet southwest of the proposed winery. An unnamed blue line stream which flows into Huichica Creek runs along the western property line. No construction or winery activities are proposed near the creek.

Winery Proposal – The applicant proposes to construct two new winery buildings totaling 9,238 square feet, a 4,810 square feet covered crush pad, and a 33,042 square feet Type III cave with production of 80,000 gallons of wine annually. The project site has an existing road that will be widened to meet Napa County Road and Street standards. The project will also require construction of a transient non-community water system to serve the employees and visitors. Modest landscaping is proposed, with natives and drought tolerant species being proposed. The proposed buildings all comply with required setbacks. Due to the location and distance of the buildings from State Highway 12/121, the proposed structures are not visible from the Highway.

Tours & Tasting/Marketing Events – Please note that staff has attached a Winery Comparison Chart to this report for informational purposes. It should be noted that Hudson Vineyards Winery ranks at the high end of "By Appointment Only" wineries of similar wine production in daily visitation (480 weekly maximum) and events per year (58). The applicant arrived at the proposed visitation and marketing after visiting numerous existing wineries and is intended to be a sustainable, long-term program that will be accessory to the existing agricultural uses on the property. There exist locational and operational criteria of this proposed winery that lead staff towards recommending approval of the proposed visitation including: easy access off a State Highway; large parcel size;

distance of the winery to the Highway and neighbors; no variances are requested; no viewshed impacts, no vineyard removal, no loss of sensitive habitat, no significant environmental impacts, availability of estate grapes, and letters supporting the applicant and project. Considering all of the enumerated reasons, staff finds the above average level of visitation to be acceptable in this case.

Traffic & Parking – The applicant submitted a traffic study prepared by Crane Transportation Group dated April 27, 2015 along with the application. The traffic study evaluated the trip generation from the project as it relates to short-term (Year 2020) and long-term (Year 2030) conditions. The study found that there would be potentially significant impacts during Friday PM peak travel hours if both employee and visitor trips were to take place. In order to avoid any traffic impacts the applicant will schedule three different employee shifts to stagger the employees work hours to occur outside of peak travel periods. The production employees will arrive either the first shift from 5:30 AM to 1:00 PM, or the second shift from 11:00 AM to 7:30 PM. Hospitality employees will have their shift hours between 9:30 AM to 7:00 PM. These mitigation measures will ensure the project does not contribute significantly or further exacerbate unacceptable traffic conditions on State Highway 12/121. Generally, the road network has ample capacity outside of peak afternoon periods. The proposed mitigation measures will shift trips out of peak periods and away from the congested roadways.

State Highway 12/121 currently operates at a LOS F during both weekday and weekend peak hour trips. Prior to submittal of this application CalTrans made roadway improvements along State Highway 12/121, including the installation of a left turn lane in to the project driveway. The applicant's traffic study prepared by Crane Transportation Group, dated April 27, 2015 analyzed impacts of the winery's operations at full capacity and marketing and concluded that the increases in trips would not pose any significant impacts to State Highway 12/121. The contribution of the project's traffic to peak trips is less than 1% to the existing traffic volume. Additionally, the study concluded that sightlines in and out of the project driveway were adequate, and that the proposed traffic would not be a hazard to bicyclists or pedestrians. The study concludes that on both a short term (Year 2020) and long term (Year 2030) horizon the project will not create significant traffic impacts. Both individually and cumulatively the contribution to traffic volumes will be less than 1%. As State Highway 12/121 is already at LOS F, the project's contribution to the existing and future volumes will be less than 1%. Based on the findings of the submitted traffic study the project's contribution to traffic would be less than significant.

There are 29 proposed parking spaces for the winery. The parcel has room for additional parking spaces available in the vineyards along the side of the access road, for the overflow parking during the larger events. In addition, the crush area can be used for parking. Visitation is by appointment only and the parking demand can be controlled by the winery. Due to the large size of the property and existing paved areas near the winery, there is sufficient space for parking of vehicles even for larger marketing events. No parking would be allowed along State Highway 12/121.

Groundwater Availability - The project is not expected to violate any water quality standards or waste discharge requirements nor substantially deplete local groundwater supplies. The project's development plans incorporate a Transient Non-Community Water System (a water system to serve the winery, visitors, and employees). The current wells are 117 feet and 170 feet deep and produce at 25 and 60 gpm. The projected water use for the project is 4.27 AF/YR. Existing water use for residential purposes is 0.75 AF/YR and will remain the same with the proposed project. Current water use for the vineyard is 0.0 AF/YR as the vineyards are not irrigated with groundwater, but from the freshwater pond on site (State of California Water Resources Board Permit # 18829). Throughout the current prolonged drought, the pond has been sufficient to supply the vineyards on the property, and currently has 45 AF/YR of water available. In the event that the pond would be unable to provide the adequate water supplies for the vineyards, there is groundwater available to supplement. Additionally, the applicant has the ability to use reclaimed process wastewater in the event the pond fails to yield adequate water in the future. The winery is expected to use 2.27 AF/YR. Landscaping currently utilizes 2.0 AF/YR and will increase to 4.0 AF/YR. The existing vineyards are currently watered from the existing freshwater pond on site and will continue to be watered from that source, as such the vineyards are not included in either the existing or proposed water use. Due to the project's location on a hillside, the applicant has submitted a Tier 1 and Tier 2 Water Analysis Study prepared by

Ludhorff & Scalmanini Consulting Engineers dated March 19, 2015. The study concluded that based on an average rainfall on the parcel was 29.54 inches or 410.5 AF/YR. This average rainfall was measured using precipitation data from 1998-2011, encompassing dry, normal, and wet years. Based on the soils on site it is expected that the groundwater recharge is estimated to be 39.6 AF/YR. The proposed water use of 11.06 AF/YR is well below the available groundwater of 39.6 AF/YR available to the site and no further analysis is needed. Additionally, there are no non-project wells within 500 feet. Based on these calculations, the project would remain below the established availability of groundwater use on the parcel, and the water system engineer's report indicated there is adequate water available to serve the project. Furthermore, the project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level. According to Napa County environmental resource mapping (Water Deficient Areas/Storage Areas), the project site is not located within a water deficient area.

Grape Sourcing - The applicant has 100 acres of existing vineyards on site which can yield 35,000 gallons. Additionally, the owner operates other vineyards in the Valley and has access to all the necessary grapes required to fulfill the 75% requirement.

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: generation of on-site renewable energy, solar hot water heating, energy conserving lighting, energy star roof/cool roof, water efficient fixtures, water efficient landscape, recycle 75% of all waste, compost 75% of food and garden material, planting of shade trees, local food production, use 70-80% cover crop, and a site design to optimize natural heating/cooling.

Public Comments - At the time of this staff report was prepared staff had received 28 letters of support from neighbors and other members of the public. Additionally, Caltrans submitted comments making some recommendations and notifying the applicant of the requirements for the required encroachment permits. The letter also requested that an additional mitigation measure requiring valet parking for larger events be incorporated. Such a mitigation measure is not needed as standards conditions of approval require the applicant to prepare an event-specific parking plan which may include, but not be limited to, valet service or off-site parking and shuttle service to the winery.

Consistency with Standards

Zoning - The project is consistent with the AW (Agricultural Watershed) zoning district regulations. A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.20.030) are permitted in the AW District with an approved use permit. The project, as conditioned, complies with the Napa County Winery Definition Ordinance and all other requirements of the Zoning Code as applicable.

Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated August 30, 2015.

Environmental Health Division - Recommends approval with standard conditions in the attached memorandum dated December 29, 2014.

Building Division - Recommends approval with standard conditions in the attached memorandum dated June 20, 2014.

Fire Department - Recommends approval with standard conditions in the attached memorandum dated June 26,

2014.

Decision Making Options

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

Option 1 – Approve Applicant's Proposal

Disposition – This option would result in the establishment of a new winery with 80,000 gallons of production, two new winery buildings totaling 9,238 square feet, a 4,810 square foot covered crush pad, and a 33,042 square foot Type III cave, daily tours and tastings, a marketing program, construction of a transient non-community water system, 29 parking spaces, and a maximum of 24 employees.

Action Required – Follow proposed action listed in the Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant with mitigation. The project as proposed meets all County Code requirements and complies with General Plan policies. There exist operational factors due to the winery's location and particulars including easy access off a State Highway; large parcel size; distance of the winery to the Highway and neighbors; no variances are requested; no viewshed impacts, no vineyard removal, no loss of sensitive habitat, no significant environmental impacts, availability of estate grapes, sufficient water supply, and letters supporting the applicant and project which have led staff to conclude that the project merits approval as proposed.

Option 2 – Reduced Production/Hospitality Alternative

Disposition – This option could result in a potential decrease in the proposed wine production and/or the proposed tours and tastings or marketing program. Specifically, adjustments to the visitation and the marketing program could be reduced commensurate with the average and/or median levels of visitation of comparison wineries or the visitation could be tied to increase proportionally with production levels. The applicant has committed to constructing the necessary infrastructure to accommodate the proposal.

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

Option 3 – Deny Proposed Modification

Disposition – In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit and modification, Commissioners should articulate what aspect or aspects of the project are in conflict with required findings. State law requires the Commission to adopt findings, based in 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 project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

Option 4 –Continuance Option

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

SUPPORTING DOCUMENTS

- A . Winery Comparison Charts
- B . Exhibit B- Findings
- C . Exhibit C- Conditions of Approval
- D . Department comments
- E . Draft CEQA document
- F . Public comments
- G . Agency Comments
- H . Application with BMPs
- I . Water Availability Analysis
- J . Traffic Study
- K . Stormwater Analysis
- L . Wastewater Feasibility Study
- M . Viewshed Analysis
- N . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell