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Agenda Date: 10/7/2020

Agenda Placement: 7B

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission

**FROM:** Charlene Gallina for David Morrison - Director  
Planning, Building and Environmental Services

**REPORT BY:** Charlene Gallina, SUPERVISING PLANNER - 299-1355

**SUBJECT:** Gateway Partners Wine Production Facility

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### **RECOMMENDATION**

#### **GATEWAY PARTNERS, INC. / GATEWAY PARTNERS WINE PRODUCTION FACILITY / USE PERMIT MAJOR MODIFICATION #P19-00075-MOD**

**CEQA Status:** Consideration and possible adoption of a Mitigated Negative Declaration and Mitigation Monitoring Reporting Program. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures (or MM's). MM's are proposed for the following area(s): biological resources. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

**Request:** Approval of use permit major modification to allow a winery with 400,000 gallons of annual production and 44 employees within an approximately 80,200 square foot portion of the previously approved 100,306 square foot building. The proposed winery would not include tours and tastings, retail sales, or marketing events. The proposed project requires a use permit request to modify the previously approved use from warehouse and office to add winery use within an approximately 80,200 square foot portion of Building A as depicted on the site plans. The proposed site plan includes the development of 196 parking spaces, of which the winery will have 80 parking spaces allocated for use. The remainder of Building A will remain as office/warehouse use as previously approved. The proposed project is a continuation of the approved development consistent with the 93466-UP and P16-00213-MOD while diversifying the uses and tenants on the project site. The project continues the same basic development concepts associated with manufacturing and office uses but instead of a building that includes manufacturing of ophthalmological products, the proposed project will include the manufacturing of wine. No change is proposed to the building footprint approved by P16-00213-MOD. The project is located on an approximately 13.8-acre site at the intersection of Airport Boulevard and Gateway Drive and is in the Napa Valley Business Park Specific Plan (NVBPSP) and (IP/AC) Industrial Park/Airport Compatibility Combination Zoning District. 501 Gateway Drive, Napa; Assessor's Parcel Number: 057-220-020

**Staff Recommendation:** Adopt the Mitigated Negative Declaration and approve the Major Modification, as conditioned.

**Staff Contact:** Sean Kennings, Contract Planner, (415) 533-2111, or sean@lakassociates.com

**Applicant Contact:** Mark Funseth, Gateway Partners I, LLC.; 1850 Soscol Avenue, Suite 207, Napa CA 94559 (707) 252-5460 & Vincent Butler, Lake Street Company, 1850 Soscol Avenue, Suite 207, Napa CA 94559, (650) 327-0670

**Applicant Representative:** Rob Anglin, Holman Teague Roche Anglin, LLP; 1455 First Street, Suite 217, Napa, CA 94559; (707) 927-4274

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for Gateway Partners Winery Facility based on Findings 1-6 of Attachment A; and,
2. Approve Use Permit Major Modification No P19-00075-MOD based on Findings 7-14 of Attachment A and subject to the recommended conditions of approval (Attachment B).

### **Discussion:**

In 1994, the Napa County Planning Commission approved 93466-UP, which allowed development of a pharmaceutical manufacturing and research facility in four total buildings for the entire 13.8-acre parcel. The approved facility included office, research and development, pharmaceutical manufacturing, and warehouse uses in multiple buildings. After constructing the office building (located at 555 Gateway Drive), the property owner ceased further development of the facility. The project site is currently developed with a 40,000 square foot office building and 158-space parking lot in the south portion of the lot.

In 2016, Napa County approved a minor modification to the original Use Permit (#P16-00213-MOD) to consolidate two of the four originally approved buildings into one 100,306 sq ft warehouse building to be used as eyeglass manufacturing. The current proposed project is a continuation of the approved development consistent with the 93466-UP and #P16-00213-MOD while diversifying the uses and tenants on the project site. The project continues the same basic development concepts associated with manufacturing and office uses but instead of a building that includes manufacturing of ophthalmological products, the proposed project will include the manufacturing of wine. The proposed project includes approval of a use permit to allow a winery with 400,000 gallons of annual production and 44 employees within an approximately 80,200 square foot portion of the previously approved 100,306 square foot building. The proposed winery would not include tours and tastings, retail sales, or marketing events. The proposed project requires a use permit request to modify the previously approved use from warehouse and office to add winery use within an approximately 80,200 square foot portion of Building A as depicted on the site plans. The proposed site plan includes the development of 196 parking spaces, of which the winery will have 80 parking spaces allocated for use. The remainder of Building A will remain as office/warehouse use as previously approved. No change is proposed to the building footprint approved by #P16-00213-MOD.

The project will be provided with water service from the City of American Canyon. American Canyon currently provides water to the office building on the project site. The project applicant has applied to the City of American

Canyon for a will serve letter for the proposed winery use. The winery building will be sprinklered for fire protection. The project site is within the service area of the Napa Sanitation District (“Napa San”). The project proposes to pre-treat process wastewater and discharge to the Napa San. The project applicant has applied to Napa San for a will serve letter and will be required to secure an Industrial User Permit from Napa San. Domestic wastewater will also be discharged to Napa San. The project does not include proposing any hold and haul of wastewater.

The proposed winery project would operate seven days/week and 24 hours/day. These hours of operation are unchanged from a previously approved pharmaceutical manufacturing facility proposed with the original use permit approval. The proposed 44 winery employees represent a small decrease from the 45 employees anticipated for the pharmaceutical manufacturing facility.

All proposed operations will be conducted within the winery building. No outdoor crush pad or tanks are proposed except winery equipment, including wastewater pre-treatment equipment, outside the building as depicted on the submitted plans. This equipment will be screened from the street and neighboring properties. Also, the project proposes a short canopy over the loading bay doorway, which is needed to protect grapes being delivered from the elements.

The project is compatible in design and operation with other projects located in the Napa Valley Business Park Specific Plan (NVBPSP) area and staff supports grant of the use permit modification, subject to the recommended conditions of approval.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

### **ENVIRONMENTAL IMPACT**

Consideration and possible adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. According to the proposed Mitigated Negative Declaration, the proposed project would have potentially significant effects on Biological Resources, unless mitigation measures are adopted. In accordance with Section 15073 of the California Environmental Quality Act (CEQA) Guidelines, Napa County submitted the initial proposed IS/MND to the State Clearinghouse for a 30-day review period beginning on August 28, 2020. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

### **BACKGROUND AND DISCUSSION**

**Owner:** Gateway Partners I, LLC., 1850 Soscol Avenue, Suite 207, Napa CA 94559

**Owner Representative:** Mark Funseth, Gateway Partners I, LLC., 1850 Soscol Avenue, Suite 207, Napa CA 94559; (707) 252-5460; or Vincent Butler, Lake Street Company, 1850 Soscol Avenue, Suite 207, Napa CA 94559, (650) 327-0670

**Applicant Representative:** Rob Anglin, Holman Teague Roche Anglin, LLP; 1455 First Street, Suite 217, Napa, CA 94559; (707) 927-4274

**Zoning:** IP:AC (Industrial Park: Airport Compatibility Combination)

**General Plan Designation:** Industrial

**Filed:** March 12, 2019; **Resubmittal:** June 6, 2019; **Application Complete:** July 6, 2020

**Parcel Size:** 13.8 acres

**Existing Building Size:** N/A - 100,306 sf. ft. approved via #P16-00213-MOD

**Proposed Building Size:** No Change Requested

**Existing Production Capacity:** N/A

**Proposed Production Capacity:** 400,000 gallons per year

**Existing Marketing:** None

**Proposed Marketing:** None Change Requested

**Existing Visitation:** None

**Proposed Visitation:** None Change Requested

**Existing Number of Employees:** N/A full-time – 45 employees approved via #P16-00213-MOD

**Number of Employees:** 44 full-time employees during crush activities

**Existing Hours of Operation:** Seven (7) days a week; 24 hours per day

**Existing Hours of Operation:** No Change Requested

**Existing Parking:** 196 spaces approved via P16-00213-MOD

**Proposed Parking:** No Change Requested; (80 parking spaces allocated for the winery use)

**Airport Compatibility:** Zone D - Common Traffic Zone - area of routine overflight at low elevations. Wineries, warehousing, distribution, office and light industrial uses are highly compatible with this zone. There should also be no more than 100 people per acre inside structures and no more than 150 people per acre inside and outside. All aspects of the development have been designed to comply with these limitations.

**Adjacent General Plan Designation / Zoning / Land Use:**

North: Industrial General Plan designation, Industrial Park (IP:AC) Zoning – The Advanced Pressure warehouse facility is located across Technology Way.

South: Industrial General Plan designation, Industrial Park (IP:AC) – The Napa County Sheriff and Fire Departments have facilities located across Airport Boulevard.

East: Industrial General Plan designation, Industrial Park (IP:AC) - Across Gateway Drive lies several winery warehouse facilities including Folio Fine Wines and the Anette's Chocolate Factory building.

West: Industrial General Plan designation, Industrial Park (IP:AC) - Across Alexi Court lies several winery warehouse facilities and the Safelift Forklift Corporation building.

All adjacent zoning designations include the Airport Compatibility (:AC) combination district.

**Property History:**

July 7, 1994 - Use Permit (#93466-UP) was approved by the Planning Commission authorizing the construction of a 140,000 sq ft office, warehouse, manufacturing and research/development facility for eye care pharmaceuticals in four phases.

January 10, 2017 - Use Permit Minor Modification (#P16-00213-MOD) was approved by the Zoning Administrator to allow the merging of previously approved Phase II and Phase III buildings into a single warehouse building of 100,306 square feet and associated site improvements including required parking (the current proposal). Phase IV was reconfigured into one of two options either as a 23,667 square foot research and development building (Option 1) or as a 25,438 research and development building (Option 2). Provision of 447 parking spaces (Option 1) or 435 parking spaces (Option 2) along with the reconfiguration of the parking lot and additional landscaping was authorized.

October 4, 2017 - Use Permit Modification (#P17-00305-MOD) was approved by the Zoning Administrator to increase the previously approved Phase VI (Building 4) size to 28,535 square feet to a maximum total development footprint for the property of 140,000 square feet.

Today, the project site is currently developed with a 40,000 square foot two story office building (555 Gateway Drive) and a 158-space parking lot located in the south portion of the parcel. Phase IV (or Building B - 28-535 square feet) has not been constructed. However, a Building Permit (B17-00832; 520 Alexis Court) has been submitted for review and is currently being processed by the County as a shell tenant space. Building Permit B17-00599 (Building A - 501 Gateway Drive) has also been submitted and is awaiting authorization by the Planning Commission as a wine production facility for a portion of the 100,306 square foot portion of the building.

#### **Code Compliance History:**

There are no records of code violations.

#### **Discussion Points:**

1. Access - The subject property has access from Gateway Drive and Alexis Court, as designed and approved in 2017. No changes in the circulation pattern are proposed or required.
2. Water/Sewer - The project site is currently connected to municipal water provided by the City of American Canyon and domestic sewer provided by the Napa Sanitation District. Both agencies have indicated that there is capacity to serve the proposed winery and have issued new will-serve letters.
3. Employee Decrease – The proposed project includes 44 employees. The 2016 project was approved with a total of 45 employees. There is ample parking proposed to accommodate the change in operation, as well as, the requested level of employees, both full-time and part-time. The Napa County Department of Public Works reviewed the Trip Generation worksheet and determined that the project is consistent with previous approvals.
4. Greenhouse Gas Reduction Strategies - The County requires project applicants to consider methods to reduce Green House (GHG) emissions consistent with the 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 project includes the following GHG reduction methods at the existing production facility: installation of rooftop solar panels; bike riding incentives; installation of LED indoor and outdoor lighting; installation of water efficient fixtures and toilets; existing water efficient landscaping; implements recycling, committed to use of recycle materials; and continued employee education on sustainable practices.
5. Biological Resources - The project site is currently undeveloped but has been designated and approved for

industrial development for over 25 years. A Swainson's Hawk Survey Report of the subject property, dated June 29, 2020, was prepared by Monk and Associates (M&A). No active Swainson's Hawk nests on or within a half-mile radius of the project site were observed on site, nor were hawks observed soaring over head or foraging nearby during the surveys. The project site is a small disjunct parcel that is surrounded by intensive development. The Swainson's Hawk report concluded that the proposed winery construction on the project site would not have an impact on the Swainson's Hawk. However, the M&A report recommends that Swainson's Hawk preconstruction surveys be repeated fourteen days prior to construction to ensure that nesting Swainson's Hawks did not move into the area and could be disturbed by earth-moving or construction activities. Mitigation Measure BIO-1, which requires a pre-construction survey, was included in the Mitigated Negative Declaration and project Conditions of Approval to ensure no adverse impacts occur to protected raptors as well as other bird species, if construction is anticipated during the nesting/breeding season.

**Consistency with Standards:**

1. NVBPSP / Zoning - The IP:AC (Industrial Park: Airport Compatibility) allows wine production, wineries and associated accessory uses, warehousing, distribution and office uses with the approval of a use permit. Site layout, building design, coverage, and setbacks comply with all applicable Napa Valley Business Park Specific Plan (NVBPSP) and zoning regulations.
2. Department/Division Review - The Fire Department, Engineering Services Division, Public Works Department, Building Division, and Environmental Health Division have all recommended approval of the project as conditioned.
3. Other Agencies - The facility has municipal water and sewer services provided by the City of American Canyon and the Napa Sanitation District, respectively. Both agencies indicated the project was consistent and have issued will-serve letters. The Napa Sanitation District has also conditioned the project for compliance with applicable District requirements.

**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 including the following:

**Option 1 – Approve Applicant's Proposal with Project Specific Conditions of Approval**

Discussion - This option would result in approval of a change of use from a pharmaceutical manufacturing facility to an annual 400,000 gallon wine production facility within an approximately 80,200 square foot portion of a previously approved 100,306 square foot building with 44 employees and 80 parking spaces allocated for use. No tours and tastings, retail sales or marketing events have been requested. Development setbacks meet or exceed the requirements of the IP:AC Zoning District. No exceptions or variations to the IP:AC development standards have been requested. The Commission could also suggest modifications or deletions of some of the recommended conditions of approval under this option.

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

**Option 2 – Reduced Project Alternative**

Discussion - All potential environmental impacts have been found to be less than significant through a combination of project design, mitigation measures and conditions of approval. Generally, development in the Business Park area does not lend itself to a reduced project alternative such as floor area or wine production

reductions, and/or restrictions on the number of employees, hours of operation or other business operations. However, this option provides the Planning Commission at their discretion, the ability to further reduce potential impacts. Development limitations as noted herein may impact viability of the intended use of the building.

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

#### Option 3 – Deny Proposed Use Permit Modification

Discussion - In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit or consistency with the General Plan, Commissioners should articulate what aspect(s) of the project is in conflict with required findings or General Plan, and either deny the request or continue the item to allow the applicant an opportunity to redesign the project.

Action Required – Commission should articulate the aspect(s) of the project in conflict with required findings or General Plan and either take action to deny the project or, if needed, remand the matter to staff for preparation of required findings to return to the Commission on specified date.

#### Option 4 - Continuance Option

Discussion - 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 & Agency Memos
- C . Previous Project Conditions
- D . Initial Study/Mitigated Negative Declaration
- E . Application Packet
- F . Napa Valley Business Specific Plan Area Wineries
- G . Graphics

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina