

Agenda Date: 11/6/2013 Agenda Placement: 9B

A Tradition of Stewardship A Commitment to Service

# Napa County Planning Commission Board Agenda Letter

TO:	Napa County Planning Commission
FROM:	Charlene Gallina for Parkinson, Pete - Interim Director Planning, Building and Environmental Services
REPORT BY:	Linda St. Claire, PLANNER III - 707.299.1348
SUBJECT:	Corona Winery Use Permit & Variance

## RECOMMENDATION

NAPA VALLEY HOLDINGS LLC / CORONA WINERY / USE PERMIT P13-00063 & VARIANCE P13-00274 CEQA Status: Consideration and possible adoption of a Negative Declaration. According to the Negative Declaration the project would not have a potentially significant environmental impact. This 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 for a 100,000 gallon per year winery as follows: 1) construction of a 29,008 square foot winery structure; 2) construction of a 2,420 square foot crushpad; 3) allow 23 parking spaces, to include one (1) ADA accessible space; 4) allow a maximum of 24 onsite employees; 5) allow winery hours of operation from 6:00am to 6:00pm daily for production and 10:00am to 6:00pm, daily for visitation; 6) allow tours and tastings by appointment for a maximum of 48 persons per day; 7) allow a marketing plan for two (2) auction related events per year with a maximum of 125 persons, six (6) wine club/release events per year with a maximum of 75 persons, and six (6) food and wine pairings per month with a maximum of 24 guests at each event; 8) construct an onsite commercial kitchen for wine and food pairings only, as described in the marketing plan; 9) onsite consumption of wine consistent with AB2004 (Evans); 10) construction of a 1,200 square foot water storage tank; 11) installation of a new winery process and domestic wastewater system; 12) installation of a two way left hand turn lane; 13) approval of a landscaping plan; 14) approval of an entry structure & a comprehensive sign plan, and; 15) approval of a variance to allow construction of the winery 150 feet within the 600 foot winery setback from Silverado Trail.

The 49.05 acre project site is located on the west side of Silverado Trail. Soda Canyon Road is located at the north terminus point of the parcel, directly to the east, within the Agricultural Preserve (AP) zoning district. 3165 Silverado Trail, Napa, CA. APN 039-190-028-000.

**Staff Recommendation:** Adopt the negative declaration and approve the requested variance and use permit as conditioned.

Staff Contact: Linda St. Claire, Planner linda.stclaire@countyofnapa.org (707) 299-1348

Applicant Contact: Donna Oldford (707) 963.5832

#### EXECUTIVE SUMMARY

#### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Negative Declaration based on Findings 1-6 of Exhibit A;

2. Approve Variance (P13-00274) based on Findings 7-11 of Exhibit A, and

3. Approve Use Permit (P13-00063) based on Findings 12 - 16 of Exhibit A, subject to the recommended Conditions of Approval (Exhibit B).

**Discussion:** The proposed winery site has been utilized for agricultural purposes for many decades and in approximately 2005, the last remaining orchards on the parcel were converted to vineyards. The parcel also includes a residence and accessory agricultural structures. On February 13, 2013 the applicants held a pre-application meeting with the County to discuss the proposal and submitted their application on March 3, 2013. The proposal includes construction of a winery with production of 100,000 gallons per year, tours and tastings by appointment and a marketing program. The applicants have included a proposal for a two way left turn lane from Silverado Trail and a request for a variance from the 600 foot winery setback regulations. Staff finds the project consistent with the Napa County Zoning Ordinance, and General Plan, subject to standard conditions.

#### 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 an potentially significant environmental impacts. The project site in not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

#### BACKGROUND AND DISCUSSION

Owner: Roberto Corona, Napa Valley Holdings, LLC. 125 Maximillian Court, Napa, CA 94558.

Representative: Donna Oldford (707) 963-5832

Zoning District: AP (Agricultural Preserve)

General Plan Designation: AR (Agricultural Preserve)

Original Application Filed: March 3, 2013

Application Deemed Complete: September 27, 2013

Parcel Size: 49.05 acres

Winery Size (Proposed): 29,008 square foot and a 2,541 square foot crush pad.

Production Capacity (Proposed): 100,000 gallons per year.

Accessory to Production Ratio (Proposed): 35.8%

Winery Coverage (Proposed): 0.02%

Number of Employees (Proposed): a maximum of 24 onsite employees.

Hours of Visitation (Proposed): 10:00am to 6:00pm, daily.

Hours of Operation (Proposed): 6:00am - 6:00pm, daily.

Tours & Tastings (Proposed): 48 maximum per day and 336 maximum per week, by appointment only.

**Marketing (Proposed):** Food & Wine pairings-six per month with a maximum of 24 persons per event, Wine Club events-six per year with a maximum of 75 persons per event, and two auction related events per year with a maximum of 125 persons per event.

Parking Size (Proposed): Twenty-three parking spaces (with one ADA space).

## Adjacent General Plan Designation/Zoning District/Land Use:

<u>Northerly</u> - Agricultural Preserve (AP) and General Plan designation of Agricultural Resource (AR) - Thirty-three residential parcels ranging from 0.23 to 1.37 acres, developed in 1970 as the Soda Creek Subdivision (multiple owners). Soda Creek borders the subdivision on the south.

<u>Southerly</u> - Agricultural Preserve (AP) and General Plan designation of Agricultural Resource (AR) - A 35.68 acre parcel, with a winery (Silverado Hill Vineyard) and vineyard (Laird).

<u>Easterly</u> - Two parcels zoned Agricultural Watershed (AW) and four parcels zoned Agricultural Preserve (AP) all within the General Plan designation of Agricultural Resource (AR). The parcels range in size from 6.73 to 13.52. Reynolds Winery is among the parcels. The remaining parcels are developed with residences and vineyards.

<u>Westerly</u> - Three parcels, approximately 50-60 acres in size, zoned Agricultural Preserve(AP) and General Plan designation of Agricultural Resource (AR). All three parcels are developed with vineyards.

## Nearby Wineries (within about a mile of the project site):

<u>Krupp Winery</u> - 3150 Silverado Trail - 50,000 gallons per year - Tours and Tastings by appointment (420/wk). <u>Silverado Hill Vineyard</u> - 3031 Silverado Trail - 50,000 gallons per year - Tours and tastings by appointment (490/wk).

Razi's Winery- 3106 Silverado Trail - 20,000 gallons per year - Tours and tastings by appointment (50/wk).

<u>Reynolds Winery</u> - 3260 Silverado Trail - 20,000 gallons per year - Tours and tastings by appointment (70/wk). <u>Kitchak Winery</u> - 1094 Hardman Ave - 15,000 gallons per year - Tours and tastings by appointment (/140wk). <u>Van Der Heyden Winery</u> - 4057 Silverado Trail - 8,000 gallons per year - No tours and tastings. <u>Black Stallion</u>- 4089 Silverado Trail - 100,000 gallons per year - Public tours and tastings by appointment (350/wk). Hagafen Cellars - 4160 Silverado Trail - 50,000 gallons per year - Tours and Tastings by appointment (150/wk).

## Parcel History and Evolution of this Application:

The proposed winery site has been utilized for agricultural purposes for many decades and in approximately 2005, the last remaining orchards on the parcel were converted to vineyards. The parcel also includes a residence, a second unit, and accessory agricultural structures.

On February 13, 2013 the applicants held a pre-application meeting with the county to discuss the proposal and submitted their application on March 3, 2013.

## **Code Compliance History:**

The Code Enforcement Division did not identify any enforcement issues.

## **Discussion Points:**

<u>Variance</u> -The proposal includes a request for a variance to the winery setback regulations. Various findings must be met in order to grant the variance and an analysis of those findings can be found in Attachment A. The applicant requests a variance due to the constraints of the parcel. The Napa River borders the west and Soda Creek borders the north. A large section of the parcel is located within the Napa River floodplain. Two archeological sites were identified by Origer & Associates. The proposal includes avoidance of these sites, thus adding an additional constraint which prevents the applicant from full use of the parcel. As indicated in the applicant's narrative, and the site plans, the closest point of structure to the centerline of the Silverado Trail right of way is the southeast corner of the winery structure, located at 382 feet in distance.

<u>Grape Sourcing</u> - The applicant has indicated that they will utilize 40 acres of vineyards from the proposed winery site and another 30 acres of vines, owned by the applicant, located on Soda Canyon Road. The applicant believes full production will occur in approximately eight years as they continue to purchase more vineyards, and they do expect to use, almost exclusively, Napa Valley fruit. The grapes from the applicants vineyards were sold to other winemakers in the past but now will be used exclusively, for the applicant's new brand. The applicant has signed the grape sourcing form and is subject to review through the annual wine audit program.

<u>Wineries with Similar Traits</u> - Below is a table of wineries with similar traits as Corona. Like Corona, they are all wineries with approximately 100,000 gallons of production per year. There are eleven active wineries in Napa County at that production level. Square footage ranges, and the smaller winery, Trinchero had additional square feet in a cave (3,450 sq ft). Approval dates for the eleven wineries listed below range from 1980 to 2012. Newer winery approvals contain marketing plans as well as tours and tastings by appointment only. Staff is unaware if these wineries are in full production, unless they are evaluated during an annual wine audit, Visitation approvals range for "by appointment only" wineries from 2,800 per week (Carevan Serai) to 10 per week (Dominari). Krupp, located east of the project site, on Silverado Trail, approved at 50,000 gallons per year, has approved tours and tastings of a maximum of 420 visitors per week (124 per day). Corona has requested 336 visitors per week (48 per day), which appears to be similar to other 100,000 gallon per year wineries, although, still, staff is unaware of actual production numbers at these wineries.

Winery	Address	Building Square Feet	Approved Production	Tours & Tastings by Appt Max/Wk	Marketing Plan
Darioush Winery	4240 Silv Trl	21,525	100,000	Pub/350	Public
Carevan Serai Winery	4130 Howard Lane	24,000	100,000	Appt/2,800	yes
Trinchero	3070 St Helena Hwy	9,856	100,000	Pub/1,000	Public
Dominari	622 Trancas	22,700	100,000	Appt/10	Yes
Andretti	4162 Big Ranch Rd	13,400	100,000	Pub/100	Public
Monticello	4242 Big Ranch Rd	11,500	100,000	Appt /28	yes
Black Stallion	4089 Silv Trl	43,600	100,000	Pub/350	Public
CE2V Winery	1784 Pope Canyon	33,795	100,000	Appt/20	Yes
Moss Creek Winery	6015 Steele Canyon	24,000	100,000	Pub/600	Public
Round Pond Winery	875 Rutherford	33,669	100,000	Appt/90	Yes
Pahlmeyer Winery	4541 Monticello	56,057	100,000	Appt/70	Yes
Corona	3165 Silv Trl	29,008	100,000	Appt/336	Yes

Note: Total Visitation Ave/Wk number, are approximate.

<u>Greenhouse Gas Reduction Strategies</u> - The Bay Area Air Quality Management District (BAAQMD) released California Environmental Quality Act (CEQA) Project Screening Criteria and Significance of Thresholds related to greenhouse gas emissions (GHG) for new development suggests that similar projects such as a quality restaurant and light industrial uses with less than 9,000 sq. ft. and 121,000 square feet of floor area, respectively, would not generate GHG in excess of the significance criterion (1,100 metric tons of carbon dioxide equivalents per year). By comparison a high quality restaurant is considered comparable to a winery tasting room for purposes of evaluating air pollutant emissions, but grossly overstates emissions associated with other portions of a winery, such as office, barrel storage and production, which generate fewer vehicle trips. Therefore, a general light industry comparison has also been used for other such uses. The applicant has proposed a winery with production, visitation, marketing, new construction with parking and an accessory wastewater system. They have proposed a number of measures to held reduce greenhouse gasses to include; LEED or Build It Green Standards, landscaping with native plants and habitat restoration, using energy efficient appliances, high efficiency irrigation, recycling and composting waste, an employee incentive program for carpooling, bicycle parking/access and alternative work schedules, and they will implement their own greenhouse gas reduction plan. The proposal do not generate greenhouse gas in excess of the above criterion.

<u>Neighbor Concerns</u> - Due to the proximity of the proposal to the Soda Creek Subdivision, staff asked the applicant to actively pursue neighbor discussions. The applicant has indicated that a letter went out to all the neighbors (see Attachment G) and that the applicant also walked door to door to visit with the neighbors in the subdivision and along Silverado Trail. Staff received a phone call from a neighbor on Silverado Trail with questions regarding the left turn lane. As of this writing, no other comments have been received.

<u>Traffic</u> - A traffic study was requested and submitted for the proposal. Traffic Impact Report, by Mark Crane, P.E., dated May 31, 2013, discusses circulation impacts for existing, proposed and cumulative traffic effects. According to the report conclusions, the project would result in no significant off-site circulation system operational impacts nor any sight line impacts at the proposed project driveway connection to Silverado Trail. The applicant has

proposed adding a continuous left turn lane. The Napa County Engineering Division recommended a realignment to the left turn lane due to an offset driveway on the east side of Silverado Trail, serving a single family residence. The applicant agreed to make these changes, as indicated in the graphics, to create a safer access.

Existing Water Reservoir - The reservoir has been used for irrigation and frost protection. According to the California Water Resources Board, the applicant has appropriative rights to capture a limited number of gallons from the Napa River, seasonally (April-September only), and to store that water onsite. Since their parcel touches the bank of the Napa River they have riparian water rights and can pull water without a permit/license. However, once every three years the owner of the parcel must report to the State Water Board the number of gallons diverted from the Napa River. The applicant has also requested to construct a platform at the edge of the reservoir for visitor viewing.

## Consistency with Standards:

Zoning - 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 18.16.030) are permitted in the AP (Agricultural Preserve) District with an approved use permit. Based upon discussion provided above, staff is recommending approval of the use permit request. The project as conditioned complies with the Napa County Winery Definition Ordinance and all other requirements of the Zoning Code.

<u>Fire Department</u> - Recommends approval with standard conditions in the attached Memorandum dated March 12, 2013.

Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated March 21, 2013.

Environmental Health Division - Recommends approval with standard conditions in the attached Memorandum dated March 18, 2013.

<u>Public Works Department</u> - Recommends approval with conditions in the attached Memorandum dated July 12, 2013.

# SUPPORTING DOCUMENTS

- A . Draft Findings
- B. Draft Conditions
- C. Department/Division Comments
- D. Environmental Documents
- E . Application
- F . Green House Gas Summary
- G . Correspondence to Neighbors
- H. Traffic Study
- I. Graphics

Reviewed By: John McDowell