



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/18/2013

Agenda Placement: 9B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Pete Parkinson - Interim Director
Planning, Building and Environmental Services

REPORT BY: RONALD GEE, PLANNER III - 707.253.4417

SUBJECT: J3 WINE PARTNERS, LLC / FARM COLLECTIVE WINERY USE PERMIT - USE PERMIT # P13-00331-UP

RECOMMENDATION

J3 WINE PARTNERS, LLC / FARM COLLECTIVE WINERY USE PERMIT - USE PERMIT # P13-00331-UP

CEQA Status: Consideration and possible adoption of a Categorical Exemption pursuant to Sections 15301 (Class 1, Existing Facilities); Section 15302 (Class 2, Replacement or Reconstruction); and Section 15303 (Class 3, New Construction or Conversion of Small Facilities) of the California Environmental Quality Act (CEQA). 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 to establish a new winery that includes the following: 1) Annual wine production of 80,000 gallons/year; 2) Reconfiguration (tenant improvement) of a 13,865 square feet facility with approximately 11,050 square feet of production space and 2,815 square feet of accessory space; 3) Daily, appointment-only tours and tastings with up to 30-people/day; 4) A winery marketing plan with 12 annual 100-person events and one annual 100-person event (all catered); 5) Installation of a new hold-and-haul process wastewater treatment system; 6) Daily hours of operation from 8:00 AM-6:00 PM, excluding marketing events; 7) Up to 10 employees; 8) Installation of winery identification signs; and, 9) 32 on-site parking spaces. The project is located on an approximately 1.77 acre parcel on the east side of Devlin Road, approximately 363 feet north of the intersection with Sheehy Court, within the IP:AC (Industrial Park : Airport Compatibility Combination) Zoning District, and addressed as 394/396 Devlin Road, Napa, CA 94558, Assessor's Parcel Numbers 057-300-001, -003 and-004.

Staff Recommendation: Adopt the Categorical Exemption and approve the Use Permit as conditioned.

Staff Contact: Ronald Gee, (707) 299-1351, ronald.gee@countyofnapa.org

Representative Contact: George Monteverde, (707) 761-2516

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Categorical Exemption, based on Finding 1 of Exhibit A; and
2. Approve Use Permit # P13-00331-UP based on Findings 2-6 of Exhibit A and subject to the recommended Conditions of Approval in Exhibit B.

Discussion:

The application would establish a new winery with annual production of 80,000 gallons/year. Tenant improvements of an existing commercial condominium would create a 13,865 square feet facility with about 11,050 square feet of production space and 2,815 square feet of accessory space. Daily, appointment-only tours and tastings with up to 30-people/day are proposed with a winery marketing plan consisting of 12 annual 100-person events and one annual Napa Wine Auction 100-person event, all catered. A new hold-and-haul process wastewater treatment system would be installed. Daily hours of operation would be from 8:00 AM-6:00 PM, excluding marketing events. There would be up to 10 employees; and 32 parking spaces on-site.

No potentially significant environmental effects or cumulative impacts have been identified that will result from the project. A determination that the project is Categorically Exempt from the California Environmental Quality Act is recommended based upon three exemption categories. Staff has no objections to this request and finds this project consistent with applicable provisions of the Zoning Ordinance and *Napa Valley Business Park Specific Plan*, subject to standard conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Pursuant to CEQA Section 15301 (Class 1, Existing Facilities); Section 15302 (Class 2, Replacement or Reconstruction); and Section 15303 Class 3, New Construction or Conversion of Small Facilities, of the State CEQA Guidelines, the above project conforms to these specific Categorical Exemptions. Class 1, Existing Facilities, applies to the operation, permitting and licensing of minor alterations to existing private structures or facilities involving negligible or no expansion of use beyond that existing at the time of the agency's determination. The existing commercial condominium, light industrial building is located in the Napa Valley Business Park. The winery use would take place within the existing structure. Class 2, Replacement or Reconstruction, applies to reconstruction of existing structures and facilities where the new structure will be located on the same site as the original one and will have substantially the same purpose and capacity as the original with negligible or no expansion of capacity. Class 3, New Construction or Conversion of Small Facilities, applies to installation of new equipment and facilities in structures and conversion of existing structures from one use to another when only minor modifications are made to the exterior of the structure. Proposed building alterations for the new winery use include internal tenant improvements. Only installation of an underground hold-and-haul process wastewater

storage tank and minor signage improvements to the building exterior and tenant identification monument sign are proposed. The building is located in an urbanized area zoned for winery use and does not involve use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive. Wineries are a specific conditional use of the IP:AC (Industrial Park ; Airport Compatibility Combination) zone district and "Business/Industrial Park" land use designation of the *Napa Valley Business Park Specific Plan*.

Under Section 15300.2 of the California Environmental Quality Act, a Class 1, 2 and 3 (Sections 15301, 15302 and 15303, respectively) exemptions cannot be used if environmental sensitivities exist at the site or if there will be cumulative impacts. According to Napa County Resource Maps, the developed project site is located outside any potential sensitive habitat, agricultural, biological, forest or cultural resource areas. The proposed visitation, marketing and employee will generate 24 vehicle trips per day and 17 peak hour trips, as conditioned, except on those days with marketing events. The proposed hold-and-haul process wastewater system will generate an additional 6 to 8 truck trips per week during annual crush periods and 4-6 trips per week outside of crush periods when the winery is operating at the full production capacity of 80,000 gallons of wine per year. For the Napa Valley Business Park, these traffic counts are minimal, do not create cumulative traffic impacts, will not conflict with or obstruct implementation of any applicable air quality plan or create greenhouse gas emissions that exceed adopted Bay Area Air Quality Management District thresholds. All other Zoning Ordinance, Building and other applicable code requirements shall be met prior to issuance of any permits to implement the project. Therefore, these exemptions are appropriate and this proposal conforms to the Categorical Exemptions discussed above.

This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owners: J3 Wine Partners, LLC dba Farm Collective Winery

Representative: George Monteverde, Monteverde Consulting, LLC, (707) 761-2516

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

General Plan Designation: Business/Industrial Park, *Napa Valley Business Park Specific Plan*

Initially Submitted: October 1, 2013 **Determined Complete:** November 4, 2013

Current Winery Size: Not yet developed

Proposed Winery: Approximately 13,865 sq. ft. facility consisting of 11,050 sq. ft. of production area and 2,815 sq. ft. of accessory use area.

Proposed Production Capacity: 80,000 gallons per year

Visitation: 30 private tours and tastings per day (anticipate 15 average), by appointment only, with an average of 105 persons per week.

Marketing: Twelve annual marketing events with a maximum 100 guests and one Auction Napa Valley/Premier Napa Valley/Other annual event with a maximum 100 guests.

Number of Employees: Ten total

Hours of Operation: 8:00 AM - 6:00 PM, Monday to Sunday, excluding marketing events.

Parking: 32 total

Adjacent Zoning / Land Use:

All surrounding properties are designated "Business/Industrial Park" in the *Napa Valley Business Park Specific Plan*

North: IP:AC (Industrial Park : Airport Compatibility) District - 3.85 acres - Vacant

South: IP:AC (Industrial Park : Airport Compatibility) District - 7.38 acres - Vacant

East: IP:AC (Industrial Park : Airport Compatibility) District - 2.27 and 2.77 acres - Highway SR 29, Light Industrial/Warehouse

West: IP:AC (Industrial Park : Airport Compatibility) District - 31.33 acres - Vacant

Property History:

On August 22, 2007, approval was granted to subdivide APN 057-250-007 into two lots as part of Use Permit # P06-0173-UP and Tentative Map # P06-0174-PM. As part of that action, a speculative warehouse building located on the second lot at the rear of the property, APN 057-300-001, was further divided into four air space condominium units. This common area lot, APN 057-300-001, was established for shared parking, utilities and access. The commercial condominium units consist of APNs 057-300-002, -003, -004 and -005. The two exterior spaces of the warehouse building are currently occupied by other commercial operations, APNs 057-002 and -005.

Code Compliance History:

There is an ongoing code enforcement issue on the front parcel, APN 057-250-035, that the project shares parking and right-of-way access to Devlin Road with. This issue is unrelated to the current application. The subject properties have no record of code compliance referrals; the condominium units are currently vacant.

Discussion Point(s):

1. Proposal - The current request would establish a new 80,000 gallons per year winery within an existing light industrial building. The winery facility would total 13,865 sq. ft. consisting of approximately 11,050 sq. ft. of production area (crush pad, barrel and tank storage) and 2,815 sq. ft. of accessory use areas (office/work area, rest rooms and lobby/tasting room). The new winery would operate daily from 8:00 AM-6:00 PM, excluding marketing events (see below).

There would be up to 10 full-time and part-time employees. As proposed, typical weekdays would have 2 full-time and 1 part-time employees; typical Saturdays would have 2 full-time and 2 part-time employees; crush Saturdays would have up to 2 full-time and 4 part-time employees; in addition, there would be 5 event staff in attendance during marketing events.

The proposed winery would be located in the center two units of an existing four-unit commercial condominium structure located in the Napa Valley Business Park. The light-industrial building is located between Devlin Road and Highway SR 29 with access across APN 057-250-035. The building design and exterior elevations include concrete walls, metal awnings, shutters, glass and aluminum storefronts with a parapet roof. Exterior colors

match the painted medium brown with off-white/cream accent banding of the front building. The winery entrance will be located on the east side of the building, The rear loading dock, west-side production and interior barrel storage areas will not be visible from Highway SR 29. The intervening buildings (former Made in Napa Valley/current brewery use) on APN 057-250-035 limit visibility from Devlin Road parcel frontage.

Municipal water service would be provided by the City of American Canyon. According to the attached Applied Civil Engineering, *Wastewater Disposal Feasibility Study for Farm Collective Winery Use Permit*, 9/23/13 report, domestic waste will be disposed via a connection to the existing building sewer lateral that connects to the Napa Sanitation District sewer main. A new hold-and-haul winery process wastewater system will collect process wastewater through floor drains that will empty into an interior sump. A pump system will transfer the liquid to outside, underground holding tanks for temporary storage until it is hauled off-site for treatment and disposal by the East Bay Municipal Utility District. Full design calculations and construction plans will be prepared in accordance with Napa County standards prior to submittal of building permits for the application. Environmental Health Division staff recommends approval of these improvements.

2. Circulation - Based upon Napa County trip generation metrics, this project should account for 17 vehicle trips per day on a typical weekday with 9 PM peak-hour trips. Saturdays would have 24 daily trips and 17 PM peak-hour trips. During a Crush Saturday, a total of 33 daily trips would be generated. The proposed 12 annual marketing events would have up to 100 guests and one annual Napa Valley Wine Auction marketing event with 100 people; at 2.8 persons per car that would add up to 71 trips and 15 additional trips for 5 staff and catering truck on the day of these events. The Department of Public Works – Traffic Engineering stated that existing traffic volumes along Devlin Road are approximately 2,400 Average Daily Traffic (ADT). According to Napa County Road and Street Standards, traffic volumes that trigger the requirement for a left-turn pocket is approximately 95 ADT. The daily average 24 ADT anticipated for this project is below this threshold.

The Department of Public Works has reviewed this data and recommends approval of the project on the basis that the traffic volumes generated are below the 95 ADT threshold that would impact Devlin Road and would not require construction of a southbound left-turn lane in accordance with the Napa County Roads and Streets Standards. According to Public Works Transportation Engineering staff, the project will have no net increase in existing traffic generation and there will be no project impacts that affect traffic congestion or levels of service. Standard conditions of approval require tours and tastings to be scheduled to minimize vehicles arriving or leaving during peak hour traffic, between 4:00 PM - 6:00 PM.

Adequate circulation and turnaround areas will be provided. Winery identification signs are proposed at the existing monument identification signs located at the property driveway entrance on Devlin Road frontage and on the east elevation of the building, facing Highway SR 29. The Napa County Fire Marshal has determined that adequate emergency vehicle access will be provided.

3. Parking - A total of 32 on-site parking spaces are available to the the two condominium units, including two loading areas. Based upon standard parking ratios for office, warehouse and production space, only 23 spaces are required for the winery use. Adequate parking spaces are available on-site to accommodate marketing events. The Division of Engineering Services has reviewed the winery's existing and proposed parking layout and recommends approval with standard conditions.

4. Visitation and Marketing - The application includes daily, appointment-only tours and tastings with up to 30 people/day with an anticipated average of 15 person/day. The winery marketing plan would consist of 12 annual 100-person events and one annual Napa Valley Wine Auction event with 100 persons. No commercial kitchen is proposed for the facility; all marketing events will be catered with all food prepared off-site and transported to the site prior to events. The proposal does not include a request to allow on-site sale and consumption of wine pursuant to AB 2004 (Evans).

Staff has provided a table below comparing marketing and tours and tastings visitation at other wineries located in the Napa Valley Business Park. Both the proposed visitation program and winery building size fall in the middle range amongst its peer group of wineries in this approved production capacity; for marketing events, the proposed 13 annual events are in the lower end.

| Winery | Approved Production | Building Sq. Ft. | Tours & Tastings | Tours & Tasting Avg/Week | Marketing Events per year |
|------------------------|---------------------|------------------|------------------|--------------------------|--|
| Suscol Creek Winery | 600,000 | 66,388 | Public | 100 | 2/wk with 5 and 2/wk with 20, 208/yr total |
| * Peju Winery | 20,000 | 12,800 | By appointment | 2 | None approved |
| * Spelletich Winery | 60,000 | # 7,300 | None approved | 350 | 0 |
| * Wilkinson Winery | 310,000 | 13,000 | None approved | 0 | None approved |
| * Barrel Ten Quarter | 43,000 | 96,200 | By appointment | 70 | 12/yr with 200 and 24/yr with 10, 36 total |
| * Rombauer Vineyards | 880,000 | 111,121 | None approved | 0 | None approved |
| Rudd Winery | 120,000 | 34,510 | None approved | 0 | None approved |
| Gateway Winery | 600,000 | 261,000 | By appointment | 200 | 3/mo with 50, 36/yr total |
| * Bourassa Winery | 60,000 | # 9,604 | By appointment | 45 | 10/yr with 50 |
| Busby Winery | 60,000 | 18,162 | None approved | 0 | None approved |
| Rocca Winery | 20,000 | 6,700 | By appointment | 224 | 4/wk with 50 and 8/yr with 50 216/yr total |
| Black Cat Winery | 12,500 | # 3,350 | By appointment | 140 | 4/yr with 30 |
| Farm Collective Winery | 80,000 | # 13,865 | By appointment | 210 | 13/yr with 100 |

* Producing Wineries
Multi-tenant Building

5. 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 as part of tenant improvements including: 1) installation of energy-conserving lighting; 2) installation of energy- and water-efficient fixtures.

Given that the new winery will be located in an existing industrial building, GHG Emission reductions from local programs and project level actions, such as application of the CalGreen Building Code, tightened vehicle fuel efficiency standards and more project-specific improvements like those winery features noted above, would also combine to reduce emissions. The proposed project would not conflict with or obstruct the implementation of any applicable air quality plan.

6. Airport Land Use - The property is located within Zone D, Common Traffic Pattern, an airport influence area of the Napa County Airport. As defined in the *Airport Land Use Compatibility Plan*, this area is routinely overflowed by aircraft operating to and from the airport with frequent single-event noise intrusion. Overflights in these areas can range from an altitude of 1,000 feet to nearly 200 feet above the ground. Accident rates vary from low to moderate. In areas where aircraft are at lower altitudes (especially on circle-to-land instrument approaches) a moderate level of risk exists. Wineries are a non-residential use allowed within this zone but the ALUCP requires an overflight easement or deed notice for the use.

7. WDO/Grape Sourcing - Since the proposed project is located within the Napa Valley Business Park, it is not subject to the requirements of the Winery Definition Ordinance (WDO). The two notable differences with this winery and up-valley wineries are: 1) the grapes processed at the facility are not subject to the 75% Napa Valley grape source requirement; and, 2) the winery is not subject to the minimum 300 feet and 600 feet winery setback from major and minor streets.

Consistency with Standards:

Zoning - The IP:AC (Industrial Park : Airport Compatibility) District allows 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 and zoning regulations.

Fire Marshal - The Fire Marshal recommends approval in the attached October 23, 2013 memo.

City of American Canyon - The City has issued a Will-serve letter for water connection to the winery in its October 30, 2013 letter.

Napa Sanitation District (NSD) - The NSD has issued a Will-serve letter for domestic sewer service in its November 15, 2013 letter.

Environmental Health Division (EHD) - The EHD recommends approval with standard conditions. Please see the attached December 10 2013 memo.

Engineering Services Division (ESD) - The ESD recommends approval with standard conditions that address water, parking, access road and other site improvements. Please see the attached December 10, 2013 memo.

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Agency Comments
- D . CEQA Memorandum
- E . Application Materials
- F . Wastewater Disposal Feasibility Study
- G . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell