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Agenda Date: 12/20/2017

Agenda Placement: 8A

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: Charlene Gallina, SUPERVISING PLANNER - 299-1355
SUBJECT: B Cellars Winery

RECOMMENDATION

VINTAGE OAK CROSS, LLC / B CELLARS WINERY / USE PERMIT MAJOR MODIFICATION #P16-00423-MOD

CEQA Status: Consideration and possible adoption of an Addendum to the previously adopted 2013 Negative Declaration prepared for the B Cellars Winery. Pursuant to CEQA Guidelines Section 15164 an addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or if none of the conditions contained in Section 15162 calling for preparation of a subsequent negative declaration have occurred. This project site is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: Approval of a Major Modification to an existing 45,000 gallon winery to increase daily visitation, modify marketing activities, increase the number of employees, and a change in visitation hours of operation. There are no on-site or off-site improvements proposed or required with this modification, nor are there any changes in annual production proposed. The proposed project is located on an 11.53 acre parcel on the south side of Oakville Cross Road approximately 3,200 feet west of its intersection with Silverado Trail, within the AP (Agricultural Preserve) zoning district; 701 Oakville Cross Road, Napa; APN: 031-070-026.

Staff Recommendation: Adopt the Addendum to the adopted Negative Declaration prepared for the winery, and approve the Major Modification as conditioned.

Staff Contact: Charlene Gallina; Supervising Planner (707) 299-1355 or charlene.gallina@countyofnapa.org

Applicant Contact: Jeffrey Redding; (707) 255-7375; jreddingaicp@comcast.net

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Addendum to the adopted Negative Declaration for the B Cellars Winery based on Finding 1 of Attachment A; and
2. Approve Major Modification (P16-00423) based on Findings 2-6 of Attachment A and subject to the recommended Conditions of Approval (Attachment B).

Discussion:

On March 6, 2013, the Planning Commission approved Use Permit Major Modification P12-00371-MOD in which a smaller 10,000 gallon winery (formerly named Miller Winery) was modified and the existing 45,000 gallon B Cellars Winery was established. As approved, B Cellars Winery currently operates within two buildings (a 5,328 sf Hospitality Building including a commercial kitchen and a 4,609 sf Wine Production Building) and a 22,946 sf cave accessed by three portals for barrel storage and marketing events. An elevator was included to access the cave from the existing residence located at the top of the knoll on the property. A 1,184 sf covered crush pad is located next to the wine production building and the cave. A 1,110 sf Maintenance & Wine Equipment Barn with 9,321 sf in enclosure areas designated for employee parking, mechanical equipment, water storage, trash/recycling, debris and other outdoor storage is located across from the employee parking area. The winery has eighteen (18) visitor spaces including two (2) handicapped spaces and twelve (12) employee spaces including one (1) handicapped space for a total of thirty spaces (30). Temporary event parking is provided on-site via valet parking service. Landscape improvements at the winery consist of water features, an herbal garden, a picnic area and an outdoor lawn area adjacent to the cave portal for use during larger marketing events. The winery's visitation and marketing program consists of a maximum of sixty (60) persons per day with a weekly maximum of 250 visitors. The approved marketing plan consists of two (2) release events per year @ 100 persons maximum; two (2) events per year @ 150 persons maximum; twelve (12) events per year @ 30 person maximum; and participation in Wine Auction Week. The winery currently employs eight (8) full-time and five (5) part-time employees. The approved winery hours of operation are 10:00 am to 5:00 pm, Monday-Sunday for visitation and 7:30 am to 5:30 pm, Monday-Friday for production. Marketing events occur during the day, evening or weekend. Evening marketing events are required by the County to cease by 10:00 PM, including cleanup.

In 2013, planning staff prepared an Initial Study and the Planning Commission adopted a Negative Declaration for the project. The Negative Declaration incorporated an analysis on the applicant's original request for tours and tastings by appointment only based upon a daily maximum of up to sixty (60) visitors with a weekly maximum of 420 visitors. However, during the public hearing, the Planning Commission expressed concern over the high amount of weekly visitation proposed and reduced the weekly visitation to 250 visitors. However, daily visitors at 60 per day was permitted, and the applicant was encouraged to return at a future date to request an increase if needed. Furthermore, Tours and Tastings were prohibited at the same time as Marketing Events. The hours of operation for visitation were modified from 11:00 am to 6:00 pm to 10:00 am to 5:00 pm.

The applicant is now requesting approval to modify the previously approved use permit modification to allow the following: 1) increase the daily visitors from 60 to 80 with a weekly maximum from 250 to 450 visitors based on an average of 64 visitors; 2) modify the approved marketing plan to replace with thirty-five (35) events per year for a maximum of twelve (12) guests, twenty-six (26) events per year for a maximum of forty (40) guests, nine (9) events per year for a maximum of seventy-five (75) guests. and one (1) event per year for a maximum of 100 guests. All marketing events are proposed to occur during the day, evening or weekend to cease by 10 pm and food pairings are included either catered or prepared in the existing on-site commercial kitchen; 3) increase the number of employees from eight (8) full-time and five (5) part-time to twelve (12) full-time and seven and one half (7.5) part-time employees on a typical weekday and two (2) full-time and thirteen (13) and one half (13.5) part-time staff on a

typical Saturday/Sunday and during a crush Saturday/Sunday; and 4) modify visitation hours of operation from 10:00 am to 5:00 pm to 10:00 to 6:00 pm. No changes are proposed to production, nor are any physical changes to the winery proposed.

Staff has no objections to the request and finds the existing winery and proposed project consistent with the Winery Definition Ordinance, other applicable provisions of the Zoning Ordinance, and policies of the General Plan. Implementation of the proposed project would result in no potential environmental impacts. 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

An Addendum to the adopted 2013 Negative Declaration prepared for the winery in 2013 has been prepared. According to the Addendum and the prior Negative Declaration, the proposed project would have no potentially significant environmental impacts. 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: Vintage Oakville Cross LLC, Trent Moore, (405) 607-0125

Applicant: Harry E. (Duffy) Keys, (858) 756-5614

Representative: Jeffrey Redding, Land Use Planning Services, (707) 255-7375

Zoning District: Agricultural Preserve (AP)

General Plan Designation: Agricultural Resource (AR)

Filed: November 8, 2016

Revised: January 18, 2017; July 20, 2017; October 30, 2017

Complete: November 9, 2017

Parcel Size: 11.53 acres

Existing Development: A Single Family Private Residence – Approximately 8,000 sf; A Guest Cottage - 1,000 sf; B Cellars Winery, and a 4.10 acre Vineyard

Winery Characteristics:

Winery Size (Approved/Existing): Hospitality Building – 5,328 sf & Wine Production Building – 4,609 sf (Total –

9,937 sf); Covered Crush Pad – 1,184 sf; Maintenance & Wine Equipment Barn – 1,110 sf; Cave – 22,946 sf with four portals. During construction, the size of the cave was reduced to 18,284 sf and the number of portals was reduced to three

Winery Size (Proposed): No Change

Production Capacity (Approved/Existing): 45,000 gallons per year; 32,581 gallons produced in 2015

Production Capacity (Proposed): No Change

Development Area (Approved; Existing): 21,748 sf; 0.50 acres

Development Area (Proposed): No Change

Winery Coverage (Approved; Existing): 102,484 sf; 2.35 acres; 20%

Winery Coverage (Proposed): No Change

Accessory/Production Ratio (Approved/Existing): 9,278 sf accessory; 41,837 sf production; 22% (40% allowed)

Accessory/Production Ratio (Proposed): No Change

Vineyard Acreage (Approved/Existing): 4.10 acres

Vineyard Acreage (Proposed): No Change

Number of Employees (Approved/Existing): Thirteen (13) Total – eight (8) full-time; five (5) part-time

Number of Employees (Proposed): Twelve (12) full-time and seven and one half (7.5) part-time employees on a typical weekday; Two (2) full-time and thirteen and one half (13.5) part-time staff on a typical Saturday/Sunday and during a crush.

Visitation (Approved/Existing): Sixty (60) maximum per day (250 maximum per week)

Visitation (Proposed): Eighty (80) maximum per day (450 maximum per week); Based upon an average of 64 visitors per day

Marketing Program (Approved/Existing): Twelve (12) 30-person events per year (Week Day, Week Evening or Weekend - 11:00 am to 10:00 pm); two (2) 100-persons release events per year (Weekend - 11:00 am to 6:00 pm, Tours and Tastings authorized shall not occur at the same time with this marketing event); two (2) 150-persons events per year (Week Evening or Weekend - 11:00 am to 10:00 pm, Tours and Tastings authorized shall not occur at the same time with this marketing event); and participation in Wine Auction Week. Marketing events are proposed to occur during the day, evening or weekend to cease by 10 pm; Food Pairings included either catered or prepared in the existing on-site commercial kitchen

Marketing Program (Proposed): Thirty-five (35) events per year for a maximum of Twelve (12) guests; Twenty-six (26) events per year for a maximum of Forty (40) guests; Nine (9) events per year for a maximum of Seventy-five (75) guests; One (1) event per year for a maximum of 100 guests; Marketing events are proposed to occur during the weekday, evening or weekend to cease by 10 pm; Food Pairings included either catered or prepared in the existing on-site commercial kitchen

Days and Hours of Operations (Approved/Existing): Visitation – 10:00 am to 5:00 pm, Monday-Sunday; Production – 7:30 am to 5:30 pm, Monday-Friday.

Days and Hours of Operations (Proposed): Modify Visitation Hours 10:00 am to 6:00 pm

Parking (Approved/Existing): Total thirty (30) spaces; Eighteen (18) visitor spaces including two (2) handicapped spaces and twelve (12) employee spaces including one (1) handicapped space; Temporary event parking to be provided on-site via valet parking service

Parking (Proposed): No Change

Setbacks (Approved/Existing): 170' front (existing guest cottage), 160' side (Hospitality Building), 100' rear (Maintenance & Wine Equipment Barn), and 420' Oakville Cross Road (Hospitality Building)

Setbacks (Approved/Existing): No Change.

Adjacent General Plan Designation/Zoning District/Land Use:

North:

AR General Plan Designation, AP Zoning – residential and vineyards on 30.16 acres.

South:

AR General Plan Designation, AP Zoning – open space on 10.05 acres.

East:

AR General Plan Designation, AP Zoning - residential, pasture land, and vineyards on a 32.89 acres.

West:

AR General Plan Designation, AP Zoning - Nemerever Winery, residential, and vineyards on a 10.08 acres.

Wineries in the Vicinity (located within 1 mile of the project):

Please refer to Attachment J.

Property History:

January 20, 1988 – Use Permit #U-168788 was approved by the Planning Commission to designate an existing 1,400 sq.ft. residence and a 440 sq. ft. carport as a farm labor dwelling for personnel employed by the property owner.

1988 – Relocated Quarter Horse Breeding operation from 33 Zinfandel Lane, St. Helena, and construction of new single family residence.

February 21, 2007 – Use Permit #04047 was approved by the Planning Commission to establish a new 10,000 gallons per year winery (formerly named Miller Winery) within an existing barn approximately 6,300 sq.ft. in size of which approximately 1,000 sq.ft. is a covered crush pad. In addition, this approval authorized four (4) parking spaces, a new septic system for the winery, one full time and five part time employees during harvest, and a marketing plan that included: five (5) food and wine parings per year for a maximum of ten (10) guests and one dinner per year for a maximum of 30 guests. Tours and tastings by appointment only were limited to a maximum of 10 persons per day with an average of 24 person/week. Hours of operation of the winery were limited to 8:00 am to 5:00 pm (except during crush). Marketing hours were limited 11:00 am to 10:00 pm with a four hour maximum, and outdoor amplified music was prohibited.

March 16, 2009 – Confirmation of “Use” of Use Permit #04047 by the Planning, Building & Environmental Services Department (formerly the Conservation, Development & Planning Department) due to installation of the wastewater system (Permit #E09-00036) and actual or committed expenses toward “use” of the subject use permit.

March 6, 2013 - The Planning Commission approved Use Permit Major Modification P12-00371-MOD increasing production to 45,000 gallons for the B Cellars Winery with visitation and marketing activities (Refer above in Executive Summary for a detailed project description). During building permit processing, minor changes processed by staff were made to project approval that included the following: a reduction in the number of cave portals from four (4) to three (3); a reduction in the size of the cave from 22,946 sf to 18,284 sf; a change in the architectural design of the winery buildings to reflect an agrarian concept conducive to Napa Valley; and altering a storage area in the cave into a food service area. All winery improvements were completed in 2014 to the satisfaction of the County.

May 2014 - The existing single-family residence and farm labor dwelling were demolished (Building Permit B14-00531).

April 1, 2014 - A Viewshed Protection Program Application (P14-00016-VIEW) was approved by the Zoning Administrator replacing the single-family residence with a larger (8,000 sf) single-family residence in the same location.

May 2016 - Construction of the single-family residence (Building Permits B14-02065 & B14-02066) was completed.

December 2017 - Building Permit B16-00750 was issued for a new 1,000 sf guest cottage (replaced the farm labor dwelling). The guest cottage will be under construction after the new year.

Code Compliance History:

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

Discussion Points:

Setting - The subject property is located on Oakville Cross Road on one of the many small knolls that extend upward from the valley floor. Conn Creek is approximately 1/3 of a mile to the west of the property. While the majority of the parcel is relatively flat, there is a recently completed single family residence located on the top of the knoll and vacant construction pad slated for a guest cottage unit and will soon be under construction located at the base of the knoll. The existing B Cellars Winery consisting of a cave, a production building, a hospitality building, a maintenance building and employee/visitor parking is situated at the base of knoll. The property slopes generally northwesterly with 1% to 5% slopes at the northern pastures and 10% to 30% slopes at the southern hills. A vegetated channel bisects the pasture from east to west to directing runoff southwest through a culvert under the existing driveway. Runoff from the site flows through a ditch on the southern side of Oakville Cross Road, and ultimately discharges to the Napa River. There is 4.10 acres of vineyards on the flat portion of the property and on the hillside slopes. Several cultivated common walnut (*Juglans Regia*) mature trees are also located on the slopes of the knoll.

Winery Proposal - The B Cellars Winery was approved on March 6, 2013. All winery improvements were completed in 2014 to the satisfaction of the County. The proposed project seeks an increase in visitation, a modification to marketing activities and an increase in the number of employees. A Table summarizing existing conditions, proposed changes, and the net change in these areas has been provided in Attachment J. No changes are proposed to production, nor are any physical changes to the winery proposed.

Tours & Tasting/Marketing Events - The applicant is requesting an increase in tours and tastings by appointment only on a daily basis up to a maximum of eighty (80) visitors daily with a 450 maximum per week [based on an average of sixty-four (64) visitors per day] from 10 am to 6:00 pm and changes to their marketing program. Staff has provided a comparison table for wineries with annual production of 45,000 to 48,000 gallons per year. As shown in Attachment J, the requested visitation for tours and tastings and marketing program falls above the average and median for similar production size winery facilities. Given that there have been no significant environmental impacts identified, and that sufficient water supply is available for the project site, staff has concluded that the project merits approval as proposed subject to recommended conditions attached to this report. It should also be noted that previously approved conditions imposed on the B Cellars Winery included a condition of approval that required no scheduling of tours and tasting appointments on scheduled larger marketing events. Therefore, staff has included a similar condition for marketing events with more than twelve guests. (Refer to Attachment B - COA No 4.3(e)).

Traffic & Parking - The 2013 adopted Negative Declaration evaluated daily maximum visitation of 60 visitors with a weekly maximum of 420 visitors and concluded that the winery would generate 54 daily vehicle trips and 18 daily PM peak hour trips. On a typical Saturday, 50 daily trips with 18 peak hour trips would be expected. With respect to the largest market event (150 visitors), a total of 64 trips (Staff – 6 trips, Special Event Trucks – 4 trips and Visitors 54 trips) would be generated. The updated Traffic Study (dated October 27, 2017, prepared by W Trans) submitted by the applicant conducted a site-specific analysis to provide a more accurate assessment of the project's potential impacts. To determine the peak hour volume as a percent of daily traffic, counts were performed by the Traffic Consultant for one week in October 2017 during the harvest and before the Napa Fires. The Napa County Trip Generation Form assumes 38% of weekday trips occur during the weekday pm peak hour and 57% of Saturday trips occur during the midday peak hour; the data collected at B Cellars showed much lower ratios.

Because B Cellars schedules their tastings so that few end during the weekday pm peak period, their tasting trips are generally concentrated during midday. Further, their existing transportation demand management policies result in few employees arriving or departing during the peak periods. Therefore, during the weekday pm peak hour, and based on actual site data, it was assumed that there would be five (5) new trips, or ten (10) percent of the increase in the daily volume. The inbound versus outbound ratio for the weekday pm peak hour was also reviewed based on the actual driveway counts, and the Traffic Study revealed that the site experiences a 50/50 split between inbound and outbound trips during the weekday pm peak hour. Similarly, weekend peak hour trips were determined to represent 15% of the daily volume, translating to seven (7) new trips associated with the expansion of use at the site. The inbound/outbound split was determined to be about 80% inbound and 20% outbound. Based on application of these assumptions, with the modifications, all of the activities allowed under the proposed Use Permit would be expected to generate an average of 101 trips during a typical weekday, with 10 trips occurring during the evening peak hour; 15 trips would be expected to be generated during the weekend midday peak hour. This would result in a net increase of 47 new daily vehicle trips, including five (5) trips during the weekday evening peak hour and seven (7) trips during the weekend midday peak hour. Since the proposed marketing plan focuses on smaller more intimate events, the updated Traffic Study concluded the proposed project would result in a net decrease and average number of guests per event would be reduced from 54 to 31 trips. Since events would occur more frequently under the new program, consideration was given to the potential for the plan to increase the average daily trip generation of the project site. In total, the proposed plan would result in 1,325 more guests annually or an additional 510 trips compared to the existing marketing program. Over the course of the year, the proposed marketing plan would result in approximately 1.4 additional trips per day on average, and would therefore have minimal impact on the daily trip generation of the project site. The Traffic Study further noted that the level of additional traffic would not result in any significant existing or cumulative off-site or winery access circulation impacts.

There are no changes proposed to the existing 30 parking spaces provided on-site. Temporary event parking will be provided on-site via valet parking service. A recommended condition of approval (COA #4.3(e)) prohibits the scheduling of tours and tastings on days for marketing events with more than twelve (12) guests to ensure that adequate parking is provided on-site.

Groundwater Availability - Based on the submitted Tier One Water Availability Analysis, dated October 12, 2016, the 11.53 acre subject valley-area parcel has a water availability calculation of 11.53 acre-feet per year (af/yr), which is arrived at by multiplying its approximately 11.53 acre size by a one acre-feet per year per acre fair share water use factor. The Water Demand Calculations submitted for the project placed water demand for existing uses on the property (residential - 0.75 af/yr, vineyard irrigation – 2.05 af/yr, residence landscape irrigation – 0.11 af/yr, winery landscape irrigation - 3.17 af/yr, winery process - 0.69 af/yr and winery domestic – 0.30 af/yr, and reclaimed process water - 0.69 af/yr) at 6.38 af/yr. The proposed winery modification places the new demand for the parcel (residential - 0.75 af/yr, vineyard irrigation – 2.05 af/yr, residence landscape irrigation – 0.11 af/yr, winery landscape irrigation 3.17 af/yr, winery process - 0.69 af/yr and winery domestic – 0.53 af/yr, and reclaimed process water - 0.69 af/yr) at 6.61 af/yr. Therefore, the proposed increase for visitation, marketing and employees results in an increase in water use of 0.23 acre-feet per year. Based upon this figure, the project would be well below the

established threshold for groundwater use on the property. The County is not aware of, nor has it received any reports of, groundwater shortages near the project area. 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.

Wastewater System - The winery facility is served by separate process waste and domestic waste treatment and disposal systems. A supplemental septic design report was completed by RSA+ on October 12, 2016. The analysis estimated that the wastewater flows associated with the proposed increase in visitation, marketing activities, and employees can be accommodated by the existing process waste and domestic waste systems installed in 2014. The existing system has a treatment and dispersal capacity of 2,913 gallons per day (gpd) with an allowable storage on event days of 590 gpd. The proposed increase will result in a typical peak daily flow of 1,973 gpd which is within the installed system. Based upon existing usage of the system, the peak flow expected on the event day was reduced from the existing system parameters of 3,505 gpd to 3,443 gpd. The Environmental Health Division reviewed this report and determined that the alternative sewage treatment system has an equalization tank sized to hold the wastewater generated from larger events for dispersal into the treatment and disposal field on subsequent days should volumes reach maximum capacity of the system. A condition of approval has been recommended requiring that the owner/operator to schedule events so the quantity of wastewater discharged to the treatment and disposal field does not exceed the design flow on a daily basis. (See COA Nos. 4.18(a) and 6.1 (a))

Public Comments - Staff has received 1 letter opposing the project and 22 letters in support of the project (Attachment K). With respect to the opposition letter, Mr. Duffy Keys has attempted to reach out to Groth Winery to discuss issues stated in the letter with regards to existing and proposed visitation and marketing activities, as well as, ornamental lighting on the property. Furthermore, staff has visited the winery in the evening hours to inspect lighting and has determined that both lighting for the winery and primary residence satisfies the County's Standard Condition on Lighting (lighting has been shielded and directed downward; located as low to the ground as possible). No other concerns have been received from adjoining properties regarding this issue.

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.

Option 1 - Approve Applicant's Proposal (Staff Recommendation)

Discussion - Primary operational changes resulting from this option would be an increase in daily and weekly visitation, an increase in marketing activities, an increase in the number of employees, and a change in visitation hours. This option has been analyzed for its environmental impacts, which were found to be less than significant. Furthermore, the project as proposed meets all County Code requirements and complies with General Plan policies. There exist operational factors, including compliance with all WDO and Zoning Code regulations, and no significant environmental impacts, sufficient water supply, which have led staff to conclude that the project merits approval as proposed and conditioned.

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

Option 2 - Reduced Project Alternative

Discussion - This option could result in a potential decrease in daily or weekly visitation, marketing events, or the number of employees.

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 Project

Discussion - In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit 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 on the General Plan and County Code, setting forth why the proposed use permit modification 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 this 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 . Previous Project Conditions
- D . CEQA Addendum & Previously Adopted Initial Study/Negative Declaration
- E . Use Permit Modification Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Traffic Study
- I . Graphics
- J . Winery Comparison Analysis & Summary of Changes
- K . Public Comments

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith