



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 2/1/2017

Agenda Placement: 9B

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission

**FROM:** John McDowell for David Morrison - Director  
Planning, Building and Environmental Services

**REPORT BY:** John McDowell, Principal Planner - 299-1354

**SUBJECT:** Grassi Winery - P15-00339-UP

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### **RECOMMENDATION**

#### **GRASSI WINE COMPANY / GRASSI FAMILY WINERY - USE PERMIT NO. P15-00339-UP**

**CEQA Status:** Consideration and possible adoption of a Negative Declaration (ND). According to the proposed ND, construction and operation of the proposed winery would not have a significant impact on the environment. 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 in order to construct and operate a new winery which would include: 1) Annual wine production capacity of up to 25,000 gallons; 2) Employ 10 or fewer employees; 3) Operate daily, Monday through Sunday, between the hours of 6:00 a.m. and 6:00 p.m. with an appointment-only tasting room open between the hours of 10:00 a.m. and 6:00 p.m.; 4) Offer daily tours and tastings for up to 12 people per day, up to a maximum of 70 people per week; 5) Host 3 marketing events, consisting of one event annually for up to 75 guests, two events annually for up to 40 guests with catered food, with all events to occur in the winery's tasting room and adjoining outdoor visitation areas between the hours of 11:00 a.m. and 10:00 p.m.; 6) Offer on-premise consumption of wine purchased on the property, consistent with Business & Professions Code Sections 23358, 23390 and 23396.5, inside of the proposed winery building and on the adjoining outdoor visitations areas; 7) Construct an approximately 3,072 sq. ft. production facility building for crush, fermentation and barrel aging, including a 2,435 sq. ft. covered outdoor crush pad and work area and 1,942 sq. ft. outdoor fermentation tank area with mechanical equipment enclosure, storage areas and waste/recycling enclosure; 8) Construct an approximately 1,266 sq. ft. hospitality structure with an approximately 1,204 sq. ft. outdoor terrace for visitation; 9) Install parking for 9 vehicles; 10) Extend and widen the site access driveway to a 20-foot width including installation of a new bridge over an intermittent drainage; 11) Install a new subsurface drip wastewater treatment system for process and domestic waste; and 12) Install three water storage tanks consisting of two 10,000 gallon water storage tanks for winery water needs, and one 48,000 gallon fire suppression water tank. The 10.05-acre property is located at 1044 Soda Canyon Road, Napa, approximately 700 northeast of its intersection with Silverado Trail within the AW (Agricultural Watershed) Zoning District; Assessor's Parcel No 039-140-027.

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

**Staff Contact:** John McDowell, Planner; (707) 299-1354 or [john.mcdowell@countyofnapa.org](mailto:john.mcdowell@countyofnapa.org)

**Applicant's Representative:** Donna B. Oldford, Plans4Wine, 2620 Pinot Way, St. Helena, CA 94574; (707) 963-5832 or [DBOldford@aol.com](mailto:DBOldford@aol.com)

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Negative Declaration prepared for the proposed project, as set forth in Findings 1 through 6 of Attachment A; and
2. Approve Use Permit Application No. P15-00339-UP, based on Findings 7 through 11 of Attachment A and subject to the recommended Conditions of Approval (Attachment B).

### **Discussion:**

The applicant proposes to construct a 25,000 gallon per year winery on approximately 10.5 acres located on the east side of Soda Canyon Road approximately 700 ft. northeast of its intersection with Silverado Trail. The subject property contains a small residence, several accessory structures, a 9 AF off-stream pond, approximately one acre of vines and small garden/orchard. The new winery building would be located on the eastern portion of the site which is presently vacant. The applicant also owns the adjoining 3.27 acre property to the north that shares the same access road. This property contains a vineyard, residence and several accessory structures, but other than the shared access is not associated with the proposed project. The winery will have a modest marketing plan with 3 events annually. Two events would have a maximum attendance of 40 guests, and one larger event would have a maximum attendance for 75 guests. Visitation would be limited to 12 guests on the busiest day and 70 visitors maximum per week. The applicant resides on the subject property in the primary dwelling.

Staff supports approval of the Use Permit request as the proposed winery use is consistent with the General Plan and would maintain the primarily agricultural use of the property. No variations to any standards are requested. The project complies with all winery design and setback requirements prescribed by zoning, as well as, all other applicable County regulations. The project will generate one vehicle trip in the P.M. peak hour, and thus does not result in any significant traffic impacts, either individually or cumulatively. The applicant is proposing to convert existing vineyard and garden irrigation from groundwater to surface water (from a 9 AF existing pond) such that groundwater use for the new winery will be no greater than the amount of water presently used on the vineyard and garden. As such, the project does not have the potential to impact groundwater resources.

## **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

Consideration and possible adoption of a Negative Declaration (ND). According to the proposed ND, the proposed project would have no potentially significant environmental impacts. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

**BACKGROUND AND DISCUSSION**

**Property Owner/Applicant:** Grassi Wine Company, Mark & Jamie Grassi, email address [mark@grassinapa.com](mailto:mark@grassinapa.com)

**Property Owner's Representative:** Donna Oldford, Plans4Wine, (707) 963-5832 or email address [DBOldford@aol.com](mailto:DBOldford@aol.com)

**Zoning:** AW (Agricultural Watershed) District

**General Plan Land Use Designation:** Agriculture, Watershed and Open Space (AWOS)

**Application Filed:** October 9, 2015

**Resubmittals Filed:** January 26, 2016, and November 16, 2016

**Application Complete:** December 15, 2016

**Parcel Size:** 10.05 acres

**Winery Building Area (Proposed):** New 3,072 sq. ft. (enclosed) production facility building for crush, fermentation and barrel aging, with a 2,435 sq. ft. covered outdoor crush pad and work area and 1,942 sq. ft. outdoor fermentation tank area with mechanical equipment enclosure, storage areas and waste/recycling enclosure; new 1,266 sq. ft. hospitality structure with approximately 1,204 sq. ft. outdoor terrace for visitation.

**Winery Production Capacity:** 25,000 gallons of wine per year

**Winery Development Area:** 8,129 sq. ft.

**Winery Coverage:** Approximately 46,074 sq. ft. or 1.05 acres, inclusive of the winery buildings and paved site improvements (parking stalls, walkways and vehicle drive aisles); proposed winery coverage is approximately 10 percent of area of the 10.5-acre parcel (maximum 25 percent allowed)

**Accessory to Production Ratio:** 20.5 percent (approximately 1,266 square feet of accessory area excluding outdoor patio, approximately 6,150 sq. ft. of production area including enclosed and unenclosed space; maximum allowed ratio of accessory to production area is 40 percent)

**Number of Employees:** Up to 10

**Visitation:** By appointment for up to 12 guests per day; up to a maximum of 70 guests per week

**Marketing Program:** Up to 3 events annually, with 2 events per year for up to 40 guests per event, and 1 event per year for up to 75 guests per event; starting as early as 11:00 a.m. and ending as late as 10:00 p.m. Food at events to be catered. No on-site commercial kitchen.

**Hours of Winery Operation:** Daily, 6:00 a.m. to 6:00 p.m.

**Hours of Visitation:** Daily, 10:00 a.m. to 6:00 p.m.

**On-site Parking:** 9 stalls (including one Americans with Disabilities accessible stall)

**Setbacks:** 976 ft. from Soda Canyon Road (300 ft. required); 45 ft., 39 ft. and 250 ft. from side and rear property lines (20 ft. required).

**Adjacent General Plan Designations, Zoning Districts and Land Uses:**

Like the subject site, surrounding adjacent properties are zoned AW and have a General Plan land use designation of AWOS. Land uses on surrounding properties are also primarily agricultural and include residential uses, as described below:

North: 6.26 acre parcel containing a residence and small vineyard.

South: 13.52 acre parcel containing vineyards with a residence.

West: 4.24 acre parcel containing a former school converted to a residence; Soda Canyon Road with residences and the Soda Canyon Store located on the western side of Soda Canyon Road.

East: Multiple 20 acres parcels in common ownership containing vineyards, with a small vineyard management complex located approximately 476 ft. from the proposed winery.

**Nearby Wineries (Located Within One Mile):**

There are 11 wineries with use permit approval to operate on properties within one mile of the proposed project site. See Attachment L

**Parcel History:**

The applicant owns two abutting legal lots with a combined total of 13.32 acres. The lots share a common driveway. Lot Line Adjustment LLA-1830 recorded on October 15, 2015 just after submittal of the original winery use permit application, which resulted in the enlargement of the southern parcel to 10.05 acres. The winery use permit application applies to the 10.05 acre property (APN 049-140-027). Other than the shared access, the northern 3.27 acre parcel (APN 049-140-026) is not a part of the project.

Aerial photographs indicate that the winery site property has contained a 700 sq. ft. residence and accessory buildings for decades. The 9 AF (acre-foot) surface-fed pond does not show on the 1940 aerial photo, but is present on the 1980 USGS Topography map indicating that the pond was constructed (legally) at some point prior to 1980. Aerial photograph indicates that the garden and orchard date back to the 1940's and the majority of the one acre vineyard was planted in 2016.

**Code Compliance History:**

There are no records of prior code violations related to this property.

**Discussion Points:**

Site and Building Improvements – The winery will be situated on the eastern portion of the site in a low lying area relative to surrounding properties. It consequently will not be visible from either Soda Canyon Road or Silverado Trail which is located approximately 1,600 ft. to the west. There are several large oak trees located just west of the project site that will be retained and also contribute to screening of the project site. As shown in the attached graphics package, the winery features a single story design with enclosed production space for fermentation, aging, and wine making. A covered outdoor work area and crush pad are integrated into the design. A hospitality

room with adjacent partially covered outdoor terrace will be used for visitation and the marketing program. As proposed the project complies with all design and setback requirements set forth in the Winery Definition Ordinance (WDO).

As discussed below, groundwater will be the water source for wine production and domestic use. A new well is not required, and the project is below the threshold size for a regulated non-community water system under Environmental Health Division's requirements. Three water tanks will be installed consisting of two 10,000 gallon tanks for domestic/process water, and one 48,000 gallon tank for the fire suppression system. The fire suppression tank is on a separate system in order to support a fire sprinkler system, and is only filled infrequently when the pressurized system undergoes maintenance. A standard septic system will be installed for both process and domestic sewage, which will be located adjacent to the project site in a relatively level area that has been evaluated for feasibility and found to comply with standards. Surrounding the project site will be a stormwater pollution prevention system designed to retain and treat stormwater from the project. Vegetated swales and retention basins will occur in low lying areas adjacent to the project, which have been reviewed by the Engineering Division and found to comply with State clean water standards.

Tours, Tastings and Marketing Events – The proposed winery includes a visitation program consisting of by-appointment visitation up to 12 people per day with a maximum of 70 people per week including a request for on-premises consumption of wine purchased on the property. The proposed marketing program consisting of three events annually, with two events for up to 40 guests and one event for up to 75 guests. Food would be provided by a caterer since no commercial kitchen is proposed.

As proposed, tastings would occur between the hours of 10:00 a.m. and 6:00 p.m. Marketing events would occur be several hours in duration between the hours of 11:00 a.m. and 10:00 p.m., with quiet clean-up to occur within the hour after the end of the event and be completed no later than 11:00 p.m. Marketing events, tasting appointments and on-premises consumption are all proposed to occur in the winery's tasting room and adjoining patio.

Attachment L identifies 57 wineries with annual permitted production capacities of 20,000 gallons, which is 5,000 gallons less than the proposed production for this winery. These comparison wineries were used because it is the same chart used for the nearby Sam Jasper Winery that went before the Commission on January 18, 2017. In addition, there are very few wineries approved for 25,000 gallons annually (it is more typical for 20,000 gallons or 30,000 gallons to be proposed). Although the proposed project will ultimately produce 5,000 gallons more wine than those listed in the comparison chart, the proposed levels of visitation and marketing fall on the lower end of the scale.

Water Demand and Availability – Water demand generated by the proposed winery, including wine production and visitation/marketing, would be .866 AF/year. In December 2015, the Director of Public Works issued a memo indicating that general area around Soda Canyon Store, which includes this project site, would be studied further to determine if the nearby Miliken-Sarco-Tulocay (MST) water deficient area was expanding into this vicinity. That study is presently underway. Since this issue came to light during processing of this application (and processing of other wineries in the vicinity), the applicant was given the option to participate in the County's study, conduct an independent study in advance of the County's study, or modify the project such that it results in no greater groundwater use than what currently occurs, which is commonly referred to as the "no net increase" threshold. This no net increase threshold is regularly applied in the MST as a means to address a project's potential to impact groundwater resources. In November 2016, the applicant elected to revise the project and existing groundwater practices such that the existing one acre vineyard, garden and orchard would be shifted from groundwater sourced irrigation to surface water irrigation from the existing 9 AF/year pond. As noted earlier, the pond has existed on the property for decades, but it was ornamental and not used for vineyard, garden and orchard irrigation. With the revised project, the shift in irrigation for these existing uses will divert 1 AF/year of groundwater use to surface water use, resulting in the project utilizing less groundwater than the existing

conditions.

**Traffic and Parking** – On other winery projects off of Soda Canyon Road and in the general vicinity, neighbors have expressed concerns about traffic congestion and safety resulting from winery visitation and production growth. This project was reviewed for its potential to cause traffic related impacts, and due to the rather small scale of the facility and its operational characteristics, it was found not to result in any significant impacts. A traffic study was prepared by a licensed professional (attached), which was reviewed by the County's Traffic Engineer, and it concludes that the project will result in one vehicle trip during the afternoon peak period (p.m. peak - 1 hour period occurring between 4 p.m. and 6 p.m.). At 12 visitors on the busiest day, and 3 marketing events annually, the visitation/marketing program is quite limited in scale. Likewise, 25,000 gallons of annual production is considered a small winery in terms of production scale.

Proposed driveway access has been designed to meet County standards. No exceptions to the driveway width are proposed. The existing site access will be improved to meet the winery standard resulting in a 20 ft. wide paved road running from its intersection with Soda Canyon Road to the winery parking lot and outdoor work area. Minor widening improvements to the driveway connection at Soda Canyon Road will occur, but no widening or left turn lane on Soda Canyon is warranted due to the low traffic volumes on the driveway relative to the volumes on Soda Canyon Road. The driveway is also located in a relatively straight and level portion of Soda Canyon Road such that County standard site vision requirements are met. There is a curve in the road located north of the project driveway which does not impede site vision.

**Stream Crossing** - To access the winery site (and eastern portion of the property), a new clear-span bridge will be constructed over an unnamed 'blue-line' stream that crosses the property. This water feature runs intermittently and does not contain hydrophilic vegetation, and thus does not appear to be under the jurisdiction of the US Army Corps of Engineers or State Department of Fish and Wildlife. Both agencies received referrals of the project but no comments were received. However, since the USGS Topographic map shows the water feature as a blue line, the water feature meets the County's local definition of a 'stream' and, thus, is subject to the stream setback requirements of the County Conservation Regulations (NCC Chapter 18.108). The Conservation Regulations permit one access drive or road to cross a stream channel in order to allow a property owner to access their property. This proposed bridge is consistent with those provisions of the Conservation Regulations and has been designed to minimize the amount of earth disturbance occurring within stream setbacks. All other winery improvements other than the driveway are located outside of required stream setback in compliance with County Code.

**Grape Sourcing** - The proposed 25,000 gallons of annual production would require approximately 30 acres of vineyard to comply with 75 percent rule (assuming 160 gallons of wine per ton, 4 tons per acres). The applicant has indicated an objective to use 100 percent Napa County fruit to source the winery as detailed in the applicant's project narrative. Presently, the applicant has indicated that they own or otherwise control 15 acres (estimated at 9,600 gallons) of fruit prior to constructing the proposed facility. Like many new small wineries, the applicant presently has an active wine label that is custom produced at another location.

### **Decision-Making Options:**

#### **Option 1: Approve Applicant's Proposal (Staff Recommended Option)**

Disposition - This action would allow establishment of a winery on the parcel as proposed.

Action Required – Follow the proposed action listed in the Summary section of this staff report, amending select, project-specific conditions as listed in Sections 1, 2 and 4 of Attachment B, as may be appropriate, at the time the motion of approval is made.

Option 2: Modify the Applicant's Proposal to Reduce Annual Visitation and/or production

Disposition - As with option 1, this option would allow establishment of a winery on the property, but at the Commission's discretion visitation/marketing and or wine production could be reduced if warranted.

Action Required – Amend the recommended, project-specific conditions of approval in Sections 1, 2 and 4 of Attachment B, in order to reduce the scope of the project, at the time the motion of approval is made.

Option 3: Deny the Applicant's Proposal

Disposition - This action would result in maintenance of the single-family residence with accessory uses, vineyard and orchard/garden on the property. Based on the administrative record as of the issuance of this staff report, there does not appear to be any evidence that suggests that denial of the proposed project is warranted.

Action Required – In the event that the Commission determines that it cannot make the required findings for grant of the requested Use Permit, Commissioners must articulate the basis of the conflict with the findings. The Commission would then make a tentative motion to deny the proposal and remand the matter to staff to draft the required findings of denial, based on the Commissioners' statements. Staff would return to the Commission with the findings of denial on a specified date.

Continuance Option

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

**SUPPORTING DOCUMENTS**

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Initial Study/Negative Declaration
- D . Correspondence - Public Comments
- E . Use Permit Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Traffic Study
- I . Archaeology Study
- J . Recorded Lot Line Adjustment
- K . Graphics
- L . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: John McDowell