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A Commitment to Service

Agenda Date: 2/15/2017

Agenda Placement: 8A

## 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:** Jason Hade, Planner III - (707) 259-8757

**SUBJECT:** Flynnville Wine Company Use Permit P12-00222-UP & Variance P12-00223-VAR

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### **RECOMMENDATION**

#### **PD PROPERTIES, LLC/FLYNNVILLE WINE COMPANY/USE PERMIT NO. P12-00222-UP & VARIANCE NO. P12-00223-VAR**

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

**Request:** Approval of a Use Permit to construct a new winery with a production capacity of 60,000 gallons per year with the following characteristics: (a) construct two buildings, totaling 24,210 square feet in area; (b) demolish five existing buildings totaling 21,450 square feet; (c) tours and tastings by appointment only for a maximum of 25 persons per day; (d) establish a marketing program to permit six (6) events per year with a maximum of 25 guests, six (6) events per year with a maximum of 50 guests, and three (3) events per year with a maximum of 100 guests; (e) 15 employees; (f) hours of operation from 8:00 AM to 8:00 PM (production hours, except during harvest) and 10:00 AM to 6:30 PM (visitation hours), 7-days a week; (g) parcel merger of APNs: 020-320-003; 020-320-006; 020-320-009; 020-320-015; 020-320-016; and 020-170-012 to establish a minimum parcel size of 10 acres; (h) variance (P12-00223) to allow construction of the winery buildings at 150-feet from State Highway 29 (within the 600-foot setback), at 78-feet from Maple Lane (within the 300-foot setback), and at 84 feet from Ida Lane (within the 300-foot setback); and (i) related winery facilities and infrastructure. The project is located on a proposed 10.09 acre parcel within the Agricultural Watershed (AW) and Agricultural Preserve (AP) zoning districts and accessed via a private driveway located off Maple Lane; 1184 Maple Lane, Calistoga, CA 94515; APNs: 020-320-003; 020-320-006; 020-320-009; 020-320-015; 020-320-016; and 020-170-012.

**Staff Recommendation:** Adopt the Mitigated Negative Declaration and approve the Variance and Use Permit, as

conditioned.

**Staff Contact:** Jason R. Hade, AICP, Planner III, (707) 259-8757 or jason.hade@countyofnapa.org

**Applicant Contact:** Tom Faherty, 1560 Railroad Avenue, St. Helena, CA, (707) 963-1466

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on recommended Findings 1-7 in Attachment A;
2. Approve Variance P12-00223-VAR based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B; and
3. Approve Use Permit P12-00222-UP based on recommended Findings 13-17 in Attachment A, and subject to the recommended conditions of approval in Attachment B.

### **Discussion:**

Staff has reviewed the current proposal and found it addresses prior Commission concerns regarding scope and site development intensity. Staff has reviewed the variance request and the evidence submitted and believes the findings can be met. The requested visitation and marketing program is similar in size to those of 60,000 gallon per year production wineries with by appointment visitation. Although staff supports the reduced scale of the project, as proposed, an option for further Planning Commission consideration would be to deny that portion of the variance request as it applies to Ida Lane and require the full 300-foot setback along the frontage, in order to provide an additional buffer for nearby residences. This is discussed in further detail under the Decision Making Options section of this staff report. Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. Implementation of the proposed project as recommended would result in minimal 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**

Consideration and possible adoption of a Mitigated Negative Declaration and MMRP. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, noise and transportation/traffic. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

**BACKGROUND AND DISCUSSION**

**Owner:** PD Properties, LLC

**Applicant:** Same as property owner

**Representatives:**

Dan Pina; 995 Vintage Avenue, St. Helena, CA 94574; (707) 967-4805

Tom Faherty, 1560 Railroad Avenue, St. Helena, CA 94574; (707) 963-1466

**Zoning:** Agricultural Preserve (AP) & Agricultural Watershed (AW) Districts

**GP Designation:** Agricultural Resource (AR) and AWOS (Agriculture, Watershed, and Open Space) Designations

**Filed:** July 7, 2015 (Revised Proposal)

**Resubmittal Received:** September 4, 2015, October 27, 2015, and April 29, 2016

**Deemed Complete:** May 27 2016

**Parcel Size:** 10.09 acres (after merger)

**Existing Development:** The project site is an irregularly shaped grouping of six parcels to be merged upon project approval. Approximately seven acres is currently developed with a carport and ten commercial/light industrial structures. Five of these structures would be demolished and replaced with the proposed winery structures while three existing buildings located northeast of the proposed winery would remain. A total of approximately three acres of the site are undeveloped with some tree coverage. A 2.14 acre parcel borders the Napa River.

**Proposed and Existing Winery Characteristics**

**Winery Size:** 58,545 square foot winery development area with uses identified above.

**Production Capacity:** 60,000 gallons per year.

**Winery Development Area:** 58,545 square feet (1.34 acres)

**Winery Coverage:** 98,980 square feet (2.27 acres) (Maximum 25% or approximately 15 acres permitted).

**Accessory/Production Ratio:** 5,230 square feet accessory/24,210 square feet production - approximately 22%. (Maximum 40% permitted)

**Number of Employees:** 15 full-time employees non harvest; five additional employees (part time) during harvest, for a total maximum of 20 employees.

**Visitation:** Maximum of 25 visitors per day and 175 visitors per week by appointment only.

**Marketing Program:** Six events per year with a maximum of 25 guests; six events per year with a maximum of 50 guests; and three events per year with a maximum of 100 guests. All events to be catered.

**Days and Hours of Operation:** 8:00 AM to 8:00 PM (production hours, except during harvest) and 10:00 AM to 6:30 PM (visitation hours), 7-days a week. All events to conclude by 10 PM.

**Parking:** 17 parking spaces (16 standard spaces and one ADA space).

**Setbacks:**

Required Road setbacks – 300 feet from the centerline of Maple Lane, Ida Lane, and Drew Drive and 600 feet from State Highway 29.

Required Property line setbacks - 20 feet side and rear yard setbacks (for structures) except where the 300-foot and 600-foot setbacks are applicable.

Proposed Setbacks - A Variance is requested because the winery is proposed approximately 150 feet within the 600 foot winery setback from State Highway 29; 78 feet within the 300 foot setback from Maple Lane and 84 feet within the 300 foot setback from Ida Lane. See Discussion section below. The application meets all other setback requirements.

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

North: Agricultural Resource (AR)/Agricultural Preserve (AP)/rural residential use

South: Agriculture, Watershed, and Open Space (AWOS)/Agricultural Watershed (AW)/rural residential use

East: AR & AWOS /AP/agricultural use (vineyards)

West: AR & AWOS /AP) /agricultural use (vineyards)

**Nearby Wineries: (located within 1 mile of the project)**

Please refer to Attachment M.

**Background / Parcel History:**

A variety of industrial uses have been operating on the parcels since the early 1960s. In 1968, the original Zoning, M (Manufacturing), allowed for industrial uses, but was changed to PD (Planned Development). Use Permit No. 347576 was approved in 1976, which recognized that three buildings on the various parcels in the General Development Plan could be used for office, sales, and storage. In 1977, Industrial uses were excluded from PD zoning and in 1985 the zoning was changed to AW (Agricultural Watershed) and AP (Agricultural Preserve). At that point, the majority of the uses (commercial and light industrial) on the site became legal non-conforming.

1986-1991: The owners of the site were denied two separate requests from the Planning Commission for amendments to change the General Plan designation from AR to Commercial and/or Industrial. Each decision was appealed to the Board of Supervisors and each appeal was denied by the Board of Supervisors.

August 1997: Use Permit No. 96629-UP was approved by the Planning Commission to establish a PG&E public utility service yard on APN: 020-320-012.

October 2013: The subject application initially consisted of the construction of an 82,236 square foot winery with multiple buildings featuring 100 parking spaces, production at 300,000 gallons with 500 daily visitors and 24 marketing events of various sizes. That request was considered by the Planning Commission in October 2013 and referred back to the applicant to address the Commission's and neighborhood concerns regarding the scope and intensity of the proposal. The current proposal described below was re-submitted for further consideration in July 2015.

**Code Compliance History:**

There are no active code violations at the project site.

### **Discussion Points:**

Setting - The proposed 10.09 acre project site is located on the east side of State Highway 29 approximately one mile northwest of the Larkmead Lane / State Highway 29 intersection. The project site is an irregularly shaped grouping of six parcels to be merged upon project approval. Approximately seven acres is currently developed with a carport and ten commercial/light industrial structures. Five of these structures would be demolished and replaced with the proposed winery structures while three existing buildings located northeast of the proposed winery would remain for commercial/light industrial uses. A total of approximately three acres of the site are undeveloped with some tree coverage. A 2.14 acre parcel borders the Napa River. These parcels would be utilized for the wastewater system and a 3.2 acre vineyard on slopes of less than 5 percent. The four parcels nearest to State Highway 29 are zoned AW and the remaining parcels are zoned Agricultural Preservation AP.

Surrounding land uses consists of rural residential, oak and Napa River riparian woodlands, wineries, and vineyards within the AW and AP Zoning Districts. Parcels located adjacent to the project site generally vary in size from 1.22 acres to 12.16 acres and consist of rural residential and vineyards all located within the AP and AW Zoning Districts. Producing wineries within the vicinity of the project site include Castello di Amorosa and to the south, Sterling Vineyards and Paolet Estate Winery to the northwest, Larkmead and Frank Family Wineries are to the east. Azalea Springs Winery, located to the southwest was recently approved, but not yet producing wine. The nearest residence is approximately 185 feet northeast of the proposed Phase 1 winery building. The project site borders the Napa River and lies partially within the boundaries of the 100 and 500 year flood hazard zones. Native vegetation of the site includes grassland; however much of the site is disturbed and developed with structures.

Winery Proposal - The proposal is to construct a new phased winery with a maximum permitted capacity of up to 60,000 gallons per year. Two buildings totaling 24,210 square feet would be constructed while five existing structures would be demolished. Hosted daily tours and tastings and a marketing program is also requested.

Variance – A Variance is requested for approval of two buildings within the required 600-foot winery setback from Highway 29 and 300-foot winery setback from Drew Drive, Ida Lane, and Maple Lane. The winery is proposed approximately 450 feet from the centerline of Highway 29, approximately 222 feet from the centerline of Maple Lane, and approximately 216 feet from the centerline of Ida Lane. As shown on the “Variance Plan” exhibit (Sheet UP4) prepared by Summit Engineering, Incorporated on October 22, 2015, strict application of the required setbacks would result in a potential development area of approximately 11,475 square feet for the project site. Meeting the setback presents a practical difficulty and would deprive the property owners of the right to use their property for a conforming agricultural use.

Variances must satisfy the criteria in Government Code Section 65906 and County Code Section 18.128.060. Generally, the findings for a variance must meet each prong of a three-prong test to satisfy the statutory requirements together with additional local findings contained in the County Code. An applicant must demonstrate that: 1) they will suffer practical difficulties and unnecessary hardships in the absence of the variance, 2) these hardships result from special circumstances relating to the property that are not shared by other properties in the area, and 3) the variance is necessary to bring the applicant into parity with other property owners in the same zone and vicinity. In addition, an applicant must show that the proposed variance will not be contrary to public interest, safety, health, and welfare. To approve a variance the Planning Commission must make all five of the required findings listed below. As discussed below, Staff believes the project site can meet all of the required findings, and thus, supports grant of the variance.

Required Findings pursuant to Section 18.128.060:

1) *That the procedural requirements set forth in this chapter have been met.*

Staff Comment: This requirement has been met.

2) *Special circumstances exist applicable to the property, including size, shape, topography, location or surroundings, because of which strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification.*

Staff Comment: The 10.09-acre parcel has a unique shape with constraints not shared by other properties in the vicinity including: existing physical improvements, buildings, and paving installed over the years in conformance with the pre-existing zoning district; a project site which is surrounded by roadways or driveways on all four sides; and the parcel size. As shown on the map included with the variance application submittal (Attachment G), the subject site is the only parcel within the vicinity that is surrounded on all four sides by existing roads or driveways for which either a 300-foot or 600-foot setback is required. The available area outside of the required setback is too small to construct the proposed winery with the necessary infrastructure to support the project. The limited size of the combined parcels together with the circumstances of the surrounding roads are unique conditions of the property that were not created by the owners. The granting of this variance would not confer a special privilege as the subject parcel contains a unique combination of constraints.

3) *Grant of the variance is necessary for the preservation and enjoyment of substantial property rights.*

Staff Comment: This finding requires the applicant to demonstrate that grant of the variance is necessary for the preservation and enjoyment of substantial property rights generally enjoyed by other property in the same zone and vicinity, but would be denied to the applicant's parcel due to special circumstances of the property and unnecessary hardship. This is generally referred to as the "parity" prong. The property has a split zoning, locating it within the AW and AP zoning districts in which wineries are permitted upon approval of a use permit. Denial of a variance would deprive the applicant of the ability to develop this property for any conforming agriculture, either agriculture or agricultural processing facility. The potential vineyard development area is limited because of the extent of the existing uses and disturbed area. Approval of the variance would allow the subject property to be converted to an agricultural use consistent with the site's zoning and General Plan land use designations. Further, the variance to the winery setbacks would allow the applicants to achieve a degree of parity with other properties in the vicinity within the same zoning district that are currently in agricultural use and are not constrained by the pre-existing conditions described above. Strict application of the setbacks, results in both practical and financial hardships, which would restrict the ability to obtain a winery use permit. Grant of the variance would bring the parcel into "parity" with other properties zoned AP or AW that have been granted use permits for wineries.

4) *Grant of the variance will not adversely affect the public health, safety or welfare of the County of Napa.*

Staff Comment: There is nothing included in the variance proposal that would adversely impact the public health, safety, or welfare of the County of Napa. Construction of the new buildings would be subject to County Codes and regulations including but not limited to California building codes, fire department requirements, and water and wastewater requirements. The granting of the variance to the winery road setbacks would not adversely affect the health or safety of persons residing or working in the neighborhood of the property. The proposed winery structures and site development would be located in the approximate location of the existing non-conforming industrial buildings. Various County departments have reviewed the Project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which would incorporate these comments into the project to assure protection of public health, safety, and welfare.

5) *Findings 5, 6, and 7 pertain to groundwater use, and the applicable finding depends on whether the project is*

*located in a groundwater deficient area (#5), outside of a groundwater deficient area (#6), or connecting to a public water supply (#7). In this case finding #6 applies with operative language as follows: "...substantial evidence has not been presented demonstrating that grant of the variance might cause a significant adverse affect on any underlying groundwater basin..."*

Staff Comment: As set forth in the attached initial study MND hydrologic section and water availability analysis the report demonstrates that the parcel has a sufficient Valley floor water allotment of 10.09 acre-feet per year to support the winery and other water uses on the property (4.49 acre-feet per year) The project does not have a significant impact on groundwater resources and this finding can be met. (Refer to groundwater availability discussion below).

Visitation and Marketing - The application proposes a maximum of 25 visitors per day and fifteen (15) marketing events per year, which would be catered. The largest event would host up to 100 guests. The attached winery comparison tables (Attachment M) compare the proposed Flynnville Winery with wineries that currently have an annual permitted production capacity of 60,000 gallons. The proposed winery has a similarly sized visitation and marketing plan as comparable to by-appointment only wineries. This marketing is not out of scope with what has been approved at similarly sized wineries.

Traffic and Parking - State Highway 29 is currently operating at LOS C with the project study area. According to a traffic study prepared by Omni Means, the project would be expected to add approximately 65 daily trips south of the site and 28 daily trips north of the site on SR-29. This would represent an increase of less than one percent (0.0049% or 0.5%) of the daily volumes on SR-29 adjacent to the site. The combined existing plus project volume of 13,265 daily trips would remain within the carrying capacity of a two lane rural highway with conditions equivalent to LOS 'C' (*Updated Trip Generation Analysis for the Proposed Flynnville Winery Project, 2015*). As indicated in the updated traffic analysis, "the proposed Flynnville Winery project's reduced 2015 activity levels for wine production, employment, and visitation would be significantly lower than levels proposed in the Year 2013. As a result, daily trip generation from the proposed project would represent less than one (1) percent of overall ADT on SR-29/128 in the project vicinity under existing, near-term, and/or year 2030 cumulative conditions" (*Updated Trip Generation Analysis for the Proposed Flynnville Winery Project, 2015*). Additionally, a project specific condition would ensure that all marketing events be scheduled outside peak weekend (3:30 PM to 4:30 PM) and weekday (3:00 PM to 4:00 PM) traffic hours.

The project would include construction of seventeen (17) parking spaces (16 standard spaces and one ADA space). Based upon the County standard of 2.6 persons per vehicle during weekdays and 2.8 persons per vehicle during weekends and 1.05 persons per vehicle for employees the minimum parking required for daily activities would be 24 parking spaces. However, it is unlikely that the winery would host 25 visitors or be staffed by 15 full-time employees at one time. No parking will be permitted within the right-of-way of State Highway 29 or on the adjacent Heitz and Maple Lanes. A requirement for preparation of a parking plan and/or shuttle service for larger events, as needed by the applicant, has been incorporated as a project-specific condition.

Noise - The Napa County Noise Ordinance, which was adopted in 1984, sets the maximum permissible received sound level for a residence in a rural area as 45 dBA between the hours of 10 p.m. and 7 a.m. and 50 dBA between the hours of 7 a.m. to 10 p.m. While the 45 dBA limitation is strict (45 dBA is roughly equivalent to the sound generated by a quiet conversation), the area surrounding the subject property is developed with residential uses and vineyards with the nearest residence located approximately 185 feet from the proposed Phase 1 winery building site. With the location of the closest receptor residence  $\pm 185$  feet away, potential noise impacts from periodic bottling activities would be reduced to less than significant with the implementation of mitigation measures which include the preparation of an operations plan for the bottling and outdoor work area and the use of a sound curtain for outdoor work activities, as well as outdoor events of 100 guests. Marketing events would be required to cease by 10:00 PM. The potential for the creation of significant noise from visitation is significantly reduced since the tasting area would be located within the winery building and semi-enclosed outdoor courtyard

area. Continuing enforcement of Napa County's Noise Ordinance by the Division of Environmental Health and the Napa County Sheriff, including the prohibition against amplified music, would further ensure that marketing events and other winery activities do not create a significant noise impact. Based upon the analysis in the MND, the proposed project would not result in long-term significant permanent noise impacts with the implementation of mitigation measures identified in the recommended conditions of approval (Attachment B).

Biological Resources - According to a Biological Resources Survey prepared for the project by Kjeldsend Biological Consulting in January 2013, no known candidate, sensitive, or special status plant species have been identified as occurring within the project boundaries. However, activity for three types of special status bats have been identified as occurring within the project boundaries and a Bat Habitat Assessment was prepared by Wildlife Research Associates in November 2012. The assessment concluded that bats are roosting in six of the ten buildings onsite and includes roosting activities by Townsend's big-eared bat, a California Special Concern species. Accordingly, the mitigation measure identified in the recommended conditions of approval (Attachment B) would be implemented to reduce potential impacts to bats. As shown on the project plans, approximately eight trees would be removed as part of the project, including four oak trees. Therefore, eight oak trees would be required to be replanted on-site consistent with General Plan Policy CON-24(c) which requires replacement of lost oak woodlands or preservation of like habitat at a 2:1 ratio when retention of existing vegetation is found to be infeasible. Retention of the four oak trees identified for removal is infeasible as they are located in the center of the limited development area for the proposed Phase I winery building. Implementation of the mitigation measures would reduce potentially significant impacts to a less than significant level.

Wastewater - According to the Wastewater Feasibility Study prepared by Summit Engineering on April 21, 2016, the project site and proposed system would have adequate disposal capacity to serve the project. The Division of Environmental Health reviewed this report and concurred with its findings.

Groundwater Availability - The project is located within the Valley Floor in an area that has an established acceptable water use criteria of 1.0 acre foot per acre per year based upon current County Water Availability Analysis policies. Based upon those criteria, the Allowable Water Allotment for the project site is 10.09 acre-feet per year (af/yr), determined by multiplying the 10.09 acre AP zoned site by a one AF/YR/acre fair share water use factor. According to the Water Availability Analysis (WAA) prepared by Summit Engineering, Incorporated on October 23, 2015, five existing wells on APNs 020-320-006; 020-320-015; and 020-320-016 near the proposed winery facility would remain in service and provide for the domestic, winery process, and irrigation needs of the property. An existing well located on APN 020-170-012 would be abandoned. Three 20,000 gallon water storage tanks are also proposed (*Flynnville Wine Company Use Permit Assistance - Water Availability Analysis, 2015*). As stated in the WAA, total project water demand would be 4.49 AF/YR. Existing water use for the site includes the existing businesses identified above, employees, and landscape irrigation and is 1.01 AF/YR. The total number of employees is being reduced from 50 (existing) to 20 (proposed) for a proposed annual employee water demand of 0.34 AF/YR. The proposed landscaping and vineyard would be irrigated via reclaimed and treated wastewater, not potable water. The analysis concluded that anticipated total water demand for the project site would be 4.49 AF/YR representing a 3.48 AF/YR increase over the existing water demand. The anticipated peak daily potable water demand for the parcel would be met with five existing potable water supply wells and the three proposed 20,000 gallon storage tanks (*Flynnville Wine Company Use Permit Assistance - Water Availability Analysis, 2015*). Therefore, the impacts from the project would be less than significant and no further analysis is needed.

Hydrology/Drainage - According to a Hydrology Analysis prepared for the proposed project by Summit Engineering, Inc. on August 27, 2015, the proposed improvements at the Flynnville Wine Company site would result in a reduction in total impervious area and increase in permeable area. This would reduce the total flow rate and volume of runoff produced by the site compared to existing conditions. All runoff would continue to be routed towards the existing swale to the north. The reduction in runoff from the site would result in a total decrease in flow rate and volume routed through the existing swale. The quantity of runoff being routed from the SR 29 roadside swale through the existing underground culvert under the Flynnville properties would not be increased or adversely



impacted by the proposed improvements (Flynnville Wine Company Hydrology Analysis, 2015).

In response to the applicant's hydrology analysis, a Stormwater Drainage Assessment prepared by Daniel Drew, P.E. (a neighbor of the project site) on July 28, 2016 was submitted and concluded that: detailed grading and drainage plans are required, the hydrology analysis prepared by Summit Engineering, Inc. is incomplete, a detailed and comprehensive hydraulic analysis (model) is required; storm drain system profiles are required; and the County may be compelled to determine that Flynnville Wine Company project causes significant impacts.

In response to this assessment, a subsequent letter prepared by Summit Engineering, Inc. on December 12, 2016 was submitted to staff concluding that "using the County's accepted methodology of evaluating post-project drainage impacts, we stand behind the conclusions in our August 2015 analysis that runoff rates and volumes will actually decrease following project implementation. This conclusion will be confirmed by improvement and construction plans that will be reviewed and approved by the County Engineering staff prior to issuance of a building permit" (Flynnville Wine Company, 1184 Maple Lane, Calistoga, 2016). The subsequent letter also noted that the proposed project would result in a reduction in existing paved and impervious surface from 189,992 square feet (4.36 acres) to 159,429 square feet (3.66 acres) which represents a 16 percent reduction in impervious area. Improvement plans prepared prior to the issuance of a building permit would ensure that the proposed project does not increase runoff flow rate or volume as a result of project implementation.

Patrick Ryan, P.E., Supervising Engineer, of the County's Engineering Division, reviewed all drainage studies referenced above and concluded that the project would not substantially alter the drainage pattern on site or cause a significant increase in erosion or siltation on or off the site.

Grape Sourcing - Following development, the project site would include approximately 3.2 acres of vineyard representing approximately three percent (1,920 gallons) of the grapes needed for production. The remaining grapes would come from grape growing contracts ensuring compliance with the County's 75 percent rule. According to the applicant, due to the limited production volume and land values, anything but Napa fruit would not be cost effective to produce at the proposed winery. For that reason, the applicant intends to be closer to 100 percent Napa fruit sourcing. The recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule.

Greenhouse Gas Emissions - 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 Attachment F. The applicant proposes to incorporate additional GHG reduction methods including: generation of on-site renewable energy via the installation of a solar photovoltaic array on the production building roof; providing charging stations for electric vehicles at no charge; utilizing the proposed solar photovoltaic system to heat water; installation of LED and fluorescent lights; use of a cool roof with a high solar reflectance index; installation of bicycle parking facilities; access to the proposed Class bicycle lane along State Highway 29; composting of landscape trimmings and food waste; provision of informational handouts regarding transit facilities located within 500 feet of the project site; minimization of grading and tree removal; planned certification as a Napa Green Winery; use of recycled water to irrigate proposed vineyard planting; use of water sense certified fixtures; water efficient landscape; recycling of 75 percent of all waste; education to staff and visitors on sustainable practices; and the installation of owl houses and bat houses.

Public Comments - At the time of staff report preparation, two emails were received from project neighbors dated January 31, 2017 and September 3, 2015 as well as emails from Mr. Drew dated April 18, 2016, June 23, 2016, July 26, 2016, and August 29, 2016. A letter from the California Department of Toxic Substances Control dated January 26, 2017 was also received. All comments and associated documentation are included within Exhibit E.

**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 also include a no project alternative and a project alternative which would remove the non-conforming uses.

**Option 1 - Applicant's Proposal**

Disposition - This option would result in approval of the proposed 60,000 gallon per year winery and variance request. Staff recommends this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. As discussed above, staff has reviewed the current proposal and found it to address the previous project concerns regarding scope and site development intensity. Staff has reviewed the Variance request and the evidence submitted and believes the findings can be met. The requested visitation and marketing program is similar in size to those of 60,000 gallon per year production wineries with by appointment visitation. The applicant also proposes to incorporate GHG reduction measures as part of the project.

Action Required - Follow the proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant with the implementation of mitigation measures for biological resources, noise and transportation/traffic.

**Option 2 - Reduced Variance Alternative**

Disposition - This option would require the full setback along Ida Lane of 300 feet, instead of the applicant's request of 216 feet, in order to provide additional buffering for residences to the north.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to require the full setback along Ida Lane and to deny that portion of the variance request. Revision of the findings and conditions of approval may required continuance to a future date.

**Option 3 - Deny Proposed Project**

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of a Use Permit and Variance, Commissioners should identify what aspect or aspects of the project are in conflict with the 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 and Variance 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 the project and remand the matter to staff for preparation of required findings to return to the Commission on a specific date.

**Option 4 - Continuance Option**

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 and Final Agency Approval Memos
- C . Previous Project Conditions
- D . Initial Study/Mitigated Negative Declaration
- E . Public Comments
- F . Use Permit Application Packet
- G . Variance Application Packet
- H . Water Availability Analysis
- I . Wastewater Feasibility Study
- J . Traffic Study
- K . Biological Study
- L . Graphics
- M . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina