



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/22/2017

Agenda Placement: 8C

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: TENDAI MTUNGA, PLANNER III - (707) 299-1358

SUBJECT: Fortunati Vineyards Winery - Use Permit P16-00043

RECOMMENDATION

GARY LUCHEL / FORTUNATI VINEYARDS WINERY / USE PERMIT # P16-00043-UP

CEQA STATUS: Consideration and possible adoption of a Categorical Exemption Class 3. It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. This project is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

REQUEST: Approval of a Use Permit to establish a new 12,000 gallon winery with the following components: (a) a two story 1,500 square foot winery production building which includes a 227 square foot covered crush pad, mobile bottling and processing would occur inside the winery; (b) an attached 304 square foot covered equipment area; (c) Installation of three water tanks totaling 20,000 gallons; (d) construction of a looped access driveway to comply with County Roads and Street Standards; (e) construction of seven (7) parking spaces; (f) one full-time and one part-time employee; (g) establishment of hours of operation: production: Monday-Sunday 7:30 a.m.- 6:00 p.m.; hospitality: Monday-Sunday 10:00 a.m.- 4:30 p.m.; (h) visitation for a maximum of 10 persons per day with food and wine pairings, all food service for marketing events will be catered and prepared in a licensed off-site permitted kitchen; (i) marketing program to consist of 10 events annually with 30 guests maximum and 1 event annually for 100 guests maximum; (j) use of portable toilets for the large marketing event; (k) use of existing vineyard avenues for overflow parking during marketing events; (l) construction of code compliant water and waste water, storm drainage, and fire suppression facilities; (m) Installation of on-site landscaping; (n) installation of a solid waste and recycling storage area; and (o) on-premises consumption of wines produced on-site located in the tasting room in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5. The project is located on a 10.28-acre parcel. The General Plan land use designation is Agricultural Resource (AR) and is within the Agricultural Preserve (AP) zoning district; 986 Salvador Avenue, Napa; APN: 036-180-004.

Staff Recommendation: Find the project Categorical Exempt and approve the Use Permit as conditioned.\

Staff Contact: Tendai Mtunga, Planner III, (707) 229-1358 or tendai.mtunga@countyofnapa.org

Applicant Contacts: Applicant Contacts: James Jeffrey Architects, 2017 Jefferson Street, Napa, CA 94559, (707) 226-7041 or james@j2arch.com & Jeffrey Redding, 2423 Renfrew Street, Napa, CA 94558, (707) 225-7275 or jreddingaicp@comcast.net

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Find the project Categorically Exempt based on Findings 1-3 of Attachment A; and
2. Approve Use Permit No. P16-00043-UP based on Findings 4-8 of Attachment A and subject to the recommended conditions of approval (Attachment B).

Discussion:

The proposal is for the construction of a new 12,000 gallon per year winery with a small visitation and marketing program.

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 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 Categorical Exemptions pursuant to the California Environmental Quality Act (CEQA), Section 15303, Class 3, which exempts construction and operation of small wineries; Section 15305 and Appendix B, Class 3 of the Napa County's Local Procedures for Implementing the California Environmental Quality Act. 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: Gary Luchtel, 986 Salvador Avenue, Napa, CA 94558, (707) 255-9300

Applicant: Same as property owner

Representatives: Applicant Contacts: James Jeffrey Architects, 2017 Jefferson Street, Napa, CA 94559, (707) 226-

7041 or james@j2arch.com & Jeffrey Redding, 2423 Renfrew Street, Napa, CA 94558, (707) 225-7275 or jreddingaicp@comcast.net

Zoning: Agricultural Preserve (AP)

General Plan Designation: Agricultural Resource (AR)

Filed: February 10, 2016

Resubmittals Received: April 21, 2016 and January 18, 2017

Deemed Complete: January 20, 2017

Parcel Size: 10.28 acres

Existing Development: Development on the property includes: a 2,349 square foot single family residence and garage that exists in the southeastern portion of the property; some olive trees; and an existing septic tank system that runs northwest of the residence into the lawn area behind the house. There is one well on the parcel located south of the residence and a 7.8 acre vineyard.

Proposed Winery Characteristics:

Winery Size: Construction of an approximately 1,500 square foot winery building and a 227 square foot covered crush pad.

Production Capacity: 12,000 gallons per year.

Winery Development Area: 2,625 square feet or approximately 0.06 acres.

Winery Coverage: 17,030 square feet or approximately 3.8% (Maximum 25% or approximately 0.36 acres).

Accessory/Production Ratio: 353 square feet accessory/1,439 square feet production per updated floor plans dated January 31, 2017 - approximately 25% (Maximum 40% permitted).

Number of Employees: One full-time employee and one part-time employee.

Visitation: Maximum of 10 visitors per day with food and wine pairings; Maximum 70 visitors per week.

Marketing Program: Ten events per year up to 30 guests per event and one wine auction event per year with up to 100 guests.

Days and Hours of Operation: 7:30 a.m. to 6:00 p.m. daily (production hours) and 10:00 a.m. to 4:30 a.m. daily (hospitality hours).

Parking: Seven standard parking spaces including one ADA space.

Setbacks (Required): 300 feet from Salvador Avenue (front yard setback) and 20 feet from all other property lines.

Setbacks (Proposed): The proposed winery building would have a front yard setback of over 300 feet, an approximate side yard setback of not less than 20 feet from the eastern property line a side yard setback of 20 feet from the northern property line, and a rear yard setback well over 20 feet. No variances are being requested.

Adjacent General Plan Designation/ Zoning / Land Use:

North:

Agricultural Resource (AR) General Plan designation

Agricultural Preserve (AP) zoning

Adjoining the project are vineyards, large lot residences, and a winery (Domaine Montreaux).

South:

Agricultural Resource (AR) General Plan designation

Agricultural Preserve (AP) zoning

Adjoining the project are vineyards and small lot residences.

East:

Agricultural Resource (AR) General Plan designation

Agricultural Preserve (AP) zoning

Adjoining the project are vineyards and small lot residences.

West:

Agricultural Resource (AR) General Plan designation

Agricultural Preserve (AP) zoning

Adjoining the project are vineyards and large lot residences.

Nearby Wineries (located within 1 mile of the project)

Please refer to Attachment J.

Parcel History:

The Luchtel family has owned the subject property since 2003, and it had never been planted to vines and was covered with brush at that time. After clearing the land, they planted the vineyards. They released their first wines under the Fortunati label in 2009.

Code Compliance History:

There is a record of a Code Compliance Violation which has been resolved. A code compliance Notice of Violation was issued to the applicants on March 10, 2016, based upon an investigation of a complaint that wine tasting, tours, marketing events, and wine and olive oil sales were being conducted on the applicant's property. The investigator found a website for Fortunati Vineyards, the applicant's brand, offering wine tastings and food experiences on the project property. The applicant was ordered to cease commercial activities, including but not limited to wine tasting and/or special events without a proper use permit. On April 21, 2016 all activities were ceased and the case was closed.

Discussion Points:

Setting - Site topography is relatively flat sloping with slopes of 0 to 5% percent throughout the property. The site is located within the Napa River watershed and outside of the 100 and 500 year flood hazard zones. The United States Department of Agriculture Soil Conservation Service Soils Map for Napa County indicates the project site is mapped as Cole silt loam, 2 to 5 percent slopes, Bale clay loam, 0 to 2 percent slopes. Based upon the Napa County Environmental Sensitivity Maps (Liquefaction layer), the area of the project site proposed for development has a very low and low susceptibility for liquefaction. Native vegetation of the general area consists of grassland. No sensitive plant or animal species were identified on the County's Environmental Sensitivity Maps. The closest residence to the proposed winery structure would be approximately ±64 feet.

Winery Proposal - The proposal consists of a new 12,000 gallon per year winery with an associated winery building (conversion of existing barn) totaling approximately 1,500 square feet. Requested visitation is a maximum of 10 visitors per day. The proposed marketing program would include 10 events per year with up to 30 guests per

event and one wine auction event per year with up to 100 guests. About a dozen existing young olive trees on the project site will be transplanted elsewhere within the property and 0.08 acres of vineyards would be removed as part of the proposal for the installation of the one-way looped access driveway.

Visitation/Marketing Program - The project includes a request for a maximum of 10 visitors per day with food and wine pairings; maximum 70 visitors per week; and a marketing program to include ten events per year for a maximum of 30 guests per event and one event one wine auction event per year with a maximum of 100 guests. As shown in Attachment J, the requested weekly visitation and annual visitation program levels are higher than the average and median visitation program levels. However, the proposed visitation and marketing program are consistent with the anticipated visitation and marketing program levels permitted under the County's small winery Categorical Exemption criteria. Therefore, staff has no concerns regarding the requested visitation and marketing program.

Traffic and Parking – Based on the forecast of traffic to be generated by the proposed project, and the volume of traffic on Salvador Avenue, staff determined that the project will not require the installation of a left-turn lane at the location of the project access driveway, and a traffic impact report was not warranted.

Seven on-site standard parking spaces, including one ADA space are proposed. Overflow parking for the requested marketing events would be available along the existing vineyard avenues. All tastings would be by appointment only. Tastings would not be offered on those days in which the large marketing event is scheduled. Sufficient parking would be available for the proposed project.

Groundwater Availability - The applicant completed a Tier 1 Water Availability Analysis (WAA) Study, dated February 8, 2016, prepared by RSA Consulting Engineers which details existing and proposed groundwater use rates. Based on the site's location within the valley floor area, estimated groundwater availability would be 10.28 acre-feet per year (af/yr) (10.28 x 1.0). Existing uses on the project site include a main residence and vineyard irrigation. The analysis indicates that existing uses on the site have a annual water demand of 4.95 af/yr (vineyards account for 4.20 af/yr, and the existing residence accounts for 0.75 af/yr). According to the analysis, the winery would create an increase in annual water demand by 0.32 af/yr (landscaping 0.06 ac/yr, process water 0.18 af/yr and domestic use 0.08 af/yr). The proposed project would result in an annual water demand of 5.23 af/yr (residence 0.75 af/yr, vineyard 4.16 af/yr, and winery 0.32 af/yr) which would yield a 0.28 af/yr increase. This estimate does not take into account the potential use of treated process water for irrigation. If process wastewater is recycled on-site and used for vineyard irrigation, the annual water use will decrease by 0.18 af/yr. The resultant total water use would be 5.05 af/yr. The proposed winery water use is less than the property's calculated recharge rate of 10.28 af/yr. The project site is not located within a water deficient area and the County is not aware of nor has it received any reports of groundwater deficiencies in the area.

Grape Sourcing - The applicant plans to make estate grown wines from the 7.8 acres of planted vineyards on the property which represents 43 percent of production. The remaining grapes (up to 57%) would be purchased within Napa Valley ensuring compliance with the 75% grape source requirements. It should also be noted that a small percentage of grapes may be purchased outside Napa Valley.

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 E. The project would incorporate the following voluntary best management practices: photovoltaic panels facing southwest, energy efficient standards, energy conserving lighting; energy efficient roof, installation of water efficient fixtures, low impact development features, water efficient landscaping, recycling of waste, composting of food and garden material, planting of shade trees, and bicycle incentives. GHG Emission reductions from local programs and project level actions, such as the application of the CalGreen Building Code, tightened vehicle fuel efficiency standards, and

more project specific on-site programs including those winery features noted above would combine to reduce emissions.

Public Comments - At the time of staff report preparation, four public comment letters had been received in support of the proposed project.

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 - Applicant's proposal

Disposition - This option would result in approval of the proposed 12,000 gallon per year winery, with associated visitation and marketing.

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 categorically exempt. Sufficient grapes and water supplies are available to serve the proposed project and there are no active code compliance issues at the project site. The requested visitation and marketing program is higher than similar production size winery facilities, but qualifies as a Categorically Exempt small winery project. Staff recommends this option based upon the reasons discussed above.

Option 2 - Reduced Project Alternative

Disposition - This option would reduce the scope of the project via a reduced visitation and marketing program.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to require a reduction in the requested visitation and marketing program. If major revisions of the conditions of approval are required, the item will need to be continued to a future date.

Option 3 - Deny Proposed Project

In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of a Use Permit, 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 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 . CEQA Memo
- D . Public Comments
- E . Use Permit Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Stormwater Analysis
- I . Graphics
- J . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina