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Agenda Date: 3/2/2011

Agenda Placement: 9A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning

REPORT BY: JESSICA JORDAN, SUPERVISING PLANNER - 299-1355

SUBJECT: Morlet Family Estate Winery Use Permit Major Modification

RECOMMENDATION

MORLET FAMILY ESTATE WINERY / LUC AND JODIE MORLET – USE PERMIT MAJOR MODIFICATION REQUEST - #P10-00375

CEQA Status: Mitigated Negative Declaration prepared. According to the Mitigated Negative Declaration, if a mitigation measure is not included, the proposed project would have potentially significant environmental impacts to Biological Resources. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

REQUEST: Approval to modify previous use permit approvals for the Morlet Family Estate Winery (previously known as Morris Ghost Winery): (1) removing the requirement to establish a new driveway access to State Route 29 (SR 29; or St. Helena Highway) and allowing all winery and construction traffic to utilize the existing driveway on the subject property's northern boundary; (2) retire the private residential use of the second story and loft space within the existing winery building and convert the space to winery offices and file storage; (3) recognize an 80 square foot area in front of the existing fireplace on the ground floor as a wine tasting and marketing area; (4) allow a new 1,413 square foot crush pad on the north side of the existing winery building during Phase I to be removed following Phase II; (5) recognize an existing 2,400 square foot pool deck area for some of the marketing events already approved and a 120 square foot existing restroom in the pool area as a winery visitor restroom; (6) allow for a Type II wine cave; (7) installation of a 120 square foot concrete pad and installation of water storage tanks for fire protection purposes on the hill to the south of the winery building; (8) acknowledge the proposed phasing for construction: Phase I to include winery building improvements, 1,413 square foot crush pad, water storage tank pad, winery storage is existing shed, and wastewater treatment system; Phase II to include Type II cave excavation and construction, 1,750 square foot crush pad, and removal of the 1,413 square foot crush pad on the north side of the winery building; (9) allow hold-and-haul capability for the first two years of harvest. The winery project is located on a 10.14 acre parcel on the southwest side of St. Helena Highway, immediately across from its intersection with Deer Park Road within an Agricultural Watershed (AW) zoning district; Assessor's Parcel #: 022-200-031; 2825 St. Helena Highway North, St. Helena.

Staff Recommendation: Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting

Program and approve the Use Permit Major Modification as proposed with conditions of approval.

Staff Contact: Jessica Jordan 299-1355 or Jessica.Jordan@countyofnapa.org

EXECUTIVE SUMMARY

Project Action:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Morlet Family Estate Winery Use Permit Major Modification, based on Findings 1-6 of Exhibit A;
2. Approve Use Permit Major Modification (P10-00375-MOD) based on Findings 7-11 of Exhibit A and subject to the recommended Conditions of Approval (Exhibit B).

Discussion:

This application proposes a major modification to a winery use permit first approved in 2008 for the Morris Ghost Winery located on a 10 acre parcel on the southwestern side of St. Helena Highway. The project site is the former Castner Winery, built in 1880. The original stone building was refurbished, remodeled, and converted into a residence with the addition of a swimming pool and bath house. A Use Permit to restore winery operations was approved by the Board of Supervisors in June 2008. The major modification request does not include any alterations to the previously approved 20,000 gallon per year production limit or marketing plan. Rather, the modification allows for conversion of the second and loft stories of the stone building from residential use to winery office and storage use. The modification also recognizes existing outdoor areas for use during marketing events, defines phases of winery construction, utility upgrades, and reconfiguration of vehicular access to the winery. Upon analysis of the proposed changes, staff has determined the improvements will better serve the winery's functionality and as such, staff recommends approval of the major modification request as conditioned.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

A Mitigated Negative Declaration was prepared and circulated for public review from January 28, 2011 through February 28, 2011. According to the Mitigated Negative Declaration, if a mitigation measure is not included, the proposed project would have potentially significant environmental impacts to Biological Resources. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Biological Resources: Previously completed biological analyses identified the potential presence of nesting birds, protected under the Migratory Bird Act of 1918, within the undisturbed vegetation located south of the winery site. Although it is unlikely the project will result in impacts to these biological resources, a mitigation measure requiring pre-construction surveys in coordination with the California Department of Fish and Game prior to construction of the wine cave and water storage tank installations will reduce impacts to less than significant. The

mitigation measure requires buffer zones within which no construction activity will be allowed should any sensitive species be identified as present.

BACKGROUND AND DISCUSSION

Owner/Applicant: Luc and Jodie Morlet

Representative: Donna Oldford, Plans4Wine

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

Zoning: AW (Agricultural Watershed)

Filed: November 22, 2010

Complete: December 22, 2010

Winery Square Feet: 1,999 square foot (sf) building for tasting, production, office and storage, 1,413 sf phase 1 crush pad, 1,750 sf phase 2 crush pad, 5,000 sf Type II wine cave

Production Capacity: 20,000 gallons per year

Visitation: Maximum 12 persons per day; maximum average 25 persons/week

Marketing: 7 Private Tours and Tasting for Trade and Invited Guests events per year (4 events with 15 persons maximum; 3 events with 25 persons maximum); 1 Annual Wine Auction event per year (50 people maximum)

Number of Employees: 3 full-time, 6 part-time

Days and Hours of Operation: 7 days/week; 8 AM to 5 PM

Parking: 6 parking spaces

Parcel Size: 10.14 acres

Accessory/Production Ratio: 17% (including proposed modifications)

Winery Coverage: 9%

Winery Road Setbacks: Winery Building is exempt per 18.104.245; Phase 1 crush pad setback is 28 feet from the northern property boundary

Adjacent Zoning/Land Use:

North

AW - Rural Residential & Winery (5.12 acres)

South

City of St. Helena - Open Space (32.17 acres)

East

AP - Winery & Active Agriculture (Three Parcels: 9.97, 13.56, & 137 acres)

West

AW - Rural Residential & Open Space (Three Parcels: 19.06, 5, & 30.38 acres)

Nearby Wineries (within one mile of project site):

Grace Family Winery - 1210 Rockland Drive
2,660 square feet; 7,000 gal/yr; not open to the public; no marketing

Revana Winery - 2930 St. Helena Highway North
6,624 square feet; 15,000 gal/yr; tours and tasting by appointment (40/wk); 9 annual events with 25 people or less and 3 annual events with 25 to 75 people

Ballentine Winery - 2820 St. Helena Highway North
21,640 square feet; 50,000 gal/yr; tasting by appointment (10/wk); 24 annual events with 25 people or less

Markham Winery - 2812 St. Helena Highway North
70,783 square feet; 300,000 gal/yr; open to the public

William Cole Winery - 2849 St. Helena Highway North
9,400 square feet; 20,000 gal/yr; tours and tasting by appointment only (10/wk); 7 annual events with 25 people or less and 1 annual event with 25 to 75 people

St. Clement Vineyards - 2867 St. Helena Highway North
9,600 square feet; 72,000 gal/yr; open to the public

Charles Krug - 800 Main Street
2,728,000 gal/yr; open to the public

Freemark Abbey - 3022 St. Helena Highway North
32,702 square feet; 60,000 gal/yr; open to the public

Fantesca Estate - 2920 Spring Mountain Road
11,600 square feet; 20,000 gal/yr; not open to the public; 2 annual events with 25 people or less and 2 annual events with more than 75 people

Vineyard 29 - 2927 St. Helena Highway North
27,339 square feet; 48,500 gal/yr; tours and tasting by appointment only (10/wk); 10 annual events with 25 people or less, 5 annual events with 25 to 75 people, and 2 annual events with more than 75 people

Property History:

The project site is the former Castner Winery, built in 1880. Originally a 51 acre plot, 35 acres were planted with vines and a tunnel was built for storage and aging of wine with a capacity for 70,000 gallons. Only clarets and white wines were produced; no distillery was connected to the winery use. During Prohibition, however, the winery went bankrupt. The property was subdivided and sold after being idle for a number of years. The original stone building was refurbished, remodeled, and converted into a residence with the addition of a swimming pool and bath house.

July 2008 - Board of Supervisors approves the Use Permit for the Morris Ghost Winery (P06-01453).

April 2010 - A one year extension of Use Permit P06-01453 was granted.

October 2010 - An application for a Minor Modification of Use Permit P06-01453 was submitted for processing.

November 2010 - The application for a Major Modification of Use Permit P06-01453 was submitted for processing.

December 2010 - Project revisions included in the Minor Modification are combined with the Major Modification, representing one cohesive request.

Code Compliance History:

There are no current code compliance issues effecting the subject property. Code enforcement has been conducted in the past, associated with the current owner as well as the previous owner. The current owner began interior demolition of the winery building prior to obtaining the appropriate building permits. Once informed of the violation, demolition work stopped until a valid permit was issued. All demolition work that was conducted without benefit of a permit was in compliance with the previously approved use permit.

Discussion:Winery Building and Marketing

The proposed modifications to the winery building include conversion of the second and loft story to winery office and storage use. Staff has reviewed these modifications to insure that production/accessory ratios are maintained within the standard set forth in Section 18.104.200. The project also includes use of the existing outdoor areas for marketing, which is allowed. The request does not modify the previously approved marketing plan for the winery. These modifications are consistent with all applicable Code standards.

Project Phasing

The proposed project includes recognition of phasing of the winery improvements. Phase 1 will include winery building improvements, installation of a 1,413 square foot crush pad, water storage tank pad, winery storage in existing shed, and wastewater treatment system improvements. Phase 2 will include Type II cave excavation and construction, installation of a 1,750 square foot crush pad, and removal of the phase 1 crush pad. The applicant has agreed to remove the phase 1 crush pad once phase 2 is complete because of it's location on the north side of the winery building and proximity to the neighbors. A condition of approval has been included to insure the removal occurs. In the interim, the phase 1 crush pad will be setback 28 feet from the private drive, consistent with the Code standard. No other concerns related to project phasing were identified.

Water Storage Tanks

The project includes installation of water storage tanks on the south side of the winery building, within a naturally vegetated area that is upslope from the winery itself. The tank pad and tanks will be accesible for maintenance purposes only from the access road on the north side of the property. The tanks will not be visible from State Highway 29.

Winery Access

The previously approved use permit was conditioned to require that the winery establish a new driveway onto State Highway 29, approximately equidistant from the existing access drive on the north and the southern driveway on the south side of the property. The new access driveway concept was proposed in response to concerns voiced by neighboring property owners. It was not proposed to alleviate any adverse traffic impacts that were identified to result from the project. At the time, it was believed that a new access road in this location could be allowed by CalTrans however, ultimately, it was determined that CalTrans standards would not allow such an access due to safety and intersection spacing issues.

The proposed project will remove the requirement for this winery to establish a new access drive. Rather, the winery would utilize the existing access drive along the northern side of the property. The applicant has the appropriate legal rights to use the access drive for this purpose. The project is conditioned to require the existing access drive and intersection with State Highway 29 to be modified as needed to meet the County's Road and Street standards for roadway width and intersection design. The neighboring property has continued to voice concerns regarding use of this road. In absence of any alternatives, there is no way to alleviate the concerns. The winery has been scaled appropriately to the site and surrounding area and traffic generation for a winery of this scale will be limited. Public Works staff reviewed the request and prefers the proposed use of the existing road over the new road requirement due to possible safety concerns with too many driveways in this location. Staff is supportive of removal of the condition and allowing use of the existing access drive to the north for this project.

Use Permit Validity

As indicated above, the Board of Supervisors approved the Use Permit for this winery in 2008, establishing an original expiration date of August 2010. In April 2010, a request was made for a one year extension of the Use Permit through the Very Minor Modification process. These types of extensions at the staff level were authorized by the Planning Commission upon review of a staff memo and discussion at the April 4, 2009 Planning Commission meeting. A letter granting the extension was provided to the applicant on April 21, 2010, establishing the current expiration date of August 21, 2011. The Use Permit remains valid at this time.

Contact with Neighbors

On January 26, 2011, the applicant distributed a letter to all surrounding neighbors inviting them to attend a neighborhood meeting on February 10, 2011 in the City of St. Helena (letter attached). The neighborhood meeting was attended by six neighbors, the applicant, the applicant's representative, and County staff. Mr. Morlet introduced the project and welcomed comments or concerns from the neighbors. The majority of the neighbors expressed support for the project but, also expressed concern about safety on State Highway 29 and the Deer Park Road intersection. Suggestions to improve the safety concerns specifically on Highway 29 included installation of a traffic signal and a reduction in speed limits. While not directly related to this Major Modification request, these suggestions were researched by staff. Additionally, a loop entry/exit was suggested to address concerns specific to the Major Modification request, which was also reviewed by staff and is described below.

Traffic Signal: Traffic collision statistics at State Highway 29 and Deer Park Road identify five accidents occurring over the last five years, which are average statistics for intersections throughout Napa County. Of these accidents, one accident was caused by a driver running off the road while the remaining four were broadside collisions. None of these accident types can be attributed to any specific design flaw in the roadways. In order to install a signal, study of the roadway must be conducted to determine if a signal is warranted. A study of this intersection has not been conducted. However, Public Works staff with expertise in traffic engineering indicated that the intersection may meet signal warrants but, there are no current or future plans for a signal in this location. Installation of a traffic signal would cost approximately \$250,000. There are currently no sources of funding available for a signal nor are any fair-share cost mechanisms in place to spread the cost amongst the benefitting properties. Until such time as a study demonstrates that a signal is warranted and funding can be identified, a signal in this location is not possible.

Reduction in Speed Limits: Speed limits are determined through a study conducted of average speeds on the subject roadway. In order to maintain legal requirements for roadway operations, a reduction in speed must be warranted by the results of the study. The posted speed limit in this location is 45 miles per hour. Public Works staff indicated that in the event a study was conducted in this location, it would likely warrant a speed increase as opposed to a reduction. As such, this is not considered a valid option for alleviating the neighborhood concerns.

Loop Entry/Exit: This suggestion would have Morlet Family Estate Winery traffic entering from the northern access driveway and exiting from the existing southern driveway onto Highway 29. Use of the southern driveway is currently limited to the trips from the existing residence on the adjacent parcel (also owned by the Morlets). The

southern driveway is not currently built to required standards to support winery traffic and its intersection with Highway 29 is offset from the Deer Park Road intersection. Adding additional winery trips to this driveway would likely exacerbate the safety concerns expressed by the neighbors by adding another turning movement in the Deer Park Road, Highway 29 vicinity. As such, staff is not recommending this option for alleviating the neighborhood concerns.

While these suggestions made for a productive neighborhood meeting, there are unfortunately no current means to install a signal at Deer Park Road. The safety concerns that were expressed are well beyond the scope of the current major modification request and therefore, cannot be incorporated into the current project.

Consistency with Standards:Zoning

The project is consistent with AW (Agricultural Watershed) zoning district regulations.

Building Division Requirements

The Building Division recommends approval with conditions. See their November 30, 2010 memo.

Fire Department Requirements

The Fire Department recommends approval with conditions. See their November 8, 2010 memo.

Public Works Department Requirements

The Public Works Department recommends approval with conditions. See their December 16, 2010 and February 14, 2011 memo.

Environmental Management Department Requirements

The Environmental Management Department recommends approval with conditions. See their February 17, 2011 memo.

Sheriff's Department Requirements

The Sheriff's Department has reviewed this application and has no comments.

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Agency Comments
- D . Environmental Docs
- E . Application Materials
- F . Correspondence
- G . Letters of Support
- H . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell