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A Commitment to Service

Agenda Date: 3/21/2012

Agenda Placement: 9B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

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

REPORT BY: RONALD GEE, PLANNER III - 707.253.4417

SUBJECT: ENVY WINES LLC / MARK CARTER - ENVY WINES MAJOR MODIFICATION - USE PERMIT
MAJOR MODIFICATION # P11-00163-MOD

RECOMMENDATION

ENVY WINES LLC / MARK CARTER – USE PERMIT MAJOR MODIFICATION # P11-00163-MOD

CEQA Status: Subsequent Negative Declaration Prepared. New environmental effects resulting from proposed changes, altered conditions or new information are addressed in the Initial Study; there are no changes proposed in this project which require major revisions to the previous environmental document. This project site is not on any of the lists of hazardous waste sites enumerated under Government code Section 65962.5.

Request: Approval to modify Use Permit # 01074-UP (Calistoga Partners LP) and Use Permit Major Modification # P09-00288-MOD (Envy Wines LLC) to: 1) increase annual winery production from 20,000 gallons/year to 50,000 gallons/year; 2) construct a new 3,500 square foot barrel storage building with approximately 1,360 square feet of covered walkway on three sides; 3) construct a 699 square foot covered crush pad area to connect to both the new and existing barrel storage and existing winery storage building; 4) adopt a new marketing plan to allow food and wine pairings and one additional marketing event per month with 75 people; 5) allow on-premise bottle consumption by winery guests as per AB 2007 (Evans); 6) widen the existing access road; and 7) install expanded waste-water treatment and processing facilities for the new barrel storage building. No increase in the number of employees is proposed. The project is located on an approximately 18.4 acre parcel accessed from a private drive on the south side of Tubbs Lane, approximately 0.25 mile from its intersection with St. Helena Highway (SR 128), within the AP (Agricultural Preserve) zoning district. (Assessor's Parcel Number 017-210-27) 1170 Tubbs Lane, Calistoga, CA 94515

Staff Recommendation: That the Planning Commission adopt the Subsequent Negative Declaration and approve the Use Permit Modification as conditioned.

Staff Contact: Ronald Gee, 299-1351, ronald.gee@countyofnapa.org

EXECUTIVE SUMMARY

Proposed Action:

That the Planning Commission:

1. Adopt the attached Subsequent Negative Declaration, based on Findings 1-10 of Exhibit A; and
2. Approve Use Permit Major Modification #P11-00163-MOD based on Findings 11-15 of Exhibit A and subject to the recommended conditions of approval, Exhibit B.

Discussion:

This application proposes modification to Use Permit # U-01074, initially approved in February 2002 for Calistoga Cellars Winery/Calistoga Partners, a 20,000 gallons per year winery. The current winery operates within an existing 3,034 sq. ft. winery building and 4,137 sq. ft. barrel storage building with two full-time and two part-time employees. Tours and tastings are appointment-only and the marketing plan includes monthly private promotional tastings with a maximum of 30 persons and two annual release events with a maximum of 100 persons. The 18.4 acre parcel is primarily planted with grape vines.

The modification would increase annual winery production from 20,000 to 50,000 gallons/year and allow construction of a new, two-story, 3,500 square foot barrel storage building with approximately 1,360 square feet of covered porch area on three sides. An existing walkway/crush pad cover will be expanded by approximately 699 square feet to connect the new barrel storage building with the existing barrel storage and winery building. The existing marketing plan would be expanded to allow food and wine pairings and one additional marketing event per month with 75 people. On-premise bottle consumption by winery guests is requested as allowed under AB 2007 (Evans). The existing, on-site access road from Tubbs Lane would be paved and widened to 18 feet with a 2 feet wide shoulder. An expanded waste-water treatment and processing facility would be installed to accommodate expanded winery operations. No increase in the number of employees is proposed.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Environmental Determination: A Subsequent Negative Declaration has been prepared to update the Mitigated Negative Declaration previously adopted for the winery in 2002. Mitigation measures that were adopted in the Mitigated Negative Declaration addressed Aesthetics (Visual Degradation), Light and Glare, and Cultural (Archaeological Resources). The new document identifies new baseline thresholds for winery operations and analyzes potential Air Quality impacts and Greenhouse Gas Emissions.

The proposed barrel storage building and associated improvements will not be located in any identified archaeologically-sensitive areas and will be built on previously-disturbed areas. New environmental effects resulting from proposed changes, altered conditions or new information were addressed in the Initial Study; there are no changes proposed in this project which require major revisions to the previous environmental document.

This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owners / Representatives: Envy Wines LLC / Mark Carter

Zoning: AP (Agricultural Preserve)

General Plan Designation: AR (Agricultural Resource)

Initially Submitted: May 18, 2011 **Determined Complete:** December 14, 2011

Current Winery Size : 3,043 square feet winery building, 4,137 square feet barrel storage building plus an approximately 1,282 square feet covered porch

Proposed Winery Addition : New 3,500 square feet barrel storage building with approximately 1,360 square feet of covered walkway on three sides and 699 square feet of covered crush pad area

Production Capacity: Existing - 20,000 gallons per year
Proposed - Increase to 50,000 gallons per year

Visitation: Retail sales and tours and tasting by appointment only (no change)

Marketing: Existing - Monthly 30-person marketing events and two annual Wine Release events with 100 people. Proposed - Add daily wine and food pairings (catered food only); one new monthly marketing event with 75 people; and allow on-site bottle consumption

Number of Employees: Two full-time and two part-time employees (no change)

Hours of Operation: 7:00 AM to 5:00 PM daily; Visitation from 10:00 AM - 5:00 PM (no change)

Parking: Nine parking spaces (no change)

Adjacent Zoning / Land Use:

North AP - 12 and 25 acres - Open Space (undeveloped)

South / East AP - 11 acres - Rural Residential

West AP - 5 acres - Vineyard/Rural Residential

Nearby Wineries (within one mile of the project site):

Chateau Montelena Winery - 1429 Tubbs Lane - 60,000 gallons per year - open to the public
Robert Pecota Winery - 3299 Bennett Valley Lane - 60,000 gallons per year- tours and tasting by appointment
Prager Family Estate - 1281 Lewelling Lane - 8,500 gallons per year - open to the public
Two Sisters Winery - PO Box 303 - 15,000 gallons per year - open to the public

Property History: On February 20, 2002, the Planning Commission conditionally approved Use Permit # 01074-

UP to allow a 20,000 gallons/year winery including retail wine sales and custom production activities for a maximum two entities up to a maximum 25% winery production capacity (5,000 gallons/year). Construction of a 3,403 square foot winery structure, six off-street parking spaces, a marketing program, two full-time and two part-time employees were also included. Although Appeal # A2001-025-A was filed to the Board of Supervisors, it was later withdrawn on May 7, 2002.

Use Permit Major Modification # P09-00288-MOD was approved October 21, 2009 to allow construction of a new 4,137 square foot barrel storage building with no increase in winery production, marketing program activities or number of employees.

On December 17, 2009, Williamson Act, Type A, Agricultural Preserve Contract # P09-00436-AGK was recorded for the project site.

Code Compliance History: Based on a review of the County Planning and Building files, there have been no complaints or code compliance issues filed against this property while under the current ownership.

Discussion Point(s):

1. Proposal - The modification would increase annual winery production from 20,000 to 50,000 gallons/year. No increase in the number of employees is proposed. The Water Availability Analysis indicates that the 18.4 acre Valley Floor site is allotted 18.4 acre/feet (af/yr) of annual water use. Existing water use at the winery's current 15,000 gallons/year production rate has been 6.998 af/yr. With the proposed 50,000 gallons/year production increase, water use is expected to increase to 9.575 af/yr for winery, domestic, landscaping, and vineyard irrigation with frost protection; an amount well below the 18.4 af/yr allotment.

The new two-story, 35 feet-6 inch high, 3,500 square foot barrel storage building will have a hip-roof with exterior stucco walls with fixed, aluminum-framed windows. It will have a wrap-around, standing seam metal roof with a matching overhang on three sides approximately eight feet wide with 1,360 square feet covered area. The existing crush pad cover connecting the winery structure and north barrel storage building will be extended to the new barrel storage building; this extension will add approximately 699 square feet of covered crush pad area. New proposed landscaping will screen this area. Finish wall colors will match the existing winery; the windows will be a bronze anodized color. The existing marketing plan consists of up to 8 daily tours and tastings (with 4 tours/day average) between 10:00 AM - 5:00 PM daily. There are monthly marketing events with 30 people and two annual wine release events with 100 persons. This would be expanded to include daily food and wine pairings, new monthly promotional tastings and meals with 75 people only with the addition of an on-site bottle consumption area for visitors. All food with wine pairings will be catered; no food will be prepared on-site.

2. Circulation - The applicant has submitted traffic data that concludes the winery will contribute to the overall traffic by 16 vehicle trips per day on the weekdays and 6 vehicle trips per day on the weekends. The Department of Public Works has reviewed this data and recommends approval of the project on the basis that the traffic volumes are below the threshold that would impact Tubbs Lane and would require the construction of a left turn pocket in accordance with the Napa County Roads and Streets Standards. There will be no residual individually or cumulatively significant traffic impacts associated with this project as regards traffic congestion and levels of service. Furthermore, the project site is accessed from an approximate 790 foot private drive on the south side of Tubbs Lane approximately 0.25 mile from its intersection with St. Helena Highway (SR 128). The Department of Public Works has reviewed project access and recommends approval with standard conditions related to the required widening of this access drive to a minimum of 18 feet wide with 2 feet of shoulder from the County maintained roadway to the winery structure. The Napa County Fire Marshall has also reviewed this application and has likewise identified no significant impacts related to emergency vehicle access provided that standard conditions of approval are incorporated.

3. Parking - As previously approved and noted on the site plan, there are only 9 parking spaces available to accommodate the current number of employees and daily visitation by appointment. The Department of Public Works has reviewed the winery's existing parking layout and recommends approval with standard conditions requiring that no daily visitation or marketing events shall exceed this available parking without prior approval of a parking and traffic management plan through their office in order to ensure that adequate parking is fully contained on-site and/or provided through other alternative means (e.g., valet parking, shuttle service, etc.).
4. Project Phasing - The applicant has requested that the project proceed in two phases. In the first phase, due to construction timing, the new barrel storage building would proceed immediately following Use Permit Modification approval; no increase in production would take place until after the building is completed. In the second phase, required access road widening and installation of expanded waste-water treatment and processing facilities to accommodate increased production would begin prior to issuance of a Certificate of Occupancy for the new barrel storage building.
5. Landscape Screening - Construction of the winery building and associated improvements were completed in 2004. Building occupancy and winery operations began without the previous operator, Calistoga Partners LP, complying with landscape plan requirements to screen winery production areas from adjacent neighbors. As part of the 2009 modification, these concerns were raised by neighbors and the current owner/operator, Envy Wines LLC, has installed required landscape improvements. The landscaping materials and berm are mature and comply with the current use permit. Recommended conditions of this use permit modification require additional landscape screening to be installed along both the east and south sides of the new barrel storage building prior to final occupancy.
6. City of Calistoga - The project site is located north of the City of Calistoga within the City's planning area although this property is not designated for annexation. In recent e-mail correspondence, the City requested that the County apply their 2009 letter to this project, see attached, requesting that the County condition the project to control the post development stormwater run-off and ensure compliance with the California Fire Code. These are State regulations that the County addresses during the Building Permit stage and are also included as Standard Conditions of Approval (see attached Fire and Public Works requirements). All issues identified in this letter are addressed as part of this permit modification.
7. Greenhouse Gases/Climate Action Plan - As discussed in the Subsequent Negative Declaration, over the long term, emission sources for the proposed project will consist primarily of mobile sources including vehicles visiting the site. The BAAQMD's thresholds of significance established by the *May 2011 BAAQMD CEQA Guidelines* "represents the levels at which a project's individual emissions of criteria air pollutants or precursors would result in a cumulatively considerable contribution" to the regional air basin's existing air quality conditions.

Because this project is well below all applicable thresholds and those thresholds have been specifically established to define "considerable" contributions to cumulative air quality problems, the proposed project will not result in a cumulatively considerable net increase in any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard. The project will comply with all duly adopted air quality requirements and the impact is less than significant. Although the screening criteria is under challenge, they still provide a basis for comparison and provide substantial evidence of the County's conclusions.

Once adopted, the County's Draft Climate Action Plan (CAP) would require discretionary projects to reduce their emissions 38% below "business as usual" in 2020 by applying a combination of State, local, and project-specific measures. The proposed winery improvements are still not considered a producer of a significant amount of air pollution that would result in a conflict or obstruction of any air quality plans. The project is quite small and would find it challenging to reduce emission as required by the CAP unless the project can take credit for GHG reductions that have occurred at the winery since 2005. Nonetheless, application of the County's Green Building Standards, Energy Standards, and Water Efficient Landscape Ordinance provisions, as well as, the requirement of "best

management practices” during construction will ensure reduction in green house gas emissions to a level less than significant.

Based on staff evaluation of the project using the Urban Emissions Software program (URBEMIS Model), a total of 34.65 tons of "Unmitigated Project-Baseline Emissions for CO₂e/year" will be produced by the proposed production and building expansion. The addition of project-specific measures, including installation of drought-tolerant landscaping consisting of 28 new trees, creation of employee carpooling incentives, bicycle parking and harvesting roof drainage will provide sequestration of approximately 15.23 tons (i.e., 44%), greater than the minimum 38% reduction that would be required by the CAP.

Consistency with Standards:

Zoning - A winery (as defined in Napa County Code Section 18.08.640) and uses in connection with a winery (see Napa County Code Section 18.16.030) are permitted in the AP (Agricultural Preserve) District with an approved use permit.

Building Division - The Building Division recommends approval with standard conditions in the attached February 10, 2012 memo.

Fire Department - The Fire Marshall recommends approval with standard conditions in the attached June 27, 2011 memo.

Public Works Department - The Department of Public Works recommends approval with standard conditions. These include a requirement to widen the existing access road from Tubbs Lane to the new structure to 18-feet with a 2-foot wide shoulder consistent with County Roads and Parking requirements. Other standard conditions address water, parking, other site improvements, and post-construction run-off and storm-water management requirements. Please see the attached February 7, 2012 and July 12, 2011 memos.

Department of Environmental Management (DEM) - The DEM recommends approval with standard conditions to allow catered food only for food and wine pairings. Updated permit applications for the winery's existing Hazardous Materials Business Plan/Business Activities Page and new septic system installation are required. Please see the attached January 11, 2012 memo.

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Subsequent Negative Declaration
- D . Use Permit # 01074-UP Conditions
- E . Use Permit # 01074-UP Mitigated Negative Declaration
- F . Fire Marshal Comments
- G . Department of Environmental Management Comments
- H . Public Works Department Comments
- I . Public Works Department Comments - Groundwater
- J . City of Calistoga Comments
- K . Application Materials

L . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell