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A Commitment to Service

Agenda Date: 3/3/2021

Agenda Placement: 7A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: Brian Bordona for David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: Trevor Hawkes, Planner III - 707-253-4388

SUBJECT: Staglin Family Vineyards - Use Permit Major Modification P18-00253-MOD

RECOMMENDATION

STAGLIN FAMILY VINEYARDS / STAGLIN FAMILY VINEYARDS / MAJOR MODIFICATION #P18-00253-MOD

CEQA Status: Consideration and possible adoption of a Negative Declaration. According to the Negative Declaration, the proposed project would not have any potentially significant environmental impacts. 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 Major Modification to an existing 36,000 gallon per year winery to allow the following: a) modification to increase by appointment Daily Tours and Tastings Program from the current 10 persons per day (weekdays only) to 44 persons per day (May 1 through November 30; Monday through Sunday) and 22 persons per day (December 1 through April 30), ~~308 persons maximum per week~~; b) modification of the locations of the Daily Tours and Tastings Program to take place in the Stecker House and the existing wine caves; c) on-premises consumption of wines produced on-site located in the outdoor areas immediately to the south and west of the Stecker House in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 (AB2004-Evans Bill); d) modification of the existing Marketing Program of nine (9) events per year consisting of (eight (8)) events with a maximum attendance of 45 persons and one (1) event with a maximum attendance of 200 persons) to allow the following: including ~~32-16~~ events per year with 12 attendees maximum (11:00am – 10:00pm), ~~16~~ five (5) events per year with 32 attendees maximum (11:00am – 10:00pm), ~~three (3)~~ four (4) events per year with ~~100-50~~ attendees maximum (~~6-11:00pm~~ 00am – 10:00pm), two (2) events per year with 70 attendees maximum (11:00am – 10:00pm), ~~one~~ three (3) events per year with 100 attendees maximum (10:00am – 4:00pm), one event per year with 250 attendees maximum (1:00pm – 4:00pm), catered food prepared by a licensed caterer with minimal on-site preparation (heating and plating), events of 32 attendees or less and evening events of 50 to 100 attendees to occupy the building identified as the Stecker House and its enclosable porch on the eastern side of the building, ~~and~~ events of ~~100-250~~ attendees or more to occupy the outdoor area north of the Stecker House; e) Increase on-site employees from 8 full-time employees and 0 part-time employees to 11 full-time employees and 5 part-time employees; f) add three (3) parking spaces for a total of 15 spaces; g) ~~deletion~~ replacement of Condition of Approval #3 from the original approved Use Permit (#98072-UP) which required the

applicant to notify a representative of neighbors to the applicant 48 hours prior to an event with a required 30 days prior notice of marketing events with over 40 attendees provided to owners of property located within 1,000 feet of the winery parcels and other nearby owners who have requested such notice; h) width expansion for sections of the existing internal access driveway to 20' with a 22' horizontal clearance to comply with the Napa County Road and Street Standards; and i) modify internal circulation so that a portion of the access driveway loop becomes a one-way road. The project is located on three parcels totaling 63 acres, located at 1570 Bella Oaks Lane, Rutherford, within the Agricultural Preserve (AP) zoning district and General Plan Land Use Designated as Agricultural Reserve (AR). APN 027-250-063, -064 & -065.

Staff Recommendation: Adopt the proposed Negative Declaration and approve the requested Use Permit Major Modification as revised and conditioned.

Staff Contact: Trevor Hawkes, Planner III, (707) 253-4388 or trevor.hawkes@countyofnapa.org

Applicant Contact: Shari Staglin, Staglin Family Vineyard

Representative Contact: Rob Anglin, Holman Teague Roche Anglin, LLP, (707) 927-4280 or anglin@htralaw.com.

CONTINUED FROM THE FEBRUARY 3, 2021 COMMISSION MEETING

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration based on recommended Findings 1-5 in Attachment A; and
2. Approve Use Permit P18-00253-MOD based on recommended Findings 6-10 in Attachment A, and subject to the recommended conditions of approval in Attachment B as revised.

Discussion:

On February 3, 2021, the Planning Commission held a public meeting to consider approval of Major Modification P18-00253-MOD. Staff presented to the Commission the proposal to the existing 36,000 gallon/year winery permit to increase the amount of employees, increase the number of visitors and modify location for by appointment Tours and Tastings, increase the number of marketing events and modify location of marketing events, the addition of locations for on premise consumption of wines, the addition of parking spaces, deletion of a previous Condition of Approval which required the applicant to notify a representative of neighbors prior to events, and finally expansion of width to sections of the internal access driveway and a modification to internal circulation.

Upon completion of the Staglin Family Vineyards (P18-00253-MOD) Planning Commission Staff Report for the February 3, 2021 hearing, no public comments had been received. After posting of the Staff Report, Staff received its first of 28 public comment letters on January 28, 2021. In total 14 of the letters received expressed support for the proposed project and 14 of the letters received expressed opposition to the proposed project. In order to respond to some of the letters in opposition that were received prior to the public hearing, the Applicant provided Staff on February 2, 2021, with a modified Conditions of Approval document, which proposed four (4) changes to the project's Conditions of Approval. Modifications included a change in the location of the large marketing events to inside the Stecker House, a proportional reduction in same day visitation for by appointment tours and tastings during small marketing events, the inclusion of a Transportation Demand Management measure which would encourage visitors to utilize higher occupancy vehicles for tastings, and finally a 30 day notification requirement for

all events of 40 persons or more for properties within 1,000 feet and all nearby residents who request to be notified. This modified Conditions of Approval document was provided to the Planning Commissioners prior to the beginning of the hearing. At the public hearing on February 3, 2021, 13 additional public comments were also received; with three (3) in support of the project and 10 in opposition to the project.

Staff has reviewed and collated all public comments that were received and provides the following summary of those comments in opposition.

- | Lack of notification or lack of timely notification of the winery application request to residents on the entire length of Bella Oaks Lane and adjacent neighbors residing on Manley Lane.
- | Increases in onsite employment, visitation for by appointment Tours and Tastings, and marketing events were inappropriate for the surrounding area, would increase vehicle traffic on Bella Oaks lane to an undesirable level, and would change the character of the area.
- | Concern of unimpeded emergency evacuation in the event of a wildfire during large marketing events.
- | Concern of increase in groundwater extraction.
- | Concern over an increase in noise from an increase in visitation and marketing events and the change in locations for Tours and Tastings and Marketing Events.
- | Bella Oaks Lane is not in sufficient condition to handle the increase in use from the proposed project.
- | Wineries used for comparison in the Winery Comparison Tables were not analogous, and other candidate wineries should be compared.
- | Designated parking spaces were not enough for the levels of increase in employment and visitation and parking for marketing events was not sufficiently analyzed.
- | Removal of the existing Condition of Approval (Condition of Approval #3 from Use Permit #98072) which required notification to a representative of certain neighbors prior to marketing events.

During deliberations, the Commission also expressed interest in clarification of the language used in the Traffic Impact Study and concern at the existing condition of Bella Oaks Lane. Commissioners requested that the applicant review whether visitation levels could be reduced and whether additional conditions could be added to reduce marketing event frequency. At the conclusion of the Commission's deliberations, the Commission continued the item to the March 3, 2021, Planning Commission meeting to allow applicant/permittee sufficient time to review comments, discuss the issues with neighbors, and to allow staff sufficient time to prepare and provide additional information and potential revised conditions of approval.

On February 19, 2021, the applicant transmitted a revised project description based upon their discussion with the neighbors. Modifications have been made to the scope and conditions of the project and these include; seasonal frequency modification to the daily by appointment tours and tastings program and a proportional reduction in visitation during marketing events, a replacement of the event notification requirement which would see a notice sent to all properties within 1,000 feet of the winery parcels and any other nearby property owners who request notification, modification to the marketing program which reduces the overall amount of events, the time of day in which some events are held, and changes in the location of certain events, a requirement to modify marketing events that would take place during Red Flag Warnings issued from the National Weather Service, and limitations on locations for overflow parking.

Based upon the revised project description and conditions of approval as submitted by the applicant, staff finds that the project addresses concerns identified by the neighbors and the Commission. Furthermore, staff continues to find that the project is consistent with the Zoning Ordinance and applicable General Plan policies. The proposed winery visitation is comparable to other wineries approved to produce approximately 36,000 gallons per year. 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 as revised.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION**Discussion:**

On February 3, 2021, the Planning Commission held a public hearing to consider approval of a Major Modification to Staglin Family Vineyards, an existing 36,000 gallon/year winery. A copy of the full Staff report can be found at <http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=6362>.

Prior to the hearing on February 3, 2021, several emails and letters were received and public comments were presented at the hearing expressing concerns and opposition to various aspects of the project. These included concerns regarding notification of the hearing, increases in traffic on Bella Oaks Lane, existing conditions on Bella Oaks Lane, efficiency of evacuation on Bella Oaks Lane, groundwater, noise from events, and parking. During deliberation, the Commission also expressed concerns about the condition of Bella Oaks Lane, clarification of language used in the Traffic Impact Study, and interest in whether visitation could be reduced and event frequency could be modified. At the conclusion of the Commission's deliberations, the Commission continued the item to March 3, 2021 to allow staff and the applicant sufficient time to address these concerns and comments. As provided below, staff has provided only updates in response to the Commission's February 3, 2021 continuance to allow the applicant and neighbors to further discuss the project and to allow time for staff to prepare modifications to address the comments presented and provide additional information or revised conditions of approval.

Project Notification and Neighborhood Outreach – A Notice of Intent (NOI) to Adopt a Negative Declaration was distributed on January 11th, 2021, with the solicited public comment period running for a period of 20 days between the dates of January 13, 2021 and February 2, 2021. Staglin Family Vineyards NOI was distributed based upon the County's statutory requirements for noticing of public hearings; the notice was sent to the County Clerk's Office, the Napa Valley Register, the County's interested parties list, and properties within a 1,000 foot radius of the project site. In emails and letters received from the public prior to the hearing, Staff became aware that the 1,000 foot noticing radius had missed a number of properties that were outside the 1,000 foot radius for noticing but whose primary access was along Bella Oaks Lane. At the conclusion of the February 3, 2021 public hearing, the Commission continued the meeting to allow the applicant to meet with neighbors over operational aspects of the project and also requested Staff to expand public noticing for the project to all properties along Bella Oaks Lane. On February 16, 2021, the project NOI was redistributed for a 10 day public comment period, running from February 19, 2021 to March 2, 2021. Notification was distributed to the County Clerk's Office, the Napa Valley Register, the County's interested parties list, properties within a 1,000 foot radius of the project site, properties within 300 feet of Bella Oaks Lane, and all physical addresses and email addresses received during the public comment period prior to the initial public hearing of the project.

Applicant Revised Project – On February 2, 2021, the project applicant provided Staff with a modified Conditions of Approval document, proposing four (4) alterations to the project's Conditions of Approval in response to public comments received prior to the meeting. The revision document modified COA Nos. 4.3.g, 4.3.h, 4.20.a, and added a new condition 4.20.b. These modifications changed the location of the large marketing events to inside the Steckter House, a proportional reduction in same day visitation for by appointment tours and tastings during small marketing events, the inclusion of a Transportation Demand Management measure which would encourage visitors to utilize higher occupancy vehicles for tastings, and finally a 30 day notification requirement for all events of 40 persons or more for properties within 1,000 feet and all nearby residents who request to be notified.

Subsequent to the February 3, 2021, public hearing, the applicant meet with concerned neighbors and reviewed the project Conditions of Approval to make further modifications on direction from the Planning Commission. The most up to date revision of the project's proposed Conditions of Approval are contained herein as Attachment B, and the changes can be summarized as follows:

- | Rather than deleting the prior event noticing requirement from Use Permit #98072, the applicant proposes replacing it with a condition which would require 30 days' notice prior to marketing events of 40 or more attendees to properties within 1,000 feet of the winery parcels and other nearby owners who have requested such notice.
- | The addition of a requirement to hold a publicly noticed hearing two (2) years from approval of the Use Permit Major Modification to focus on noise and other neighborhood impacts.
- | Seasonal modification of the proposed maximum visitors for the project's by appointment daily tours and tastings program, which would see a maximum visitation of 44 persons per day between May 1 and November 30 and a maximum visitation of 22 persons per day between December 1 and April 30.
- | Further modification of the proposed marketing program. The proposed marketing program now includes 6 event attendee size categories (maximum 12, 32, 50, 70, 100, and 250 attendees). Marketing events with a maximum of 12 attendees would be reduced in frequency to 16 events annually. Marketing events with a maximum of 32 attendees would be reduced in frequency to five (5) events annually. The three (3) events with a maximum attendance of 100 persons between the hours of 6:00pm and 10:00pm have been modified and now allows for four (4) events annually with a maximum of 50 attendees between the hours of 11:00am – 10:00pm. A new event category with a maximum attendance of 70 persons is added to the program, allowing two (2) of these event types annually between the hours of 11:00am – 10:00pm. The one (1) 100 person maximum marketing event category has been modified to take place three (3) times annually. No modification was made to the 250 maximum attendance events. Events with attendance between 50 and 100 persons are additionally conditioned to be held inside the Steckter House and its enclosable porch during the evenings. Maximum daily visitation for by appointment Tours and Tastings is conditioned to be reduced proportionally to the amount of attendees for same-day marketing events of 32 or less attendees and closed completely during marketing events of 40 persons or more. Shuttle service shall be provided for marketing events of 50 or more guests. Finally the applicant proposes to monitor local conditions during Red Flag Warnings issued by the National Weather Service and adjust marketing events accordingly.
- | On-premises consumption is further modified, disallowing onsite consumption for retail sales of wine.
- | Additional conditions regarding allowable parking locations; parking is restricted from alongside internal access roads, except during harvest activities and approved marketing events. Parking alongside the access road that parallels Manley Lane shall not be allowed during evening marketing events.
- | The applicant proposed to include a TDM measure in which visitors are encouraged to use higher occupancy vehicles in groups of 4-6 persons.

Overall, the applicant's revisions to the proposed project reduce annual visitation, annual marketing visitors, number of marketing events, location and frequency of visitation and events in order to address concerns that were brought forward by neighboring property owners and the commission at the February 3, 2021, hearing. Annual visitation and marketing visitation is reduced by 20%. The number of marketing events is reduced by 22 events per

year. Total visitation is reduced by 3,650 visitors. While still above the average and median values for annual visitation, annual marketing visitation, and total visitation of by appointment and Pre-WDO wineries of comparable production capacity, the modifications proposed by the applicant do bring their operational conditions to closer parity.

Discrepancy between TIS Scope and Public Works Approval memo – One comment was received both in writing and verbally during the hearing that a discrepancy existed between the scope of the TIS and the approval memo from the Department of Public Works in the project's Conditions of Approval. In the prior Public Works Approval memo the project had been conditioned to not include employees or visitation on non-harvest Saturdays and no visitation but only five employees on harvest Saturday's. As explained in the updated approval memo from the Department of Public Works (Attachment B), that original condition had been erroneously left in the memo from a previous iteration of the Public Work's approval memo when the project had been analyzed without weekend visitation. That comment was missed when Public Works updated their memo between analyses, but as provided in Attachment B, it has been updated to represent appropriate conditions and the actual scope of the proposed project.

Groundwater Demand and Recharge – Comments were received that questioned the project's impact on groundwater supplies, including one written letter which requested clarification on the recharge equation used on page 14 of Attachment G of the February 3, 2021, Staff Report (Water Availability Analysis/ Water System Feasibility Study). As explained in the Groundwater Use section of the prior Staff Report, the applicant submitted a Water Availability Analysis which calculated groundwater availability and demand based upon the Napa County Water Availability Analysis Guidance Document (Adopted May 12, 2015). Napa County's WAA Guidance Document provides for a tier analysis approach, where based upon the project's location and other adjacent groundwater phenomenon (nearby wells, springs, etc) a different tier of analysis is required. Projects which reside within the Napa Valley Floor or the Milliken-Sarco-Tulucay groundwater deficient area, are required to provide a Tier 1 analysis unless substantial evidence in the record indicates the need to complete other tiers of analysis. As provided by Summit Engineering in the submitted WAA for the project, 57.7 acres of the project reside in the area designated as the Napa Valley Floor, while the remaining six (6) acres, which abut the far western side of the project site, are within an area designated as "All other areas". Due to a clear majority of the project residing within the Napa Valley Floor, and given that the project well falls within this area as well, Summit Engineering provided a conservative estimate of groundwater availability for the project, by calculating based upon the 57.7 acres of the project only. The County of Napa WAA Guidance document provides that "the acceptable water use screening for parcels located on the Napa Valley Floor is 1 acre-foot per acre of land per year". Thus the project's existing water demand (22.74 af/yr) and proposed water demand (22.95 af/yr) was compared against a water use criteria of 57.7 af/yr.

As explained by Gia Giacone of Summit Engineering during the comment period for the applicant and applicant's representatives during the February 3, 2021 public hearing, and further explained in her February 19, 2021 memo (Attachment D); page 14 of Attachment G was submitted in error. The page includes a recharge calculation that is appropriate when calculating recharge for properties within "All other areas" but is not appropriate for projects on the Napa Valley Floor.

Existing conditions of Bella Oaks Lane and Emergency Evacuation – Comments were received concerning the existing condition of Bella Oaks Lane and emergency access. The following analysis concerning county road conditions was provided by Steve Lederer, Director of Public Works;

"The County has many roads that were not built to today's new construction standards. Many are long dead end roads in hillside locations, others shorter and straighter but narrow. The Board has approved hundreds of projects on these roads over the years (to the best of my knowledge has never turned one down specifically because of the condition of the public road). These approvals have been on our "standard" mountain roads, such as Soda Canyon, Atlas Peak, and Mt. Veeder, to some of the most challenging, like the Old Toll Road.

Unless a project has a specific impact that must be mitigated (such as triggering a left turn lane, or causing an impact at a nearby intersection), we had never previously been authorized to ask for improvements to an existing public road. In 2019 with the adoption of the new circulation element, a new option became available to staff, whereby we can (but don't have to) ask an applicant to improve the public road between their project and the next major road or emergency services provider. The "ask" must be relevant to the project and reasonably proportional, but can include things like widening narrow points, creating new turnouts, straightening a turn, and similar things. We have not been applying this new rule to applications that have been in process for a long time. While we could legally, we generally try to avoid "changing the rules in mid-stream".

This cannot be applied solely to force an applicant to repave an existing road. While an applicant could volunteer to do that as a contribution to the community, basic maintenance is the responsibility of the county. The current condition of the road is irrelevant to the approval or denial of a project. Road conditions cycle between good and bad based on a number of factors (mostly available funding). If we decide for instance that we are only going to approve a housing project when the road in front of their property is in good shape, then the corollary would be that if that road were to get some pot holes later then everyone would need to move out of their homes until the road was fixed. That of course makes no sense."

The project was reviewed by the County Engineering Division, the Department of Public Works, and CalFire; all of which review aspects of the project for emergency conditions. All three have recommended approval of the project as conditioned.

Public Comment – Subsequent to the February 3, 2021 public hearing, and prior to the completion of this Staff Report, 13 public comments were received by Staff, eight (8) in support, four (4) in opposition, and one (1) letter which requested additional information. Reasons for opposition included concern with the noticing of the project, traffic on Bella Oaks Lane and the condition of Bella Oaks Lane, and noise from increased events.

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: Approve Applicant's Proposal (Staff Recommendation)

Discussion – Approval of the project would allow the requested changes to the existing winery as modified by the applicant.

This option has been analyzed for its environmental impacts, which were found to be less than significant. Furthermore, the project as proposed meets all County Code requirements and regulations, and complies with General Plan policies. Furthermore, sufficient water is available to implement the changes, the applicant proposes to incorporate GHG and VMT reduction measures, and there will be no significant environmental impacts to the site.

Action Required – Follow the proposed actions listed in the Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at the time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant.

Option 2: Reduced Project Alternative

Discussion - All potential environmental impacts have been found to be less than significant through a combination of project design and conditions of approval. However, this option provides the Planning Commission at their discretion, the ability to further reduce potential impacts by modifying the proposed scope of the project via

the requested visitation, the number of marketing events, or the maximum amount of guests at marketing events.

Action Required – Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to place limits on use. If major revisions of conditions of approval are required, the item will need to be continued to a future date.

Option 3: Deny the Applicant's Proposal

Discussion - In the event the Commission determines that the project does not, or cannot meet the required findings for grant of the Use Permit, Commissioners should articulate what aspect or aspects of the project are in conflict with 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 modification is not being approved.

Action Required – Commission would take a tentative motion to deny project and remand the matter to staff for preparation of required finding to return to the Commission on specified date.

Option 4: Continuance Option

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

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Applicant's Proposed Modifications
- D . Summit Engineering, Inc Memo
- E . Staff Report of February 3, 2021
- F . Winery Comparison Tables - Revised
- G . Graphics
- H . Public Comments Received Subsequent to February 3, 2021, Hearing

Napa County Planning Commission: Approve

Reviewed By: Brian Bordona