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Agenda Date: 3/6/2019
Agenda Placement: 7B
Continued From: February 20, 2019

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: Emily Hedge, Planner III - 259-8226
SUBJECT: P16-00021 Kenefick Winery Use Permit

RECOMMENDATION

THOMAS KENEFICK / KENEFICK RANCH WINERY / USE PERMIT # P16-00021

CEQA Status : Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures (or MM's). MM's are proposed for 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 of a Use Permit for a new 20,000 gallon per year winery to allow the following: a) Construct a 3,840 square foot two-story winery structure with a 900 square foot covered crush pad. The first floor would include a fermentation and storage room, tasting room, and restroom, with an office and lab on the second floor. The winery building will replace an existing agricultural storage building; b) Maximum annual permitted maximum production of 20,000 gallons; c) Hours of operation seven days a week: 7:00 AM to 5:00 PM (production hours, except during harvest) and 10:00 AM to 5:00 PM (visitation hours); d) Employment of: four employees (three full time and one part time) non harvest; e) Tours and tastings by appointment only for 12 visitors per day; weekly maximum of 84 visitors; f) Annual marketing plan – 10 events (maximum of 30 guests per event) and one event (maximum of 50 persons), catered food may be served at events; g) Construction of six parking spaces; h) Connect the winery to the existing septic system; i) Utilize an existing well; j) Improvement of the existing on site driveway (widening to 20 feet) to meet County Road and Street Standards; and k) Installation of one 20,000 gallon water storage tank. The project is located within the Agricultural Watershed (AW) and Agricultural Preserve (AP) zoning district on an approximately 44-acre site at the end of Pickett Road in Calistoga. 2200 Pickett Road, Calistoga, CA. APN: 020-340-007.

Staff Recommendation: Adopt the proposed Mitigated Negative Declaration and approve the Use Permit as conditioned.

Staff Contact: Emily Hedge, Planner III; phone 707-259-8226; Emily.Hedge@countyofnapa.org

Applicant Contact: Thomas Kenefick, 2200 Pickett Road, Calistoga, CA 94515; phone 707-952-6159; or email tom@kenefickranch.com

Representative Contact: Lester Hardy; P.O. Box 667 St. Helena, CA 94574; phone 707-967-9610; or email lester@lfhardy.com

CONTINUED FROM THE FEBRUARY 20, 2019 COMMISSION MEETING.

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and MMRP based on recommended Findings 1-7 in Attachment A; and
2. Approve the Use Permit based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B.

Discussion:

The project consists of approval of a Use Permit for a new 20,000 gallon per year winery, with daily visitation for up to 12 visitors by appointment only and an annual marketing plan of 10 events (maximum of 30 guests per event) and one event (maximum of 50 persons). The winery would be open daily 7 am to 5 pm (production) with visitation allowable between 10 am to 5 pm (visitation) with a maximum of four employees.

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. The proposed winery is comparable to other wineries approved to produce 20,000 gallons per year. Implementation of the proposed project, with incorporation of the proposed mitigation measures for protection of biological resources and the recommended conditions of approval, 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 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 a mitigation measure for biological resources. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Property Owner/Applicant: Thomas Kenefick

Zoning: Agricultural Watershed (AW) and Agricultural Preserve (AP)

General Plan Designation: Agricultural Resource (AR) District

Application Filed: January 22, 2016; **Resubmittals Received:** June 8, 2017; March 12, 2018; **Application Complete:** November 19, 2018

Parcel Size: 44.28 acres

Existing Development: The parcel is currently developed with a storage building that will be demolished and replaced by the proposed winery structure, two fallen-down sheds that will be removed, a half-buried barn, two work sheds, a storage building, a tractor shed, a vineyard office, a working barn with attached lean-to shed, a chicken coop, the main house, a two-bedroom farmworker mobile home, and a two-bedroom farmworker residence. All of these structures will remain, with the exception of the two fallen-down sheds and the agricultural storage building that will be demolished to make way for the proposed winery.

Proposed Winery Characteristics:

Proposed Winery Building Size: Approximately 3,840 square foot building. The first floor is approximately 3,240 square feet with a 2,640-square foot fermentation room and a 600-square foot tasting room. The second floor is approximately 600 square feet and is comprised on an office and laboratory. The winery will also have a 900-square foot covered crush pad.

Proposed Production Capacity: 20,000 gallons of wine per year

Proposed Winery Development Area: 4,140 sq. ft. (0.1 acres)

Proposed Winery Coverage: 35,490 sq. ft. (0.81 acres); 1.83% of parcel

Proposed Accessory to Production Ratio: 0.26% (Production 3,840 sq. ft. and Accessory 978 sq. ft.)

Proposed Number of Employees: 4 (three full-time and one part-time)

Proposed Visitation: Daily by appointment, for up to 12 visitors per day. Maximum of 84 visitors per week.

Proposed Marketing Program: Annually 10 events with a maximum of 30 persons and one event with a maximum of 50 persons. Event hours 11:00 am - 10:00 pm. Catered food service may be provided at events.

Proposed Hours of Operation:

Production (Non-harvest) – 7:00 AM – 5:00 PM

Visitation – 10:00 AM – 5:00 PM

Proposed On-site Parking: Six parking spaces

Setbacks: Required 20 feet from property lines. The closest portion of the proposed structure will be more than 150 feet away from the northern property line.

Adjacent General Plan Designations/Zoning Districts/Land Uses:

North: General Plan Designation of AR and AWOS and a Zoning designation of AW

South, East, and West: General Plan Designation of AR and a Zoning designations of AW and AP

Surrounding land uses include residences, vineyards, wineries and undeveloped wooded hillsides. The City of Calistoga is approximately a quarter of a mile southwest of the property.

Nearby Wineries (within one mile of project site): There are 10 wineries within one mile of the project. Three of those wineries are within the City of Calistoga. Please refer to the attached Winery Comparison Analysis.

Parcel History:

The project is currently developed with residential structures, farm labor dwellings, a vineyard office, and agricultural structures comprising what the owner refers to as the "ranch center". There are approximately 23 acres of vineyards planted. The following Planning permits have been applied for on the site:

P04-0479 – A Home Occupation permit for wholesale wine sales was approved by staff November 17, 2004.

P08-00019-ECPA – An erosion control plan for a vineyard replant and conversion (multiple parcels) was approved by staff on May 19, 2008.

P11-00269 – An application for a winery use permit was submitted in July 2011. An incomplete letter was sent to the applicant on August 24, 2011. No response to comments was received. Due to the lack of response, the application was deemed withdrawn in January 2013.

P16-00021 – The current application for a winery use permit was submitted on January 22, 2016.

Code Compliance History:

There are no current code violations related to this property.

CE2770 – The case was opened May 17, 2007 - Multiple structures were identified as being used for farmworker housing without a use permit. Building code violations were also discovered. The code case was resolved in December 2008 through the approval of building permits and site inspections to ensure compliance was completed.

Discussion Points:

Setting – The parcel is approximately 0.6 of a mile off Silverado Trail, near the City of Calistoga. The parcel is approximately 44 acres in size with approximately 23 acres of producing vineyard. The parcel is part of the Kenefick Ranch, which consists of multiple contiguous parcels totaling approximately 250 acres, of which about 125 are planted in vineyards. As stated above, the project is currently developed with residential structures, farm labor dwellings, a vineyard office, and agricultural structures comprising what the owner refers to as the "ranch center". The existing structures will remain, with the exception of the two fallen down sheds and the agricultural storage building that will be demolished to make way for the proposed winery. The proposed building site lies in a small canyon, at the base of the hillside along the northern property line. According to the Cultural Resources Evaluation, it appears that the entire canyon mouth area has been excavated and reformed in the past to accommodate the current group of structures and uses. The small seasonal creek that drains the canyon has been diverted around the easterly side of the canyon in a small ditch. This diversion appears to have been in place since the barn was constructed. This appears to have occurred several decades ago. The property is surrounded by rural residential use, agricultural (vineyards) use, and wineries. The nearest neighboring residences, located across Pickett Road, are approximately 950 feet and 1,050 to the east of the proposed winery building. Nearby wineries include Kelly Fleming Wines, Eisele Vineyard (formerly Araujo Estates Winery), Venge Vineyards, and three wineries within the City of Calistoga.

Existing Wine Production – Mr. Kenefick has been making wine under the Kenefick Ranch label for years, but production does not occur on the property proposed for this project (2200 Pickett Road). At the present time the

wines are made at the Fairwinds Estate Winery located at 4550 Silverado Trail. Kenefick Ranch Winery tours and tastings are also held at the Fairwind Estate Winery.

Winery Proposal - The winery site is proposed to replace an existing agricultural storage building located at the base of the hillside at the northern end of the existing development. The proposed winery includes a two-story, approximately 3,840 square foot structure and a 900 square foot covered crush pad. A utility area with a 20,000 gallon water storage tank is proposed at the north end of the winery building and crush pad. The proposed winery building would feature a metal roof, wood siding, and exposed concrete and/or stucco siding intended to match light and dark gray, tan, and gold paint colors.

Visitation and Marketing Program – The project proposes a maximum of 12 visitors, by-appointment only, per day, with a weekly maximum of 84 visitors. The proposed marketing program is an annual total of 11 events, comprised of 10 events (maximum of 30 guests per event) and one event (maximum of 50 persons). Catered food service is proposed to be served at events only. Food and wine pairing is not proposed for daily visitation. The application originally stated that no temporary events would be held at the winery. Staff determined that there was no reason to restrict temporary events and, therefore, it is no longer a component of the proposed project. Events would take place within the winery tasting room and outside in the parking lot area adjacent to the winery building. The building and parking lot are within the small canyon and the hillside and existing development would shield the area from surrounding residences. The Winery Comparison Analysis compared the proposed visitation and marketing to other wineries with a production capacity of 20,000 gallons per year. The visitation and marketing levels are similar to other by-appointment wineries, but slightly higher than Pre-WDO wineries.

Noise – There will be a change in the ambient noise level due to the change in use from an unused agricultural storage shed to a winery. Noise from winery operations is generally limited and intermittent, meaning the sound level can vary during the day and over the course of the year, depending on the activities at the winery. The nearest neighboring residences, located across Pickett Road, are approximately 950 feet and 1,050 to the east of the proposed winery building. The proposed winery location is in a small canyon, with a low, tree-covered hillside between the location and the neighboring residences. The project would be required to comply with Napa County's Noise Ordinance and standard conditions of approval.

Biological Resources - The habitat assessment prepared for the site identified potential impacts to biological resources including nesting birds, roosting bats, and oak tree removal. Four mitigation measures were identified and incorporated into the Mitigated Negative Declaration (MND). As discussed in detail in the MND and included in Condition of Approval 6.12, the requirement for pre-construction surveys for nesting birds and bats (in trees and structures to be demolished) shall be completed. To reduce impacts to oak tree removal an Oak Tree Replacement Plan with a 2:1 replacement ratio, shall be prepared by a qualified biologist and submitted to the Planning Division for review and approval. Incorporation of these mitigation measures reduces the potential impacts to less than significant. The Department of Fish and Wildlife reviewed the MND and submitted an email including what they called their "informal comments". Staff believes the proposed mitigation measures as included in the MND are sufficient to reduce potential impacts to less than significant and that incorporation of the recommendations included with the "informal comments" is not necessary.

Groundwater Use – The project location is categorized as "all other areas" based upon current County Water Availability Analysis (WAA) policies and, therefore, water use criteria is parcel specific based upon a Tier 2 analysis. A Water Availability Analysis Tier 1 and Tier 2 analysis was completed by Delta Consulting & Engineering on December 18, 2015 (Resubmitted January 10, 2017 with no changes). The analysis demonstrated that the total estimated annual ground water recharge of 9.83 acre-feet exceeds the estimated water use of 1.43 acre-feet (proposed winery, residences, and office), and therefore meets the County WAA criteria. The parcel water demand can be met with the existing on site well. In summary, the existing yield would be sufficient to serve all uses on the property.

Wastewater System – The Septic Feasibility Report prepared by Delta Consulting & Engineering (January 10, 2017) proposes two options for managing the disposal of domestic and process wastewater generated by the proposed winery. The primary option will be connecting the winery development, sending domestic wastewater and process wastewater to the existing conventional septic system which currently serves the farm worker housing and vineyard office. The second option is to separate the process and domestic wastewater into two separate systems. With this option, the domestic wastewater would be routed to the existing conventional septic system as detailed above, however, the process wastewater would be routed to a separate system to provide a higher level of treatment, allowing the water to be recycled as vineyard irrigation. The report concludes that either options is capable of treating and dispersing the wastewater as estimated by the proposed marketing plan. The Division of Environmental Health reviewed this report and concurred with its findings.

Site Access – The winery access driveway is located on Pickett Road, approximately 0.6 of a mile off of Silverado Trail. The proposed access driveway improvements and on-site circulation configuration would be improved to meet Napa County Road and Street Standards. There is an existing access road from Rosedale Road that is used for activities associated with the existing vineyard. Use of that access road was not evaluated as part of the project, therefore winery traffic will be restricted to the driveway off of Pickett Road. Condition of Approval 4.20(a) has been included.

Greenhouse Gas Reduction Strategies - The applicant intends to implement the following GHG reduction methods at the winery: installation of solar collector for winery; installation of energy conserving lighting and water efficient fixtures; cool roof, priority parking for efficient transportation; priority to organized group visits; bicycle riding incentives for employees, installation of bicycle parking and information on biking in Napa; education to staff and guests on sustainable practices; and use of recycled materials. By using the previously disturbed site of the agricultural barn, the project is designed to minimize grading and tree removal. The existing vineyard utilizes 70 to 80 percent cover crop, and retains biomass removed via pruning and thinning via chipping the material and reusing it rather than burning on-site. The Kenefick Ranch is currently certified "Napa Green Land".

Grape Sourcing – The grapes for production will all come from the Kenefick Ranch, which includes the winery parcel and other adjacent parcels totaling approximately 250 acres, of which about 125 acres are planted in vineyards. The applicant has calculated the average annual yield from the vineyards at approximately 450 tons which, based on a conservative estimate of 3.6 tons/acre, will yield approximately 67,500 gallons. This quantity is sufficient to support the requested production capacity of 20,000 gallons. Grape deliveries will all be internal. None of the grape deliveries will travel off the ranch on a public road.

Public Comments – As noted in the Biological Resources section above, the Department of Fish and Wildlife submitted an email with their "informal comments". To date, one letter of support has been received.

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 permit a new 20,000 gallon per year winery with by-appointment visitation and marketing.

This option has been analyzed for its environmental impacts, which were found to be less than significant with the incorporation of mitigation measures requiring pre-construction surveys for nesting birds, pre-construction surveys for the presence of bats, and the replacement of oak trees (2:1 ratio). Furthermore, the project as proposed meets all County Code requirements and complies with General Plan policies. The zoning analysis, including compliance with all WDO and Zoning Code regulations, and the environmental review, have led staff to conclude

that the project merits the approval as proposed and conditioned.

Action Required – Follow the proposed action listed in the Executive Summary.

Option 2: Reduced Project Alternative

Discussion - This option could result in a potential decrease in production capacity, visitation, or number of 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 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 Memos
- C . Mitigated Negative Declaration and MMRP
- D . Use Permit Application Packet
- E . Habitat Assessment
- F . Water Availability Analysis
- G . Septic Feasibility Report
- H . Cultural Resources Evaluation (Cover Page Only)
- I . Winery Comparison Analysis
- J . Graphics
- K . Public Comments

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina