



Agenda Date: 4/16/2008
Agenda Placement: 8B
Continued From: March 19, 2008

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Melissa von Loesch, Administrative Secretary II - 299-1380
SUBJECT: Robert Mondavi Winery/Constellation Brands, Inc. Use Permit Modification # P07-00435-MOD

RECOMMENDATION

ROBERT MONDAVI WINERY/CONSTELLATION BRANDS, INC. - USE PERMIT MODIFICATION REQUEST #P07-00435-MOD

Request: Approval to modify Use Permit #00501-UP to: 1) increase annual production from 1.6 million gallons per year to 3.0 million gallons per year and 2) recognize an existing tank pad with ten relocated fermentation tanks. The project is located on a 63.0 acre parcel on the west side of St. Helena Highway (State Route 29), approximately 0.5 mile of its intersection with Oakville Cross Road, within the AP (Agricultural Preserve) zoning district. (Assessor's Parcel # 027-280-050) 7801 St. Helena highway, Napa.

Staff Recommendation: Adoption of the Mitigated Negative Declaration and approval of the Major Modification with recommended conditions of approval.

(ITEM CONTINUED FROM MARCH 19, 2008)

EXECUTIVE SUMMARY

The proposal would increase its current 1.6 million gallons/year production limit to 3.0 million gallons/year through additional bottling production of bulk wine shipments received from other wineries. Most, if not all of the 1.4 million gallons of bulk wine transported would be crushed and fermented at other wineries also owned by Constellation Brands, Inc. This additional gallonage is subject to compliance with the 75% Napa County grape sources requirement. The additional production request will accommodate an increase in bottling capacity only, with no additional on-site wine crushing, fermentation or barrel ageing occurring at the facility although the County only regulates total production and not how that production is achieved. No new building construction, increase in previously authorized employee levels, visitation or other operational characteristics at the winery is proposed; transporting the bulk wine and bottled wine would be the primary change.

Proposed Action: That the Planning Commission adopt Resolution P07-00435-MOD adoption the Mitigated Negative Declaration, and approving the use permit major modification for the Robery Monday Winery.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Mitigated Negative Declaration Prepared. According to the Mitigated Negative Declaration, the proposed project would have, if mitigation measures are not included, potentially significant environmental impacts in the following area: traffic. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: Constellation Brands, Inc.

Applicant: Robert Mondavi Winery

Representative: Michael Witek, Esq., Dickenson, Peatman & Fogarty

Zoning: AP (Agricultural Preserve) District

General Plan Designation: Agricultural Resource

Filed: June 18, 2007 **Declared Complete:** February 11, 2008

Building Size: Approximately 149,059 sq. ft. (no changes proposed)

Production Capacity: 1.6 million gallons/year (Proposed 3.0 million gallons/year)

Visitation: 900 persons/day with 2,500 average/week (No changes)

Marketing: (No changes)

Number of Employees: 331 full and part time (No changes)

Hours of Operation:

Production -- Monday through Friday, 5:00 AM to 12:00 AM

Retail -- Daily, 10:00 AM to 6:00 PM.

Parking: 382 spaces with a maximum 169 spaces designated for use by visitors (No changes)

Adjacent Zoning / Land Use:

North: AP -- Agriculture/Vineyard -- 147 acre vineyard parcel (Diageo North America, Inc.);

South: AP – Agriculture/Vineyard – two, approximately 44.5 acre vineyard parcels (Beckstoffer Vineyards II);

East: AP – Agriculture/Winery/Vineyard/ Residential - four parcels, 21.64, 32.19, 11.72 and 4.25 acres, containing wineries (Turnbull Wine Cellars, Nickel & Nickel Winery), vineyards and single family residences.

West: AP – Agriculture/Vineyard – one 83.9 acre vineyard parcel (Constellation Brands, Inc. DBA Tokalon Vineyards)

Property History:

1966 - The original 1.6 million gallons/year winery was originally established with public tours and tasting when such facilities were considered a permitted use.

August 1982 - Use Permit #U-68283 was approved to increase production capacity from 1.4 to 1.6 million gallons/year with the installation of additional storage tanks and a modular office building; included as part of this permit was an approximately 1, 250 sq. ft. tasting area.

1983 - 1996 - A series of use permit modifications added offices, production area, tasting areas, employee parking areas and various permanent and temporary improvements.

June 1994 - a Certificate of Legal Nonconformity was issued recognizing eight outdoor concerts as a legal nonconforming use at the winery.

December 1998 - Use Permit #98071-MOD was approved to allow winery expansion with a new 21,438 sq. ft. red wine fermentation building and an 18,300 sq. ft. mezzanine within the existing barrel warehouse for offices. This permit included remodel and renovation of the winery by relocating the retail sales room into a former office area, relocating the outdoor visitor staging/reception/orientation area to the retail and tasting rooms, the addition of a 448 sq. ft. "tasting kitchen" used as an *hors d'oeuvres* preparation area only and office trailers for displaced office employees during construction.

December 1998 - Use Permit Modification #98186-MOD allowed expansion of the parking lot by 19,800 sq. ft. and relocation of 50 existing parking spaces for a total of 382 spaces, with a maximum 169 spaces designated for visitors.

January 2007 - Use Permit Modification #P07-00014-MOD granted administrative approval to allow a new 1,267 sq. ft. canopy cover.

Code Compliance History:

The project has historically had a good compliance record, however, within the last two years there have been two code enforcement actions. First, on two occasions complaints were received concerning twenty foot tall, temporary event flags placed during their summer festivals. In both cases, the winery removed the flags after being contacted by code enforcement. Second, fermentation tanks were installed without required building permits at the rear of the facility within the last year. Processing of the winery use permit was delayed until that change was incorporated with the current application. Approval of this use permit will authorize the tanks and allow the applicant to obtain building permits rectifying the violation.

Discussion Points:

1. Production Increase - Robert Mondavi Winery's request would increase its current 1.6 million gallons/year production limit to 3.0 million gallons/year through bottling production of bulk wine shipments received from other wineries. No new building construction, increase in previously authorized employee levels, visitation or other operational characteristics at the winery is proposed. Bottling activities occur Monday through Thursday each week; the project would not affect weekend activities.

According to the applicant, no additional staff is proposed beyond the existing maximum 331 full- and part-time employees noted in their application. Since Constellation Brands, Inc. became the winery owner, employee levels have fluctuated as consolidation and winery reorganization occurred. Current full- and part-time employee levels are well below that number and would not exceed that amount even with the proposed production increase.

Due to the facility's pre-Winery Definition Ordinance status, there is conflicting information in the County's Winery Inventory database and use permit files for the number of employees and visitors allowed (see additional discussion below). In supplemental information provided for Use Permit #U-68283, up to 210 full- and part-time employees were proposed. Unfortunately, neither that or any subsequent use permits indicated employee figures. The 1998 County database shows 199 employees for the winery; the 2007 County database lists 331 employees. The current application reflects this latest figure.

2. Grape Source - Although the winery has been operation since 1966, it has been subject to Use Permits since 1982 beginning with Use Permit #U-68283. The proposed 1.4 million gallons/year production increase is subject to County Grape Source requirements where at least 75% of the grapes used to make the winery's still wine shall be grown within the County of Napa. Condition # 11 in 1998 Use Permit # 98071-MOD states:

"Any future request for an increase in production capacity shall be considered together with this permit for expanded development area in determining whether the 75% rule described in County Code Section 18.104.250(C) applies."

County Code Section 18.104.250(C) states:

C. All existing wineries which expand beyond their winery development area shall be subject to the following additional limitations:

1. At least seventy-five percent of the grapes used to make that portion of the winery's still wine which is produced as a result of the expansion shall be grown within the county of Napa.
2. At least seventy-five percent of the grapes used to make the still wine used to make the sparkling wine that is produced as a result of the expansion shall be grown within the county of Napa. (Ord. 947 §17, 1990: prior Code §12419)

As detailed below, the winery development area is increased with the expanded fermentation tank pad area.

The applicant has agreed to comply with the 75% rule for the proposed 1.4 million gallon production increase..

3. Relocation of Fermentation Tanks - The request also seeks recognition of a new concrete pad where 10 existing fermentation tanks were relocated without the required use permit modification and building permits late last year. The tanks and second-story cat walks were formerly located within the winery building. Their new outdoor location is near the center, behind the existing winery building, in a former parking lot circulation area. The tanks are not visible from State Route 29 and are indistinguishable from existing fermentation and other storage tanks located behind the building, however, they are subject to standard requirements to provide screening of these relocated . No neighbor comments have been submitted to staff.

4. Traffic - According to the George Nickelson *Traffic Analysis for Increased Bottling Activity at the Robert Mondavi Oakville Winery (State Route 29, Approximate Postmile 23.1)*, June 12, 2007, the project will generate an estimated four new, additional daily truck trips onto State Route 29. The applicant estimates that there are under 1,300 truck deliveries per year based on the standard estimates of 2,310 empty cases per truck delivered to the winery, 1,232 full cases per truck leaving the winery, about 20 deliveries for corks, capsules, and labels and about 460 deliveries of grapes. Combined with the addition of four daily truck trips on an average 250 days per year for

the production increase, as discussed in the Initial Study/Mitigated Negative Declaration prepared for the project, the two mitigation measures detailed above will reduce potential traffic impacts to a less than significant level. Potential traffic-related impacts for existing and increased daily truck trips can be reduced to a less-than-significant level if two mitigation measures are incorporated as part of the project: 1) The project sponsor shall ensure that reoccurring and scheduled vehicle trips to and from the site for employees and deliveries, including but not limited to tank truck deliveries of raw wine, deliveries of bottling supplies, and bulk wine shipments of finished cases of wines, do not occur during peak (4:00-6:00 PM) travel times to the maximum extent possible; and 2) All road improvements on private property required by the Napa County Department of Public Works or California Department of Transportation shall be maintained in good working condition.

5. Visitors – As stated in the discussion above for winery employees, there is also no defined figure for the allowed numbers of visitors in any use permits for the facility. In supplemental information provided for Use Permit #U-68283, a range of 300 visitors per day and 1,260 visitors per week during the off-season and a seasonal high of up to 1,440 visitors per day and 7,056 per week were anticipated. As noted by the applicant in 1982, these figures were a “recent reduction due to adoption of (a) reservation policy.” The current application anticipates 900 visitors on the winery’s busiest day and 2,500 average visitors per week. Recommended permit conditions reflect these lower, updated figures submitted by the applicant.

Consistency with Standards:

1. Zoning - No substantive changes will occur to the site as part of this project. The existing project is conforming with zoning requirements. The proposed production increase will comply with the winery definition ordinance and 75% Napa County grape sourcing requirement.
2. Building and Fire Department Requirements - The proposed increase in wine production within the existing building area does not warrant additions to the fire protection conditions, so long as all construction and use of the facility complies with all applicable standards, regulations, codes and ordinances at the time of building permit issuance."
3. Public Works Department - no comments on the project.
4. Environmental Management Department - In its July 30, 2007 letter, the Department of Environmental Management recommended approval of the application providing that the applicant continue to submit all required wastewater monitoring reports. If flows are found to exceed design capacity, the applicant will be required to submit a corrective action plan which either demonstrates how they will reduce flows or how they will expand the system to accommodate the additional flows. To ensure compliance with existing wastewater treatment capacity, Environmental Management has required that the additional 1.4 million gallons production be restricted to bottling of bulk wine crushed and fermented off-site only.

SUPPORTING DOCUMENTS

- A . Memorandum
- B . Resolution
- C . Conditions
- D . Previous Conditions
- E . Department Comments
- F . Initial Study/Mitigated Negative Declaration
- G . Project Revision Statement

H . Mitigation Monitoring and Reporting Program

I . Application

J . Wastewater Feasibility Study

K . Traffic Study

Napa County Planning Commission: Approve

Reviewed By: John McDowell