



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 4/18/2018

Agenda Placement: 7B

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission

**FROM:** Vincent Smith for David Morrison - Director  
Planning, Building and Environmental Services

**REPORT BY:** Jason Hade, Planner III - (707) 259-8757

**SUBJECT:** Dry Creek / Mount Veeder Winery Use Permit P17-00343-UP & Variance P17-00345-VAR

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### **RECOMMENDATION**

#### **OAKVILLE WINERY, LLC/DRY CREEK / MOUNT VEEDER WINERY / USE PERMIT NO. P17-00343-UP & VARIANCE NO. P17-00345-VAR**

**CEQA Status:** 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 mitigation measures. Mitigation measures are proposed for the areas of biological resources, geology and soils, noise, transportation/traffic, and tribal cultural 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 to allow the construction of a new 30,000 gallon winery with the following characteristics: 1) construction of a 2,400 square foot winery building (includes a 150 square foot tasting room); a 17,220 square foot cave (includes 15,890 square feet of barrel storage, 1,176 square feet for equipment/utility space, and 154 square feet of accessory space); 800 square foot covered crush pad; 2,942 square foot covered outdoor work area; and a 619 square foot owner/winemaker residence with 519 square foot covered patio; 2) hosted daily tours and tastings by appointment only for a maximum of 10 persons per day and 70 persons per week Monday through Sunday; 3) a Marketing Program as follows: (a) Ten (10) events per year with a maximum of 30 guests; (b) One (1) event per year with a maximum of 100 guests; (c) all food to be catered; and (d) time of day: 11:00 AM to 10:00 PM; 4) on-premises consumption of wines produced on site in the 519 square foot covered patio area in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5; 5) hours of operation: 8:00 AM to 6:00 PM (production hours, except during harvest) and 10:00 AM to 4:00 PM (visitation hours), 7-days a week; 6) employment of: maximum of four (4) full-time employees; 7) employee hours: 8:00 AM to 6:00 PM, 2 shifts; 8) construction of eight parking spaces (seven standard spaces and one ADA space); 9) construction of one new driveway to access Mount Veeder Road; 10) installation of landscaping; 11) installation of a wastewater treatment system; and 12) construction of one 20,000 gallon water storage tank (12,000 gallons for fire protection and 8,000 gallons for domestic use), use of one existing well, and demolition of one existing well. A Variance

application (P17-00345) is also requested to allow construction of the proposed covered crush pad 84 feet from the centerline of Mount Veeder Road and the proposed winery building 104 feet from the centerline of Mount Veeder Road. Both would be located within the minimum 300-foot winery setback from Mount Veeder Road. The project is located on an approximately 55.5 acre parcel, within the AW: Agricultural Watershed zoning district at the intersection of Dry Creek Road and Mount Veeder Road; APN: 027-310-039.

**Staff Recommendation:** Adopt the Mitigated Negative Declaration and approve the Variance and Use Permit, as conditioned.

**Staff Contact:** Jason R. Hade, AICP, Planner III, (707) 259-8757 or [jason.hade@countyofnapa.org](mailto:jason.hade@countyofnapa.org)

**Applicant Contact:** Thomas F. Carey; P.O. Box 5662, Napa, CA 94581; (707) 479-2856

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on recommended Findings 1-7 in Attachment A;
2. Approve Variance P17-00345-VAR based on recommended Findings 8-12 in Attachment A, and subject to the recommended conditions of approval in Attachment B; and
3. Approve Use Permit P17-00343-UP based on recommended Findings 13-17 in Attachment A, and subject to the recommended conditions of approval in Attachment B.

### **Discussion:**

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. Staff has also reviewed the variance request and the evidence submitted and believes the findings can be met. Strict application of the required minimum winery setbacks from Mount Veeder Road would result in excessive hillside grading and tree removal while failing to take advantage of the previously disturbed relatively flat area of the parcel. The requested visitation and marketing program is similar in size to those of 30,000 gallon per year production wineries with by appointment visitation. Implementation of the proposed project as recommended would result in minimal potential environmental impacts based upon the applicant's agreement to implement 10 mitigation measures. The applicant proposes to incorporate the following greenhouse gas emission reduction methods including: installation of rooftop solar panels; exceeding Title 24 energy efficiency standards: Build to CALGREEN Tier 2 (cave); solar hot water heating; energy conserving lighting; energy star roof/living roof/cool roof; installation of water efficient fixtures; application of low impact development; installation of water efficient landscape; site design which minimizes tree removal and grading. 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 mitigation measures. Mitigation measures are proposed for the areas of biological resources, geology and soils, noise, transportation/traffic, and tribal cultural 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**

**Owner:** Oakville Winery, LLC

**Applicant:** Same as property owner

**Representatives:**

Steven Christopherson, Oakville Winery, LLC; P.O. Box 222, Oakville, CA 94562  
Thomas F. Carey; P.O. Box 5662, Napa, CA 94581; (707) 479-2856

**Zoning:** Agricultural Watershed (AW) District

**GP Designation:** AWOS (Agriculture, Watershed, and Open Space) Designation

**Filed:** September 14, 2017

**Resubmittal Received:** November 15, 2017 and January 10, 2018

**Deemed Complete:** February 27, 2018

**Parcel Size:** 55.5 acres

**Existing Development:** The site is undeveloped. Existing improvements consist of a water storage tank and two wells. Access to the parcel is via Mount Veeder Road. No vineyards are established on the property nor are any proposed.

**Proposed and Existing Winery Characteristics**

**Winery Size:** 5,142 square foot winery development area with uses identified above.

**Production Capacity:** 30,000 gallons per year.

**Winery Development Area:** 5,142 square feet (0.118 acres).

**Winery Coverage:** 15,615 square feet (0.36 acres) (Maximum 25% or 15 acres permitted, whichever is less).

**Accessory/Production Ratio:** 851 square feet accessory/20,808 square feet production - approximately 4%. (Maximum 40% permitted).

**Number of Employees:** Up to four full-time employees.

**Visitation:** Maximum of 10 visitors per day and 70 visitors per week by appointment only.

**Marketing Program:** 10 events per year with a maximum of 30 guests and one (1) event per year with a maximum of 100 guests. All events to be catered.

**Days and Hours of Operation:** 8:00 AM to 6:00 PM (production hours, except during harvest) and 10:00 AM to 4:00 PM (visitation hours), 7-days a week.

**Parking:** Eight (8) parking spaces (seven (7) standard spaces and one ADA space).

**Setbacks:**

Required Road setbacks – 300 feet from the centerline of Dry Creek Road and Mount Veeder Road.

Required Property line setbacks - 20 feet side and rear yard setbacks (for structures) except where the 300-foot setbacks are applicable.

Proposed Setbacks - A Variance is requested because the proposed covered crush pad is 84 feet from the centerline of Mount Veeder Road and the proposed winery building is 104 feet from the centerline of Mount Veeder Road, both within the required 300 foot setback from this roadway. See Discussion section below. The application meets all other setback requirements.

**Adjacent General Plan Designation/ Zoning / Land Use:**

North: Agriculture, Watershed, and Open Space (AWOS)/Agricultural Watershed (AW)/rural residential use

South: AWOS/AW/rural residential use

East: AWOS/AW/rural residential use

West: AWOS/AW/rural residential use

**Nearby Wineries: (located within 1 mile of the project)**

Please refer to Attachment K.

**Background / Parcel History:**

The site is undeveloped. Existing improvements consist of a water storage tank and two wells. The project site is located less than one half mile from a Dry Creek –Lokoya Volunteer Fire Department station and was utilized as a Cal Fire staging area during the Nuns Fire of October 2017.

**Code Compliance History:**

There are no active code violations at the project site.

**Discussion Points:**

Setting - The 55.5 acre project site is located within the AW zoning district at the intersection of Dry Creek Road and Mount Veeder Road. The parcel is comprised of mixed hardwood forest with varied terrain, with areas of relatively steep slopes interspersed with very steep slopes equal to or exceeding 30 percent. There are two small existing clearings on the parcel: (1) a small, fairly flat clearing southwest of the intersection of Dry Creek Road and Mount Veeder Road at the confluence of Dry Creek and Montgomery Creek (the Lower Flat); and (2) a small clearing located approximately 1,000 horizontal feet and 300 feet vertical upslope from the Lower Flat (the clearing with brush). The proposed winery is located on the southern tip of the Lower Flat as shown on the project plans. The

project site is located outside the boundaries of the 100 and 500 year flood hazard zones and is in an area designated as Very High Fire Hazard Severity. The property partially burned during the Nuns Fire in October 2017. The following soil types are present at the subject site: (1) Felton gravelly loam, 30 to 50 percent slopes, Felton gravelly loam, 50 to 75 percent slopes, Sobrante loam, 5 to 30 percent slopes, and Lodo-Maymen-Felton association, 30 to 75 percent slopes.

The property is surrounded by rural residential uses. The proposed winery building is located approximately 208 feet to the west of the nearest neighboring residence which lies on the east side of Mount Veeder Road.

Winery Proposal - The proposal is to construct a new winery with a maximum permitted capacity of up to 30,000 gallons per year. One winery building totaling 2,400 square feet would be constructed as well as a 17,220 square foot cave and a 619 owner/winemaker residence. Hosted daily tours and tastings and a marketing program is also requested.

Variance – A Variance is requested for approval of the proposed covered crush pad and winery building within the required 300-foot winery setback from Mount Veeder Road. The covered crush pad is proposed approximately 84 feet from the centerline of Mount Veeder Road and the winery building is proposed approximately 104 feet from the centerline of Mount Veeder Road. As shown on the “Opportunities and Constraints Site Plan for Variance Request” exhibit (Sheet V1 of Attachment J) prepared by Applied Civil Engineering, Incorporated on November 3, 2017, strict application of the required setbacks would result in development of the proposed winery on steep slopes in excess of 30 percent. Meeting the setback presents a practical difficulty and would result in detrimental environmental impacts associated with vegetation removal, destruction of plant and animal habitat, soil loss, and water quality.

Variances must satisfy the criteria in Government Code Section 65906 and County Code Section 18.128.060. Generally, the findings for a variance must meet each prong of a three-prong test to satisfy the statutory requirements together with additional local findings contained in the County Code. An applicant must demonstrate that: 1) they will suffer practical difficulties and unnecessary hardships in the absence of the variance, 2) these hardships result from special circumstances relating to the property that are not shared by other properties in the area, and 3) the variance is necessary to bring the applicant into parity with other property owners in the same zone and vicinity. In addition, an applicant must show that the proposed variance will not be contrary to public interest, safety, health, and welfare. To approve a variance, the Planning Commission must make all five of the required findings listed below. As discussed below, Staff believes the project site can meet all of the required findings, and thus, supports granting the variance.

Required Findings pursuant to Section 18.128.060:

1) *That the procedural requirements set forth in this chapter have been met.*

Staff Comment: This requirement has been met.

2) *Special circumstances exist applicable to the property, including size, shape, topography, location or surroundings, because of which strict application of the zoning district regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification.*

Staff Comment: The 55.5-acre parcel has environmental constraints not shared by other properties in the vicinity including: steep slopes; and elevated landslide and geological hazard potential. As discussed in the Preliminary Geologic Hazards Evaluation (Attachment I) and illustrated on Sheet V1 of Attachment J, the entire flat previously disturbed area of the parcel lies within the 300-foot winery setbacks from Dry Creek Road and Mount Veeder Road.

Construction of the proposed winery outside of this area of the parcel would require excessive grading, tree removal, potential seasonal drainage course impacts, and the construction of retaining walls to facilitate site access into the hillside. Three wineries lie within 2.5 miles of the subject site: Harlan II (Promontory), located at 1601 Oakville Grade; Futo Winery, located at 1575 Oakville Grade; and Far Niente Winery, located at 1350 Acacia Drive. Each of these wineries are located on properties with similar environmental features as compared to the proposed winery parcel and are able to operate and modify operations within the required 300-foot winery setback because of historical, environmental, and legal reasons not available to the subject site due to special circumstances. The granting of this variance would not confer a special privilege as the subject parcel contains a unique combination of constraints.

3) *Grant of the variance is necessary for the preservation and enjoyment of substantial property rights.*

Staff Comment: This finding requires the applicant to demonstrate that grant of the variance is necessary for the preservation and enjoyment of substantial property rights generally enjoyed by other property in the same zone and vicinity, but would be denied to the applicant's parcel due to special circumstances of the property and unnecessary hardship. This is generally referred to as the "parity" prong. The property is located within the AW zoning district in which wineries are permitted upon approval of a use permit. Denial of a variance would deprive the applicant of the ability to develop this property for any conforming agriculture, either agriculture or agricultural processing facility, without excessive grading, vegetation removal, soil loss, water quality impacts, and wildfire risk because the access driveway would be located in the forested interior of the parcel. Approval of the variance would allow the subject property to be used as an agricultural use consistent with the site's zoning and General Plan land use designations. Further, the variance to the winery setbacks would allow the applicants to achieve a degree of parity with other properties in the vicinity within the same zoning district that are currently in agricultural use and are not constrained by the pre-existing conditions described above. Strict application of the setbacks, results in both practical and financial hardships, which would restrict the ability to obtain a winery use permit. Grant of the variance would bring the parcel into "parity" with other properties zoned AW that have been granted use permits for wineries.

Relocation of the winery outside of the 300-foot road setback would create a substantial hardship in that any alternative location on the 55.5-acre parcel would necessitate the construction of structures, including access driveways, drainage and erosion control, on steeply sloping heavily forested lands northwest of the proposed site. This would necessitate substantial removal of mixed hardwood forest habitat, grading and slope re-contouring and would move development from an area on low geologic instability to areas of elevated geologic hazard.

The economic burden of grading a winery access driveway to serve these alternative sites would create substantial hardship. According to various building contractors contacted by the applicant on this issue, approximately 1,500 lineal feet of road with a 300-foot gain in total elevation would cost \$500,000 for earthmoving and \$250,000 for asphalt and paving. Slope stabilization and other erosion control measures would cost approximately \$100,000, not including expected repair and annual maintenance. (According to various professionals consulted by the applicant, other associated "soft" costs, such as additional detailed topographic surveys, geologic evaluation, storm water runoff retention design and habitat loss mitigation studies would cost, conservatively, another \$250,000.)

This winery road cost estimate of \$850,000 of "hard" costs and \$250,000 of "soft" costs is consistent with the actual cost of construction of a one-way loop winery access drive built during 2008-2010 for another winery project in the vicinity. That project was for County and Fire Department mandated improvements to an existing (pre-WDO) winery road to meet then-existing road and street standards, and generated hard construction costs, based on the record of actual owner payments to contractors involved in the work, of \$730,043.98.

Assuming that one ton of grapes yields 120 gallons of finished wine, at full production of 30,000 gallons per year that winery would have to purchase 250 tons of grapes. Based on the 2016 Napa County Agricultural Crop Report, the average price per ton Cabernet Sauvignon (the predominant grape in the Mt. Veeder AVA) is \$6,830. Using a

more generous figure of \$10,000 per ton, the annual cost of grapes to the winery would be \$2,500,000. The \$1,100,000 cost of building the driveway to serve a similarly-sized winery in an alternative location outside the setback would consume 44 percent of the winery's annual grape budget.

4) *Grant of the variance will not adversely affect the public health, safety or welfare of the County of Napa.*

Staff Comment: There is nothing included in the variance proposal that would adversely impact the public health, safety, or welfare of the County of Napa. Construction of the new building would be subject to County Codes and regulations including but not limited to California building codes, fire department requirements, and water and wastewater requirements. The granting of the variance to the winery road setbacks would not adversely affect the health or safety of persons residing or working in the neighborhood of the property. The proposed winery structure, cave and site development would be located outside of the required 55-foot stream setback and partially screened from view by existing riparian vegetation along Dry Creek. The majority of winemaking activities would occur within the proposed cave with the exception of grape delivery and crush. Various County departments have reviewed the Project and commented regarding water, waste water disposal, access, building permits, and fire protection. Conditions are recommended which would incorporate these comments into the project to assure protection of public health, safety, and welfare.

5) *Findings 5, 6, and 7 pertain to groundwater use, and the applicable finding depends on whether the project is located in a groundwater deficient area (#5), outside of a groundwater deficient area (#6), or connecting to a public water supply (#7). In this case finding #6 applies with operative language as follows: "...substantial evidence has not been presented demonstrating that grant of the variance might cause a significant adverse affect on any underlying groundwater basin..."*

Staff Comment: As set forth in the attached initial study MND hydrologic section and water availability analysis the estimated groundwater demand of 2.51 AF/YR, represents an increase of 2.51 AF/YR over the existing condition. Compared to the proposed water use, the parcel would recharge approximately 3.1 times more groundwater than would be used in a normal year (7.8 AF/YR) and 1.3 times more water than would be used in the driest year (3.2 AF/YR). (Condor Earth, 2017). The project does not have a significant impact on groundwater resources and this finding can be met. (Refer to groundwater availability discussion below).

Visitation and Marketing - The application proposes a maximum of 10 visitors per day and 11 marketing events per year, which would be catered. The largest event would host up to 100 guests. The attached winery comparison tables (Attachment L) compare the proposed Dry Creek/Mount Veeder Winery with wineries that currently have an annual permitted production capacity of 30,000 gallons. The proposed winery has a smaller sized visitation and marketing plan as comparable to by-appointment only wineries. This marketing is not out of scope with what has been approved at similarly sized wineries.

Traffic and Parking - The project study area consists of the intersection of Dry Creek Road and Mount Veeder Road. The project site would be accessed via a private driveway connecting to Mount Veeder Road. Public Works Department staff reviewed the proposal and concluded that a traffic study was not required due to the expected trip generation, trip distribution, and location of the project. The project is anticipated to generate up to eight (8) weekday daily vehicle trips and up to 11 weekend daily vehicle trips. Up to 63 daily trips would occur on Saturday during crush. As proposed, the use would not result in any significant impacts, either project-specific or cumulative, on traffic circulation in the vicinity. Therefore, the project would result in a nominal increase in trips on the study area transportation network. Additionally, a project specific condition (COA 4.3.c - Attachment B) would ensure that marketing events of more than 30 guests be scheduled to avoid beginning or ending during the hours to 3:00 PM to 6:00 PM. Impacts would be less than significant.

The proposal includes the construction of eight (8) parking spaces (seven (7) standard and one ADA accessible)

near the winemaker's residence. Based upon the County standard of 2.6 persons per vehicle during weekdays and 2.8 persons per vehicle during weekends and 1.05 persons per vehicle for employees the minimum parking required for daily activities would be eight (8) parking spaces. Two (2) parking spaces are also required for the proposed winemaker's residence and would be required to be shown on the site plan prior to building permit issuance via a project specific condition (COA 6.15.a - Attachment B). However, it is unlikely that the winery would host 10 visitors at one time and have four (4) full-time employees at the site at one time.

Noise - The Napa County Noise Ordinance, which was adopted in 1984, sets the maximum permissible received sound level for a residence in a rural area as 45 dBA between the hours of 10 p.m. and 7 a.m. and 50 dBA between the hours of 7 a.m. to 10 p.m. While the 45 dBA limitation is strict (45 dBA is roughly equivalent to the sound generated by a quiet conversation), the area surrounding the subject property is developed with rural residential uses with the nearest residence located approximately 208 feet from the proposed winery building site. With the location of the closest receptor residence  $\pm 208$  feet away, potential noise impacts from periodic bottling activities would be reduced to less than significant with the implementation of mitigation measures which include the preparation of an operations plan for the bottling and outdoor work area and the use of a sound curtain for outdoor work activities, as well as outdoor events of 100 guests. Marketing events would be required to cease by 10:00 PM. The potential for the creation of significant noise from visitation is significantly reduced since the tasting area would be located within the winery building. Potential noise impacts from on-premises consumption of wines produced on site in the 519 square foot covered patio area would be minimal as well based upon the limited number of visitors anticipated to use this area and because this area would be covered. Continuing enforcement of Napa County's Noise Ordinance by the Division of Environmental Health and the Napa County Sheriff, including the prohibition against amplified music, would further ensure that marketing events and other winery activities do not create a significant noise impact. Based upon the analysis in the MND, the proposed project would not result in long-term significant permanent noise impacts with the implementation of mitigation measures identified in the recommended conditions of approval (Attachment B).

Biological Resources - According to the *Biological Resource Assessment with Botanical and Bat Habitat Surveys, Woodland Assessment, and Delineation of Waters of the U.S. for the Dry Creek-Mt. Veeder Project APN 027-310-039 Napa County, CA* prepared by Northwest Biosurvey, a total of fourteen sensitive wildlife species were assessed for potential occurrence at the site because of inclusion in the California Natural Diversity Database (CNDDB) for the quadrangle or the Napa County BDR. Possible habitat occurs for the following species: Pacific giant salamander; Foothill yellow-legged frog; Western pond turtle; Northern spotted owl; Lewis' woodpecker; and pallid bat. Surveys were conducted for bat habitat within the proposed development area and no suitable bat habitat trees were found. Northern California black walnut is widespread throughout the Dry Creek corridor and is listed as a CNPS List 1B species. Establishing the wildlife and riparian buffer identified in mitigation measure BIO-1 as well as implementation of mitigation measures BIO-2, BIO-3, and BIO-4, would reduce potentially significant impacts to a level of less than significant. A follow-up response by Northwest Biosurvey dated January 10, 2018 confirmed that "as shown in the plan, the project is limited to the ruderal (disturbed) area cleared by Cal Fire during the Nuns Fire. Consequently, I agree that the project will not significantly impact woodland or other biological resources provided that the mitigation measures recommended in our report are implemented" (Northwest Biosurvey, 2018). The site contains 0.71 acres of possible waters of the U.S. If filled or otherwise modified, a potential impact would occur subject to regulation by the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and California Department of Fish and Wildlife. Implementation of mitigation measure BIO-1 would avoid impacts to the main channel of Dry Creek. However, placement of fill within the tributary marked as channel "B" in Figure 3 of the *Biological Resource Assessment with Botanical and Bat Habitat Surveys, Woodland Assessment, and Delineation of Waters of the U.S. for the Dry Creek-Mt. Veeder Project APN 027-310-039 Napa County, CA* would require implementation of mitigation measure BIO-5 to reduce potentially significant impacts to a level of less than significant. Implementation of mitigation measure BIO-1 would also avoid the disruption of wildlife movement along the Dry Creek riparian corridor and minimize the potential isolation and fragmentation of remaining habitat on the property.



Wastewater - According to the Onsite Wastewater Disposal Feasibility Study prepared by Applied Civil Engineering on September 13, 2017, the project site and proposed system has adequate disposal capacity to serve the project. The study concluded “it is our opinion that the proposed winery and residential disposal needs can be accommodated onsite as previously described.” (Applied Civil Engineering, 2017) The Division of Environmental Health reviewed this report and concurred with its findings.

Groundwater Availability - The project is categorized as “all other areas” based upon current County Water Availability Analysis policies and therefore water use criteria is parcel specific based upon a Tier 2 analysis. A Tier 2 analysis was completed by Condor Earth on September 8, 2017 which included a parcel specific recharge evaluation. According to the recharge evaluation, the property yields “7.8 AF in normal years and 3.2 AF in the dry year.” (Condor Earth, 2017) The applicant submitted a Tier 2 WAA completed by Condor Earth on September 8, 2017 showing the projected water use for the project is 2.51 AF/YR. The subject parcel currently sources water from two wells. Fire protection system water as well as domestic water would be provided by a 20,000 gallon (12,000 gallons for fire protection and 8,000 gallons for domestic use) water storage tank. Well #1 was drilled in November 2014 to a total depth of 300 feet. This well is slated for destruction as it is within the footprint of the proposed winery development. Project water would be provided from Well #2. According to the WAA, this well was drilled in May 2017 and has an estimated yield of 4 gpm after four hours of air lift pumping. (Condor Earth, 2017) 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. Any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels.

Geology and Soils - The following soil types are present at the subject site: (1) Felton gravelly loam, 30 to 50 percent slopes, Felton gravelly loam, 50 to 75 percent slopes, Sobrante loam, 5 to 30 percent slopes, and Lodo-Maymen-Felton association, 30 to 75 percent slopes. Based on the Napa County Environmental Sensitivity Maps (liquefaction layer) the improvements are proposed for an area which has a very high or medium susceptibility for liquefaction. According to the *Preliminary Geologic Hazards Evaluation Proposed Winery and Wine Cave –Dry Creek-Mt. Veeder Project Oakville Winery LLC, Napa County, California APN 027-310-039*, “We suggest that, from a geologic hazards point of view, the area near the toe of slope and Well #1, and the adjacent area where the powerlines cross the nose of the ridge, are feasible areas for a winery and cave development. Therefore, the project team selected this area for the proposed winery and cave development.” (Condor Earth, 2017) Implementation of mitigation measure GEO-1 (included within Attachment B) and compliance with the latest building standards and codes, including the California Building Code, would reduce potentially significant impacts to a level of less than significant.

Grape Sourcing - Based on the location of the proposed winery within the Mount Veeder Approved Viticultural Area (AVA) and proximate to the Oakville, Yountville and Oak Knoll District AVAs, the owner expects to source its grapes largely from independent grape growers within these areas. According to the owner, the benefit of establishing a new, modern winery facility is the ability to grow gradually into a sustainable level of wine production based on developing relationships with independent growers both within the Mt. Veeder AVA (approximately 1,100 vine acres planted) and elsewhere in Napa and Sonoma Counties. To reach full production, based on an average yield of 4 tons of grapes per acre, and 120 gallons of wine per ton, the owner would aim to develop sustainable sources of supply from growers farming a total of 62.5 vine acres. The recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule (COA 4.6 - Attachment B).

Greenhouse Gas Emissions - The County requires project applicants to consider methods to reduce Green House Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as Attachment D. The applicant proposes to incorporate the following GHG reduction methods including: installation of rooftop solar panels; exceeding Title 24 energy efficiency standards: Build to CALGREEN Tier 2 (cave); solar hot water heating; energy conserving lighting; energy star roof/living roof/cool roof; installation of water efficient fixtures; application of low impact development;

installation of water efficient landscape; site design which minimizes tree removal and grading.

Public Comments - At the time of staff report preparation, no public comments had 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. Decision making options also include a no project alternative and a project alternative which would modify the reduced winery setback variation from Dry Creek Road and Mount Veeder Road.

#### Option 1 - Applicant's Proposal (Staff Recommendation)

Disposition - This option would result in approval of the proposed 30,000 gallon per year winery and variance request. Staff recommends this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. Staff has reviewed the Variance request and the evidence submitted and believes the findings can be met. The requested visitation and marketing program is smaller in size as compared to those of 30,000 gallon per year production wineries with by appointment visitation. The applicant also proposes to incorporate GHG reduction measures as part of the project.

Action Required - Follow the proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant with the implementation of mitigation measures for biological resources, geology, noise, transportation/traffic, and tribal cultural resources.

#### Option 2 - Reduced Variance Alternative

Disposition - This option would require an increased setback along Mount Veeder Road, instead of the applicant's request of 84 feet for the covered crush pad and 104 feet for the winery building, in order to provide additional buffering for the residence to the east. However, those facilities would still be within the required 300-foot winery setback from Mount Veeder Road and vegetation removal would likely be needed to accommodate the adjusted site plan.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to modify the required setbacks within the variance request. Revision of the findings and conditions of approval may require continuance to a future date.

#### Option 3 - Deny Proposed Project

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of a Use Permit and Variance, Commissioners should identify what aspect or aspects of the project are in conflict with the 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 and Variance is not being approved. Based on the administrative record as of the issuance of this staff report, there does not appear to be any evidence supporting denial of the project.

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

Option 4 - Continuance Option

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

**SUPPORTING DOCUMENTS**

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Initial Study/Mitigated Negative Declaration
- D . Use Permit Application Packet
- E . Variance Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Biological Resources Survey
- I . Preliminary Geologic Hazards Evaluation
- J . Graphics
- K . Winery Comparison Analysis

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith