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Agenda Date: 4/20/2011
Agenda Placement: 9A
Continued From: March 16, 2011

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: JESSICA JORDAN for Hillary Gitelman - Director
Conservation, Development & Planning

REPORT BY: Chris Cahill, Planner - 707.253.4847

SUBJECT: Continuum Winery Use Permit Major Modification and Road and Street Standards Exception
Application No. P10-00255-MOD

RECOMMENDATION

TIMOTHY MONDAVI / TIMAR LLC and TMR WINE COMPANY LLC / CONTINUUM WINERY - USE PERMIT MAJOR MODIFICATION P10-00255

CEQA Status: Subsequent Mitigated Negative Declaration Prepared. According to the proposed subsequent mitigated negative declaration, if mitigation measures are not included, the proposed project would have potentially significant environmental impacts in the following area: Transportation/Traffic. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code section 65962.5.

Request: Use Permit Major Modification to transfer the existing 6,600 gallon per year Continuum (formerly Cloud View) winery from assessor's parcel 032-010-060 (032-030-043 SFAP) to assessor's parcel 032-010-061 (032-030-044 SFAP) and to further modify use permit #99544-UP as previously modified by P07-00752 and P10-00099 to allow the following: 1.) an increase in wine production from 6,600 gallons per year to 28,000 gallons per year; 2.) conversion of an existing residence to create a +/- 4,596 sq. ft. single-story winery administration/office building; 3.) construction of a new +/- 2,563 sq. ft. single-story hospitality building with an attached +/- 1,920 sq. ft. trellis-covered terrace; 4.) construction of a new +/- 11,972 sq. ft. single-story production building; 5.) construction of +/- 2,500 sq. ft. of trellis-covered terrace/pavilion areas in the vicinity of the production building; 6.) construction of a new +/- 4,138 sq. ft. single-story shop and production building; 7.) construction of a new +/- 1,250 sq. ft. winery equipment storage barn; 8.) +/- 21,758 sq. ft. of new winery caves; 9.) conversion of the existing +/- 3,500 sq. ft. winery building on APN 032-010-060 to agricultural storage and vineyard management uses; 10.) an increase in winery employment from 1 full-time and 1 part-time employee to 14 full-time and 3 part-time employees; 11.) 3 visitor parking spaces and 12 employee parking spaces, including 3 ADA-accessible spaces; 12.) by-appointment tours and tastings including food pairings with a maximum of two visitor vehicles per day; 13.) a marketing plan with 4 50-person private tasting events with meals and 2 125-person private gala events with meals annually; 14.) installation of two 10,500 gallon above-ground domestic water storage tanks and one fire flow storage tank; 15.) process wastewater disposal through landscape irrigation and installation of a 35,000 gallon above-ground treated wastewater storage tank; and 16.) sanitary wastewater disposal through sub-surface drip including 14,670 sq. ft. of septic disposal and septic reserve areas. Road and Street Standards Exception to allow width reductions

(18 feet required, 10 to 20 feet proposed) along the existing 2+ mile shared entry drive (APNs: 032-010-078, 032-010-010, 032-010-053, 032-010-080, 032-010-076, and 032-010-074) and along approximately 2,000 linear feet of new winery driveway (APNs: 032-010-074, 032-010-028, and 032-010-061 {032-030-044 SFAP}). The two 89.8 acre winery parcels are accessed via a private drive beginning 250 feet northeast of the intersection of Sage Canyon Road (State Highway 128) and Long Ranch Road within an AW (Agricultural Watershed) zoning district. Existing and proposed winery APNs: 032-010-060 (032-030-043SFAP) and 032-010-061 (032-030-044 Separated for Assessment Purposes- hereinafter SFAP). 1683 and 1677 Sage Canyon Road, St. Helena, Calif., 94574. Additionally, roadway improvements are proposed within a private access easement crossing portions of APNs: 032-010-078, 032-010-010, 032-010-053, 032-010-080, 032-010-076, 032-010-074, and 032-010-028.

Staff Recommendation: Adopt the subsequent mitigated negative declaration and approve the requested use permit modification and Road and Street Standards exception as conditioned.

Staff Contact: Chris Cahill, 253-4847 or chris.cahill@countyofnapa.org

EXECUTIVE SUMMARY

Proposed Action:

That the Planning Commission:

1. Adopt the project subsequent mitigated negative declaration, based on findings 1-5 of Exhibit A;
2. Approve the requested Road and Street Standards exception based on findings 11-12 of Exhibit A;
2. Approve use permit modification and Road and Street Standards exception No. P10-00255 based on findings 6-10 of Exhibit A and subject to the recommended conditions of approval (Exhibit B).

Discussion:

This item was originally scheduled for hearing before the Commission on March 16, 2011. In early March, just prior to that hearing date, the applicants indicated to Planning staff that they were interested in redesigning and slightly relocating several of the then-proposed winery buildings. At the request of both staff and the applicant, the Commission continued the item to April 20, 2011 to allow staff time to analyze the proposed changes. That review having been completed, staff believes that the previously-circulated subsequent mitigated negative declaration adequately describes and analyzes the current project and we are recommending approval of the revised plans.

The current project description includes relocation of the existing Cloud View winery from its present site to an adjoining parcel under shared ownership, an increase in production from 6,600 gallons per year to 28,000 gallons per year, +/- 24,519 square feet of new winery buildings plus +/- 21,758 square feet of new caves, abandonment of the existing winery building and its conversion to vineyard management uses, an increase in approved on-site winery employment, and limited increases in both by-appointment tours and tastings visitation and marketing events. A Road and Street Standards exception is also requested to allow an improved winery access road with widths down to 14 feet (20 feet required) and several short sections with grades in excess of the allowed 20%. Staff recommends approval of the project with conditions addressing roadway improvements and requiring completion of proposed lot line adjustments.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Subsequent Mitigated Negative Declaration Prepared. According to the proposed subsequent mitigated negative declaration, if mitigation measures are not included, the proposed project would have potentially significant environmental impacts in the following area: Transportation/Traffic. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code § 65962.5.

BACKGROUND AND DISCUSSION

Owner: TIMAR LLC and TMR Wine Company LLC

Applicant: Timothy Mondavi

Representative (Attorney): Katherine Philippakis, Farella Braun + Martel LLC

Zoning: AW (Agricultural Watershed)

General Plan Designation: AWOS (Agriculture, Watershed, and Open Space)

Filed: July 20, 2010 **Complete:** March 9, 2011

Winery Size - Existing: +/- 2,750 square feet

Winery Size - Proposed: +/- 24,519 square feet (plus +/- 21,758 square feet of caves)

Production Capacity - Existing: 6,600 gallons per year

Production Capacity - Proposed: 28,000 gallons per year

Visitation - Existing: By-appointment tours and tastings; 16 visitors per week

Visitation - Proposed: By-appointment tours and tastings; not to exceed 2 visitor vehicles daily

Number of Employees - Existing: 1 full-time and 1 part-time

Number of Employees - Proposed: 14 full-time and 3 part-time

Hours of Operation - Existing: 8 am to 5 pm, Monday through Friday

Hours of Operation - Proposed: 7 am to 5 pm, daily

Marketing - Existing: 2 40-person events annually. *Marketing events potentially include catered food service and all figures are max.*

Marketing - Proposed: 4 50-person private tasting events and 2 125-person private gala events annually along with participation in Auction Napa Valley. *All marketing events potentially include food prepared on-site and all figures are max.*

Parking - Existing: 10 spaces- including 8 customer spaces and 2 employee spaces

Parking - Proposed: 15 spaces- including 3 customer spaces, 12 employee spaces, and 3 ADA-accessible spaces

Parcel Size - Existing: 89.8 acres

Parcel Size - Proposed: 82.3 acres (*post lot line adjustment*)

Accessory/Production Ratio - Existing: approx. 32% (40% allowed)

Accessory/Production Ratio - Proposed: 19% (40% allowed)

Winery Coverage - Existing: Approx. 0.4 acre (15 acres max) and/or 0.4% of the lot area (25% max)

Winery Coverage - Proposed: Approx. 2.5 acres (15 acres max) and/or 3% of the lot area (25% max)

Property Line Setbacks - Existing: 800' front (20' required), 200' east side (20' required), 1,000' west side (20' required), and 2,000' rear (20' required)

Property Line Setbacks - Proposed: 250' front (20' required), 48' east side (20' required), 1,000' west side (20' required), and 2,000' rear (20' required) (*all are post lot line adjustment*)

Winery Road Setbacks - Existing: Approx. 1,000' (300' required)

Winery Road Setbacks - Proposed: Approx. 950' (300' required)

Adjacent General Plan Designation/ Zoning / Land Use:

North

Agriculture, Watershed, and Open Space General Plan designation - **AW** zoning

Open space, agriculture, and residential uses on large lots; including a 120 acre vineyard/residential/open space parcel (Chappellet Vineyard) and a 20 acre vineyard/open space parcel (C.D. Chappellet)

South

Agriculture, Watershed, and Open Space General Plan designation - **AW** zoning

Open space uses on large lots; including an 80 acre open space parcel (Zavarin)

West

Agriculture, Watershed, and Open Space General Plan designation - **AW** zoning

Open space, agriculture, and winery uses on large lots; including a 41 acre open space parcel (Nelson & Johnson) and a 140 + acre winery/vineyard/open space parcel (Ovid)

East

Agriculture, Watershed, and Open Space General Plan designation - **AW** zoning

Open space uses on large lots; including a 120 acre open space parcel (Chappellet Vineyard) and a 40 acre open space parcel (Zavarin)

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

Ovid Vineyards - 255 Long Ranch Road - *Producing* - **18,000 gallons per year** - By appointment

David Arthur Vineyards - 200 Long Ranch Road - *Producing* - **30,000 gallons per year** - By appointment

Colgin Partners Winery - 220 Long Ranch Road - *Producing* - **20,000 gallons per year** - By appointment

Sage Hill Vineyards Winery - 1535 Sage Canyon Road - *Producing* - **20,000 gallons per year** - By appointment

Chappellet Winery - 1581 Sage Canyon Road - *Producing* - **60,000 gallons per year** - By appointment

Parcel History and Evolution of this Application:

May 1991 - The Zoning Administrator approves **use permit No. U-90-40** on parcel 032-010-060/032-030-043SFAP,

designating 1,000 sq. ft. of an existing barn structure (the barn would later become Leighton Taylor/ Cloud View Winery) as a farm labor dwelling unit. At the time, the affected property was owned by Leighton and Linda Taylor.

March 2001 - The Planning Commission approves **use permit No. 99544-UP** on parcel 032-010-060/032-030-043SFAP, establishing a 6,600 gallon per year winery in 2,750 sq. ft. of the above-mentioned barn. The approved winery, referred to as Leighton Taylor Winery at the time, had a limited visitation and marketing program including 16 by-appointment tours and tasting visitors weekly and 2 small marketing events annually.

January 2002 - The Zoning Administrator approves **home occupation use permit No. 00486-HO** on parcel 032-010-061/032-030-044SFAP, then owned by Richard Martin, allowing the use of a 100 sq. ft. portion of the Martin residence as an "office for order taking and record keeping associated with wholesale wine sales as a home occupation."

August 2006 - The Planning Director approves **use permit modification No. P06-01133** on parcel 032-010-060/032-030-043SFAP, permitting alterations to the process wastewater system serving the subject winery. The winery, though still owned by Leighton and Linda Taylor, had by this time changed its name to Cloud View Vineyards Winery.

March 2008 - Code Enforcement Officer Greg Baxter sends a **Notice and Order** affecting parcel 032-010-060/032-030-043SFAP to Leighton and Linda Taylor stating that "it has come to our attention that a manufactured home (has been) installed and garage and equipment building was constructed without required documentation, agency review, and permitting by this office."

April 2008 - The Planning Director approves **use permit modification No. P07-00752** on parcel 032-010-060/032-030-043SFAP, modifying the Leighton Taylor/ Cloud View Winery to allow: 1.) the conversion of approximately 258 sq. ft. of barrel storage area to tasting and winery lab areas; 2.) de minimis reductions in approved second floor winery floor area; 3.) abandonment of the approved third floor winery area in favor of unfinished attic space; 4.) conversion of approximately 700 sq. ft. of separate shed and shop structures to winery use; and 5.) legalization of covered outdoor crushpad areas.

April 2008 - Trish Hornisher, acting for the Planning Department, approves **use determination No. P08-00315** on parcel 032-010-060/032-030-043SFAP, recognizing that documented expenditures in excess of \$100,000 constituted substantial evidence that **use permit No. 99544-UP** had been "used" consistent with N.C.C. §18.124.080.

July 2008 - TMR Wine Company purchases parcel 032-010-060/032-030-043SFAP from Leighton and Linda Taylor.

September 2009 - TIMAR LLC purchases the neighboring parcel, 032-010-061/032-030-044SFAP, from Richard Martin.

March 2010 - Chris Cahill, acting for the Planning Director, approves **use permit modification No. P10-00099** on parcel 032-010-060/032-030-043SFAP, extending the expiration date of **use permit modification No. P07-00752** to April 7, 2011.

July 2010 - Kay Philippakis files the subject application on behalf of Tim Mondavi (co-owner of TIMAR and the TMR Wine Company). The application is fully described at "Recommendation," above, but it is worth noting here that it proposes to relocate the approved Leighton Taylor/ Cloud View Winery from parcel 032-010-060/032-030-043SFAP to parcel 032-010-061/032-030-044SFAP. Winery uses in the Leighton Taylor/ Cloud View winery barn, crush pad, and surrounding structures would be abandoned and replaced with vineyard management uses.

February 2011 - The Planning Division releases the **P10-00255** subsequent mitigated negative declaration for public comment and agendas the requested use permit modification for review by the Planning Commission at their March 16, 2011 regular meeting. The subsequent mitigated negative declaration comment period runs from February 18, 2011 to March 9, 2011. No comments are received.

March 9, 2011 - As a result of initial building-permit level cost estimating the applicant submits revised plans. The revised plans propose a redesigned winery located some 200 feet to the south of the previously-proposed location.

March 16, 2011 - The Planning Commission continues **use permit major modification application No. P10-00255** to their April 20, 2011 regular meeting in order to allow staff additional time to analyze the freshly-revised plans.

Code Compliance History:

Under previous ownership, the former Leighton Taylor/ Cloud View Winery property (APN 032-010-060/032-030-043SFAP) had a history of code compliance issues including a manufactured home, equipment building, and garage which were constructed without permits. Demolition permits have been pulled for those structures, though those permits had yet to be finalized as of August 2010. The use permit modification application presently before the Commission proposes the complete relocation of the Leighton Taylor/ Cloud View Winery use permit to the neighboring Continuum property (APN 032-010-061/032-030-044SFAP - both properties are now under the same ownership).

Discussion Points:

Setting

The project would affect a series of parcels located on Pritchard Hill, beginning at the southern shore of Lake Hennessey and running upslope and south from there. The existing Cloud View Winery is located on APN 032-010-060/032-030-043SFAP (hereinafter Cloud View property), an approximately 90 acre parcel owned by the applicants. The requested use permit modification would relocate the winery to APN 032-010-061/032-030-044SFAP (hereinafter Continuum property), a second approximately 90 acre parcel owned by the applicants and located directly to the east of the current Cloud View property. The existing and proposed winery properties straddle two parallel transverse ridges which rise from approximately 1200 feet in elevation to more than 1550 feet along the hillsides that form the southern edge of Sage Canyon and Lake Hennessey. The existing Cloud View property is presently developed with a 3,500 sq. ft. winery and farmworker housing structure, a single-family residence, shop and utility buildings located adjacent to and associated with the winery, an outdoor crushpad, and about 28 acres of producing vineyard. The existing Cloud View winery was originally entitled as Leighton Taylor Winery in March 2001, was "deemed used" by the County in 2008, and has an allowed production of 6,600 gallons per year. The proposed Continuum Winery property is currently developed with an approximately 4,600 sq. ft. single-family residence, two reservoirs totaling slightly less than 2 ½ acres, and about 35 acres of producing vineyard.

Access Driveway and Road and Streets Standards Exception

The adjacent Cloud View and Continuum properties are located at the end of a long private driveway which begins directly to the northeast of the intersection of Sage Canyon Road and Long Ranch Road, across from the City of Napa's Lake Hennessey boat dock, and snakes upslope and southerly for nearly 2 ½ miles before reaching the project site. The unnamed private road, which crosses no fewer than 7 properties as it climbs to the Continuum property, serves the 60,000 gallon per year Chappellet Winery, the existing Cloud View Winery, and a mix of residential and vineyard uses on neighboring parcels. The roadway averages 18 to 22 feet in width for the approximately 1 ½ mile run from Sage Canyon Road to Chappellet, but necks down to widths ranging from 12 to 14 feet from Chappellet Winery to its terminus at the Cloud View/ Continuum properties. There are periodic pull-outs and unpaved shoulders that allow vehicles to pass, but for much of the driveway's final mile it is essentially a

single lane road. According to the project traffic study, "The grades and curves along the access road are such that vehicle visibility can be impaired and dense foliage along the road... also hamper(s) visibility." Existing road signs advise a 15 mph maximum speed.

Napa County's Road and Street Standards require winery access roads to have a paved width of 18 feet plus 2 feet of shoulders and limit finished roadway grades to less than 20%. Since a thick stand of existing forest, nearby blue-line streams, and extremely steep cross-slopes make it exceptionally difficult to meet the Road and Street Standards along the entire 2 ½ mile length of the access driveway, the applicants are requesting relief from the Commission in the form of a Road and Streets Standards exception. Traffic engineer George Nickelson was retained by the applicants early in the project planning process and his recommendations have been folded into the winery improvement project. Specifically, the applicants are proposing to improve the access driveway to the required 20 foot width wherever possible, to construct mountable shoulders in many of the locations where paving the full 20 foot width is either impossible or ill-advised due to environmental constraints, to install intervisible turnouts along roadway sections with substandard width, to re-grade the roadway where possible to reduce grades to 20% or less, and to improve visibility by selectively thinning brush near the road. The Department of Public Works goes further in its attached approval memo, stating that no portion of the finished driveway may have a drivable width of less than 14 feet and requiring "either a grooved concrete surface or stamped pattern concrete" in order to improve poor weather traction along the three short sections of roadway which are ultimately proposed to exceed the County's 20% slope limitation.

In addition to the above-mentioned improvements, the applicants are proposing to entirely reconstruct and realign the final 2,000 feet of the existing driveway. The new roadway section would be built to the full required 20 foot width and would travel easterly over Cyril Chappellet's APN 032-010-074 property to provide direct access to the newly proposed winery site at the northeastern corner of the Continuum property. The existing access drive, which runs roughly parallel to the property line which splits the Cloud View and Continuum properties, is proposed to remain in place to serve as a vineyard and residential access road, but would not provide regular access to the newly constructed winery. Given the relatively limited traffic signature associated with this project (as noted below, visitor trips would be limited to 2 vehicles per day) and the fairly extensive roadway improvements proposed by the applicants, the Fire Marshal and the Department of Public Works have both voiced their support for the requested Road and Streets Standards exception. Planning staff is likewise supportive.

Winery Relocation as a Major Modification

The applicants here are in the somewhat rare and lucky situation of owning two large adjacent vineyard parcels, one of which already has a "used" winery entitlement in place. However, the existing Cloud View winery is located on the westernmost of the two properties and the applicants would instead like to locate their new winery on the easternmost parcel. The standard way to address this sort of situation would be to propose a new use permit for a new winery on the Continuum (easternmost) property while preserving the existing (Cloud View) winery entitlement on the westernmost. Mr Mondavi indicates, however, that he has no interest in ever operating a winery on the Cloud View property and no foreseeable plan to sell that property into separate ownership. As a result, the applicant team decided to modify the existing Cloud View use permit to, among many other changes, move the winery from APN 032-010-060/032-030-043SFAP to APN 032-010-061/032-030-044SFAP. Planning staff is supportive of this winery-relocation-as-a-major-modification approach because it tidily addresses the existing "used" entitlement to a winery on the Cloud View property. Should the Commission approve the present application as submitted, the Cloud View winery will cease to exist and neither the County nor the property owner will be left in the potentially awkward position of having a vested (or, at least, "used") but only partially constructed winery lingering ad infinitum on the Cloud View property.

Lot Line Adjustment

As is clear from even a very quick perusal of the proposed development plans, the approval of this project is dependent on the completion of a number of lot line adjustments affecting several neighboring properties. Those those lot line adjustments are reviewed and approved as an administrative function of the Department of Public

Works, and are not presently the Planning Commission for review. However, if for no other reason than that much of the proposed Continuum Winery would actually be located on what is now a neighboring parcel (APN 032-010-028, owned by Chappellet Vineyard), this approval must be conditioned on completion of all of the proposed lot line adjustments as shown on submitted plans. The Department of Public Works's conditions, as well as the proposed Planning Commission conditions, include language requiring completion of the proposed lot line adjustments prior to the issuance of development permits.

Visitation and Marketing

The Continuum application proposes a very modest increase in tours and tasting and marketing event visitation over the low levels already approved for Cloud View. Tours and tastings would be by-appointment only and would be limited to no more than two visitor vehicles per day- which the applicants have characterized as generally a single morning and a single afternoon tasting. The proposed marketing plan includes just 6 events annually: 4 50-person private tasting events with meals and 2 125-person private gala events with meals. While Napa County winery visitation is generally characterized by a maximum number of daily visitors, Planning staff is supportive of the vehicle-focused limitation proposed here as it effectively manages traffic impacts on what is and will remain a substandard road. The proposed vehicle limitation also has the advantage of being comparatively easy to both monitor and enforce.

March 2010 Changes to the Proposed Winery

As noted at **Parcel History and Evolution of this Application**, above, after the finalization of the project's CEQA document and just prior to the previously-scheduled March 16th Planning Commission meeting on this item, the applicants made the decision to redesign the proposed winery facility. The proposed changes include a complete redesign and 200 foot relocation of the winery production building, redesign and relocation of the hospitality additions proposed adjacent to the existing Martin house (which is itself proposed to be converted to winery administrative use), the relocation and redesign of a number of several winery utility structures proposed near the winery production building, new trellis-covered outdoor areas, and changes to previously-proposed parking areas. Staff has amended the project description and project subsequent mitigated negative declaration to match the revised plans and finds, in our March 25 revised initial study, that all of the proposed changes fall within the State CEQA Guidelines §15073.5(c)(4) exemption for non-substantive changes to a negative declaration which do not add or modify environmental impacts. No changes to the previously-proposed and previously-analyzed private access road improvements are proposed and each of the proposed building relocations would occur within areas already proposed for development in the pre-March 2011 project plans. Staff believes that the project subsequent mitigated negative declaration, as modified consistent with State CEQA Guidelines §15073.5(c)(4), adequately analyzes and mitigates the environmental impacts associated with the current project.

Consistency with Standards:

Zoning

The project is consistent with AW (Agricultural Watershed) zoning district regulations. A winery (as defined in Napa County Code § 18.08.640) and uses in connection with a winery (see Napa County Code § Section 18.20.030) are permitted in the AW district with an approved use permit. This application complies with the Winery Definition Ordinance and, where variances and/or exceptions to the requirements of the Napa County Code and Napa County regulations are requested, staff believes required findings can be made.

Building Division Requirements

The Building Division recommends approval with standard conditions. Please see their December 7, 2010 memo (attached).

Fire Department Requirements

The Fire Marshal's office recommends approval with standard conditions. Please see their July 28, 2010 and

March 15, 2011 memos (attached).

Department of Public Works Requirements

The Department of Public Works recommends approval with standard conditions and additional conditions addressing roadway improvements and lot line adjustments. Please see their April 7, 2011 memo (attached).

Department of Environmental Management Requirements

The Department of Environmental Management recommends approval with standard conditions. Please see their March 31, 2011 memo (attached).

SUPPORTING DOCUMENTS

- A . Proposed Findings
- B . Proposed Conditions
- C . Fire Marshal's Conditions
- D . Environmental Management Conditions
- E . Public Works Conditions
- F . Building Division Comments/ Conditions
- G . CEQA Documents
- H . Application Materials
- I . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell