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Agenda Date: 5/6/2015

Agenda Placement: 9D

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

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

REPORT BY: Dana Ayers, Planner III - (707) 253-4388

SUBJECT: Leaf and Vine Winery - Use Permit P14-00403

RECOMMENDATION

LEAF AND VINE WINERY / LEAF AND VINE, LLC – USE PERMIT P14-00403-UP

CEQA Status: Consideration and possible adoption of a Categorical Exemption pursuant to Section 15301 (Class 1, Existing Facilities) and Section 15303 (Class 3, New Construction or Conversion of Small Structures) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines). Categorical Exemption Class 1 exempts from CEQA those projects that include use of, interior or exterior building alterations to, and small additions to existing structures when the site is served by public services and is not in an environmentally-sensitive area. Categorical Exemption Class 3 exempts from CEQA those projects that involve a change in use of an existing small structure, where only minor modifications are made to the exterior of the structure. Under CEQA Guidelines Section 15300.2, a Categorical Exemption cannot be used if environmental sensitivities exist at the site or if there will be cumulative impacts. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: Approval of a use permit in order to allow a wine production and retail sales facility within a 3,561 square foot tenant space of a 16,912 square foot, multi-tenant condominium building. As proposed, the winery would include: 1) an annual production capacity of 18,500 gallons; 2) four full-time and two part-time employees; 3) daily operation between the hours of 6:00 a.m. and 10:00 p.m., with visitation limited to the hours between 10:00 a.m. and 6:00 p.m.; 4) an appointment-only tasting room, with expected attendance of up to 30 guests per day and no more than 135 visitors per week; 5) five 30-person marketing events, plus one 50-person marketing event, per year, with catered food; and 6) a hold and haul system for process wastewater. The City of American Canyon and the Napa Sanitation District will provide treated water service and sanitary sewer service to the site, respectively. The proposed project site is located at 190 Camino Oruga, Suite 24, on a 1.67-acre site that is west of North Kelly Road and north of State Route 12, in the GI:AC (General Industrial: Airport Compatibility Combination) District. Assessor's Parcel Number 057-270-008.

Staff Recommendation: Find the project categorically exempt from CEQA and approve the requested use permit,

as conditioned to require installation of minor façade improvements and compliance with health and safety regulations.

Staff Contact: Dana Ayers, Planner III, phone 707-253-4388 or email dana.ayers@countyofnapa.org

Applicant: Richard B. Keith, Leaf and Vine, LLC, phone 707-225-1895 or email rick@leafandvine.com

Applicant's Representative: Paul Bartelt, Bartelt Engineering, phone 707-258-1301 or email paulb@barteltengineering.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Find the project to be categorically exempt from CEQA, as set forth in Finding 1 of Exhibit A; and
2. Approve Use Permit Application No. P14-00403 based on Findings 2 through 6 of Exhibit A and subject to the recommended conditions of approval as listed in Exhibit B.

Discussion:

The applicant proposes to establish a winery with a production capacity of 18,500 gallons per year within a 3,561 square foot suite in an existing, six-suite, light industrial condominium building. The building in which the applicant proposes to operate the winery was built in 1991, and it sits immediately north of a similar multi-tenant light industrial building that was built in 2004. With the exception of a proposed 10,000-gallon holding tank installed on a new 267 square foot concrete pad immediately east of the building and tenant space, all production, business administration activities and tastings and events would occur within the building. The project site has 45 shared parking spaces, four of which are handicapped accessible.

Staff supports grant of the use permit, subject to recommended conditions of approval. Wineries are conditionally permitted uses in the General Industrial zoning district where the property is located, and the proposed winery would operate on a 1.67-acre site that has current use permit approvals for two other wineries in adjacent tenant spaces. Uses in the general vicinity of the site also include a variety of support winery uses such as wine distributors, wine bottlers, and manufacturers of winemaking products, as well as contractors and various other light industrial uses. The building floor area and marketing program of the proposed 18,500-gallon winery are generally consistent with other industrially-located wineries with annual production levels of 20,000 or fewer gallons. With up to 7,020 annual visitors (excluding marketing events), visitation to the proposed winery would be within the range of larger-sized industrial area wineries that produce over 20,000 gallons and up to 600,000 gallons of wine per year but would be consistent with previous Commission approval of a similar, proximate winery that has operated without significant impact to the building complex.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. The project will not impact an environmental resource of hazardous or critical concern; it has no cumulative impact; there is no reasonable possibility that the activity may have a significant effect on the environment due to unusual circumstances; it will not result in damage to scenic resources; it is not located on a list of hazardous waste sites; and it will not cause substantial adverse change in the significance of a historical resource nor extract groundwater in excess of the Phase 1 groundwater extraction standards as set by the Department of Public Works. [See Class 1 ("Existing Facilities") and Class 3 ("New Construction or Conversion of Small Structures") which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301 and §15303; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B.] The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner/Applicant: Richard B. Keith, Leaf and Vine, LLC

Zoning: GI:AC (General Industrial: Airport Compatibility) District

General Plan Designation: Industrial

Application Filed: December 18, 2014

Application Complete: March 30, 2015

Parcel Size: 1.67 acres

Proposed Winery Area: 4,166 square feet, consisting of 3,162 square feet of indoor production and storage area, a 338 square foot office and tasting room and a 61 square foot restroom existing within the tenant space, a 338 square foot mezzanine office, and a 267 square foot outdoor concrete pad for a process water holding tank

Proposed Production Capacity: 18,500 gallons per year

Proposed Marketing: Five events per year for up to 30 people per event, plus one wine auction event per year for up to 50 people. For all marketing events, food would be catered by a catering company.

Proposed Visitation: By appointment only, with expected attendance of 12 guests per day on average, up to a maximum of 30 guests per day and 135 visitors per week.

Proposed Number of Employees: Four full-time employees, plus two part-time employees during marketing events and crush

Proposed Winery Hours of Operation: 6:00 a.m. to 10:00 p.m., daily

Proposed Winery Hours of Visitation: 10:00 a.m. to 6:00 p.m., daily

Parking: There are 45 parking spaces in a common area shared by all tenants within the two buildings. Applying the parking requirements specified in Napa County Code Chapter 18.110, the current combination of office,

warehouse and contractor uses (see discussion under Property Description and Background section, below) in the building complex require 25 parking stalls. No parking requirement is codified for winery uses. However, based on the specific operational characteristics of each permitted and proposed winery in the complex (three to four employees, plus seven to 30 visitors throughout the day), staff believes it is reasonable to use a parking guideline of six stalls per winery, for a total of 18 stalls for the three winery uses. It is noted that none of the 45 parking stalls in the common area are assigned to a particular tenant of either building.

Airport Compatibility: Zone D – Common Traffic Pattern (Airport Land Use Compatibility Plan [ALUCP], pages 3-14 through 3-17). Properties in this zone are commonly overflowed by aircraft at altitudes of 300 to 1,000 feet above the ground. Most nonresidential uses, including but not limited to wineries, warehousing and similar light industrial uses are normally acceptable within this zone. To minimize crowding of people in this Zone, density of persons within buildings in Zone D should generally be no more than 100 people per acre of the site, or 150 people per acre inside and outside of a building, on a regular and frequent basis. This indoor density guideline equates to 167 people within the buildings on the 1.67-acre site. The proposed winery would not result in noncompliance with this guideline, as further discussed under Discussion Points, below.

Adjacent General Plan Designations, Zoning Districts and Land Uses:

North: A 2.38-acre, privately-owned parcel with an Industrial General Plan land use designation. The property is zoned GI:AC (General Industrial: Airport Compatibility) District. The western, roughly half of the property is vacant, and the remaining eastern portion is used for construction vehicle storage.

South: A 1.07-acre parcel owned by Peju Providence Winery and currently unoccupied. General Plan land use designation of the property is Industrial, and zoning of the property is IP:AC (Industrial Park: Airport Compatibility) District.

East (across North Kelly Road): A 161-acre undeveloped parcel owned by Napa Sanitation District and used as spray fields. General Plan land use designation of the property is Agricultural Watershed and Open Space, and zoning of the property is AW:AC (Agricultural Watershed: Airport Compatibility) District.

West (across Camino Oruga): Two parcels—0.62 acres owned by Berglund Family Vineyards and used for contractor's yard, and 7.23 acres owned by Pacific Bell Telephone Company, used for administrative offices with some storage of company trucks. The smaller parcel is zoned GI:AC District, and the larger parcel is zoned IP:AC District. Both properties have a General Plan land use designation of Industrial.

Wineries in Vicinity:

As noted in the attached table, there are 16 wineries operating, approved to operate, or pursuing approvals to operate within the south Napa County industrial area. Roughly one-third (five) of the wineries operating or proposed to operate in the general vicinity of the proposed winery have production levels of up to 20,000 gallons of wine annually.

Property Description and Background:

The tenant space that the applicant proposes to utilize is within an existing, multi-tenant, light industrial building (190 Camino Oruga) that was built in 1991. In 2004, a similar multi-tenant light industrial building (194 Camino Oruga) was built on the same parcel, just south of the subject building. Both buildings were subsequently subdivided for condominium purposes. The two buildings share an approximately one-acre common area that includes frontage landscaping and a 45-stall parking lot.

The subject tenant space was previously occupied by Grassi Construction. The current property owners are using

the space for storage, pending a decision on their submitted use permit application. Other tenants occupying the building at 190 Camino Oruga include Holman Cellars, Bourassa Vineyards, and an office for Big Brothers/Big Sisters. Tenants located in the southern building also include a combination of winery and other commercial uses that include A+ Waterworks Plumbing Systems, Merry Maids, JHL Commercial Properties and Black Cat Winery.

Uses in the general vicinity of the property include light industrial uses consisting of contractor yards and other construction-related uses such as landscape maintenance, welding and plumbing companies, in addition to vehicle storage and repair establishments, other wineries, wine bottlers, and various manufacturers of winemaking products.

Code Compliance History:

There are no records of prior code violations related to this tenant space.

Discussion Points:

1. Building Exterior and Interior Improvements – The winery is proposed to be operated within an existing, single-story, multi-tenant industrial building. The interior of the space would include a ground floor tasting room with an office on a mezzanine floor above, and an indoor crush pad and barrel storage and tank rooms. Process wastewater (an average of 305 gallons per day up to 925 gallons during harvest) would drain from the indoor production area into a filtered floor drain and would ultimately discharge into the holding tank proposed to be installed next to the tenant space.

The building's exterior design is a concrete tilt up with a stucco finish and flat roof and is typical for a light industrial structure. Each unit in the building has a roll up door and a pedestrian door.

The Commission has previously commented that winery projects in the industrial park should be held to a high design standard in keeping with General Plan policy that Napa wineries convey an appearance of permanence and attractiveness (General Plan Policy CC-2). The entrance to the tenant space is adjacent to existing decorative shrubbery, and the applicant has placed wine barrels next to the landscaping, which would also assist in identifying the entrance to the winery. Staff recommends that the applicant be required to install an awning over the entrance to the tenant space, to further enhance the entrance and indicate tenancy. Staff believes that this degree of façade improvement: 1) is appropriate given the limited visibility of the tenant space from vantage points outside of the property; and 2) would establish a consistent look across the multi-tenant building, as the two other winery tenants in 190 Camino Oruga have or are required to have black fabric awnings over their pedestrian entrances. Signage to identify Leaf and Vine Winery could be applied to the awning and/or provided through wall signage fixed to the front exterior wall of the tenant space.

2. Zoning and Winery Definition Ordinance (WDO) – The site of the proposed winery is zoned GI:AC (General Industrial: Airport Compatibility) District. The intent of the GI District is to provide sites with good roadway access, in visually contained areas, for general industrial uses to operate (County Code section 18.44.010). Wineries are conditionally permitted uses in the GI District, but should be operated in such a manner that does not compromise opportunities for light and heavy industrial development on proximate properties. Because the proposed winery would not operate within the County's AW (Agricultural Watershed) or AP (Agricultural Preserve) districts, the winery is not subject to the roadway setback, grape sourcing, and other requirements of County Code Sections 18.104.200 through 18.104.250 (WDO). It is noted, however, that the accessory uses related to the winery (consisting of the upstairs mezzanine office and the downstairs tasting room) aggregate to 676 square feet. This floor area is just over 17 percent of the total indoor production area of the winery and is consistent with the intent of the limitation on accessory uses as established in County Code Section 18.104.200.

3. Tours, Tastings and Marketing Events – Consistent with the definition of "marketing of wine" (County Code

Section 18.08.370), the applicant has proposed to offer tours and tastings on a pre-arranged basis, by appointment only. Visitation is proposed to be limited to 30 guests per day. Recognizing that the quantity of appointments and number of guests attending appointments will vary depending on the day of the week and time of year, the applicant anticipates an average of 12 guests per day up to a maximum of 30 per day, and is proposing an absolute maximum of 135 guests per week. Visitation appointments would be scheduled between the hours of 10:00 a.m. and 6:00 p.m., seven days a week. Food served in conjunction with visitation would be pre-packaged and stored in a refrigerator to be kept in the tasting room.

In addition to tours and tastings, the applicant has proposed a maximum of six marketing events to occur annually at the winery. Events would include up to six staff members (the four full-time employees plus two part-time employees) and up to 30 guests, except for one annual event, which would have up to 50 guests. For the marketing events, the applicant has proposed to provide bus transportation for guests. All marketing events would be catered by a catering company, as the facility as proposed does not include a commercial kitchen.

As explained above, the ALUCP established a guideline of 100 persons per acre inside of a building in Airport Compatibility Zone D. Applying this guideline, with 1.67 acres on the property, the occupancy of the two buildings should not exceed 167 people on a regular and frequent basis. The employment and visitation programs of the proposed and existing wineries, plus estimated employment of the other office and light industrial uses in the complex, would not result in a regular density that exceeds this 167-person threshold. If they happened to occur on the same day and at the same time, the largest wine auction events of the proposed and existing wineries on-site would have a combined, estimated attendance of 150 people inside the buildings and would still fall below the maximum density guideline. (It is noted, however, that this coincidence of wine auction events is a kind of "worst case," once-annual scenario that does not represent typical, day-to-day occupancy of the structures on-site. It is further noted that marketing and wine auction events typically occur on weekends and in the evening hours, when the offices and other businesses in the complex are closed and those tenant spaces are unoccupied.)

The attached table lists the 16 wineries that are operating, approved to operate, or pursuing approvals to operate within the south Napa County industrial area. Annual production levels of these 16 wineries range from 10,000 to 880,000 gallons of wine. With 3,899 square feet of indoor floor area, the building floor area of the proposed 18,500-gallon winery is comparable to other industrially-located wineries with lesser production quantities (12,500 or fewer gallons per year), but would be noticeably smaller compared to wineries in the industrial area with comparable production levels (20,000 gallons per year). With up to 7,020 annual visitors (excluding marketing events), visitation to the proposed Leaf and Vine Winery would be relatively high, within the range of industrial area wineries with more building floor area and that produce over 20,000 gallons and up to 600,000 gallons of wine per year. However, the proposed visitation numbers are consistent with the Planning Commission's 2013 approval of the similar Black Cat Winery at 194 Camino Oruga. The proposed number of and attendance at annual marketing events is comparable to other small wineries (20,000 gallons) in the area.

4. Water and Sanitary Sewer Service – The City of American Canyon will provide treated water to the proposed project site, and Napa Sanitation District will provide sanitary wastewater treatment service. The applicant has provided copies of will-serve letters from both agencies, in relation to the proposed winery. The applicant has proposed a hold and haul system for winery process waste disposal, and as part of this proposal, would install a 10,000-gallon holding tank on a new concrete pad outside of the building, on the east side of the tenant space. The existing building and the property's trash enclosure provide adequate screening of the area where the tank would be placed, so that the tank would not be visible from the common parking area between the buildings.

5. Greenhouse Gas Reduction Strategies - Although the proposal consists of primarily interior building improvements, the applicant has expressed a willingness to implement energy and water-efficient products where feasible and intends to implement a recycling program. The building currently has a reflective, light-colored cool roof to assist in moderating interior building temperatures and reducing the urban heat island effect, and the applicant is exploring use of photovoltaic panels as an alternative energy source to serve the winery. Although

implementation of this last-described measure would require consent of the condominium owners' association, if the applicant is successful in this effort, the roof-mounted solar panels would further reduce the greenhouse gas emissions generated by the winery's energy demands.

Consistency with Standards:

All reviewing departments/agencies have found the project as proposed and conditioned to be consistent with their respective requirements and regulations.

1. Napa Valley Business Park Specific Plan and Zoning Ordinance – The property on which the winery is proposed to be operated is located within the boundaries of the Napa Valley Business Park Specific Plan (NVBPSP, formerly entitled, "Airport Industrial Area Specific Plan") and is in zone D of the GI:AC (General Industrial: Airport Compatibility Combination) District. Most nonresidential uses, including but not limited to wineries, warehousing and similar light industrial uses are normally acceptable within the GI:AC District, and new wineries more specifically require Planning Commission approval of a use permit (NVBPSP, page 62, and County Code sections 18.44.020.B.5 and 18.80.040). With the exception of the addition of the new concrete pad for the new process wastewater tank, no changes to the layout of the site are proposed with this application.

2. Building/Fire Code – The proposed winery has been conditioned to comply with all applicable building and fire codes. Prior to commencement of winery operation, staff of the Building Division and Fire Department will review building permit plans associated with the proposed tenant improvements, in order to ensure compliance with current building and fire codes.

3. Engineering Services – Staff of the Engineering Division reviewed the use permit application and determined that the proposed winery, as conditioned, would comply with applicable regulations regarding storm drainage and preservation of stormwater quality.

4. Environmental Health – Conditions of approval recommended by staff of the Environmental Health Division would require proper storage and disposal of recyclable content, refuse and hazardous materials associated with the proposed winery. Recommended conditions would also re-inforce limitations on food service accompanying tasting and marketing events, as well as regulations governing installation of the proposed hold and haul system and connections to public utilities.

5. Airport Land Use Compatibility Plan (ALUCP) – The ALUCP staff liaison reviewed the proposed winery application and determined that the proposed project complies with the ALUCP, as conditioned.

6. Other Agencies - The winery would have treated water and sanitary wastewater treatment services provided by the City of American Canyon and the Napa Sanitation District, respectively. The applicant has submitted copies of will-serve letters from both agencies. Both agencies have also conditioned the project for compliance with their respective requirements.

Decision-making Options:

As noted in the introductory paragraphs of this staff report, staff believes that the necessary findings can be made and recommends approval of the project as proposed by the applicant, subject to conditions that include minor additions to the building frontage, and compliance with other agency standards. This section further outlines the consequences of that action, as well as the other alternative decisions available to the Commission:

Option 1: Approve Applicant's Proposal (Staff recommended option).

This action would result in conversion of the existing tenant space from storage to winery use, including installation of proposed and recommended tenant improvements. If the winery is successful in the currently proposed

location, it could re-locate to an alternative site further up valley, and a new winery or a different use would subsequently occupy the space. Until the use of the space changes, the subject and any successor wineries would offer visitation and hold marketing events at the subject site, at the numbers proposed, throughout the year. In accordance with standard conditions, the winery operators would have to coordinate with other winery operators in the complex to minimize parking impacts. Until the winery operation vacated the site, the tenant space would be unavailable for industrial business use.

Action Required - Follow the proposed action listed in the Summary section of this staff report, amending select, project-specific conditions listed in Sections 1, 2 and 4 of Exhibit B, as may be appropriate, at the time the motion of approval is made. The visitation program that would be approved with this action would be comparable to that of larger, industrially-located wineries but would be consistent with previous Commission action on a similar winery proposal in an adjacent building.

Option 2: Modify the Applicant's Proposal to Reduce Visitation.

As with Option 1, this option would result in conversion of the existing tenant space from storage to winery use, and until the winery operation vacated the site, the tenant space would be unavailable for industrial business tenancy. With this Option 2, however, the applicant's requested visitation program could include lower limits than those proposed, for certain months, to reflect seasonal highs and lows in visitors. This option accounts for prior precedence in allowing visitation to industrial wineries, while attempting to balance the County's economic development needs to ensure preservation of industrial areas for industrial uses. Further, with this Option 2, the Commission could consider alternative façade improvements (in lieu of the recommended awning) that would demonstrate the winery's "permanence and attractiveness," consistent with General Plan policy. These modifications, as well as the standard conditions, would apply to this option.

Action Required - Amend the recommended, project-specific conditions of approval in Section 1, 2 and 4 of Exhibit B, in order to: a) reduce maximum allowable visitation numbers, either to reflect seasonal lows or generally throughout the year; and/or b) specify alternative design improvements to the winery's building façade. As with Option 1, the standard conditions of approval would apply to the winery.

Option 3: Deny the Applicant's Proposal.

This action would result in continued use of the space for storage purposes, either indefinitely or until the tenant space is sold or leased to another business. No additional parking impacts would occur in the immediate future, and no exterior improvements (such as the hold and haul tank) would be installed. Future tenancy of the space is unknown, and depending on the use, future tenancy might or might not require Planning Commission approval.

Action Required - In the event the Commission determines that the project does not or cannot meet the required findings for grant of a use permit, Commissioners must articulate the basis of the conflict with the findings. The Commission would then make a tentative motion to deny the proposal and remand the matter to staff to draft the required findings of denial, based on the Commissioners' statements. Staff would return to the Commission with the findings of denial on a specified date.

Continuance Option.

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

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Department Comments

- D . Will-Serve Letters
- E . CEQA Memorandum
- F . Project Statement and Application
- G . NVBPSP Winery Comparison Table
- H . Graphics

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina