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Agenda Date: 5/6/2015

Agenda Placement: 9E

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: EMILY HEDGE, PLANNER II - 259-8226
SUBJECT: Sawyer Cellars Use Permit

RECOMMENDATION

SAWYER CELLARS / CORY AND KRISTEN PHILLIPS - USE PERMIT P14-00353-UP

CEQA Status: Consideration and possible adoption of a Categorical Exemption pursuant to section 15301, "Existing Facilities," and section 15303 "New Construction or Conversion of Small Structures" of the Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines), and Napa County's Local Procedures for Implementing the California Environmental Quality Act Appendix B Class 3 "New Construction or Conversion of Small Wineries".

Request: Approval of a use permit in order to allow a wine production and retail sales facility utilizing approximately 3,743 square feet within an existing approximately 20,000 square foot, multi-condominium building. As proposed, the winery would include: 1) an annual production capacity of 10,000 gallons; 2) one full-time and one part-time employee; 3) daily operations between the hours of 7:00 a.m. and 6:00 p.m., with visitation limited to the hours of 10:00 a.m. and 6:00 p.m.; 4) a tasting room by appointment only, with expected attendance of up to eight guests per day (six per day on average); 5) ten marketing events per year with up to 30 people and one annual wine auction event for up to 100 people (events may be catered); 6) signage per the Napa Valley Business Park Specific Plan (NVBPSP) standards; and 7) a hold and haul system for winery process wastewater. The City of American Canyon and Napa Sanitation District will provide water and domestic sanitary sewer service to the site, respectively. The proposed project site is located at 759 Technology Way, Napa, between Gateway Road and Gateway Road West, on a 1.45-acre site, in the Industrial Park: Airport Compatibility (IP:AC) District. Assessor's Parcel No. 057-330-005.

Staff Recommendation: Adopt the Categorical Exemption and approve the Use Permit with the proposed conditions of approval.

Staff Contact: Emily Hedge, Planner II, (707) 259-8226, or emily.hedge@countyofnapa.org

Applicant Contact: Charles Sawyer (904) 571-2606 or Charles@sawyercellars.com

Applicant's Representative: Beth Painter (707) 287-9089 or beth@bptnapa.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission

1. Adopt the Categorical Exemption for the Sawyer Cellars based on Finding 1 of Exhibit A; and
2. Approve Use Permit P14-00353-UP based on Findings 2-6 of Exhibit A and subject to the conditions of approval (Exhibit B).

Discussion:

The applicant proposes to establish a winery with a production capacity of 10,000 gallons per year within approximately 3,743 square feet of an existing approximately 20,000 square foot, multi-condominium building. The building was permitted in 2006 for warehousing, light manufacturing, and ancillary office space. The project site has 53 shared parking spaces for the seven-unit condominium building (7.5 spaces for each condominium). All production, business administration activities, and tastings and events would occur within the building. The project is compatible in use with other projects located in the Napa Valley Business Park Specific Plan (NVBPSP) area.

Staff supports grant of the use permit, subject to the recommended conditions of approval. Wineries are conditionally permitted uses in the Industrial Park zoning district where the property is located. Uses in the general vicinity of the site also include a variety of support winery uses such as a winery equipment rental facility, mobile bottling company, and multiple manufacturers of winemaking products, as well as contractors and various other light industrial uses. The building floor area and marketing program of the proposed 10,000-gallon winery are generally consistent with other comparably sized, industrially-located wineries. The winery would be consistent with previous Commission approvals of similar wineries that operate without significant impact to their building complexes.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposal as described meets the criteria for a Categorical Exemption pursuant to section 15301, "Existing Facilities" and section 15303 "New Construction or Conversion of Small Structures" of the Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines) and Napa County's Local Procedures for Implementing the California Environmental Quality Act Appendix B Class 3 "New Construction or Conversion of Small Wineries". This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: Cory and Kristen Phillips, Phillips Buildings

Applicant: Charles Sawyer, Sawyer Cellars

Zoning: IP:AC - Industrial Park: Airport Compatibility

General Plan Designation: Industrial

Application Filed: October 31, 2014

Application Complete: April 13, 2015

Parcel Size: 1.45 acres

Proposed Winery Area: Approximately 3,743 sq. ft. comprised of a 2,875 sq. ft. condominium space for winery production and storage and 868 sq. ft. shared office, tasting room, restroom, and break room with the adjacent condominium.

Proposed Production Capacity: 10,000 gallons per year

Proposed Marketing: Up to 10 marketing events per year for up to 30 people, plus one annual wine auction event for up to 100 people. For all marketing events, food would be catered.

Proposed Visitation: By appointment only, with a maximum attendance of up to 8 guests per day (6 per day on average). Hours of visitation would be between 10:00 a.m. and 6:00 p.m., daily.

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

Hours of Operation: Proposed daily hours of operation for production from 7 AM to 6 PM with tours and tastings from 10 AM to 6 PM.

Parking: Utilization of 53 shared parking spaces for the seven-unit condominium building (7.5 spaces for each condominium).

Airport Compatibility: Zone D - Common Traffic Zone - area of routine overflight at low elevations. Warehousing, light manufacturing, and ancillary office space uses are compatible with this zone.

Adjacent Zoning / Land Use:

North: IP:AC – The property to the north is a 3.83 acre parcel that is developed with three warehouse buildings.

South: IP:AC – The property to the south across Technology Way is a 1.25 acre parcel that is vacant. The parcel is surrounded by developed properties.

East: IP:AC - The property to the east is a 1.5 acre parcel that contains a 7-unit condominium building that was developed simultaneously with the 7-unit condominium building on the project site.

West: IP:AC - The property to the west is a 2.97 acre parcel developed with a warehouse building.

Wineries in Vicinity:

The attached table lists the 16 wineries operating, approved to operate, or pursuing approvals to operate within the south Napa County industrial area.

Parcel History:

In 2006, Parcel Map P06-01040 and Use Permit P06-0038-UP approved a parcel map that created two individual parcels to be developed with approximately 20,000 square foot buildings, to be further divided into fourteen airspace condominium units with associated common space. Each 20,000 square foot building was divided into seven condominiums. The condominium buildings were built in 2009. The subject condominium is currently used for storage of finished wine and associated distribution and office functions. The adjacent condominiums that will share the office, restroom, and break room are currently occupied by Rutherford Equipment Rental.

Code Compliance History:

None. There are no open or pending code violations for the subject site.

Discussion Points:

1. Building Exterior and Interior Improvements – The winery is proposed to be operated within an existing, single-story, multi-condominium building. The building's exterior design is a concrete tilt up with a multi-color concrete finish and is typical for a light industrial structure. Each unit in the building has a pedestrian door and a roll up door that is primarily hidden from public view.

The interior of the space would include a ground floor tasting room and an office. All production activities will take place in the building. Process wastewater (an average of 137 gallons per day with a peak daily flow of 500 during crush period) would drain from the indoor production area into an existing trench drain to an in-floor sump and pump that would pump the wastewater to the holding tanks.

2. Winery Definition Ordinance (WDO) - The site of the proposed winery is zoned IP:AC (Industrial Park: Airport Compatibility) District. 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 tasting room, the restroom and the office) aggregate to approximately 868 square feet, which is 23 percent of the 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 prearranged basis, by appointment only. Visitation is proposed to be limited to 8 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 6 guests per day. Visitation appointments would be scheduled between the hours of 10:00 a.m. and 6:00 p.m., seven days a week.

In addition to tours and tastings, the applicant has proposed an annual winery marketing plan with up to 10 marketing events per year for up to 30 people, plus one annual wine auction event for up to 100 people. All marketing events would be catered by a catering company, as the facility as proposed does not include a commercial kitchen.

The attached table lists the 16 wineries operating, approved to operate, or pursuing approvals to operate within the

south Napa County industrial area. The proposed winery has the lowest production capacity of the 16 wineries in the Industrial area. Comparable sized wineries range in production quantities up to 18,500 gallons per year. With 3,743 square feet of indoor floor area, the proposed 10,000-gallon winery has a lower production rate than similarly sized wineries.

With up to 2,912 annual visitors (excluding marketing events), visitation to the proposed winery is relatively low compared to those wineries with similar floor area and production quantities (up to 18,500 gallons per year). There are three wineries, with a greater building floor area and higher production quantities that have lower visitation rates.

The proposed number of and attendance at annual marketing events is slightly higher than other similarly sized wineries with similar production capacity in the area. The annual marketing attendance is in the lower range of all approved marketing attendance that ranges from 120 to 9,000 people. The number of marketing events proposed is in compliance with the standards set forth in Napa County's Local Procedures for Implementing the California Environmental Quality Act Appendix B Class 3 "New Construction or Conversion of Small Wineries" and will hold no more than 10 marketing events per year, each with no more than 30 attendees, except for one wine auction event with up to 100 persons in attendance. The winery will not hold any temporary events.

4. Public Utilities – The City of American Canyon and the Napa Sanitation District provide water and domestic sewer services, respectively, to the existing building. The applicant has obtained will-serve letters from both agencies, with conditions that include payment of applicable fees and installation of low-water use fixtures inside the tenant space. The applicant is proposing to use hold and haul services for winery process wastewater. Winery process waste water will be handled by the hold and haul method and no discharge to Napa Sanitation District sanitary sewer facilities will occur.

5. Greenhouse Gas Reduction Strategies - Although the proposal consists of primarily interior building improvements, the applicant has expressed a willingness to implement greenhouse gas reduction strategies where available. Efforts include operating the cooling and refrigeration systems during off-peak hours to the best extent feasible; installing water-efficient products where feasible including a low flow water nozzles for barrel washing; and insulating the roll up door and glass front to increase energy efficiency.

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. Zoning/NVBPSP - the IP:AC (Industrial Park: Airport Compatibility) allows wineries and associated accessory uses, warehousing, distribution and office uses with the approval of a use permit. Site layout, building design, coverage, and setbacks comply with all applicable NVBPSP and zoning regulations.
2. Building/Fire Code - the project has been designed to comply with all applicable building and fire codes. The Building Division and Fire Department staff will review building permits associated with the tenant improvements to ensure compliance with current building and fire code.
3. Engineering Services - Engineering Services finds the project, as conditioned, complies with industrial park development standards. Engineering Services has included conditions addressing compliance with regulations regarding drainage, stormwater control, and parking lot standards.
4. Environmental Health - Conditions are required that address businesses generating and/or storing hazardous materials, solid waste, and recyclable materials.

5. Airport Land Use Compatibility (ALUC) Plan - The application was reviewed by the County Airport Land Use Commission (ALUC) staff liaison. Staff determined that the project, with the incorporation of the proposed conditions of approval, complies with the ALUC Plan.

6. Other Agencies - The project has Will-Serve letters from the City of American Canyon and Napa Sanitation District regarding the provision of and connecting to municipal water and sewer services, respectively. Both agencies have also conditioned the project for compliance with their respective requirements.

Decision Making Options:

As noted in the Executive Summary, Staff believes that the necessary findings can be made and recommends approval of the project as proposed by the applicant, subject to the proposed conditions of approval (Exhibit B). 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

This action would result in conversion of the existing condominium from warehouse to winery use and would allow for visitation and marketing events as described above.

Action Required – Follow the proposed actions listed in the Executive Summary. If proposed conditions of approval are to be amended, specify conditions to be amended at the time a motion is made.

Option 2 – Modify the Applicant’s Proposal

This action could reduce the number of or size of annual events. The proposed number of and attendance at annual marketing events is slightly higher than other similarly sized wineries with similar production capacity in the area.

Action Required – Follow the proposed actions listed in the Executive Summary and amend the scope and project specific conditions of approval to place limits on use. If major revisions of conditions of approval are required, item will need to be continued to a future date.

Option 3 – Deny the Applicant’s Proposal

This action would result in continued use of the space for warehouse use. Future change in tenancy is possible. Any new or change of tenancy within the structure shall require administrative review and approval by the Planning Division prior to issuance of a final certificate of occupancy. Depending on the use, future tenancy might or might not require Planning Commission approval.

In the event that the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit, Commissioners must articulate what aspect or aspects of the project are in conflict with the required findings. In a similar fashion to use permit approvals, State law requires the Commission to adopt findings, based in the General Plan and County Code, setting forth why the proposed use permit 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 that suggests denial of the project is warranted.

Action Required – Commission would take a tentative motion to deny the project and remand the matter to staff for preparation of the required findings of denial, based on the Commissioners’ statements, and to return to the Commission on specified date.

Continuance Option

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

SUPPORTING DOCUMENTS

- A . Findings
- B . Conditions of Approval
- C . Agency Comments
- D . American Canyon Will-Serve Letter and Water Supply Report
- E . Napa Sanitation District Will-Serve Letter and Conditions of Approval
- F . CEQA Exemption Memorandum
- G . Public Comments
- H . Application Materials
- I . Winery Process Wastewater Feasibility Report
- J . Winery Comparison Table
- K . Project Graphics Packet

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina