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Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Trish Hornisher, PLANNER III - 299-1349
SUBJECT: V Madrone Cellars (Tilley Winery) Use Permit Modification #P08-00099-MOD

RECOMMENDATION

V MADRONE CELLARS (TILLEY WINERY) – USE PERMIT MODIFICATION #P08-00099-MOD

Request: Approval of a Major Modification to Use Permit P04-0541-UP for the following items: (1) Approval to change original Use Permit Condition of Approval #2 (a.) Historical Structures as follows: Prior to issuance of any building permits for the project, the following shall be provided: (a.) Verification by an Historic Architect that the main residence is eligible for listing on the California Register; (2) Approval to increase the square footage of the planned renovated barn from 1,359 square feet to 1,492 square feet; and (3) Adoption of an Addendum to the previously adopted Mitigated Negative Declaration. The Addendum will amend Section XV. Traffic/Transportation Mitigation Measure #1 and the associated Project Revision Statement and Mitigation Monitoring and Reporting Program for Transportation/Traffic requiring the installation of a left-turn lane on St. Highway 29 prior to issuance of a building permit. It will also allow for a substituted equivalent mitigation measure that would implement the site and road design changes approved by State Department of Transportation (Caltrans) to reduce potential traffic impacts associated with the winery site;

Staff Recommendation: Adopt the Addendum to the original mitigated negative declaration concerning turn lane requirements, and Approve the use permit major modifications as proposed and with revised conditions of approval.

EXECUTIVE SUMMARY

This proposal is a request to approve an Addendum to a previously certified mitigated negative declaration and modify the related project revision statement, mitigation monitoring and reporting program and conditions of approval of the previously approved use permit for the historic V Madrone Cellars (Tilley) winery #P04-0541-UP. (1) The first item is to adopt an Addendum to a previously certified Mitigated Negative Declaration requiring a left turn lane on State Highway 29 as approved by Caltrans and replace it with an equivalent (Caltrans approved) "No Left Turn" arrangement to reduce potential traffic hazards in the general vicinity during construction and for subsequent winery operations. The trip reduction arrangement includes

the elimination of two non-historic cottages on the site; installation of two “No Left Turn” signs and a redesign of the driveways to make left turns more difficult. (2) The second item is a request to change previous Condition of Approval #2 (a) for Historical Structures so that a building permit can be issued upon verification by an Historic Architect that the main residence is eligible for listing on the California Register. (3) The final item requests an increase in the square footage of the new, renovated barn (originally the historic barn and associated out buildings) from 1,359 square feet to 1,492 square feet. No other increases in square footage, production, visitation or marketing are requested.

The project is unusual in that the previously warranted requirement for a left turn lane on State Highway 29 was reexamined by Caltrans and modified after the original Use Permit approval. The modified plan, explained in more detail below, was approved by Caltrans (the Responsible Agency for the project) in their letter of December 2007. They concluded that, “either the Left Turn Lane or the ‘No Left Turn’ arrangement would be acceptable.”

Approval of the “No Left Turn” arrangement requires a change to the previously adopted environmental document that contained a traffic mitigation requiring a left turn lane on State Highway 29. The California Environmental Quality Act (CEQA) requires the preparation of Subsequent or Supplemental Mitigated Negative Declaration or an Addendum to the project’s original Mitigated Negative Declaration to analyze the environmental impacts of a new change. In the case of this modification, an Addendum was deemed the appropriate document to discuss the possible environmental impacts and is attached for the record.

Proposed Action: That the Planning Commission adopt Resolution P08-00099-MOD adopting the Addendum to the Mitigated Negative Declaration of Use Permit P04-0541-UP, and approving the amended Project Revision Statement, the amended portion of the Mitigation Monitoring and Reporting Program for Transportation / Traffic (Section XV.) and the Use Permit modifications for the V Madrone Cellars (Tilley) winery project with the recommended Conditions of Approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: An Addendum to the previously adopted Mitigated Negative Declaration has been prepared pursuant to Section 15164 of the California Environmental Quality Act (CEQA) and the Napa County Local CEQA Guidelines Section 408(a). A Mitigated Negative Declaration was previously adopted by the Napa County Conservation, Development and Planning Commission on September 21, 2005. 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/ Applicant: Christopher and Pauline Tilley

Zoning: AW, Agricultural Watershed

General Plan Designation: AWOS, Agriculture, Watershed & Open Space**Filed:** February 15, 2008**Building size:****Modification:** Agricultural Barn modification from 1,359 square feet to a total of 1,492 square feet.**Previously Approved:** Conversion of: (1) the existing 2,547 square foot main residence; (2) the 2,555 square foot cellar and basement; (3) the existing 798 square foot barn with attached 136 square foot outbuilding and the 425 square foot unenclosed outbuilding; and, (4) construction of a 1,204 square foot outdoor tank & crush pad.**Building Use:****Modification:** Barn and agricultural outbuildings to a slightly larger Winery Barrel storage building.**Previously Approved:** Conversion of the existing 2,547 square foot main residence to office, conference, shipping/receiving, equipment and dry storage, kitchen (commercial)/employee break room, and lobby; the 2,555 square foot cellar and basement to barrel storage, bottle and bulk storage; the existing 798 square foot barn and attached 136 square foot outbuilding to barrel storage, storage & restroom; and the 425 square feet of unenclosed outbuildings to covered work areas; 1,204 square feet of outdoor tank & crush pad.**Production Capacity:** No increase (20,000 gallons/year prev. approved)**Visitation:** No increase (20 persons/day with an average of 90 persons/week.)**Marketing:** No changes (Marketing events shall be limited as follows:

- a. Two auction events per year with a maximum of 75 people per event
 - b. One private harvest event per year with a maximum of 75 people
 - c. One special holiday event per year with a maximum of 75 people
 - d. Two wine trade open house events per year with a maximum of 75 people per event
 - e. Six private wine and food trade events per year with a maximum of 20 people per event
- (All marketing events shall occur between 10:00 AM - 3:00 PM and 5:00 PM - 10:00 PM Monday through Friday; and on weekends 10:00 AM - 2:00 PM and 5:00 PM - 10:00 PM)

Number of Employees: No increase (2 full-time and 2 part-time previously approved)**Hours of Operation:** No changes

(Production -- Monday through Sunday, 8:00 AM to 6:00 PM

Tours & Tasting – 8:00 AM to 4:00 PM

Retail – 8:00 AM to 4:30 PM)

Parking: No changes (15 spaces)**Adjacent Zoning / Land Use:**

North: AW– Residential – 1.22 acres

South: AW – Open Space & Agriculture/Residential – 40.35 / 0.47 acres

East: AP – Agriculture – 22.13 acres

West: AP – Agriculture/Open Space – 40.35 acres

Property History:

1883 - The August Hirsch residence was built and the basement used for wine making and barrel storage.

1930 -1950 The Hirsch residence and cottages were used as a restaurant and lodging resort facility historically known as, "The Madrones".

September 2005 – Use Permit P04-0541 was approved to re-establish the historic wine making facility within the 19th century residence, cellar and barn and convert their use to winery operations. Approval was also obtained to relocate the barn and out buildings out of the stream setback and reconstruct them as a single wine barrel storage building using the Secretary of Interior Guidelines for the Treatment of Historic Properties.

On March 6, 2007- The State Office of Historic Preservation sent comments indicating that in order to qualify for nomination to the California Register, more documentation would be required regarding the winery's particular significance to the California wine industry as a whole.

October 2007 – Use Permit P07-00656-LDMK Local Napa County Landmark Designation was granted to the Hirsch residence and site by the Planning Commission to meet the intent of a previous condition of approval requiring that the site be listed or eligible for listing on the California Register or National Register. Two 19th century cottages, an historic rock wall and cistern, and a redwood grove and oak trees as described in the original State historic evaluation form DPR Form 523L were included in the Local Landmark Designation as contributing accessory structures and landscape features.

Code Compliance History:

The project historically has no compliance issues. The applicant has consistently complied with existing Napa County Code and regulations regarding the project development. Recently, the project has been delayed due to the difficulties faced by the applicant to fully comply with the mitigation measures and conditions of approval for Cultural Resources and Transportation/Traffic.

Discussion Points:

1. General - On September 21, 2005 the Planning Commission adopted a Mitigated Negative Declaration for the V Madrone Cellars (Tilley) winery and approved the use permit. The environmental document included mitigation measures and a mitigation monitoring program that included a project revision statement for Transportation/Traffic. One of the mitigations for Traffic was the requirement to install a left turn lane for ingress and egress to the winery on State Highway 29 prior to the issuance of any building permit. Since that time, the left turn lane requirement was reexamined by Caltrans and modified due to other constraints hampering the road improvement design. This change affected the adequacy of the previously certified environmental document and required additional review for potential traffic impacts under an amended document.

After reviewing Caltrans' proposal, the Napa County Planning department determined the

Transportation/Traffic issue could be resolved with this request to approve an Addendum to the original Mitigated Negative Declaration. The Addendum will substitute Caltrans' left turn lane requirement with an equivalent "No Left Turn" arrangement. The equivalent proposal would require: (a.) the elimination of two non-historic cottages on the property to reduce trip generation; (b.) the installation of two "No Left Turn" signs that will reduce access to the site by disallowing all ingress and egress left turn movements to and from the site; and, (c) further prohibiting left turn movements by requiring a redesign of the driveway to make turning left in and out of the project difficult.

Approval of this use permit modification includes authorizing the proposed changes to the Mitigated Negative Declaration. The Project Revision Statement, Mitigation Monitoring and Reporting Program and Conditions of Approval for Traffic will be modified accordingly and allow the pending building permit for the Barrel Storage building to be issued upon satisfactory completion of all Caltrans and County requirements including any additional conditions of approval approved for this project.

2. Traffic - The "No Left Turn" road improvement design arrangement. In March of 2007, Caltrans (the Responsible Agency for matters regarding State Highways) approved an alternative plan to replace the originally approved left turn lane requirement for the V Madrone Cellars (Tilley) winery. The modified plan took into consideration the environmental constraints presented by the location of the existing historic rock wall and the difficulty to obtain the required additional right of way from the adjoining property owner. Since the environmental document approved by Napa County did not allow for the relocation of the historic wall and it was difficult to obtain additional right of way on the opposite side of the highway, an alternative road improvement plan was devised to accommodate these constraints. The new plan submitted by the project's traffic consultant, George Nickelson, eliminated two non-historic cottages on the property thereby reducing traffic trips to the site. His email on March 13, 2007 to Caltrans indicated the removal of the cottages reduced daily traffic trips from 45 trips to 35 trips. The design also reduced access to the site by eliminating all left turn movements to and from the site. To enforce the prohibition of the left turn movements, a condition for the installation of a "No Left Turn" sign on Highway 29 and one at the driveway exit was added to the plan. The driveways were also required to be redesigned to make left turns in and out of the site more difficult. Caltrans issued an Encroachment Permit on October 16, 2007, for this plan with all work to be completed before September 31, 2008. In November of 2007, the Napa County Public Works Director wrote Caltrans requesting clarification to confirm whether Caltrans' staff considered the proposed improvements mitigated the traffic safety concerns. Caltrans confirmed the new plan's mitigations but concluded in their letter of December 2007 that, "either the proposal of a full access with a two-way left turn lane or the proposal of a partial access, left turn movements prohibited, with no left turn lane is acceptable to Caltrans."

While the Napa County Public Works Department still supports the installation of the left turn lane, Caltrans is the deciding agency in this matter. Napa County Public Works will therefore require consistency with Caltrans' new design. This is reflected in their final comment: "the applicant shall complete the construction of appropriate improvements as approved by the California Department of Transportation prior to issuance of a temporary certificate or final certificate of occupancy for any of the structures to be used for winery operations".

A neighbor has discussed the new design of the "No Left Turn" arrangement with staff and questions whether the new design will safely divert all northbound traffic away from the project site. They are also concerned about the precedent setting nature of the new design arrangement for future winery development projects on State Highway 29.

2. Cultural Resources – The previous Use Permit condition of approval for Historical Structures required that the main residence and barn be in fact, “‘listed or eligible for listing’ by the State on the California Register or National Register prior to the issuance of any building permits”. Since the State required additional documentation prior to approving this property for listing, the applicant applied for and was granted a Local Historic Landmark designation to meet the intent of this condition. If approved, the previous conditions of approval will be modified to reflect the fact that the Local Landmark Designation meets the intent of this condition. Verification from an historic architect that the main structure and barn are eligible for listing by the State and compliance with the Secretary of the Interior Guidelines for the Treatment of Historic properties will still be required.

The applicant has submitted building plans to begin construction of the barn (barrel storage) structure. Upon obtaining the Final Certificate of Occupancy for the barrel storage building, the applicant requests a temporary, non-permanent tasting counter be allowed inside the structure. Upon completion of the conversion of the main historic residence into the historic winery use, the temporary tasting counter will be entirely removed from the barn and relocated as a permanent tasting room in the historic winery/residence. Since a condition of the previously approved use permit (and the County Code section itself for Prohibition Wineries 18.104.245) required the permanent reestablishment of the winery within the main historic residence, three additional conditions of approval are proposed by staff to be added to this use permit modification to ensure winery production is reestablished in the historic residence prior to the issuance of a Temporary or Final Certificate of Occupancy for the barrel storage building.

The three additional conditions proposed by staff are that: (1) prior to the issuance of a Temporary or Final Certificate of Occupancy for the barrel storage building, a Letter of Intent shall be submitted by the applicant to the Planning Department setting forth a timeline outlining specific steps for the timely completion of the conversion of the historic main residence to the historic winery use and the removal of the temporary tasting counter from the barrel storage barn; (2) issuance of a Final Certificate of Occupancy for the barrel storage building will be required prior to commencement of visitation and marketing (or establishing a temporary, non-permanent tasting counter in this structure); (3) prior to issuance of a Certificate of Final Occupancy for the converted historic residence, a deed shall be recorded for a Notice of Use Restriction on the property stating that winery production shall take place within the converted historic winery/ residence for the winery use to continue on the site.

3. Barrel Storage Building Increase – The previous Use Permit required the relocation of the original historic barn and outbuildings out of the stream setback in accordance with the Napa County Conservation Regulations. The permit also allowed the structures to be reconstructed as a single Barrel Storage building located 35 feet from the top of the stream bank. An historic architect is required to review the design of the new winery barrel storage building for consistency with the Secretary of the Interior Guidelines for the Treatment of Historic properties prior to issuance of the building permit. The previous total combined square footage of the historic barn and outbuildings was 1,359 square feet.

This use permit modification requests approval to increase the square footage for the new barrel storage building (which includes an adjoining storage area and ADA restroom facilities) to a total of 1,492 square feet. No production increase or other changes are requested. A Temporary or Final Certificate of Occupancy will not be issued until such time as all Caltrans and County requirements are satisfied and a building permit is applied for with plans for the conversion of the historic main residence to the historic winery/residence submitted to the Napa County Building Department. Prior to commencement of visitation and marketing events, a Final Certificate of Occupancy must be issued for the rehabilitated historic winery/residence and a Use Restriction that winery production shall take place within the converted historic

winery/residence for the winery use to continue on the site must be filed with the County Recorder's Office.

Consistency with Standards:

1. Zoning - No substantive environmental changes will occur to the site as part of this project. This project is in conformance with all relevant zoning regulations as indicated by the required findings in the attached Resolution.
2. Building and Fire Department Requirements dated March 5, 2008 – The modifications do not warrant any fire department comments for this project.
3. Public Works Department dated March 31, 2008 – The applicant shall complete the construction of appropriate improvements as approved by the California Department of Transportation prior to issuance of a Temporary Certificate or Final Certificate of Occupancy for any of the structures to be used for winery operations.
4. Environmental Management Department dated February 28, 2008 – No new recommendations or conditions of approval to be included if the project is approved.
5. California Highway Patrol dated March 12, 2008– No comments

SUPPORTING DOCUMENTS

- A . Resolution
- B . Conditions
- C . Previous Conditons
- D . Department Comments
- E . Addendum to Original Mitigated Negative Declaration
- F . Amended Project Revision Statement
- G . Amended Mitigation Monitoring and Reporting Program
- H . Application
- I . Owner Letter of Intent & Construction Timeline
- J . Napa County Letter to Caltrans
- K . Caltrans Response Letter and Traffic Study Modification
- L . Barn / Barrel Storage Historic Evaluation
- M . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell