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Agenda Date: 6/2/2021

Agenda Placement: 7A

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: Dana Ayers, Consultant - 925-688-2490

SUBJECT: Materra Winery Use Permit Major Modification P20-00184-MOD

RECOMMENDATION

BRIAN CUNAT / MATERRA WINERY / USE PERMIT MAJOR MODIFICATION APPLICATION NO. P20-00184-MOD

CEQA Status: Consideration and possible adoption of a Negative Declaration. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Request: Approval of a Use Permit Major Modification to modify entitlements for Materra Winery, an existing winery located at 4326 Big Ranch Road, Napa. The requested modification encompasses both physical and operational changes to the winery, consisting of: 1) an increase in the permitted production capacity of the winery from 110,000 gallons of wine per year to 150,000 gallons of wine per year; 2) expansion of the winery building to include an additional 12,610 square feet of interior floor area, with the added square footage to house a visitor reception area, a wine library for wine tasting with food pairings, additional wine tasting space, a low-risk (catering) kitchen, wine storage and administrative offices in a new two-story structure; 3) an increase in the permitted number of daily wine tours and tastings visitors, from 18 visitors per day, by appointment, to 34 visitors per day, by appointment; 4) expansion of on-premise wine consumption to include an approximately 740 square foot uncovered patio adjacent to the tasting room in the proposed building expansion; 5) an increase in the number of winery employees, from three full-time, three part-time and four part-time seasonal employees, to as many as 12 full-time, two part-time and three part-time seasonal employees; and 6) an increase in the number of on-site automobile parking stalls allowed under the use permit, from 24 stalls to 25 stalls. The requested production and visitation increases would correspondingly increase sanitary and winery process wastewater flows at the winery, necessitating subsurface installations of a new septic tank and additional leach line in the existing leach field in the vineyards west of the winery building. The project as proposed also includes construction of a left-turn lane in the right-of-way of Big Ranch Road at the winery property frontage. The proposed project is located on 50 acres at 4326 Big Ranch Road in Napa, and is General Plan land use designated as Agricultural Resource (AR) and zoned as Agricultural Preserve (AP). Assessor's Parcel Number 036-160-003

Staff Recommendation: Adopt the Negative Declaration prepared for the project and approve Use Permit Major Modification Application No. P20-00184-MOD, as conditioned.

Staff Contact: Dana Ayers, Consultant Planner, phone number (925) 688-2490, email address dayers@trccompanies.com; Charlene Gallina, Supervising Planner, phone number (707) 299-1355, email address Charlene.gallina@countyofnapa.org

Applicant: Brian Cunat, Materra Winery; phone number (815) 482-1657, email address bgcunat@gmail.com

Applicant Representative: George H. Monteverdi, Monteverdi Consulting; phone number (707) 761-2516, email address George@MonteverdiConsulting.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration prepared for the project, based on the recommended Findings 1-7 in Attachment A; and
2. Approve Use Permit Major Modification Application No. P20-00184-MOD, based on recommended Findings 8-12 in Attachment A, and subject to the recommended Conditions of Approval in Attachment B.

Discussion:

On January 7, 2009, the Planning Commission adopted a Mitigated Negative Declaration (MND) and approved a use permit request (Use Permit P08-00428 – UP) for Cunat Premium Vineyards to operate a wine production facility (Materra Winery) with visitation and marketing events on a 50-acre property developed with vineyards and a single-family residence and located at 4326 Big Ranch Road, just north of Napa city limits. That approval allowed construction of an approximately 15,371 square foot production building, a separate 5,094 square foot hospitality building (both buildings of a Mediterranean architectural style), and 5,145 square feet of loading area and outdoor crush pad. Winery operations were limited to production of up to 50,000 gallons of wine per year, up to 18 tours and tastings visitors per day by appointment, and a wine marketing program consisting of up to 26 events per year for 25 to 100 guests. Subsequent amendments to Use Permit No. P08-00428 increased wine production to its current annual limit of 110,000 gallons per year; increased winery production building floor area and decreased hospitality building floor area; changed the architectural style of the winery buildings from Mediterranean to French country; and increased the size of and added covers over outdoor wine production areas next to the winery building (Very Minor Modifications Nos. P13-00283-VMM and P16-00362-VMM, and Use Permit Major Modifications Nos. P15-00071-MOD and P17-00156-MOD).

Current development on the property consists of the winery building of 28,604 square feet; outdoor covered work areas of 6,902 square feet; an 18-stall visitor parking lot and separate, seven-stall employee parking lot; asphalt-paved access roads to and around the winery buildings, including a 20-foot wide driveway to the winery buildings from Big Ranch Road and a secondary, gravel-paved service driveway; a racking area and uncovered crush pad; landscaping, including a bioswale for water quality purposes; and various utility infrastructure improvements that include underground septic tanks, aboveground water storage tanks (10,500 gallons and 72,000 gallons), a septic system leachfield with reserve area, and approximately 36.8 acres of grapevines. There is also a single-family residence on the parcel, that is outside the scope of this request.

The winery operator is requesting modifications to the prior entitlements to allow permitted wine production to increase to a maximum of 150,000 gallons of wine per year; increase the number of permitted winery tours and tastings guests to 34 visitors per day, by appointment; and increase winery employment to 12 full-time and five part-time or seasonal employees. Physical site changes requested with this Use Permit Major Modification include expansion of the winery building to include an additional 12,610 square feet; installation of a 740 square foot outdoor patio available for use as additional area for on-premise consumption of wine purchased at the winery; and one additional on-site parking stall. Existing sanitary wastewater treatment infrastructure is adequate for treatment of sanitary flows but would need to be expanded to include a new, 3,000-gallon septic tank and 2,142 linear feet of leach line installed in the existing leach field in the vineyards west of the winery building. The project as proposed also includes construction of a left-turn lane in the right-of-way of Big Ranch Road at the winery property frontage. Following completion of construction of the proposed winery additions, vineyard acreage would be reduced by approximately 0.2 acres, and the 50-acre property would have approximately 36.6 acres of land planted in vines.

Staff prepared an Initial Study that evaluated the environmental impacts of the project and did not identify any potentially significant effects. Minor typographical corrections are noted in the Initial Study attached to this staff report, but the conclusions of the Initial Study remain unchanged. With no significant environmental effects anticipated, and with the project's consistency with adopted County policy and regulations, staff believes that the necessary findings for the project can be made and recommends approval of the Use Permit Major Modification request as proposed and subject to standard conditions.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Negative Declaration (ND). According to the ND, the project would not have any potentially significant environmental impacts. This project is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner/Applicant: Brian Cunat, 4326 Big Ranch Road, Napa; phone number (815) 482-1657; email address bgcunat@gmail.com

Applicant Representative: George H. Monteverdi, Monteverdi Consulting, P.O. Box 6079, Napa; phone number (707) 761-2516; email address George@MonteverdiConsulting.com

Zoning: AP (Agricultural Preserve) District

General Plan Land Use Designation: Agricultural Resource

Application Filed: June 19, 2020; **Resubmittals Received:** August 10, 2020, June 5, 2021; **Application Deemed Complete:** May 3, 2021

Parcel Size: 50 acres

Existing Development

Vineyard Acreage (Existing): 36.8 acres

Vineyard Acreage (Proposed): 36.6 acres

Winery Characteristics

Winery Size (Approved): 28,064 square feet in enclosed winery buildings, inclusive of hospitality floor area; 6,902 square feet of outdoor covered work areas

Winery Size (Existing): Same as approved

Winery Size (Proposed): 40,674 square feet in enclosed winery buildings, inclusive of hospitality floor area; no change to size of outdoor covered work areas

Accessory to Production Ratio (Approved): 5 percent (33,187 square feet indoor and outdoor covered winery production area, 1,779 square feet accessory hospitality space)

Accessory to Production Ratio (Existing): Same as approved

Accessory to Production Ratio (Proposed): 38 percent (34,505 square feet indoor and outdoor covered winery production area, 13,071 square feet accessory hospitality and administrative space)

Production Capacity (Approved): 110,000 gallons per year, all wine produced on-site subject to the 75% grape sourcing requirement

Production Capacity (Existing): Same as approved

Production Capacity (Proposed): 150,000 gallons per year

Winery Coverage (Approved): 5 percent or 2.6 acres of 50-acre site

Winery Coverage (Existing): Same as approved

Winery Coverage (Proposed): 6 percent or 2.8 acres of 50-acre site; maximum 25 percent (12.5) acres permitted for 50-acre parcel

Number of Winery Employees (Approved): 10 or fewer (three full-time, three part-time, four part-time seasonal)

Number of Winery Employees (Existing): Same as approved

Number of Winery Employees (Proposed): Up to 17 (12 full-time, two part-time, three part-time seasonal)

Tours & Tastings Visitors (Approved): By appointment, up to 18 visitors per day

Tours & Tastings Visitors (Existing): Same as approved

Tours & Tastings Visitors (Proposed): By appointment, up to 34 visitors per day

Marketing Program (Approved): 15 events per year for up to 25 people, 12 events per year for up to 50 people, two events per year for up to 100 people; 50-person and 100-person events not to occur between August 1 and October 31

Marketing Program (Existing): Same as approved

Marketing Program (Proposed): No change from existing

Wine Production Days & Hours of Operation (Approved, excluding harvest): Weekdays, 7:00 a.m. to 5:00 p.m.

Wine Production Days & Hours of Operation (Existing, excluding harvest): Weekdays, 9:00 a.m. to 5:00 p.m.

Wine Production Days & Hours of Operation (Proposed, excluding harvest): No change from existing

Hospitality Days & Hours of Operation (Approved): Not specified in Use Permit

Hospitality Days & Hours of Operation (Existing): Daily, 10:00 a.m. to 5:00 p.m.

Hospitality Days & Hours of Operation (Proposed): No change from existing

Parking (Approved): 24 stalls (17 visitor and seven employee), inclusive of one accessible stall

Parking (Existing): Same as approved

Parking (Proposed): 25 stalls (17 visitor and eight employee), inclusive of one accessible stall

Minimum Setbacks (Required): 20 feet from rear and interior side lot lines, 600 feet from centerline of Big Ranch Road right-of-way, 300 feet from centerline of Oak Knoll Avenue right-of-way

Setbacks (Approved): +/-50 feet from interior side (southern) property line, +/- 1,600 feet from rear (eastern) property line, +/- 680 feet from centerline of Big Ranch Road and +/-610 feet from Oak Knoll Avenue

Setbacks (Existing): Same as approved

Setbacks (Proposed): 600 feet from centerline of Big Ranch Road and 596 feet from Oak Knoll Avenue; no change to setback from interior side (southern) property line or rear (eastern) property line

Adjacent General Plan Designations/Zoning/Land Use:

The 50-acre property is currently developed with a wine production facility and over 36 acres of vineyards. Like the subject site, surrounding properties are zoned AP District and have a General Plan land use designation of Agricultural Resource. Land uses on surrounding properties are also primarily agricultural and include single-family residential and limited commercial uses, as described below:

North: Oak Knoll Avenue borders the site to the north. Beyond Oak Knoll Avenue are four parcels, including a 1.4-acre parcel developed with a single-family residence, two parcels (42.5 acres and 16 acres) planted with vineyards, and a 3.1-acre parcel developed with a bed and breakfast inn.

South: Two parcels, including a 2-acre single-family residential parcel and an 81.3-acre parcel developed with the Monticello Vineyards/Corley Family Winery and planted vineyard lands.

East: The Napa River borders the site to the east. Beyond the river is a 19-acre residential parcel.

West: Big Ranch Road borders the site to the west. Beyond Big Ranch Road are two parcels, including a 9.7-acre parcel developed with a single-family residence and planted with vineyards, and a 41.1-acre parcel planted with vineyards.

Wineries within 1 Mile of Project Site:

For a listing of all wineries located within 1 mile of the project site, refer to Attachment K.

Parcel History:

On January 7, 2009, the Planning Commission approved a Use Permit (P08-00428-UP) for Cunat Premium Vineyards to operate a wine production facility (Materra Winery) with visitation and marketing events on the

50-acre property located at 4326 Big Ranch Road. Up to that time, the property had been used for agricultural vineyard purposes for roughly 50 years and was developed with a residence, barn and four other accessory structures related to the agricultural use. Grapes grown on-site were either sold to wineries or, more recently, processed offsite for bottling under the Materra label created in 2007. A Williamson Act contract, which ensured preservation of the property for agricultural use in exchange for certain property tax benefits, had been in effect on the property since 1975. In addition to agriculture, the contract allowed one single-family residence with accessory structures as a permitted use of the site, and it further allowed establishment of wineries on the property with a conditional use permit. The Williamson Act contract remains in effect to date, and current uses on-site are consistent with the terms of the contract.

The Planning Commission's 2009 Use Permit approval included: 1) an annual production capacity of 50,000 gallons of wine; 2) three full-time employees, three part-time employees, and up to four seasonal employees; 3) winery hours of operation between 7:00 a.m. and 5:00 p.m., Monday through Friday (harvest and crush season excepted); 4) an appointment-only tasting room, with attendance of up to 18 guests per day; 5) 12 annual marketing events for up to 25 people, plus 12 annual marketing events for up to 50 people and two annual marketing events for up to 100 people; and 6) construction of a 15,371 square foot production building, a separate 5,094 square foot hospitality building (both buildings of a Mediterranean architectural style), and 5,145 square feet of loading area and outdoor crush pad. Following construction of the winery, 43 of the 46 acres of vineyard would remain on-site. Though not included with that action, the applicant at the time expressed intent to build a new single-family residence on the property.

In October 2010, the applicant received the first permit (sewage system installation, Engineering permit E10-00434) related to construction of the winery, and on April 4, 2011, the Planning Director determined that the use permit approval had been exercised (Use Determination Application P11-00062).

On March 24, 2014, the Planning Director approved Very Minor Modification Application P13-00283-VMM. With approval of P13-00283-VMM, the project entitlements were revised to include: 1) a change in the architectural style of the winery buildings, from Mediterranean to French country; 2) a decrease in the hospitality room area from 5,094 square feet to 3,268 square feet, and construction of the hospitality room in the same structure as the barrel storage room; 3) an increase in the winery production building area from 15,371 square feet to 22,850 square feet; 4) alignment of the winery access driveway from Big Ranch Road, to a new location 200 feet south of Oak Knoll Avenue, consistent with the adopted CEQA mitigation measure; and 5) on-premise wine consumption, consistent with Business and Professions Code Sections 23358, 23390 and 23396.5, in the tasting room/barrel storage building and adjacent landscaped area.

Demolition of the original residence, barn and accessory structures, and construction of the winery and related on-site improvements, was completed in April 2015. After the winery had commenced operations, on September 16, 2015, the Planning Commission approved Major Modification Application P15-00071-MOD, increasing the facility's maximum production to 85,000 gallons of wine annually. The production was proposed to take place in the existing on-site facilities, and the only improvement proposed was a 2,000-gallon septic tank to process the potential increase in wastewater.

On September 20, 2017, the Planning Commission approved Use Permit Major Modification No. P17-00156-MOD, increasing the winery's permitted production to 110,000 gallons of wine per year, and restricting 25-person and 50-person marketing events from occurring during the harvest and crush season between August 1 and October 31. Infrastructure changes associated with the major modification included a new, 4,000-gallon, below-ground septic tank alongside the 5,000-gallons of underground tank storage area behind (east of) the new winery production building, in order to accommodate the additional process waste water from the

proposed increase in production.

Building permits issued for the winery administratively authorized minor increases in building floor areas specified in the use permit entitlements, allowing expansion of the winery building roofline to cover an additional 1,272 square feet of outdoor work space, plus construction of an additional 783 square feet of interior space needed for the mechanical, fire sprinkler riser, and electrical equipment. Thus, current winery development on the property thus consists of the winery building of 28,064 square feet; outdoor covered work areas of 6,902 square feet; an 17-stall visitor parking lot and separate, seven-stall employee parking lot; asphalt-paved access roads to and around the winery buildings, including a 20-foot wide driveway to the winery buildings from Big Ranch Road and a secondary, gravel-paved service driveway; a racking area and uncovered crush pad; landscaping, including a bioswale for water quality purposes; and various utility infrastructure improvements that include underground septic tanks, aboveground water storage tanks (10,500 gallons and 72,000 gallons), a septic system leachfield with reserve area, and approximately 36.8 acres of grapevines. A new single-family residence was built on the property between 2018 and 2019 (Napa County Building Permit B17-02176) but is not associated with the winery and is outside the scope of the Use Permit Major Modification request.

Code Compliance History:

There are no active code violations at this project site.

Discussion Points:

Setting - The subject 50 acre parcel is located at the intersection of Big Ranch Road and Oak Knoll Avenue, approximately 0.25 mile southwest of the Silverado Trail/Oak Knoll Avenue intersection and approximately 0.9 mile northeast of the city of Napa municipal limit. The parcel is bounded by Big Ranch Road to the southwest, Oak Knoll Avenue to the northwest, and the Napa River to the northeast. Existing vineyards border the property to the southeast, as well as a smaller residential parcel. The site has direct driveway access to and from Big Ranch Road via an existing, 20-foot wide private driveway and a secondary gravel-paved service access road, also with connection to Big Ranch Road. The property is predominantly flat and located on the Valley Floor. Existing development on the site consists of the Materra Winery production and hospitality buildings, approximately 36.8 acres of vineyards and a single-family residence. The vineyards and residence are permitted uses that are outside the scope of the winery use permit and this major modification request.

Surrounding the site are other vineyard and residential parcels ranging in size from 1.4 acres to 42.5 acres. Other wineries currently operating in proximity to the Materra Winery property include the Monticello Vineyards/Corley Family Winery and Blackbird Winery on parcels immediately to the south and west, respectively.

Winery Proposal - As summarized in the Recommendation section of this staff report, the applicant is requesting amendment of current property entitlements to allow the winery to increase production from 110,000 to 150,000 gallons of wine per year, and to increase the size of the winery structure by 12,610 square feet that would house additional accessory use winery visitation space, a low-risk (catering) kitchen, and administrative offices. Winery employment is proposed to increase from three full-time, three part-time and four part-time seasonal employees, to as many as 12 full-time, two part-time and three part-time seasonal employees. Changes to the winery's visitation are also proposed and are discussed further in the following paragraphs.

Physical modifications to the site necessary to support the increase in production, employment and visitation include subsurface installations of a new septic tank and additional leach line in the existing leach field in the vineyards west of the winery building, and surface installations of one additional parking stall (for a total of 25) and bioretention basin for stormwater quality. Off-site, the applicant proposes to construct a left-turn lane in the right-of-way of Big Ranch Road at the winery access driveway.

Visitation/Marketing Program - The applicant proposes to increase daily wine tours and tastings from a maximum of 18 visitors per day, by appointment, to as many as 34 visitors per day, by appointment. No changes are proposed to be made to the winery's current marketing event program, which consists of 15 events per year for up to 25 people, 12 events per year for up to 50 people, two events per year for up to 100 people, but with no 50-person or 100-person event not scheduled to occur in harvest/crush season between August 1 and October 31 to manage wastewater flows. Food served at marketing events are and would continue to be prepared by caterer, as there is no commercial kitchen on the winery premises, and cooking would not be performed in the proposed low-risk kitchen in the proposed winery building addition..

As shown in Attachment K, the proposed daily, weekly and annual visitation to the winery is lower than the average and median visitation for wineries of comparable production of 150,000 to 200,000 gallons of wine per year. The number of annual winery events and marketing event guests is also below average and median for similarly-sized wineries with entitled production in this range.

Winery Building Addition: The requested Use Permit Major Modification includes construction of an approximately 12,610 square foot addition that would house winery accessory uses including visitor reception area, a wine library for wine tasting with food pairings, additional wine tasting space, a low-risk (catering) kitchen, wine storage and administrative offices in a two-story structure. The addition would include an approximately 740 square foot uncovered, adjacent patio, which the applicant requests to be included among the winery's identified areas for on-site consumption of wine purchased at the winery.

The General Plan includes two policies (Policy AG/LU-10 and Community Character Element Policy CC-2) requiring new wineries to be designed generally of a high architectural quality for the site and its surroundings. Although the Matterna Winery is not a new winery, the project as proposed would be consistent with the intent of this policy. The addition has been professionally designed with an architectural style that reflects that of existing structures on the property, following on the existing French country architectural style of the existing, recently-built winery building and single-family residence. As depicted on the project plans, the exterior walls of the proposed winery building addition would be built of cement plaster finished in neutral tan, brown and gray-green colors. Combined with the deep building setback and placement of the new structure behind the existing single-family residence, these neutral color selections were selected by the applicant to reduce the prominence of the winery building expansion from the perspective of the nearest public vantage point of Big Ranch Road and to soften the reflectivity of the existing winery's white exterior walls. However, staff finds two of these colors not consistent with the policy direction of the Board of Supervisors regarding the building color palette for discretionary projects, which will require selection of another darker color to meet the County's earth tone color requirements. Given this, the applicant will be required to obtain PBES Director authorization of the two colors prior to issuance of a building permit for the building addition (See COA 6.15.c).

The building addition as proposed is consistent with the development regulations for structures and wineries as provided in Napa County Code Chapter 18.104. The height of the proposed winery hospitality building addition to the highest point would be 35 feet above grade and would not exceed the maximum building

height of 35 feet as allowed under Napa County Code Section 18.104.010. A chimney would extend an additional 8 feet above the highest point of the roofline, for a height of 43 feet above grade, but would not exceed the maximum 50-foot height allowed for ornamental and architectural features not intended for human occupancy (Napa County Code Section 18.104.120, Subsection C). The addition of the winery building expansion to the site would comply with minimum building setback and maximum winery lot coverage standards, as described above with the Winery Characteristics summary section of this staff report. Because the site is flat and development would not occur on any slope in excess of 15 percent, the proposed addition is not subject to review under the County's Viewshed Protection Program (Napa County Code Chapter 18.106). With well over 1,000 feet between the addition and the Napa River, and with no other streams on-site, the project as proposed would not encroach into any minimum riparian setbacks and would be compliant with the County's Conservation Regulations (Napa County Code Chapter 18.108).

Groundwater Availability - There are four existing wells on the property, all of which are located west of the winery building in the vineyard area between the winery and Big Ranch Road (see project civil plan sheet C1). Water for the winery and existing residence on-site is currently provided from the well located near the southwestern corner of the property; this well would continue to serve the project as modified. As noted in the "Transient Non-Community Water System Information for the Materra Winery," prepared for the applicant by Applied Civil Engineering and dated June 19, 2020, the project well meets standards to serve a new public water system that would be required for the winery because the proposed visitation increase would increase the daily number of winery employees and visitors on the property to 25 or more on at least 60 days of the year (see California Health and Safety Code, Division 104, Part 12, Chapter 4). Other wells on the property supply water for on-site landscape irrigation. Under California State Water Resources Control Board, Division of Water Rights, License 11513 (amended September 2008), the property owner is also licensed to draw supplemental water from the Napa River for irrigation and frost protection purposes, in an amount not to exceed 76.5 acre-feet per year (35 acre-feet for reservoir storage between January 15 and March 15, and up to 2.99 cubic feet per second between March 15 and May 15 for replenishment of storage).

The "Tier 1 Water Availability Analysis for the Materra Winery Use Permit Modification," prepared for the applicant by Applied Civil Engineering and dated June 12, 2020 (Materra Winery WAA, see Attachment F), provides an estimate of water usage associated with currently-permitted winery operations. To provide a comparison between currently-permitted water demand and projected water demand associated with the requested use permit major modification, the WAA breaks down water usage by activity, inclusive of the on-site residence, using utilization factors from Appendix B of Napa County's "Water Availability Analysis Guidelines" (May 2015). Applying these factors, currently-permitted groundwater demand on the property is estimated to be 41.1 acre-feet per year. Applying the same water usage factors from the WAA Guidelines to the scope requested in the use permit major modification application, the Materra Winery WAA estimates annual groundwater demand for the requested entitlement at 42 acre-feet. Groundwater usage on the property is therefore estimated to increase by less than 1 acre-foot for the proposed project.

The subject property is located within the Napa Valley Floor – Napa subarea of Napa County according to Figure 2-2 of the "Napa County Groundwater Monitoring Plan 2013." Within the Napa Valley Floor, the County has determined that an annual groundwater draw of up to 1 acre-foot of water per acre of a parcel is a scientifically and operationally adequate threshold. Any project on the Napa Valley Floor for which groundwater demand is at or below that threshold is concluded not to have a significant effect on groundwater levels (Napa County "Water Availability Analysis Guidelines," May 2015, pages 7-8). Thus, with the location of the 50-acre project site on the Napa Valley Floor, the requested use permit major modification would have a potentially significant groundwater impact if it resulted in more than 50 acre-feet of

groundwater extraction per year. With an estimated demand of 42 acre-feet of water per year, prior to accounting for groundwater demands that would be reduced by already licensed drawing of water from the Napa River, the proposed project would not significantly impact groundwater.

Wastewater - Analysis prepared for the applicant concluded that the wastewater generated from the project could adequately be disposed on-site. The "Onsite Wastewater Disposal Feasibility Study for the Materra Winery Use Permit Modification," (WDFS, see Attachment G) prepared for the applicant by Applied Civil Engineering and dated June 19, 2020, describes the existing sanitary and wastewater treatment system, existing winery wastewater flows, and proposed wastewater flows associated with production and tours and tastings increases requested under the Use Permit Major Modification application. The WDFS recommends a new, 3,000-gallon septic tank and an additional 2,142 linear feet of leach line installed in the existing leach field in the vineyards west of the winery building. While the WDFS anticipates this additional infrastructure would be adequate for treatment of the winery's sanitary and process wastewater flows within a roughly 1-acre area on the property, there is more than sufficient area (over 20 acres) in the vineyards west of the winery building to accommodate expanded leach lines if necessary.

Transportation and Parking - The requested increases in daily visitation and employment would result in an increase in the number of daily vehicle trips to and from the property. Using Napa County winery trip generation factors, as listed in the County's Use Permit/Major Modification Application for Winery Uses, estimated daily vehicle trips could be as many as 83 trips on days when proposed all full-time and part-time employees are working on-site and visitation (34 guests) is maximized. These 83 daily trips encompass both existing and proposed operations of the winery, and represent 40 net new trips compared to trips estimated under current entitlements. Winery visitor traffic would continue to use an existing, 20-foot wide, asphalt-paved driveway on-site to access the winery from Big Ranch Road; a separate, gravel-paved roadway parallel and adjacent to the southern property line would provide secondary access for service and maintenance vehicles.

The estimated 83 daily trips anticipated under existing conditions plus the proposed project, are under the Governor's Office of Planning and Research's suggested screening criterion of 110 new daily vehicle trips for which further analysis of potential impacts to vehicle miles traveled (VMT) should be performed. Thus, the proposed project would have a less than significant impact with respect to VMT. While additional VMT analysis is not necessary and project impacts would be less than significant, to advance regional objectives toward reducing transportation-related air emissions, the applicant and winery operator has proposed to implement a transportation demand management (TDM) program administered by the winery's human resources staff and general manager. The proposed program would include a \$5.00 daily stipend for any employee who commutes to the winery by carpool or public transportation, coupled with an emergency guaranteed-ride-home program for winery employees and guests. The proposed TDM program would be added to the winery operators' current trip and transportation-related greenhouse gas reduction efforts that include: flexible work schedules, including a four-day work week; work-from-home option for some administrative staff; a courtesy shuttle for guests lodging at accommodations within 15 miles of the winery; and on-site amenities to accommodate bicycle tours and electric vehicle charging. These current and proposed commitments are listed in Appendix H of the transportation impact study (see Attachment H) and are reflected in recommended condition of approval 4.20.a in Attachment B.

Traffic impact analysis prepared by Crane Transportation Group, the applicant's consultant, described existing roadway conditions within the vicinity of the project site and the projected near-term (2025) and General Plan buildout (2030) impacts to the circulation system in the vicinity of the proposed winery, under scenarios both with and without traffic from the requested winery use, during peak harvest season. The

December 2020 CTG traffic impact study analyzed potential traffic impacts to the intersections of: 1) Oak Knoll Avenue and State Route 29; 2) Oak Knoll Avenue and Big Ranch Road (northern and southern intersections); 3) Oak Knoll Avenue and Silverado Trail; and 4) Big Ranch Road and the Materra Winery main driveway. The Oak Knoll Avenue/State Route 29 intersection has a traffic signal, while traffic at the other intersections is stop sign-controlled on the Oak Knoll Avenue minor approaches. The traffic study also analyzed potential impacts to two road segments: Oak Knoll Avenue just east and west of Big Ranch Road, and Big Ranch Road south of the Materra Winery. Analysis in the traffic study assumed construction of a left-turn lane on Big Ranch Road at the winery driveway as an element of the proposed project.

For roads in the unincorporated areas, standards for level of service (LOS), which assigns a grade of A through F depending on the amount of delay a driver experiences on a road or at an intersection, have been established by the County in its General Plan Circulation Element (February 2019). LOS A indicates free flowing traffic with minimal delays, and LOS F indicates a severely congested segment or intersection. For intersections where the minor approaches are stop sign controlled, LOS indicates the seconds of delay experienced by each driver on the minor approach, where LOS A indicates no more than 10 seconds of delay, and LOS F indicates more than 50 seconds. General Plan policy CIR-38 establishes the County's desired LOS on all County roadways as LOS D. The policy lists some exclusions, including segments of State Route 29 and Silverado Trail north of the project site, where the General Plan policy specifies that LOS E or F is acceptable. The County has further clarified its General Plan policy to specify the following objectives as they apply to proposed projects:

-) If an unsignalized intersection operates at LOS A through D under existing PM peak hour conditions, and the project would cause the intersection level of service to fall to LOS E or F, then the applicant should implement actions to restore level of service to LOS D or better.
-) If an intersection or segment operates at LOS E or F under existing conditions, and the project would increase automobile delay by five (5) or more seconds on the minor approach to an unsignalized intersection, or by one percent or more of total segment volume, then the applicant should implement actions to reduce the increased delay.

Based on the analysis in the traffic study, the majority of studied road segments and intersections operate acceptably for General Plan policy, with the exception of the Oak Knoll Avenue minor approach to Silverado Trail that currently operates at LOS E before adding any project trips. By the mid-term horizon (2025), the delay on the minor approach to the Oak Knoll Avenue/Silverado Trail intersection would deteriorate to LOS F without the project, and the minor approach to the southern intersection of Oak Knoll Avenue/Big Ranch Road would fall to LOS E. By the General Plan buildout horizon year of 2030, both locations would operate at LOS F; remaining facilities analyzed in the traffic study would operate acceptably at LOS D or better. The Oak Knoll Avenue/Silverado Trail intersection and the southern intersection of Oak Knoll Avenue/Big Ranch Road currently exceed peak hour warrant criteria for installation of a traffic signal during weekday (both intersections) and Saturday (Oak Knoll Avenue/Silverado Trail only) peak hours, though traffic signals in unincorporated Napa County are generally discouraged as conflicting with the desire to preserve the County's rural character.

Adding project traffic to the various scenarios (current, near-term year 2025 and General Plan buildout year 2030) would increase delay at each study intersection but not to the extent of triggering corrective action by the applicant pursuant to County policy. All of the studied road segments would operate at acceptable LOS for all three scenarios. For the Oak Knoll Avenue minor approach to Silverado Trail, where operation would be an unacceptable LOS E during the weekday afternoon peak hour, addition of project trips to the existing (2019) condition would increase delay by 0.6 seconds, fewer than the 5 seconds for which County policy

would trigger action by the applicant to restore or otherwise improve LOS. By the mid-term horizon (2025), with project traffic, the delay on the minor approach to the Oak Knoll Avenue/Silverado Trail intersection would deteriorate to LOS F without the project during the Friday afternoon peak hour, and the minor approach to the southern intersection of Oak Knoll Avenue/Big Ranch Road would fall to LOS E during the same peak. The increase in delay caused by the project at both intersections would be 1.2 seconds, and again fewer than the 5 seconds for which County policy would trigger action by the applicant to restore or improve LOS. At 2030 General Plan buildout, the Oak Knoll Avenue minor approach to Silverado Trail would operate at an unacceptable LOS F during weekday and weekend peak hours, but the Materra Winery's contribution to the increase in delay would be 1.8 seconds, fewer than the 5 seconds for which County policy would trigger action by the applicant to restore or improve LOS. The Oak Knoll Avenue minor approach to Big Ranch Road (south) would also be an unacceptable LOS F during weekday and weekend peak hours, with the Materra Winery's contribution to the increase in delay projected to be 2 seconds.

Big Ranch Road at the project site frontage currently lacks paved shoulders; however, preliminary plans for construction of the left turn lane in that right-of-way also reflect an additional 4 feet of pavement outside of the through travel lane. While not proposed to be striped as a bicycle lane, this additional 4 feet of pavement would provide equivalent width to a bicycle lane for a collector street (see Napa County Road and Street Standards, Detail C-3). No improvements are proposed on Oak Knoll Avenue north of the project site, where current bicycle plan policy indicates a proposed Class 2 lane. However, as provided in Resolution No. 2013-01, exceptions may be made when the transportation system improvement would have a negative consequence. In the case of the Oak Knoll Avenue right-of-way, the eastbound lane adjacent to the project site abuts an open drainage ditch extending the length of the property line. Thus, while currently-adopted bicycle planning policy calls for a bicycle lane on this east-west roadway, construction of the lane could have negative hydrology and biological resources impacts. It is again noted that more recent Napa County bicycle network planning documents yet to be adopted by the Board of Supervisors do not indicate planned bicycle facilities on either Big Ranch Road or Oak Knoll Avenue. The project's impacts to bicycle planning policy would be less than significant.

The current number of on-site parking stalls (24) has been adequate for winery operations, and only one additional stall is proposed to be added for the employment and visitation increases requested with the Use Permit Major Modification application. Beyond daily operations, overflow parking for periodic wine marketing events is available in paved areas on the south side of the winery building, such that winery and event parking would not be necessary off-site or in the right-of-way of Big Ranch Road.

Greenhouse Gas (GHG) Emissions - The applicant identified in the Use Permit Major Modification application, Napa County Voluntary Best Management Practices (BMP) Checklist for Development Projects, several measures intended to reduce emissions from the continued operation of the winery, including the following:

-) Generation of on-site renewable energy (BMP-1): The winery operators recently installed a roof-mounted photovoltaic array for on-site solar power generation. This array generates approximately one-third of the winery's energy needs. The project includes retention of this renewable source of solar energy for the winery building and expansion thereto.
-) Energy-conserving lighting (BMP-9) and Energy Star Roof/Cool Roof (BMP-10): Existing light-emitting diode (LED) fixtures in the building, as well as, the light color of the existing winery building roof and walls, reduce energy demands for space conditioning and lighting compared to the structure without these elements.
-) VMT reduction plan (BMP-6): Among various options suggested in the checklist, and as noted in the Voluntary Best Management Practices Checklist for Development Projects, the applicant has

indicated intent to reduce emissions from single-occupancy vehicles through continued implementation of an employee carpool/transit cash incentive program, flexible work schedules including a work-from-home option for administrative staff, courtesy shuttle for guests lodging at accommodations within 15 miles of the winery; and on-site amenities to accommodate bicycle tours and electric vehicle charging.

-) Recycle 75 percent of all waste (BMP-17) and Compost 75 percent of food and garden material (BMP-18): The winery operators currently compost and recycle waste. Together, reduction of the winery's waste stream reduces the volume of material deposited in landfills, thereby reducing methane emissions from landfill decomposition. The winery operators report receiving state and federal recognition for their recycling efforts.
-) Napa Green Business (BMP-19 and BMP-26) and Education to staff and visitors on sustainable practices (BMP-30): The winery is currently a Napa Green Business and has a "Green Team" that educates winery visitors on the winery's sustainable practices.

Grape Sourcing - All wine produced from the new winery is and would continue to be subject to the requirement in Napa County Code Section 18.104.250, Subsection B, that at least 75 percent of the grapes used to make the winery's still wine, or the still wine used by the winery to make sparkling wine, be grown within Napa County.

Noise - Increased wine production as requested under the proposed use permit major modification would occur within existing wine production and fermentation buildings and would not significantly change the existing noise environment associated with wine production. However, the request includes an increase in daily tours and tastings visitors, as well as, a new outdoor patio adjacent to the hospitality building addition where some tours and tastings or marketing event guests may be inclined to congregate. Because the proposed patio is closer to the nearest off-site residence than the winery's existing patio (located north of the existing production building), the applicant hired a noise consultant (Salter) to evaluate the potential for noise disturbance to sensitive receptors as a result of the new patio.

As calculated by Salter, noise levels generated by guests of the winery are estimated at 37 decibels at the nearest off-site residence and would not exceed the noise limit of 50 A-weighted decibels (dBA, a measurement of sound that mimics human hearing by de-emphasizing low- and very-high frequency sound) during daytime hours (7:00 a.m. until 10:00 p.m.), as is codified in Napa County Code Section 8.16.070. With the exception of the harvest and crush season, the winery would be open between the hours of 9:00 a.m. and 5:00 p.m. and would not operate during nighttime hours between 10:00 p.m. and 7:00 a.m. Salter also estimated the additional noise that would be generated from the increase vehicle use associated with the increase in daily visitation and employment. Their analysis concluded that the increase of as many as 15 daily vehicle trips on the property would result in a 2 to 3 decibel increase in noise that would be "just noticeable" and not a significant change to the existing noise environment (See Attachment I). Though noise generated by the project is anticipated to fall within acceptable thresholds, the winery operations would continue to be subject to standard County conditions of approval with respect to noise (see Attachment B, Conditions No. 4.10 and 7.3).

Public Comments – As of the writing of this staff report, seven public comment letters have been received expressing support for this project. See Attachment L.

Decision-making Options:

As noted in the Executive Summary, staff recommends approval of the project subject to conditions.

Decision-making options also include a no project alternative (denial of the requested Use Permit Major Modification) and a reduced-intensity project alternative.

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

Disposition - This action would increase the winery's annual production entitlement from 110,000 to 150,000 gallons of wine per year, would increase the maximum number of daily tours and tastings visitors from 18 to 34, increase winery employment from 10 to 17, add one on-site parking stall, and increase winery building square footage by 12,610 square feet of accessory use area to a new winery building area total of 40,674 square feet. Physical changes associated with these operational changes include expansion of the on-site wastewater treatment system and installation of a left-turn lane on Big Ranch Road at the winery driveway. Water demands associated with the requested modifications would increase but would not exceed the acceptable threshold of 1 acre-foot per parcel acre per year for properties located on the Valley Floor. Trip generation and vehicle miles traveled by winery visitors would increase with the proposed project but would not exceed initial screening criteria for significance and would be further reduced by trip reduction programs at the winery including cash incentives for group transportation, flexible work accommodations and group shuttles for some winery visitors and guests.

Action Required - Follow the proposed action listed in the Executive Summary section of this staff report. If additional conditions of approval are to be amended, specify conditions to be amended at the time the motion is made. The proposal has been analyzed for its potential environmental impacts, which were determined to be less than significant with no mitigation required, and the project as proposed is consistent with adopted General Plan policies and zoning regulations. Staff believes there is adequate rationale to support approving the winery operator's request.

Option 2: No Building Expansion Alternative.

Disposition - The analysis in the initial study concluded that potential environmental impacts of the project as proposed would be less than significant. However, this option provides the Planning Commission at their discretion, the ability to reduce or eliminate the extent of the winery building expansion proposed with the project. This alternative would not necessarily reduce daily trips from the project, as the modest increase in winery visitors could still be accommodated within the winery's existing tasting room, and water and wastewater treatment demands of the winery would be the same as the proposed project. However, impervious area on the property would be reduced compared to the proposed project. Though a reduced scope project is an alternative that the Commission can consider, staff notes that the building addition meets development regulations of the zoning code, its neutral color scheme would soften the visual appearance of the existing structure, and elimination of the addition would not drastically reduce any of the project's environmental impacts, which were already concluded to be less than significant. Staff does not recommend this alternative because it would hinder the economic growth of the winery while not resulting in significant improvement of any potential impacts to the environment or area.

Action Required - Follow proposed actions listed in the Executive Summary and amend the scope and project-specific conditions of approval to eliminate or reduce the extent of the winery building expansion proposed with the project. This option would not result in new or more severe environmental impacts as compared to those discussed in the Initial Study for the project, and thus, no new analysis beyond that of the existing Initial Study would be necessary. However, the item may need to be continued to a future date if significant revisions to the recommended conditions of approval are desired.

Option 3: Deny the Requested Use Permit Major Modification.

Disposition - As a result of this action, the winery would continue to operate on the property under its currently permitted allowances for wine production, tours and tastings, employment and winery size. No changes to existing conditions on or off of the property would occur with this option; however, as described in further detail above, significant impacts are not anticipated to occur from the Use Permit Major Modification as requested. As with Option 2, staff does not recommend this alternative because it would hinder the economic growth of the winery while not resulting in significant improvement of any potential impacts to the environment or area.

Action Required - In the event that the Commission determines that it cannot meet the required findings for grant of the requested Use Permit Major Modification, 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 Commissioner's statements. Staff would return to the Commission with the findings of denial of the project on a specified date. Under this alternative, the Negative Declaration would not be adopted.

Option 4: Continuance Option.

The Commission may continue an item to a future hearing date without action at this meeting, at the Commission's discretion.

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval & Agency Memos
- C . Previous Conditions
- D . Initial Study/Negative Declaration (Revised)
- E . Use Permit Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Traffic Impact Study
- I . Noise Study
- J . Graphics
- K . Winery Comparison Analysis & Project Summary
- L . Public Comments

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina