



Agenda Date: 6/4/2008
Agenda Placement: 7A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Chris Cahill, Planner - 707.253.4847
SUBJECT: Sage Hill Winery Variance P08-00080-VAR and Major Modification P07-00348-MOD

RECOMMENDATION

SAGE HILL VINEYARDS, LLC. - VARIANCE #P08-00080-VAR

Request: Approval of a Variance from the required winery road setbacks of Napa County Code section 18.104.230 (A) (1) to allow the construction of a winery 153 feet from the centerline of a shared private drive where 300 feet is required.

SAGE HILL VINEYARDS, LLC. - USE PERMIT MODIFICATION, CONSERVATION REGULATION USE PERMIT EXCEPTION, AND ROAD AND STREET STANDARDS EXCEPTION #P07-00348-MOD

Request: This item requires three approvals:

- a.) A modification to Use Permit #U-457778 and an associated Small Winery Exemption** to allow the following: (1) an increase in winery maximum total production from 5,000 gallons per year to 20,000 gallons per year; (2) construction of a 3,458 square foot single story winery building, a 797 square foot covered outdoor work area, and 4,716 square feet of caves for a winery totaling 8,971 square feet; (3) one full-time and two part-time employees; (4) ten parking spaces including one ADA-accessible space; (5) tours and tastings by appointment only with a maximum of six visitors per day with no more than a total of 18 visitors per week; (6) a marketing plan with five 15-person marketing events per year and one 50-person Wine Auction event annually; (7) installation of two additional 10,500 gallon fire flow water tanks; (8) installation of below grade process and domestic wastewater treatment tanks; and, (9) treated wastewater disposal through subsurface disposal fields or via hold and haul.
- b.) A Conservation Regulations Use Permit Exception** to allow the construction of the proposed winery facility on a building site slope averaging 39% (A use permit is required for slopes 30% or greater.)
- c.) An Exception to the Road and Street Standards** to allow a winery access drive with 14 feet of surfaced roadway plus drivable shoulders ranging between three and six feet (18 feet of surfaced roadway plus two foot shoulders required.)

The project is located on a 114.7 acre parcel accessed via a private drive beginning 150 feet northeast of the intersection of Sage Canyon Road (Highway 128) and Long Ranch Road within an AW (Agricultural Watershed) zoning district. Assessor's Parcel 032-010-079, 1535 Sage Canyon Road, St. Helena.

Staff Recommendation: Adopt the proposed negative declaration and approve the application as conditioned.
Staff Contact: Chris Cahill 299-4847

EXECUTIVE SUMMARY

This application proposes a modification to a winery use permit first approved in 1978, chiefly to allow an increase in production from 5,000 gallons to 20,000 gallons annually, construction of a replacement winery facility, and the addition of by-appointment tours and tasting and marketing events where no visitation was previously approved. The 3,458 square foot winery building now proposed is to be constructed on a steep hillside located approximately 1,000 feet to the west of the existing winery. Given the substantial special circumstance created by a massive landslide deposit and the general sensitivity of the new winery's planning and design, staff believes that the requested winery road setback variance and Conservation Regulations slope exception are appropriate and that required findings of approval can be made. Constraints placed on the applicant by the City of Napa, which owns the land underlying this property's access easement, have resulted in limited tours and tasting and marketing visitation which are in line with similarly sized wineries. The Department of Public Works and the County Fire Marshall have reviewed the requested Road and Street Standards exception and recommend approval based on the finding that the exception will preserve unique features of the natural environment while providing the same practical effect as the Standards as regards defensible space, life, safety, and the public welfare.

Proposed Action: That the Commission adopt the Sage Hill Winery Resolution certifying the Negative Declaration, approving Variance P08-00080-VAR, and approving Use Permit Modification No. P07-00348-MOD as conditioned.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Negative Declaration Prepared – According to the proposed Negative Declaration, the project would not have potentially significant impacts on the environment. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code section 65962.5

BACKGROUND AND DISCUSSION

Owner: Sage Hill Vineyards, LLC

Applicant: Manuel Pires

Representative (Attorney): L. Randolph Skidmore, Coombs & Dunlap

Zoning: AW (Agricultural Watershed)

General Plan Designation: Agriculture, Watershed, and Open Space

Initially Submitted: May 14, 2007 **Resubmitted:** February 7, 2008 **Declared Complete:** April 15, 2008

Winery Size (Existing): 3,600 square feet

Winery Size (Proposed): 3,458 square feet, plus a 797 square foot covered partially enclosed work area

Cave Size (*Existing*): None

Cave Size (*Proposed*): 4,716 square feet of caves

Production Capacity (*Existing*): 5,000 gallons per year

Production Capacity (*Proposed*): 20,000 gallons per year

Visitation (*Existing*): By appointment, 5 people per week max

Visitation (*Proposed*): By appointment, 6 people per day with 18 people per week max

Marketing (*Existing*): No formal marketing plan

Marketing (*Proposed*): Five 15-person special events and one 50-person wine auction event annually

Number of Employees (*Existing*): One full-time and one part-time employee

Number of Employees (*Proposed*): One full-time and two part-time employees

Hours of Operation (*Proposed*): 9:00 AM to 6:00 PM, Monday through Saturday and 9:00 AM to Noon on Sunday

Parking (*Proposed*): Ten parking spaces, including one ADA-accessible space

Adjacent Zoning / Land Use:

North

AW - Vineyard/Open Space/Rural Residential - including a 39 acre rural residential parcel with vineyards (Anderson), a 294 acre vineyard parcel (Chappellet Vineyard), and a 6.3 acre rural residential parcel with vineyards (Long);

South

AW - Vineyard/Open Space/Rural Residential - including a 125 acre rural residential parcel with vineyards (Wender), a 40 acre rural residential parcel with vineyards (Melanson), and a 40 acre undeveloped parcel (Chappellet Vineyard);

East

AW - Vineyard - a 294 acre vineyard parcel (Chappellet Vineyard); and

West

AW - Open Space - a 120 acre undeveloped parcel (City of Napa Water Department).

Nearby Wineries (within one mile of the project site)

Harrison Vineyards - 1572 Sage Canyon Road - 20,000 gallons per year - tours and tasting by appointment

Bryant Family Winery - 1567 Sage Canyon Road - 8,500 gallons per year - tours and tasting by appointment

Chappellet Winery - 1581 Sage Canyon Road - 59,445 gallons per year - tours and tasting by appointment

Colgin Partners Winery - off of Long Ranch Road - 20,000 gallons per year - tours and tasting by appointment

David Arthur Vineyards - off of Long Ranch Road - 30,000 gallons per year - tours and tasting by appointment

Property History:

May 1978

The Conservation, Development, and Planning Commission **approved winery use permit U-457778**, allowing Long Vineyards winery with 5,000 gallons of wine production annually, no more than five visitors per week,

and no public tours or tasting.

June 1982

The Conservation, Development, and Planning Department **approved a small winery exemption**, allowing additions to the Long Vineyards winery building without the need for a Planning Commission-level use permit modification.

July 2005

The Deputy Planning Director **approved home occupation use permit P05-00230-HO**, allowing 300 square feet of the primary residence to be used "as an office for order taking and record keeping in association with wholesale wine sales as a home occupation."

March 2006

Principal Engineer Nathan Galambos of the Department of Public Works indicates that "this department is likely to grant modifications to the County Road and Street Standards" for roadway improvements as proposed here in a letter addressed to Cathy Roche, attorney for the former owner.

Code Compliance History:

Based on a review of the Planning Division's files, there are no records of any code compliance issues on this property.

Discussion Points:

History of this Application

Mr. Manuel Pires (via his Sage Hill Vineyards LLC) initially submitted a use permit modification in May 2007. That application also proposed an increase in production to 20,000 gallons annually and a new winery building to replace the existing outmoded winery. However, the winery facility was to have been larger, tours and tasting and marketing event visitation numbers were likewise higher, and the new production building was to have been constructed at the center of the property, near existing winery and residential structures. The new winery would have been located in a gently sloping to flat area and would have been outside of required winery road setbacks.

During our initial review of that submittal, two issues arose which greatly complicated the application and eventually led to its withdrawal and replacement with the current proposal. First, in reviewing geological mapping, planning staff discovered that portions of the property had been identified as potential landslide areas. We requested a geotechnical study, and the analysis which was eventually submitted indicated that virtually all of the downslope areas on the parcel were created by a massive prehistoric landslide. The landslide zone, which includes all areas of the property currently developed to vineyard, winery, and residential uses, was not deemed geotechnically "feasible" for the construction of a new winery. This sent the applicant and his design team back to the drawing board to site and design a new winery building.

At more or less the same time, Planning staff was contacted by the City of Napa's Water Department, which owns and manages much of the land between the applicant's property and Sage Canyon Road (importantly including the majority of Sage Hill Vineyards' driveway). The City of Napa claimed that the then-existing right-of-way agreement was for a "farm access road" and did not allow any public use of the easement. While the applicant's attorney questioned the City's interpretation of the easement, the City, the applicant, and planning staff eventually reached consensus that a new right-of-way agreement would need to be negotiated before any use permit modification including tours and tastings or marketing events could be approved.

The revised application currently before the Commission was submitted in February of this year. Its details were shaped almost entirely in response to the above limitations and are discussed in greater detail below.

City of Napa Right of Way

On March 5, 2008, the applicant recorded a new right-of-way agreement with the City of Napa. The revised agreement allows improvements to the roadway along with its use by winery employees and by-appointment visitors. The City did, however, obtain concessions including reductions in proposed visitation to no more than 18 tours and tasting visitors per week and a more limited marketing plan as noted in the project description.

Conservation Regulations Use Permit Exception

The location of an appropriate and geotechnically feasible winery site on this property ultimately proved quite difficult. Potential sites outside of the slide area tend to be located on steeply sloping and heavily wooded hillsides above and to the south of the current winery; areas which are almost universally in excess of the 30% allowed by the County's Conservation Regulations. Potential Viewshed Ordinance concerns and large areas of the County-mapped Oak Woodlands sensitive biotic community further constrained development off of the landslide deposit.

In an attempt to balance these substantial environmental and regulatory constraints, the applicant's architect and engineers have located a new, smaller, winery building on the western face of a spur ridge approximately 1,000 feet to the southwest of the existing winery. The proposed site is outside of the slide area, cannot be viewed from Sage Canyon or other any other Viewshed road, and is not in a mapped Oak Woodland sensitive biome. The winery's small footprint and proposed location in an existing clearing would also limit tree removal and minimize disturbance to the natural environment. However, as proposed, the new facility would have a building site slope of 39%, necessitating a Conservation Regulations use permit exception for construction on slopes exceeding 30%.

In order to approve an exception to the Conservation Regulations, the Commission must make a number of findings related to the quality and sensitivity of the site planning and building design. As analyzed in the attached resolution of approval, the new winery and associated site work are designed to minimize grading, step with the hillside through the use of split structural levels and terraced retaining walls, preserve native vegetation to the greatest extent possible, and avoid environmentally sensitive areas. Staff supports the requested Conservation regulations slope exception.

Winery Road Setback Variance

The new winery is proposed to be set back 153 feet from the private road which provides access to the applicant's existing winery and residence, along with a number of additional parcels. As the Winery Definition Ordinance requires a 300 foot setback from shared private roads, a variance is necessary to approve the winery as submitted. However, the fairly steep slope of the building site means that the proposed facility would be located at an elevation approximately 50 feet above the private road at its nearest point to the west and 60 feet below the same roadway at its nearest point to the east. This grade differential, when combined with plentiful existing vegetation and the additional native trees and shrubs proposed in the landscape plan, should result in a winery building which is all-but-invisible from the nearby private road. As the winery's proposed location is driven by the presence of landslide deposits across much of the applicant's property and would allow the modernization of facilities associated with an existing entitlement, staff is comfortable recommending that the required variance findings be made.

Road and Street Standards Exception

The applicant has requested an exception to the County's Road and Street Standards to allow the existing private road which accesses the property to have as little as 14 feet of surfaced roadway plus drivable shoulders ranging between three and six feet. While the Standards require 18 feet of surfaced roadway plus two foot shoulders for winery access roads, they also allow for exceptions where environmental constraints exist and the exception "provides the same overall practical effect as the Standards" (Napa County Road and Street Standards, Section

3E).

The requested exception will preserve unique features of the natural environment including steep slopes and a significant number of trees in excess of 6 inches in diameter at breast height (dbh). There are 367 trees larger than 6 inches dbh located within 20 feet of the existing roadway, including 6 bays, 2 black oaks, 59 blue oaks, 6 buckeyes, 1 Douglas-fir, 194 live oaks, 63 madrones, 1 pine, and 35 white oaks. Were the roadway to be constructed at a width of 18 feet with two foot shoulders, the vast majority of those 367 trees would be at risk of removal or permanent damage. With the Road and Street Standards exception proposed here, only two trees will be removed with an additional two at-risk trees. Both the Department of Public Works and the County Fire Marshall have reviewed the requested exception and recommend approval based on the determination that the improved roadway meets the intent and practical purpose of the Standards.

Use Permit Modification

Despite the fact that the new winery proposed here requires a variance and a number of exceptions from County standards, staff believes it is sensitively designed and sited. To the extent that it will relocate existing winery operations out of an area of questionable geologic stability, it represents a real improvement over the currently permitted winery. The intervention of the City of Napa through their insistence on a new right-of-way agreement has functioned to limit tours and tasting and marketing event visitation to levels that staff would label entirely reasonable and consistent with other small wineries in the County.

Existing Winery Facilities

The subject property currently includes an approximately 3,600 square foot winery building located at the center of the parcel near existing vineyards, dwellings, and agricultural buildings. As an entirely new 4,255 square foot winery building is proposed here, the applicant plans to convert the existing winery building to non-winery use. Submitted plans indicate, generally, that portions of the building will be demolished while the remainder will be converted into a tractor barn and break room for vineyard workers. We have incorporated a recommended condition of approval requiring that detailed conversion plans be submitted for Planning Division review and approval prior to the issuance of a building permit for the new winery.

Consistency with the New General Plan

On June 3, 2008, the Board of Supervisors is scheduled to adopt an update to the Napa County General Plan which alters some of the organization and policy language cited in this report and in the attached findings. Overall, the General Plan update reinforces the County's long-standing commitment to agricultural preservation, urban centered growth, and resource conservation. On balance, the proposed project is consistent with this policy framework and with the updated General Plan.

Consistency with Standards:

Zoning

The project is consistent with AW (Agricultural Watershed) zoning district regulations. A winery (as defined in Napa County Code § 18.08.640) and uses in connection with a winery (see Napa County Code § Section 18.16.030) are permitted in the AW district with an approved use permit. This application complies with the Winery Definition Ordinance and, where variances and/or exceptions to the requirements of the Zoning Code are requested, required findings can be made. Please see the attached draft resolution of approval for findings and conditions.

Building Division Requirements

The Building Division recommends approval with standard conditions. Please see their March 15, 2008 memo (attached).

Fire Department Requirements

County Fire Marshall Gabrielle Avina recommends approval with standard conditions. Fire Marshall Avina has

reviewed and is supportive of the requested Road and Street Standards exception and has determined that the proposed cave will be Type 1, which would not allow any public access. Please see her March 27, 2008 memo (attached).

Public Works Department Requirements

The Public Works Department recommends approval with standard conditions. Please see Drew Lander's May 19, 2008 memo (attached).

Environmental Management Department Requirements

Assistant Director Christine Secheli has reviewed this application for the Department of Environmental Management. Her recommended conditions of approval include a requirement that the proposed winery kitchen be regulated and permitted by the Department of Environmental Management and that the permittee obtain an annual food permit. With the exception of the aforementioned, the Department of Environmental Management recommends standard conditions of approval. Please see their attached February 21, 2008 memo.

Sheriff's Department Requirements

The Sheriff's Department has reviewed this application and has no comments or concerns.

SUPPORTING DOCUMENTS

- A . Proposed Resolution with Conditions of Approval
- B . Fire Marshall's Comments
- C . Public Works Comments
- D . Public Works' 2006 Letter re. Road & Street Standards Exception
- E . Environmental Management Comments
- F . Building Division Comments
- G . Sheriff's Department Comments
- H . City of Napa Right of Way Agreement
- I . CalOSHA Comments
- J . Application Materials
- K . 75% Agreement
- L . Final Graphics Package

Napa County Planning Commission: Approve

Reviewed By: John McDowell