



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 7/11/2018

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, Planner III - (707) 253-4388

**SUBJECT:** Oak Knoll Hotel Project (Use Permit Application No. P14-00215) - Public Hearing on the Draft Environmental Impact Report

---

### **RECOMMENDATION**

#### **OAK KNOLL RESORT, LLC – OAK KNOLL HOTEL - USE PERMIT APPLICATION NO. P14-00215 – PUBLIC HEARING ON THE DRAFT ENVIRONMENTAL IMPACT REPORT**

**CEQA Status:** Napa County has completed a draft environmental impact report (DEIR) that analyzes the potential environmental impacts of approval of a land use permit request (Use Permit Application No. P14-00215) to demolish existing structures and construct a 50-room hotel with indoor and outdoor guest amenities, a 100-seat restaurant and an approximately 1,280 square foot retail tenant space on a 3.54-acre property located at 5091 Solano Avenue (Oak Knoll Hotel). The DEIR was released for a public and agency review and comment period that began on June 22, 2018. The public comment period is scheduled to conclude at 4:00 p.m. on August 6, 2018. Interested agencies, organizations and members of the public are invited to submit written comments to Planning staff within the comment period. Oral or written comments may also be submitted at this agenda hearing.

**Request:** This is a public hearing to receive comments regarding the DEIR that has been prepared to analyze the direct, indirect and cumulative environmental impacts that could occur as a result of approval of Use Permit Application No. P14-00215. The application consists of a request for a use permit to construct and operate a 50-room resort hotel with guest amenities, restaurant and retail spaces on a 3.54-acre parcel located at 5091 Solano Avenue (Assessor's Parcel No. 035-031-009), in the CL (Commercial Limited) zoning district of unincorporated Napa County.

**Staff Recommendation:** Open the public hearing, accept public comments on the DEIR, and close the public hearing on the DEIR.

**Staff Contact:** Dana Ayers, Planner III, phone 707-253-4388 or email [dana.ayers@countyofnapa.org](mailto:dana.ayers@countyofnapa.org)

**Applicant:** Oak Knoll Resort, LLC

**Applicant's Representative:** Brian Russell, phone 707-294-2775 or email [napalandlaw@gmail.com](mailto:napalandlaw@gmail.com)

## **EXECUTIVE SUMMARY**

### **Proposed Actions:**

That the Planning Commission open the public hearing on the DEIR, receive oral and written comments thereon, discuss, and close the public hearing.

### **Discussion:**

The Napa County Planning Division has received a request for a use permit to demolish existing structures and construct and operate a 50-room hotel with indoor and outdoor guest amenities, a 100-seat restaurant and an approximately 1,280 square foot retail tenant space at 5091 Solano Avenue. The subject property is currently developed with approximately 35,080 square feet of currently vacant buildings that previously housed a restaurant, retail stores and a hot air balloon launching business. The applicant proposes to demolish the existing buildings and paved surfaces on the property and to redevelop the site with the proposed new commercial development.

The hotel component of the proposed project consists of 50-guest rooms with guest amenities that include a spa, swimming pool, bocce court and fitness center. The restaurant component of the project would be in the same building as the hotel guest lounge areas and would include a bar and 100 seats spread amongst an indoor dining room, an outdoor dining patio, and a casual dining cafe. Food service from the restaurant would be to hotel guests, as well as, to the general public, and the restaurant would be made available for private functions for up to 100 people. During private events, food service from the kitchen would still be made available to guests of hotel. The retail space would operate in a standalone building on the property; it would also accommodate walk-in customers but would generally retail hotel-branded products marketed toward guests of the hotel or would operate as an art gallery.

In addition to the proposed buildings, at-grade construction would include a 109-stall vehicle parking lot; a customer vehicle entry court; and site perimeter landscaping. Underground, proposed utilities infrastructure would include an on-site wastewater treatment system that would generate high-quality effluent, some of which would be stored in tanks underground to be recycled as surface landscape irrigation or plumbed to urinals and toilets on-site. Potable water is currently provided via an existing lateral from the city of Napa water treatment plant. The lateral was initially installed to accommodate water demands of the previous restaurant and retail uses; to accommodate the additional demand flows needed for the newly-proposed hotel, the applicant proposes to install a 48,000-gallon tank for water storage, under the on-site parking lot.

The use permit request is subject to review under the California Environmental Quality Act (CEQA, Public Resources Code section 21000 *et seq.*), which requires permitting agencies to identify potential impacts to the environment that would occur as a result of implementation of a proposed project, prior to making a decision to approve or to deny a permit request. Staff of the Planning Division and the consulting firm of Ascent Environmental, Inc., have completed the DEIR, in order to meet the requirements of CEQA. The DEIR, available online at <https://www.countyofnapa.org/806/Oak-Knoll-Hotel>, is being circulated for public and agency review and comment in accordance with CEQA, the State CEQA Guidelines and Napa County's Local Procedures for Implementing CEQA.

During the review and comment period, members of the Planning Commission, public and other regulatory agencies are invited to provide input on the analysis and discussion of alternatives contained within the DEIR. Planning Commissioners and other interested parties can provide their input on the DEIR via written letters or

emails to the County Planning Division during the comment period, which began on June 22, 2018, or they may comment orally at this public hearing.

The Planning Commission is not requested to make any determinations about the proposed underlying project or the adequacy of the environmental analysis at this time. County and Ascent staff will provide written responses to all substantive comments on environmental issues of the DEIR, in a final environmental impact report (FEIR), before the Commission will be asked to take action on the proposed project.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

Napa County has completed a DEIR that analyzes the potential environmental impacts of approval and implementation of the proposed Oak Knoll Hotel Project (Use Permit Application No. P14-00215). The DEIR was released for a public and agency review and comment period that began on June 22, 2018. The public comment period must remain open for a minimum of 45 days, ending no earlier than August 6, 2018. Interested agencies, organizations and members of the public are encouraged to submit written comments to Planning staff prior to the close of the comment period. Oral or written comments may also be submitted at this agendized public hearing.

### **BACKGROUND AND DISCUSSION**

**Background:** An environmental impact report (EIR) is an informational document that is used to inform public agency decision-makers and the general public of the potentially significant environmental effects of a project; to identify possible ways to mitigate or avoid those significant effects; and to describe a range of reasonable alternatives to the project that could feasibly attain most of the basic objectives of the project while substantially lessening or avoiding any of the project's significant environmental impacts. Public agencies are required to consider the information presented in the EIR when determining whether to approve a project.

The DEIR for the proposed Oak Knoll Hotel describes the potentially significant adverse environmental effects of the proposed project, as well as, measures that would avoid or mitigate the significant adverse environmental effects that are anticipated to result from the construction and operation of the proposed project. The DEIR also includes a discussion of four alternatives to the proposed project and a comparison of the anticipated environmental impacts of each alternative relative to the proposed project.

**Use Permit Request – Proposed Project:** The property that is the subject of this application is a 3.54-acre parcel located on the west side of Solano Avenue, north of the city of Napa and south of the town of Yountville, in unincorporated Napa County. The site is owned by the Oak Knoll Resort, LLC. The property has been previously developed, including pavement, trees, and seven structures totaling 35,080 square feet that were previously occupied by a hot air balloon company, a garden store, residential uses, an antique store, and a restaurant and bar. The existing structures on-site have been vacant since 2007.

Under the requested use permit, the applicant would demolish the existing structures and completely redevelop the site with a 50-room hotel with indoor and outdoor hotel guest amenities that include a spa, fitness center, swimming pool and bocce court. The proposed hotel guest rooms would be in seven buildings, each with two or

three stories, near the western property line and near the center of the site.

The scope of the project also includes a 100-seat restaurant with both indoor and outdoor dining spaces, and a 1,280 square foot retail tenant space. The proposed 100-seat restaurant would occupy an approximately 4,750 square foot building proposed to be located in the southeastern corner of the property. The restaurant is proposed as a single-story structure with a rooftop terrace and an indoor hotel guest lobby/lounge area. The retail tenant space proposed with the project would be located in a stand-alone, single-story barn building north of the restaurant and is proposed to be used for retail of hotel-branded items or as an art gallery.

Underground utilities proposed with the project include a 48,000-gallon fiberglass tank for storage of domestic water, an on-site wastewater treatment system that would treat all wastewater generated on the project site, as well as, one 30,000- and two 40,000-gallon tanks for storage of treated water. All effluent treated in the wastewater treatment system would meet Title 22 recycled water requirements, with the majority of the treated effluent proposed to be reused on-site in landscape irrigation systems and toilet fixtures and the remainder percolated into the soil through driplines or pipes installed under the proposed parking lot. Domestic water is currently provided to the site via connections to the city of Napa water system. With no changes proposed to the size of the existing connections, and with the existing connections sized according to the site's previous retail and restaurant uses, the applicant has proposed the 48,000-gallon subsurface tank as storage to ensure potable water is available during times of peak demand of the proposed retail, restaurant and hotel operations. Surface improvements proposed with the project include a 109-stall parking lot, a vehicle entry court, and new landscaping along the perimeter of the site; landscaping would include at least 15 new trees to replace the trees proposed to be removed as part of site demolition.

Additional detailed information about the proposed project can be read in Chapter 2 of the DEIR. Duration of project construction is estimated to be approximately 18 months.

**Project Objectives:** The project applicant has developed the following objectives for the project:

- | Design a project that is consistent with the Commercial Limited zoning;
- | Develop several distinct areas within the project site, connected by garden areas with comprehensive landscape planning;
- | Provide County-serving hospitality, retail, and restaurant uses within the project site;
- | Generate positive fiscal impacts for the County through redevelopment within the project site;
- | Develop a project that utilizes the Vine Trail to allow project patrons an alternative way to explore Napa Valley; and
- | Implement a sustainable project that maximizes reuse of water supplies and minimizes water demands.

**DEIR Summary:** In June 16, 2017, the Planning Division released a Notice of Preparation of an EIR along with an Initial Study, a preliminary analysis of the potential environmental impacts of the proposed hotel project. The analysis in the Initial Study concluded that the proposed project would result in no significant impacts in the areas of agriculture and forestry resources; geology/soils; hazards and hazardous materials; hydrology and water quality; land use and planning; mineral resources; population/housing; and recreation. The Initial Study identified one potentially significant impact in the area of cultural resources and also identified a mitigation measure that would require cessation of work in the event of discovery of significant archaeological or paleontological resources during project construction. Implementation of the mitigation measure would reduce the impact to less than significant.

Although the Initial Study included varying levels of analysis in all 17 categories of potential land use impacts, the DEIR provides more in-depth analysis for each of the nine topic areas for which staff could make no definitive conclusion of less-than-significant impacts during the preliminary environmental review of the proposal. Thus, the DEIR was narrowed down to discussion and analysis in the areas of aesthetics; biological resources; cultural resources and tribal cultural resources; noise; air quality and greenhouse gas emissions; public services/utilities;

and transportation. Within these nine topic areas, the DEIR identifies another 33 potential impacts to the environment that could occur as a result of approval and implementation of the proposed project. Of the 34 total impacts identified between the Initial Study and DEIR, 21 were determined to be less than significant impacts for which no mitigation was necessary to reduce the level of significance of the impact. The remaining 13 impacts were either significant or potentially significant impacts in the areas of aesthetics, biological resources, cultural and tribal cultural resources, noise and transportation. The DEIR identifies mitigation measures that would reduce the severity of each impact to less than significant. A summary of the potential environmental impacts of the proposed project, as well as, corresponding mitigation for each significant or potentially significant impact, is provided in the Executive Summary section of the DEIR, a copy of which is attached to this staff report.

In addition to an impact analysis of the proposed project, and in accordance with State CEQA Guidelines Section 15126.6, the DEIR analyzes alternative scenarios and compares the potential environmental effects of each alternative to those of the proposed project. The Oak Knoll Hotel Project DEIR evaluates four alternative scenarios to the proposed project. The first, the No Project Alternative, assumes that the project is not approved or implemented. The second alternative, the Existing Entitlements Alternative, includes two sub-scenarios wherein existing, entitled uses (hot air balloon company, retail and restaurant) are reactivated and re-established on the property. In the first sub-scenario, the existing buildings on the property are rehabilitated; and in the second sub-scenario, the existing buildings are demolished, and the site is redeveloped with new structures to house the entitled uses. The last alternative, the No Special Events Alternative, assumes the same physical elements of the project but precludes private events with amplified sound. Other alternatives considered but not evaluated in further depth in the DEIR include an off-site alternative and a reduced building height alternative without standalone retail. Each of the alternative scenarios to the project is discussed in further detail in Chapter 6 of the DEIR.

Because the No Project–No Development Alternative (described above in DEIR Section 6.3.1) would avoid all adverse impacts resulting from construction and operation of the Oak Knoll Hotel Project analyzed in Chapter 3, it is the environmentally superior alternative. However, the No Project–No Development Alternative would not meet the objectives of the project as presented above and in DEIR Section 6.2, and it would result in greater aesthetic impacts compared to the project. When the environmentally superior alternative is the No Project Alternative, the State CEQA Guidelines (Section 15126.6[d][2]) require selection of an environmentally superior alternative from among the other action alternatives evaluated. As illustrated in Table 6-2 of the DEIR, Alternative 3 (No Special Events) would be the environmentally superior action alternative among all other alternatives because this alternative would eliminate the special event noise impacts of the project and would result in similar impacts for all other issue areas.

**Public Comment:** The DEIR was released for a public and agency review and comment period that began on June 22, 2018, with paper copies of the document available at the Yountville and Napa Main libraries and the County Administration Building, and a digital copy available online on the project webpage via the link <https://www.countyofnapa.org/806/Oak-Knoll-Hotel>. In accordance with Public Resources Code Section 21091, CEQA Guidelines Section 15105 and Section 702.3 of the Napa County Local CEQA Procedures, the public comment period must remain open for a minimum of 45 days. Interested agencies, organizations and members of the public are encouraged to submit written comments to Planning staff prior to the close of the comment period at 4:00 p.m. on August 6, 2018. Oral or written comments may also be submitted during this agenda hearing.

Following close of the comment period on the DEIR, County Planning and consulting staff will prepare a final EIR, which will consist of the DEIR, comments thereon, and written responses to those comments. The Planning Commission will be asked to certify the adequacy of the final EIR, prior to considering whether to approve or deny the requested use permit. Notice of any future public hearing on the requested use permit and certification of the EIR will be emailed and mailed to interested parties at least 10 days prior to the date of the hearing. Those future hearings are tentatively anticipated to occur in fall of this year, depending on the extent of effort necessary to respond to comments submitted on the DEIR.

**SUPPORTING DOCUMENTS**

A . Executive Summary - Oak Knoll Hotel Project DEIR

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina