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Agenda Date: 7/11/2018

Agenda Placement: 7C

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: Wyntress Balcher, Planner II - 707 299-1351
SUBJECT: ZD Wines Use Permit Major Modification #P17-00389-MOD

RECOMMENDATION

ROBERT DELEUZE AND BRETT DELEUZE / ZD WINES / USE PERMIT MAJOR MODIFICATION NO. P17-00389-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 major modification to an existing winery for an increase in production from 70,000 gallons to 120,000 gallons. No physical changes to the winery are proposed, no changes to visitation or marketing events, and no increase in the number of employees. The project is located on a 5.75± acre parcel on the west side of Silverado Trail, approximately one mile northwest of Skellenger Lane and one mile southeast of Sage Canyon Road, within the Agriculture, Watershed and Open Space General Plan land use designation and within the Agricultural Preserve zoning district; 8383 Silverado Trail, Napa; APN: 030-200-005.

Staff Recommendation: Adopt the Negative Declaration and approve the Use Permit Major Modification, as conditioned.

Staff Contact: Wyntress Balcher, Planner II, (707) 299-1351 or wyntress.balcher@countyofnapa.org

Applicant Contact: David B. Gilbreth, 1152 Hardman Ave, Napa, CA 94558, 707-337-6412;
davidgnapa@icloud.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration, based on Findings #1 - #7 (Attachment A);
2. Approve Use Permit (P18-00389-MOD), based on Findings #8- #12 (Attachment A), and subject to the recommended Conditions of Approval (Attachment B)

Discussion:

The original winery was established by approval of Use Permit #U-697778 by the Planning Commission on August 16, 1978, for a 25,000 gallon winery; production was increased to 50,000 gallons upon approval of Use Permit #U-697778 Mod #1 by the Board of Supervisors on January 16, 1990, on appeal, and established public tours and tastings. Production was increased to 70,000 gallons by Use Permit U-90-32, approved by the Planning Commission on February 6, 1991. The applicant proposes to increase the winery's production capacity from 70,000 to 120,000 gallons/year. The Wastewater Study and the Water Availability Study prepared for the project found that the existing wastewater system and the existing groundwater are adequate to accommodate the proposed production increase, and no physical changes to the winery are requested.

This proposal has been analyzed for its environmental impacts, which were found to be less than significant. Staff believes there is adequate rationale to support approving the winery's production increase for the following reasons: 1) sufficient grapes and water supply are available to serve the proposed project; 2) there is no history of code compliance issues at the project site; 3) the project will utilize the existing facilities and will not result in the construction of any new structures; 4) there is existing direct access to Silverado Trail and no improvements will be required; and, 5) the project will not result in increased development of agricultural land. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies, subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

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. This project is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owner: ZD Wines, LLC 8383 Silverado Trail, Napa

Applicant: Robert DeLeuze and Brett DeLeuze, 8383 Silverado Trail, Napa, CA (707)963-5188,
robertd@zdwines.com; brettd@zdwines.com

Representative: David Gilbreth, 1152 Hardman Ave., Napa, CA (707)337-6412, davidgnapa@icloud.com

Zoning District: Agricultural Preserve (AP)

General Plan Designation: Agriculture, Watershed, and Open Space (AWOS)

Filed: November 15, 2017; **Resubmission:** December 15, 2017; **Resubmission:** April 4, 2018; **Deemed Complete:** May 3, 2018

Parcel Size: ±5.75 acres. Pursuant to NCC Section 18.104.240, regarding minimum parcel size, wineries are permitted to be located or operated on parcels zoned AP or AW and one acre or greater only if the winery was established in conformance with all applicable county regulations prior to the effective date of the WDO, February 23, 1990. The winery was established August 16, 1978.

Existing Development: 70,000 gallon winery, ±28,273 sq. ft. in area

Vineyard Acreage (Existing): 3.04 acres

Vineyard Acreage (Proposed): No change proposed

Winery Characteristics:

Winery Size (Existing): Production ±20,467 sq. ft.; Accessory ±7,806 sq. ft.; Total 28,273 sq. ft.

Winery Size (Proposed): No change proposed

Production Capacity (Existing): 70,000 gallons per year

Production Capacity (Proposed): 120,000 gallons per year

Development Area (Existing): 27,350 sq. ft.

Development Area (Proposed): No change proposed

Winery Coverage (Existing): 47,746 sq. ft., 1.10 acres, 19% (Maximum 25% or 15 acres)

Winery Coverage (Proposed): No change proposed

Accessory/Production Ratio (Existing): 38.14% (includes 1,011 sq. ft. outdoor tasting area)

Accessory/Production Ratio (Proposed): No change proposed
(Maximum 40%)

Number of Employees (Existing): Total 35: 25 full time, 10 part-time

Number of Employees (Proposed): No change proposed

Visitation (Existing): 225 (Public) per day. Visitor-carrying vehicles limited to 60/day and no more than 1 bus per day (61 visitors on the bus)

Visitation (Proposed): No change proposed

Marketing Program (Existing): Five events per year, maximum of 165 people; one event for a maximum of 100 people

Marketing Program (Proposed): No change proposed

Days and Hours of Operation (Existing): 8:00 AM - 5:00 PM (Production); 10:00 AM - 4:30 PM (Visitation)

Days and Hours of Operation (Proposed): No change proposed

Parking (Approved): 33 spaces; three loading areas

Parking (Proposed): No change proposed

Setbacks (Required): 600 Silverado Trail; 20' side; 20' rear

Setbacks (Approved/Existing): ±97' front; ±40' side, ±750 side, and ±186' rear (no change)

Adjacent General Plan Designation/Zoning District/Land Use:

North and Northeast - Agriculture, Watershed and Open Space (AWOS) General Plan Designation, Agricultural Watershed (AW) Zoning District/agriculture and undeveloped open space

Northwest - AWOS General Plan Designation; Agricultural Preserve (AP) zoning district/winery and agriculture

West - AWOS General Plan Designation; AP zoning district/winery, agriculture and residential uses (closest residence 2,600 ft.)

South - AWOS General Plan Designation; AP zoning district/agriculture and residential (closest residence over 3,000 ft.)

East - AWOS General Plan Designation, AW Zoning district/agriculture and open space.

Nearby Wineries (located within 1 mile of the project):

Please refer to Attachment I.

Background/Parcel History:

ZD Winery was established with the approval of a use permit in 1978, for a 25,000 gallon production capacity, no public tours and tastings, a 5,800 sq. ft. structure; no structures located closer than 90 feet from the centerline of Silverado Trail, and, a minimum of five (5) parking spaces. An administrative "alteration" of the use permit was approved on May 10, 1988, to add office space within the existing facility and expand the concrete outdoor crush area at the rear of the property.

Use Permit Modification (U-697778-Mod#1), was approved by the Board of Supervisors January 6, 1990, on appeal, to: increase winery production from 25,000 to 50,000 gallons; establish public tours and tasting with 50 anticipated visitors on the busiest day (total 350 per week); increase days of operation to include visitation Sunday through Saturday; provide at least 18 parking places, 12 available to visitors on a dust-free all-weather surface; and increase total employees to 15 (8 full-time, 7 part-time). The environmental document included 32 mitigation measures, including: a limit of one bus (10 wheel, 4 axle) per day allowed (between 9:00 AM-4:30 PM) to the expanded winery; installation of left turn lane (completed); a limit of 60 visitor-carrying vehicles per day; hour restrictions on outdoor activities; and at least 18 improved parking spaces must be provided.

Use Permit Modification request #U-90-32 was approved by Planning Commission on February 6, 1991, to increase production to 70,000 gallons with 75% of production over 50,000 gallons from Napa County grapes; construct a 13,500 sq. ft. building addition; convert 1,000 sq. ft. of the second floor storage area into a mechanical equipment room and office space; convert an existing 1,856 sq. ft. covered crush pad into a case storage area for a total building area of 19,931 sq. ft.; establish marketing activities for occasional private lunches for retailers and restaurateurs, with an average 10 guests, less than 6 times per year; provide a total of 21 off-street parking spaces on a dust free all-weather surface; and limit retail sales to wine fermented and bottled at the winery. No picnicking or outdoor wine tasting was permitted. There was no change in the anticipated number of daily visitors on the busiest day: 50 people; total 350 per week. The application filed indicated a total of 33 employees. The conditions of the use permit did not establish an approved number of employees.

Use Permit Very Minor Modification #P14-00041-VMM was approved by the Planning Director on March 31, 2014 to add On-Premises Consumption in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5 and the Planning, Building Environmental Services (PBES Director's July 17, 2008 memo, "Assembly Bill 2004 (Evans) and the Sale of Wine for Consumption On-Premises. The very minor modification request included the following conditions: "(a) The referenced Use Permit #697778 Mod.1, regarding outdoor social activities, will be

removed"; "(b) In addition, Use Permit U-90-30 Condition #7 will be modified to read: 7. Retail sales shall be limited to wine fermented and bottled at the winery. No picnicking or outdoor wine tasting shall be permitted"; and "(c) Consistent with Assembly Bill 2004(Evans) and the Planning, Building, and Environmental Services Director's July 17, 2008 memo, "Assembly Bill 2004 (Evans) & Sale of Wine for Consumption On-Premises," on-premise consumption of wine purchased from the winery may occur solely in: "The Grove"; "The Courtyard", "The Fountain Area", "The Patio", "Deck A", "Deck B", and "Tasting Room" as delineated on the Plans prepared on 8-27-92. Any and all visitation associated with on-premise consumption shall be subject to the 50 person maximum daily tours and tastings visitation limitation and/or applicable limitations of permittee's marketing plan."

Modification request #P16-00026-MOD was approved by the Planning Commission on March 15, 2017 to: re-allocate and rearrange the 33 existing parking spaces and add ± 729 sq. ft. of pervious surface to allow additional parking stall a full length; re-allocate 56 sq. ft. of existing building area to expand the 815 sq. ft. second floor tasting room area to a total of 871 sq. ft.; remodel and expand the existing 622 sq. ft. second floor deck, adding a partial covering for a total of 1,228 sq. ft. in area; confirm 25 full-time employees, 10 part-time employees; 5) confirm the daily visitation level of 225 visitors; and, 6) modify the on-premises consumption of wine condition (Permit #P14-00041 VMM) to include the "Vineyard View Room" with "Deck A and Deck B", in accordance with Business and Professions Code Sections 23358, 23390 and 2.3396.5.

Code Compliance History:

There are no open or pending code violations for the subject site.

Discussion Points:

Setting - The subject ± 5.75 acre parcel has frontage on the southwestern side of Silverado Trail, ± 1 mile southeast of Sage Canyon Road. The general plan designation is Agriculture, Watershed and Open Space, and the Zoning is Agricultural Preserve. The existing $\pm 27,934$ sq. ft. winery covers about an acre, located on the northwestern portion of the parcel, with 3.04 acres planted in vineyard. Surrounding land uses are agriculture with the closest winery $\pm 1,200$ feet to the northwest and the closest residence $\pm 2,600$ feet to the west.

Winery Proposal - The project proposes to increase production capacity from 70,000 gallons to 120,000 gallons per year. The winery is able to accommodate the increase in production, and no physical improvements are proposed. There are no changes to the winery operations, visitation or marketing program.

Groundwater Availability - A Water Availability Analysis was prepared for the project (RSA, September 27, 2017) as confirmation that adequate ground water is available to meet the demands of a 120,000-gallon winery, 35 employees, and 225 daily visitors. The analysis outlined the existing and proposed groundwater demands and indicated that the groundwater recharge for the subject 5.75-acre parcel, located on the Valley floor would be 5.75 af/yr. The irrigation of the vineyards also includes the use of reclaimed process wastewater, resulting in a reduction in the water demand. With the increase in production, the amount of reclaimed process wastewater used for vineyard irrigation will increase by .22 af/yr. As a result of the foregoing, annual water demand for this parcel would increase .58 af/yr, from 3.59 af/yr. to 4.14 af/yr. Based on the figures shown in the report, the project would remain below the established fair share for groundwater use on the parcel. The project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level. According to Napa County environmental resource mapping (Water Deficient Areas/Storage Areas), the project site is not located within a water deficient area and the County is not aware of, nor has it received any reports of groundwater deficiencies in the area. Any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels.

Greenhouse Gas Emissions - The County requires project applicants to consider methods to reduce Greenhouse Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as Attachment E and proposes to incorporate additional GHG reduction methods including: existing ground mounted solar; use organic cover crop; alternative fuel and electric vehicles in fleet; existing VMT reduction plan; existing solar hot water heating; existing energy conserving lighting; energy star roof/cool roof; bicycle incentives; bicycle route improvements; connection to recycled water; installed water efficient fixtures; low impact development; water efficient landscape; recycle 75% of all waste; compost 75% food and garden material; implemented a sustainable purchasing and shipping program; planting of shade trees within 40 feet of the south side of the building elevations; electrical vehicle charging stations; site design oriented and designed to optimize conditions for natural heating, cooling and day lighting of interior spaces; limited amount of grading and tree removal; certified green business; use of recycled materials; vegetable gardens on site offered to all employees as available; education to staff and visitors on sustainable practices; using 70-80% cover crop; retains biomass removed on site rather than burning on-site; participating in the BMPs at a "parent" location; and encourage all of growers to farm organically and 100% of fruit processed is farmed organically. The Winery is a certified Bay Area Green Business; Napa County Green Winery; and their ZD Wines Carneros Estate Vineyards is certified organic.

Transportation - Traffic has been previously evaluated in the approved use permits and mitigations have been imposed on the winery including the installation of a left turn lane for traffic safety, signage prohibiting left turns onto Silverado Trail; the gated entranceway design to allow stacking distance and vehicle turnaround when the winery is closed, limitation on hours during pickup and delivery of grapes, supplies, and wines to be scheduled outside the hours when the winery is open to the general public; limitation on the number of visitor-carrying vehicles; requirement for adequate parking; and denial of access to the property at the entry gate when improved parking areas provided are full.

Traffic generated by the increase in production project will be minimal, one trip per day is expected. Access to the existing winery is from direct driveway access to Silverado Trail, where all required improvements are in place including a left-hand turn lane serving the project, and the project will not require the installation of any additional improvements. The applicant proposes, as part of the project, that two of the existing employees will not be scheduled to arrive or depart from work during the peak traffic hours to ensure that the one additional trip resulting from the increase in production will not result in any change in the existing traffic levels during peak traffic. This has been included as COA 4.11. The Department of Public Works reviewed the project and recommends approval of the project on the basis that the traffic volumes are below the threshold that would impact Silverado Trail. There will be no residual individually or cumulatively significant traffic impacts associated with this project as regards traffic congestion and levels of service.

Grape Sourcing - The property has 3.04 acres of vineyards planted on the subject property, and the winery owns a 34-acre certified organic vineyard in the Carneros area planted in 29 acres of grapes. The winery was established pre-WDO but with approval of the permit in 1990, 75% of the winery's production over 50,000 gallons must be from Napa County grape sources. Therefore, the recommended conditions of approval include a condition that 75% of the production beyond 50,000 gallons wine will be sourced from Napa County grapes.

Public Comments - No public comments have been received.

Decisions-Making Options:

Option 1 - Approve Applicant's Proposal (Staff Recommendation)

Disposition - This option would result in approval of a 120,000 gallon/year winery. This option has been analyzed

for its environmental impacts, which were found to be less than significant. Sufficient grapes and water supplies are available to serve the proposed project and there is no history of code compliance issues at the project site. Staff is recommending in favor of approval for the following reasons: 1) the proposed project is consistent with the Napa County Zoning Ordinance and applicable General Plan Policies; 2) the project will utilize the existing facilities and will not result in the construction of any new structures; 3) there is existing direct access to Silverado Trail and no improvement will be required; and, 4) the project will not result in increased development of agricultural land. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies. Staff supports this option based on the reasons discussed above.

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

Option 2 - Modification of Applicant's Request

Disposition - This option could result in no production increase or an amount less than requested.

Action Required - Follow the proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to reduce the increase in production. If major revisions to the conditions of approval are required, the item will need to be continued to a future date.

Option 3 - Deny Proposed Project

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of the Use Permit Modification, Commissioners should identify what aspect or aspects of the project are in conflict with the required findings. State Law requires the Commission to adopt findings, based on the General Plan and County Code, setting forth why the proposed Use Permit Modification is not being approved. Based on the administrative record as of the issuance of this staff report, there does not appear to be any evidence supporting the denial of the project.

Action Required - Commission would take a tentative motion to deny the project and remand the matter to staff for preparation of required findings to return to the Commission on a specific date.

Option 4 - Continuance Option

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

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Previous Project Conditions
- D . Initial Study/Negative Declaration
- E . Use Permit Application Packet
- F . Water Availability Analysis
- G . Wastewater Feasibility Study
- H . Graphics
- I . Winery Comparison Analysis & Summary of Changes

Napa County Planning Commission: Approve

Reviewed By: Charlene Gallina