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A Commitment to Service

Agenda Date: 7/17/2013

Agenda Placement: 9A

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission  
**FROM:** Charlene Gallina for Hillary Gitelman - Director  
Planning, Building and Environmental Services  
**REPORT BY:** LINDA STCLAIRE, PLANNER III - 707.299.1348  
**SUBJECT:** Dunn Vineyards Use Permit

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### RECOMMENDATION

#### **MANZANITA & DOGWOOD / DUNN VINEYARDS / RANDALL L DUNN / USE PERMIT P12-00199**

**CEQA Status:** Consideration and possible adoption of a Categorical Exemption. Pursuant to the California Environmental Quality Act, Section 15303 - New Construction or Conversion of Small Structures & Napa County's Local CEQA Procedures, Appendix B, Class 3: New Construction or Conversion of Small Structures, Number 10 - Small Wineries.

**Request:** Approval of a Use Permit to: 1) convert an existing 5,000 gallon per year Small Winery Exemption with no visitation or marketing events to a 20,000 gallon per year winery with visitation; 2) recognize and upgrade existing improvements including: an outdoor uncovered crushpad (1,900 square feet), winery production areas (2,050 square feet), caves (6,000 square feet) and update an existing wastewater system; 3) employ 10 or fewer employees, and; 4) allow visitation for a maximum of twenty persons per week by appointment only. The 39 acre project site is located on the northwest side of White Cottage Road 1.0 mile north of its intersection with College Avenue within the Agricultural Watershed (AW) Zoning District at 805 N. White Cottage Rd., Angwin (APN: 018-180-040).

**Staff Recommendation:** Find the project Categorical Exempt from CEQA and approve the requested use permit as conditioned.

**Staff Contact:** Linda St. Claire, Planner [linda.stclaire@countyofnapa.org](mailto:linda.stclaire@countyofnapa.org)

**Applicant Contact:** Randy Dunn (707) 965-3642

### EXECUTIVE SUMMARY

**Proposed actions:**

That the Planning Commission:

1. Find the project Categorical Exempt from CEQA based on Finding 1 of Exhibit A;
2. Approve Use Permit (P12-00199) based on Findings 2-6 of Exhibit A and subject to the recommended Conditions of Approval (Exhibit B).

**Discussion:** Mr. Dunn received a Small Winery Use Permit Exception in 1982, allowing production of 5,000 gallons per year and visitation limited to one person per week. The winery was housed in the basement level of a 1890s residence and the Dunns lived on the second level. A 6,000 s.f. cave was constructed in 1989 and is used exclusively for wine barrel storage. The winery later expanded into the upper level of the structure where offices and tastings occur. Production continues to occur in the cellar. This use permit includes a production increase to 20,000 gallons per year, an increase in visitation from one person per week to a maximum of twenty persons per week, an increase in employees from one owner operator to two full-time and one part-time employees, and construction of an upgraded winery wastewater system. Staff has no objections to Dunn Vineyards request, and finds the project consistent with the Napa County Winery Definition Ordinance and other applicable provisions of the Zoning Ordinance, and General Plan, subject to standard conditions.

**FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

The project is Categorical Exempt, pursuant to the California Environmental Quality Act, Section 15303 - New Construction or Conversion of Small Structures and Section 15303 - Napa County's Local CEQA Procedures, Appendix B, Class 3: New Construction or Conversion of Small Structures, Number 10. - Small Wineries, (See attached CEQA Memo). This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

**BACKGROUND AND DISCUSSION**

**Owner:** Manzanita & Dogwood LLC, DBA Dunn Vineyards

**Representative (owner):** Randy Dunn (707) 965-3642

**Zoning District:** AW (Agricultural Watershed)

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

**Original Application Filed:** June 1, 2012

**Application Deemed Complete:** May 1, 2013

**Parcel Size:** 39 acres

**Winery Size (Approved):** 1,200 s.f. winery, plus 1,900 s.f. crushpad

**Winery Size (Existing):** 2,050 s.f. winery, plus 1,900 s.f. crushpad and a 6,000 s.f. cave.

**Winery Size (Proposed):** Recognize additional 850 s.f. additional existing winery space and 6,000 s.f. cave.

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

**Production Capacity (Existing):** 13,716 gallons (2012)

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

**Accessory to Production Ratio (Approved):** Not a requirement in 1982.

**Accessory to Production Ratio (Existing):** 8.5%

**Accessory to Production Ratio (Proposed):** 8.5%

**Winery Coverage (Approved):** Not a determinate in 1982.

**Winery Coverage (Existing):** 0.08%

**Winery Coverage (Proposed):** 0.08%

**Number of Employees (Approved):** One (owner operator).

**Number of Employees (Existing):** Two Full-time and one Part-time.

**Number of Employees (Proposed):** Two Full-time and one Part-time.

**Hours of Visitation (Approved):** Variable

**Hours of Visitation (Existing):** Variable

**Hours of Visitation (Proposed):** 10:00am to 6:00 pm, daily.

**Hours of Operation (Existing and Proposed):** 8:00am -5:00pm, daily.

**Tours & Tastings (Approved):** One per week.

**Tours & Tastings (Existing):** One per week.

**Tours & Tastings (Proposed):** Twenty per week by appointment only.

**Marketing; (Approved, Existing & Proposed):** None

**Parking Size (Approved):** Two spaces

**Parking Size (Existing):** Five spaces, including 1 ADA-accessible space.

**Parking Size (Proposed):** Five spaces, including 1 ADA-accessible space.

### **Adjacent General Plan Designation/Zoning District/Land Use:**

Northerly - Agricultural Preserve (AP) and Agricultural, Watershed & Open Space (AWOS) - Six residences on parcels ranging from 1 to 5 acres in size.

Southerly - Agricultural Preserve (AP) and Agricultural, Watershed & Open Space (AWOS) - Two residential parcels, 5-6 acres in size.

Easterly - Agricultural Preserve (AP) and Agricultural, Watershed & Open Space (AWOS) - Four residential parcels ranging in size from 0.73 to 1 acre.

Westerly - Agricultural Preserve (AP) and Agricultural, Watershed & Open Space (AWOS) - A 34 acre property planted in vines owned by Duckhorn Wine Company and a 16.3 acre vineyard owned by the applicant.

**Nearby Wineries (within about a mile of the project site):**

Robert Foley - 1300 Summit Lake Dr - 30,000 gallons per year - No tours and tastings

Summit Lake Vineyards- 2000 Summit Lake Dr - 12,000 gallons per year - tours and tasting by appointment (2/wk)

Outpost Wines - 2075 Summit Lake Dr - 1,800 gallons per year - tours and tastings by appointment (6/wk)

Robert Craig Winery - 2475 Summit Lake Dr - 20,000 gallons per year - tours and tastings by appointment (6/wk)

White Cottage Ranch Winery - 555 College Ave - 20,000 gallons per year - tours and tastings by appointment (40/wk)

**Parcel History and Evolution of this Application:**

March 22, 1982 – A Small Winery Use Permit Exemption, approved by the Planning Department, allowed an initial production of 3,000 gallons per year and a requested production level of a maximum of 5,000 gallons per year with variable hours of operation. One full-time employee, and one visitor per week was anticipated. The exemption included the use of 1,200 square feet of the ground level of an existing two story structure, for winery activities (crush, ferment, storage/aging, bottling/packing, and shipping). The original parcel was 21.5 acres and was zoned WR (Water Recreation District). A parcel merger was completed at a later date and the total acreage increased to 39 acres.

1986 - Building permit approved to allow the remodel of the existing residence.

1989 - Approximate date of cave construction.

2004 - Residence above winery converted to second unit.

**Code Compliance History:**

The Code Enforcement Division did not identify any enforcement issues.

**Discussion Points:**

Conversion of a Second Dwelling Unit to Winery Use - The winery building housed winery functions in the cellar (accessible from ground level) and the owners originally resided above the winery. In 1986 they moved from there to the remodeled residence. In 2004 the applicant was issued a building permit to convert the residential section to a second dwelling. At some point after 2004, the applicant converted the second dwelling unit to winery offices, a tasting room and employee breakroom. The conversion from residential use to commercial use will require additional review, inspection and approval by the Building Division and Fire Department. Conditions by the Building Division & Fire Department have been incorporated in this permit.

Construction of a Cave Portal - In October 1989, the applicant requested an opinion on the expansion to the winery through the construction of a cave. The applicant was informed that a use permit would be necessary but could not be obtained because their proposal could not meet the qualifications of the winery expansion moratorium on use permits for wineries at that time (Ordinance 886, extended through Ords 888 & 903). Qualifications for the moratorium expansion included several criteria. The expansion could not include an increase in the use of the facilities by the public, additional treatment capacity for wastewater or consume water in excess of the amounts used in current agricultural activities and must be so located that the structures and areas are totally concealed by natural topography from view from any public roads. At that time, the cave portal would not have been totally concealed by natural topography. According to the applicant, the cave was constructed later in 1989 and today is totally concealed by natural topography. The cave is used only for barrel storage and not open to the public. Plumbing and electrical systems were also installed in the cave upon construction and will require inspection and

approval through the Building Division & Fire Department.

Increase in Wine Production - The applicant has indicated that production levels have increased beyond the approved Small Winery Exemption limit of 5,000 gallons per year and has proposed a limit of 20,000 gallons per year.

Tours and Tastings/Marketing Events - The original use permit exception allowed public tours and tastings for 1 visitor per week. This application includes a request to allow tours and tastings by prior appointment for a maximum of 20 visitors per week. No marketing plan has been proposed. Staff has provided a table comparing marketing and tours and tastings visitation at similarly sized wineries below. The proposed revisions to the visitation program falls roughly into the mid-range amongst its peer group of wineries producing 20,000 gallons per year. Given the increasing importance of direct-to-consumer sales for Napa Valley wineries, the 20 maximum weekly visitors proposed here is modest and typical of wineries this size.

### Wineries with Similar Traits

<i>Winery</i>	<i>Approved Production</i>	<i>Tours &amp; Tasting</i>	<i>Marketing (Ave/Week)</i>	<i>Tours and Tasting (Ave/Wk)</i>	<i>Total Visitation (Max/Wk)</i>
BRAVANTE WINERY	20,000	By Appointment	6	10	16
BROMAN CELLARS	20,000	By Appointment	5	20	25
CHRISTINA VINEYARDS	20,000	By Appointment	16	12	28
CLARK CLAUDON VINEYARD	20,000	By Appointment	5	8	13
COLGIN PARTNERS	20,000	By Appointment	5	25	30
CORISON WINERY	20,000	By Appointment	3	10	13
FLYING HORSE WINERY	20,000	By Appointment	2	25	27
GREENWOOD VINEYARDS	20,000	By Appointment	7	25	32
HOWELL AT THE MOON WINERY	20,000	By Appointment	4	10	14
HUDSON WINERY	20,000	By Appointment	3	25	28
HUNNICUTT WINERY	20,000	By Appointment	10	21	31
JERICO CANYON WINERY	20,000	By Appointment	4	15	19
LAZY SUSAN VINEYARDS	20,000	By Appointment	6	20	26
McCRANE WINERY	20,000	By Appointment	5	30	35
PUERTA DORADA	20,000	By Appointment	7	25	32
SAGE HILL VINEYARDS	20,000	By Appointment	10	18	28
SCHWEIGER VINEYARDS	20,000	By Appointment	2	10	12
TILLEY WINERY	20,000	By Appointment	12	13	25
T-VINE	20,000	By Appointment	3	5	8
WILLIAM COLE	20,000	By Appointment	4	10	14
Dunn Vineyards	20,000	By Appointment	0	20	20

Note: Total Visitation Ave/Wk number, are approximate.

Grape Sourcing - Dunn Vineyards is a Pre-WDO winery and has historically not been subject to Napa County's "Seventy-five Percent Rule". In accordance with Napa County Code Section 18.104.250C, which states:

*All existing wineries which expand beyond their winery development areas shall be subject to the following additional limitations: 1. At least seventy-five percent of the grapes used to make that portion of the winery's still wine which is produced as a result of the expansion shall be grown within the county of Napa.*

In this case, the expansion of the winery's development area (the additional 850 s.f. of the winery) shall require that seventy-five percent of the additional 15,000 gallons of wine per year must be produced from grapes grown in Napa County. The applicant has indicated that they own 190 acres of land, of which 29 acres are currently planted in vines. They also have contracts to purchase 15 tons of Napa County grapes. This amount of applicant owned or contracted fruit would be sufficient to meet the 75% local fruit requirement.

Greenhouse Gas Reduction Strategies - In 2011, the Bay Area Air Quality Management District (BAAQMD) released California Environmental Quality Act (CEQA) Project Screening Criteria and Significance of Thresholds related to greenhouse gas emissions (GHG) for new development. Although the thresholds were challenged in court and set aside, they were based on substantial evidence and still appropriate for evaluating proposed projects. The District's screening table (BAAQMD Air Quality Guidelines, Table 3.1) suggests that similar projects such as a quality restaurant and light industrial uses with less than 9,000 sq. ft. and 121,000 square feet of floor area, respectively, would not generate GHG in excess of the significance criterion (1,100 metric tons of carbon dioxide equivalents per year). By comparison a high quality restaurant is considered comparable to a winery tasting room for purposes of evaluating air pollutant emissions, but grossly overstates emissions associated with other portions of a winery, such as office, barrel storage and production, which generate fewer vehicle trips. Therefore, a general light industry comparison has also been used for other such uses.

The proposal includes a total of approximately 9,950 square feet of floor area, with about 209 square feet devoted to tasting/hospitality uses. The proposed floor area is below the screening levels for similar uses in the District's Guidelines, therefore the proposed use would not generate GHG above the significance threshold established by the District, and further analysis (and quantification) of GHG emissions is not warranted.

However, in addition to the project being below the Air District's thresholds of significance and screening criteria, the applicant has and proposes to incorporate GHG reduction methods including: preservation of developable open space in a conservation easement, energy conservation lighting, bicycle incentives for employees, water efficient fixtures, water efficient landscaping, recycling at least 75% of all waste, sustainable purchasing and shipping methods, limited grading, site design, use of recycled materials, and uses cover crops and retains biomass by reusing thinned and chipped materials.

GHG emission reductions from local programs and project level actions, such as application of the CalGreen Building Code, tightened vehicle fuel efficiency standards, and more project-specific on-site programs including those winery features noted above would combine to further reduce emissions resulting from the project.

**Consistency with Standards:**

Zoning - A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.20.030) are permitted in the AW (Agricultural Watershed) District with an approved use permit. Based upon discussion provided above, staff is recommending approval of the use permit

request. The project as conditioned complies with the Napa County Winery Definition Ordinance and all other requirements of the Zoning Code.

Fire Department - Recommends approval with standard conditions in the attached Memorandum dated June 11, 2013.

Building Division - Recommends approval with standard conditions in the attached Memorandum dated June 13, 2013.

Engineering Services Division - Recommends approval with standard conditions in the attached Memorandum dated November 29, 2012.

Environmental Health Division - Recommends approval with standard conditions in the attached Memorandum dated May 16, 2013.

### **SUPPORTING DOCUMENTS**

- A . Exhibit A - Proposed Findings
- B . Exhibit B - Proposed Conditions of Approval
- C . CEQA Memorandum
- D . Division & Department Conditions
- E . Small Winery Use Permit Exemption
- F . Application
- G . Voluntary Best Management Practices Checklist
- H . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell