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Agenda Date: 8/1/2018

Agenda Placement: 7A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Vincent Smith for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Graham Hannaford, Planner II - (707)299-1361
SUBJECT: P09-00529 Castlevale Winery

RECOMMENDATION

CAROLYN MARTINI AND BARRY COX - CASTLEVALE WINERY - USE PERMIT #P09-00529-UP

CEQA Status: Consideration and possible adoption of a Negative Declaration. The project, as proposed and conditioned, is not anticipated to create any significant impacts on the environment. The project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: Approval of a Use Permit (P09-00529) to establish a new 30,000 gallon per year winery with the following components: 1) The construction of a 21,795 square foot winery building, which includes 2,761 square feet of accessory use and 19,065 square feet of production area, and the construction of a 2,965 square foot cave; 2) Tours and tastings by appointment only for a maximum of 18 visitors per day with a maximum of 126 visitors per week, Monday through Sunday; 3) A marketing plan that allows 12 food and wine pairing events with a maximum of 30 guests; three (3) wine club open house events with a maximum of 75 guests, two (2) wine auction events with a maximum of 125 guests; 4) Hours of operation: 10 a.m. – 4 p.m. for visitation; 6 a.m. – 6 p.m. for production, seven days a week ; 5) Four (4) full-time employees and two (2) part-time employees; 6) On-premise consumption of the wines produced on-site, consistent with Business and Professions Code §§23356, 23390, and 23396.5 within the tasting room and outdoor hospitality areas; 7) Construction of eight (8) parking spaces (seven (7) standard spaces and one (1) ADA space). Event overflow parking will take place in the vineyard avenues; 8) Installation of a wastewater system; 9) Installation of three (3) water storage tanks 100,000 gallons, 50,000 gallons, and 10,000 gallons in size; 10) Improvements to the existing driveway, and Replacement of the existing bridge. The 55.35 acre project site is located on the north side of Chiles Pope Valley Road approximately 3/4 of a mile north of its intersection with Lower Chiles Valley Road. The parcel is zoned AW (Agricultural Watershed) District; 3450 Chiles Pope Valley Road; APN 025-230-016 and APN 025-230-014.

Staff Recommendation: Adopt the Negative Declaration and approve the request for a Use Permit as conditioned.

Staff Contact: Graham Hannaford, Planner II, (707) 299-1361 or graham.hannaford@countyofnapa.org or

Charlene Gallina, Supervising Planner, (707) 299-1355 or charlene.gallina@countyofnapa.org

Applicant: Carolyn Martini and Barry Cox; phone (707) 965-2710 or email camcox@mac.com.

Applicant Representative: Donna Oldford; phone (707) 963-5832 or email dboldford@aol.com.

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Negative Declaration based on Findings 1-7 of Attachment A; and
2. Approve Use Permit (P09-00529-UP) based on findings 8-12 of Attachment A and subject to the recommended Conditions of Approval (Attachment B).

Discussion:

The applicant proposes a Use Permit to establish a 30,000 gallon per year winery at 3450 Chiles Pope Valley Road as follows: 1) The construction of a new 21,795 square foot winery building, which includes 2,761 square feet of accessory use and 19,065 square feet of production area, and the construction of a new 2,965 square foot cave; 2) Tours and tastings by appointment only for a maximum of 18 persons per day, Monday through Sunday; 3) A marketing plan that allows 12 food and wine pairing events with a maximum of 30 guests; three (3) wine club open house events with a maximum of 75 guests, two (2) wine auction events with a maximum of 125 guests; 4) Hours of operation: 10 a.m. – 4 p.m. for tastings and visitations; 6 a.m. – 6 p.m. for production; 5) Four (4) full-time employees and two (2) part-time employees; 6) On-premise consumption of the wines produced on-site, consistent with Business and Professions Code §§23356, 23390, and 23396.5 within the tasting areas; 7) Construction of 8 parking spaces (7 standard spaces and one ADA space). Event overflow parking will take place in the vineyard avenues; 8) Installation of a wastewater system; 9) Installation of water storage tanks 100,000 gallons, 50,000 gallons, and 10,000 gallons in size; and 10) Improvements to the existing driveway and replacement of the existing bridge..

Staff supports approval of the Use Permit, as the attached Negative Declaration has examined the projects potential to create any significant impacts and has found this project is not expected to create any significant impacts. The proposed winery building is shielded from public view by its location and the topography and existing vegetation on site. Chiles Pope Valley Road currently operates at a Level of Service (LOS) rated "C". The 28.5 trips expected on a typical weekday and the 26 trips expected on a Saturday are under the threshold to be considered significant. Including the existing vineyard irrigation and the proposed winery uses, water usage is anticipated to be 15.9 acre feet per year (afy). The parcel has an annual groundwater recharge of 16 afy, putting this project below the threshold of a significant impact. Staff finds that the project meets all County Code requirements and complies with General Plan policies. The proposed operational factors, including compliance with all WDO and Zoning Code regulations, sufficient water supply, and no potential environmental impacts, have led staff to conclude that the project merits the approval as proposed and conditioned. Based on these reasons, staff recommends approval of the project subject to the recommended conditions of approval. However, given the limited amount of estate grown grapes to support the requested annual production capacity, as well as, the winery's remote location, staff has included a Reduced Production Capacity Alternative for Commission consideration.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Negative Declaration. This project, as proposed and conditioned, is not anticipated to create any significant impacts on the environment. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Property Owners/Applicant: Carolyn Martini and Barry Cox

Representative: Donna Oldford, Plans4Wine; 2620 Pinot Way, St. Helena; phone (707) 963-5832; email DBOldford@aol.com

Zoning: AW (Agricultural Watershed) District

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

Application Filed: December 15, 2009; **Resubmittal Received:** April 24, 2014, October 16, 2015, April 28, 2017, February 21, 2018 and April 16, 2018; **Application Complete:** May 7, 2018

Parcel Size: 55.35 acres

Proposed Winery Characteristics

Proposed Winery Size: 21,795 square foot (sf) winery building, with 2,761 sf of accessory use and 19,065 sf of production

Proposed Cave: 2,965 sf. Spoils to be used onsite.

Proposed Production Capacity: 30,000 gallons of wine per year

Proposed Winery Development Area: 46,325 square feet (inclusive of hospitality, indoor production areas, outdoor covered and uncovered areas, and parking)

Proposed Winery Coverage: 0.8% of the site (maximum 25% allowed)

Proposed Accessory to Production Ratio: 12.5% (2,761 gross square feet of accessory use, 22,030 sf of production area including the production area of winery building and total size of cave); maximum 40% of production area allowed.

Proposed Number of Employees: Four (4) full-time employees and two (2) part-time employees, year round.

Proposed Visitation: By appointment, for up to a maximum of 18 visitors daily, up to a maximum of 126 per week.

Proposed Marketing: 12 Food and Wine Pairing events with a maximum of 30 guests, three (3) Wine Club Open

House events with a maximum of 75 guests, and two (2) Wine Auction events with a maximum of 125 guests. Use of existing vineyard avenues for overflow parking. All food services will be catered. Portable toilet facilities will be used for all events with more than 30 guests.

Proposed Hours of Winery Operation: 6:00 a.m. to 6:00 p.m., daily.

Proposed Hours of Visitation: 10:00 a.m. to 4:00 p.m., daily.

Proposed On-Site Parking: Eight (8) total spaces, including one (1) reserved for ADA.

Setbacks Required: 20 feet from the side and rear lot lines; 600 feet from Chiles Pope Valley Road.

Setbacks Proposed:

East- 25'

West- 280'

North- 890'

South- 1,956'

Chiles Pope Valley Road- 2,275'

Building Height: 35' to center of roofline as measured from the average grade level of site; 50' to tallest architectural feature.

Adjacent General Plan Designation/ Zoning Districts/ Land Uses:

North: The only parcel to the north of the subject parcel is 171.23 acres in size, zoned Agricultural Watershed (AW), and has a land use designation of Agriculture, Watershed and Open Space (AWOS). The parcel is undeveloped, but has a stream that feeds a reservoir on the parcel to the west.

South: The parcel to the south/ southwest of the subject parcel is 445.80 acres in size and is developed with a single family residence, a second unit, farm labor housing, various agricultural buildings, approximately 37 acres of vineyard, and three (3) reservoirs. It is zoned AW and has a land use designation of AWOS.

West: The parcel to the west of the main project parcel is the parcel that will contain the 100,000 gallon irrigation water storage tank. It is 136.22 acres in size and is developed with a single family residence and several agricultural buildings. It is zoned AW and has a land use designation of AWOS.

East: The parcel to the east of the subject parcel is 219.48 acres in size and is developed with a barn, approximately 106.25 acres of vineyard, and two (2) reservoirs. It is zoned AW and has a land use designation of AWOS.

Nearby Wineries (within two miles of project site):

Attachment H lists four wineries operating or approved to operate on properties within two miles of the proposed Castlevale Winery. Of the four wineries, three produce less than this project proposes, with the next largest production at 20,000 gallons of wine per year. The other winery within two miles is Maxwell Lake Winery, which currently has a maximum production of 59,000 gallons per year and has requested an increase in production up to 240,000 gallons of wine per year. The visitation allowed at Maxwell Lake Winery is 30 visitors per day and 210 per week. However an increase in visitation and marketing is currently being requested. Green and Red Vineyard has visitation of 20 guests maximum per day and an average of 10 per week.

Parcel History and Evolution of this Application:

The main project parcel is APN 025-230-016, which is a 55.35 acre parcel with 30 acres of vineyards planted on site and no other development. A 100,000 gallon water storage tank for vineyard irrigation will be located on APN 025-230-014, which is a 136.22 acre parcel with a single family residence and several agricultural buildings. The project was submitted December 15, 2009, and was deemed incomplete January 7, 2010. After ongoing discussions, particularly concerning a lack of demonstrable water sources, the applicants' agent, indicated that the project was going to be withdrawn in October 2010. Three years of discussion of withdrawing or deeming the project abandoned ensued, with the applicants alternating between withdrawing and working on the project.

In April 2014, a second submittal was received. This submittal did not address several items from the previous incomplete letter, including a lack of a demonstrable water source, blue line stream setback encroachments, and the replacement of a bridge. A third submittal was received in October 2015, but was not distributed for comment until January 2016. Correspondence with the applicants' agent informing them of the comments received from other divisions was sent on January 15, 2016. A completeness letter was sent out regarding this application on March 14, 2016 indicating several items that still needed to be addressed.

A fourth submittal was received on April 28, 2017. This submission satisfied the previous stream setback issues and provided evidence of water on site. The project was still deemed incomplete by Engineering on July 27, 2017. Tribal consultation was sent out September 25, 2017 and the representative from the Yocha Dehe tribe responded on October 13, 2017 that they would like to conduct a site visit and would require an archeological study. After attempting to reschedule a site visit in October and sending a copy of the provided archeological report submitted on February 13, 2018, several attempts at communication with Yocha Dehe were made with no response from the tribe. The archeological report was submitted on February 13, 2018. On February 20, 2018, Engineering received a stormwater control plan from Bartelt Engineering dated May 2017. An updated set of plans were submitted to Engineering on April 16, 2018, which were considered complete on May 7, 2018.

Code Compliance History:

There are no records of prior code violations related to this property.

Discussion Points:

Setting - The 55.35 acre project site is located within the AW zoning district on the north side of Chiles Pope Valley Road approximately $\frac{3}{4}$ of a mile north of its intersection with Lower Chiles Valley Road. The site is mostly flat, with a knoll where the winery building is proposed, and the slope rising rapidly on the northeastern border of the parcel. The site primarily consists of Bressa-Dibble complex soils. The site is currently only developed with approximately 30 acres of vineyard, however the parcel to the northeast, which will contain a portion of the private driveway being used for access, is developed with a single family residence which is approximately 835 feet from the proposed building site for the winery, and several agricultural buildings. Chiles Creek marks the western and southwestern border of the parcel and the entirety of the parcel is in the Lake Hennessy water supply drainage.

Winery Design - The winery building has a unique castle-like design. This design was chosen specifically to match the similar castle-like design of the residence on the parcel to the east of the project building site, a building locally known as the Martini Castle. The round design of the winery building works well with the topography, as the proposed building site is essentially between two knolls before the topography begins to slope up at a high grade. The proposed color is brown, which is an earth tone and will help the building blend in the natural landscape.

Proposed Winery Operations - The applicant is requesting a new winery with a maximum annual production of 30,000 gallons of wine per year. A 21,795 square foot facility is proposed to the house the production elements (19,065 square feet) and the accessory elements (2,761 square feet). The proposed marketing program includes tastings by appointment only from 10:00 a.m. to 4:00 p.m. daily for up to 18 visitors per day, with a weekly maximum of 126 visitors total. The applicant is also proposing to hold up to 12 food and wine pairing events with a maximum

of 30 guests, three (3) wine club open house events with a maximum of 75 visitors, and two (2) wine auction events with a maximum of 125 guests. Four (4) full-time and two (2) part-time employees are proposed year round, with production hours from 6:00 a.m. to 6:00 p.m. during regular operations and up to 24 hours during crush. A total of eight (8) parking spaces for employees and visitors are proposed, with additional parking for events to be provided in the existing vineyard avenues. A new wastewater system is proposed, with portable toilet facilities to be brought in during events with more than 30 guests. Three (3) water storage tanks are proposed at 10,000 gallons, 50,000 gallons, and 100,000 gallons to be used for domestic, fire, and vineyard irrigation, respectively.

Winery Comparison - Due to its remote location, there are very few wineries in the vicinity of the project. In a two-mile radius there are four other wineries. Two of those wineries produce 5,000 gallons of wine per year or less, one winery produces 20,000 gallons of wine per year, and Maxwell Lake Winery produces 59,000 gallons annually but has a request in to produce more. In terms of visitation, Maxwell Lake Winery is approved for 370 weekly visitors and 369 annual events. Of the other three wineries, Volker Eisele Estate has no visitation, Green and Red Vineyard is approved for 10 weekly visitors and 10 annual events, and Rustridge Winery is approved for 12 visitors a week and 0 events.

Attachment H is a Winery Comparison chart that shows in Napa County the average winery that produces 30,000 gallons of wine annually is 9,394 square feet with a 5,069 square foot cave that allows 19 daily visitors for a weekly total of 117 visitors. The wineries are approved for an average of 56 annual events and have an overall total visitation of 6,966 guests. The project is proposing a winery building that is roughly twice the size of the average winery at this level of production, but also is proposing a cave which is roughly half the size of the average. The proposed visitation marketing plan is in line with the averages, with the project proposing less events than the average, daily visitation which is one less than the average, and a total annual visitation that is 300 visitors more than the average, a six-percent increase.

Traffic - The proposed project takes access from Chiles Pope Valley Road via an easement on the parcel to the west, with a bridge that goes over Chiles Creek and leads to a private driveway. Chiles Pope Valley Road is designated a Rural Collector in the Napa County General Plan, and is not expected to reach an unacceptable Level of Service under the buildout of the plan. Based on the Trip Generation calculations provided by the applicant, on an average weekday the project will generate 28.5 Average Daily Trips (ADT), 8 of which would occur during the PM peak hours of 4-6. On a typical Saturday, the project is expected to generate 26 total ADT, with 10 of those occurring during the PM peak hours of 12-4. During crush, the project will generate 28.5 total ADT. The applicant does not anticipate any trucks to haul grapes onto the site as the vineyards onsite will produce approximately two-thirds of the maximum annual production, with any additional grapes coming from the adjacent parcels. All spoils from the cave are proposed to be repurposed as fill and material for road improvements on-site.

Groundwater Availability - The project as proposed will create an increase in water demand for the production of the wine employees and visitors of the winery. The parcel currently has a well onsite that produces 1.6 gallons of water per minute. There are no known wells within 500 feet of this well, which is the radius the County uses to determine whether potential draw down would effect the performance of nearby wells. Because of the low yield of the well, three water storage tanks are proposed. The water storage tanks proposed are a 10,000 gallon tank for domestic uses, 50,000 gallon tank for fire protection, and a 100,000 gallon tank for vineyard irrigation. This proposal has been deemed acceptable by the Division of Environmental Health.

The current water demand on site is 15.1 acre feet per year (afy), which is for the irrigation of the approximately 30 acres of vineyards. The proposed winery will increase the water demand by 0.8 afy (0.65 for production and 0.15 afy for domestic use) bringing the total water demand to 15.9 afy. Because the parcel is located in an area designated as "all other areas", it required a Tier 1 Water Availability Analysis. In this report, based on established groundwater recharge estimation formulas, it is estimated that the parcel has a groundwater recharge of 16 afy, which is greater than the estimated demand of 15.9 afy. Because of the small difference between expected recharge and expected use, conditions of approval [COAs 4.20(a), 6.15(a) and 9.9(a)] are being recommended requiring the installation of

a meter to monitor the amount of water being used, as well as, the submittal of Groundwater Demand Management Plan to address water conservation practices to be implemented as recommended by the Department of Public Works.

Wastewater System - A wastewater feasibility study was submitted with this project to demonstrate the potential impact the project would have and the feasibility of the parcel's ability to handle the amount of wastewater without incident. The applicant provided a Wastewater Disposal Feasibility Study prepared by Bartelt Engineering that showed the project has adequate disposal capacity to serve the project. The Division of Environmental Health has reviewed this study and has found it to meet County standards. For any event that has more than 30 guests, the applicant will bring portable toilet facilities onsite. These will be hauled off site and disposed of in a responsible manner. (See COA 4.3)

Grape Sourcing - Napa County Code Section 18.104.250 specifies that production capacity of new wineries be determined with approval of a use permit, and that at least 75 percent of grapes processed at wineries in the AW and AP (Agricultural Preserve) Districts be grown in Napa County. The applicant currently has approximately 30 acres of productive vineyards on site, which would produce approximately 18,000 gallons of wine annually. This alone accounts for 60% of the total maximum annual production. The applicant has indicated that they will need additional grapes to accommodate the maximum allowable production of 30,000 gallons. To address this demand, the applicant has established working relationships with their immediate neighbors who grow grapes as well to supply their needs. The applicant has signed an agreement to maintain the required 75% Napa County grape source minimum. In light of the lack of estate grown grapes present at the subject site to provide sufficient fruit for the requested capacity, staff has provided a decision making option for a reduced or phased annual production capacity for Commission consideration, as well as a reduction in visitation/marketing activities if warranted.

Greenhouse Gas Reduction Strategies - The proposed project incorporates several elements to reduce Greenhouse Gas (GHG) emissions resulting from the project. Design elements that reduce GHG include building plans to exceed Title 24 efficiency standards, the installation of energy efficient lighting, and water efficient fixtures. Operational elements to reduce GHG emissions include the recycling of water, the composting of food and garden materials, and employee carpool incentives.

Public Comment - To date, there have been no public comment letters received.

Decision-Making Options:

As noted in the Executive Summary Section above, staff is recommending approval of the project with conditions of approval as described in Option 1 below.

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

Discussion- The project as proposed has been analyzed for its potential environmental impacts, which were found to be less than significant. Sufficient grapes and water sources are available to serve the proposed project and there is no history of code compliance issues at the project site. Furthermore, as proposed, the project meets all County Code requirements and complies with General Plan policies. The proposed operational factors, including compliance with all WDO and Zoning Code regulations, sufficient water supply, and no potential environmental impacts, which has led staff to conclude that the project merits the approval as proposed and conditioned.

Action Required- Follow the proposed action listed in the Executive Summary and adopt the Negative Declaration and approve the scope and project specific conditions of approval to place limits on use. If major revisions of conditions of approval are required, the item will need to be continued to a future date.

Option 2: Reduced Project Alternative

Discussion- This option could result in a potential decrease in the scope of the project as a whole or in specific elements such as the reduction or phasing of production commensurate with the amount of grapes available, as well as, a phasing of proposed visitation/marketing events if warranted.

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

Option 3: Deny the Applicant's Proposal

Discussion- In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit, Commissioners should articulate what aspect or aspects of the project are in conflict with 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 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 denial of the project.

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

Option 4: Continuance Option

The commission may continue an item to a future hearing date, at its discretion.

SUPPORTING DOCUMENTS

- A . Draft Findings
- B . Draft Conditions of Approval
- C . Draft Negative Declaration
- D . Application Material
- E . Water Availability Analysis
- F . Wastewater Feasibility Study
- G . Graphics
- H . Winery Comparison Charts
- I . Stormwater Control Plan

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith