



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/15/2012

Agenda Placement: 10B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Hillary Gitelman - Director
Planning, Building and Environmental Services

REPORT BY: John McDowell, Deputy Planning Director - 299-1354

SUBJECT: Airport Industrial Area Study Session on Project Processing

RECOMMENDATION

NAPA COUNTY AIRPORT INDUSTRIAL AREA SPECIFIC PLAN PROJECT PROCESSING STUDY SESSION

Request: Information item and possible direction to Staff pertaining to options for processing new development applications including: 1) Changing the designated decision maker on certain types of projects from the Planning Commission to Zoning Administrator; and 2) preparing a master environmental document and specific plan amendment to allow certain types of new development by right. Initiation of a name change for the industrial park will also be considered. The Napa County Airport Industrial Area Specific Plan comprises approximately 800 acres of partially developed industrial lands located in the southern portion of the county adjacent to the Napa County Airport and in the vicinity of State Highway 29 and its intersection with State Highway 12 and Airport Boulevard.

Staff Recommendation: Information item. Commission may provide direction.

Staff Contact: John McDowell, 299-1354 or john.mcdowell@countyofnapa.org

EXECUTIVE SUMMARY

In the fall of 2011 at the request of the Board of Supervisors, the Airport Industrial Area Blue Ribbon Committee (Committee) was assembled comprised of private sector professionals and government agency staff to report on economic development potential for Napa County Airport Industrial Area (AIA). In January 2012 the Committee completed its evaluation and their conclusions and recommendations were presented to the Board of Supervisors, which was followed by a similar report to the Planning Commission in February 2012. The Committee provided recommendations on both short term and long term activities that could support economic development including such items as extending Devlin Road, exploring designation of Enterprise and Empowerment tax incentive zones, and reuse of vacated office space at the airport for incubator business development. Amongst the Committee's various recommendations were three suggested concepts that directly fell under the purview of the

Planning Commission as follows: 1) Change the decision maker of certain new development proposals from the Planning Commission to Zoning Administrator; 2) Prepare a specific plan amendment and master environmental document (EIR) to allow certain types of projects to be processed with only a building permit; and 3) amend the specific plan to rename the industrial park associating it to the wine industry (as opposed to the current association to the County airport). The Commission briefly discussed these recommendations last February. This study session is intended to determine if the Commission wishes to initiate formal processing of any or all of these three concepts.

This item is not a public hearing, but the Commission is encouraged to take testimony from any interested persons wishing to address the Commission on this matter.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

This study session is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Blue Ribbon Committee History:

In 1986, Napa County adopted a Specific Plan to address development in the Airport Industrial Area (AIA). The Specific Plan is the primary land use planning and regulatory document guiding development throughout the AIA contain goals, detailed land use requirements, development standards, design guidelines and infrastructure needs.

In 2011 the Board set a strategic planning goal to study how to revitalize the County's Airport Industrial Area. In response, on September 13, 2011, the Board directed staff to create a Airport Industrial Area Blue Ribbon Committee to research and solicit ideas for revitalization of the AIA. The Committee's report was completed in January 2012, and outlines a series of recommended actions that may be taken by the County, and in some instances with other jurisdictions, to facilitate development throughout the AIA.

Below is a summary of the Committee's recommended short/long term and airport related actions presented in the report:

- Short Term:
 - Expedite the construction of Devlin Road;
 - Expedite the permitting process and allow staff to approve the following uses without having to go to the Planning Commission: warehouse, office, light manufacturing and distribution;
 - Form a 2x2x2 committee between Napa County and the cities of American Canyon and Napa to discuss ways to incentivize development. The 2x2x2 should discuss access to water and sanitation for the AIA and the cost of these utilities; and
 - Explore the designation of Enterprise and Empowerment zones, as well as Industrial Finance

Districts, and determine ways the County can develop its own tax incentive program.

- Long Term:
 - Explore amendments to the Specific Plan and a Programmatic EIR in order to expand the list of uses that could be permitted with use permits in the AIA;
 - Explore working with a regional economic development corporation marketing entity to work on ways to attract businesses to the AIA, as well as to provide a new marketing strategy for the AIA;
 - Further investigate ways to offer incentives to attract these business types, such as: tax benefits and a reduction in the cost of utilities;
 - Explore solar and wind options for energy supply in the AIA; and
 - Work with the cities of American Canyon and Napa and the Workforce Investment Board on a Comprehensive Economic Development Strategy (CEDS) to identify potential regional economic development approaches and opportunities for the AIA and other south-county industrial parks.
- Airport Related:
 - Reconstruct the airport runway based on current aircraft demands;
 - Investigate the ability to offer limited Commercial Air Service; and
 - Work with the Napa Valley Destination Council to market private jets for wine and resort access.
- Additional Related Item:
 - Work with the Sustainable Napa County and the Napa Chamber of Commerce, as well as other stakeholders on a feasibility study for a business incubator in the former JAL

Study Session Topics:

Although several of the Committee's recommendations will ultimately be subject to some level of Commission discretion, three of the recommendation are subject to initiation by the Commission because they would involve amendment of the specific plan. It is requested the Commission consider the following three potential specific plan changes and provide direction to Staff regarding initiation of amendments:

1) Change the decision maker from the Planning Commission to Zoning Administrator for certain types of projects.

Presently, essentially all new developments and any expansion of an existing project resulting in an increase in intensity or greater than 25% increase in building size is subject to approval of a Planning Commission level use permit (or use permit modification). Staff preparation of a Commission-level project includes drafting of proposed conditions of approval by all review agencies/departments, composing and publishing an environmental document (typically a negative declaration or mitigated negative declaration), and composing a staff report to the Commission summarizing project details, issues, and assessing the degree of conformance to requirements. Processing of such applications generally takes a minimum of three months and regularly take four to six months. Process can be delayed by outstanding design issues, applicant changes, application completeness, authorization from State and/or Federal agencies, and other factors. A substantial portion of the process time is directly attributable to the time required to compose the supporting environmental document as well as meeting the State mandated public comment period, which for most projects ranges from 20 to 30 days.

There are substantial costs and risks attributable to the use permit process as well. AIA use permit applications are subject to a flat fee, presently ranging from approximately \$7,000 to slightly over \$9,000 depending on application type. In addition, applicants bear the cost of paying for architects, engineers, land use planners and/or attorneys, and other private professionals in order to provide the required level of plans and supporting documents. Public hearings can result in substantial costs to the applicant when supporting private professionals are in attendance. Committee members noted that public hearings before a 5-member appointed Commission are generally perceived by developers as a more daunting hurdle than clearing the project through a single Staff appointed Zoning Administrator.

The Committee recommended that the County consider changing the decision maker on some projects from the

Commission to the Zoning Administrator. If implemented, some simplification of the process would occur because Staff would no longer compose a Commission staff report. Instead the project planner would compile a draft project approval letter for distribution at the Zoning Administrator hearing. Zoning Administrator hearings are less formal affairs than Commission hearings. The hearing is convened in a conference room with participants all sitting at conference table. The Zoning Administrator leads the discussion and attempts to facilitate resolution over any issues before rendering a decision. The draft approval letter is finalized after the hearing dependent upon the decision rendered. In some cases where a project is quite controversial, the Zoning Administrator has the option of referring the matter to the Commission.

So despite some simplification from the less formal hearing process, it is likely that changing the decision maker will not result in a substantial change in processing times. Commission staff reports are composed during the required public comment period in advance of the hearing. Removing the staff report from process will not shorten the public comment period. In cases where project controversy cannot be resolved, processing times may be lengthened because the Zoning Administrator will not have a staff report evidence base providing factual support for the dispute point. Delay may be necessary in order to compose a staff report or to refer the matter to the Commission (and compose a staff report). Speed in processing is driven by the following process: First, project issues and a final project description need to be determined before composition of most of the environmental document can occur. Second, the environmental document needs to be completed and all mitigation measures incorporated into the project before it can be published for public comment. Lastly, the public comment period has to run its course and all comments must be responded to before the decision maker can render an approval. These critical path items will not be effected if the decision maker is changed from the Commission to Zoning Administrator.

Likely, the most tangible benefits to development would simply be the the possibility of reduced costs from not having architects, engineers and other professionals attend lengthy Commission hearings, and the developers will only be subject to the less formal staff level public hearing process. Zoning Administrator hearings are published in the newspaper but not recorded, televised, and rarely result in newspaper articles. Developers only need to be concerned with appealing to a single decision maker as opposed to convincing three of five decision makers of the merits of their proposal.

2) Create standards allowing certain types of projects to be approved ministerially with only a building permit.

A more challenging streamlining concept put forth by the Committee would involve establishment of regulations allowing certain project to proceed with only a building permit, which is also known as a ministerial approval. Under State law, and CEQA, ministerial approvals are obligatory actions by the local agency where little or no discretion is exercised. When an applicant successfully demonstrated that a project meets the prescribed set of standards, the approving agency is obligated to issue the permit. Ministerial actions are statutorily exempt from CEQA as well since CEQA only applies when a government agency is exercising discretion(CEQA Guidelines Section 15268).

Presently, new developments are subject to a two step process before construction can commence. The first step, the discretionary action, is the use permit approval. The second step is the ministerial building permit approval. Since discretion is being exercised on the use permit approval, the County is obligated to prepare a CEQA document as part of that action. Once the CEQA document is certified and clears the appeal period, the County can proceed with the second step allowing the ministerial building permit to be issued. Effectively what occurs is that during the use permit (step 1) process a laundry lists of conditions of approval and mitigation measures are applied that must be addressed before the building permit (step 2) can be issued.

The Committee's recommendation would essentially keep the two step process, but instead of processing use permits and CEQA documents for individual projects, under step 1, the County would prepare a master environmental document in concert with a specific plan amendment that created a 'one-size-fits-all' laundry list of

conditions, requirements and mitigation measures for certain types of projects. Once implemented, any new development that is able to meet the established criteria would simply bypass the use permit process and go straight to building permits.

This change would represent a substantial incentive to new developments that fit the criteria for two main reasons. First, it would remove the uncertainty and risk associated with the discretionary public hearing process. Second, it would likely reduce total time from concept (pre-application) to complete project by at least 6 month if not longer. However, to implement such a process would involve preparation of a Environmental Impact Report (EIR). The act of changing the specific plan to allow by right development is a discretionary act subject to CEQA, and therefore, the County would be obligated to evaluate all 'reasonably foreseeable' impacts resulting from allowing this development by right.

Assuming the concept is worthy of moving forward, the biggest obstacle to its implementation is presently obtaining the funding to prepare the master environmental document. Typically larger scale EIR's of this nature cost several hundred thousand dollars, and costs escalate in the event the project is controversial and/or subject to some form of challenge. If the County were to move forward with this concept, it appears that it would only be possible if some private or joint public-private funding mechanism was implemented. Given the current state of the State budget, it is highly unlikely that any sort of grant or match funding will be available from Sacramento. Therefore, it appears that the only obvious potential funding source to do the EIR would be some form of assessment district entered into by those property owners who would benefit from such a change. Formation of an assessment district requires endorsement by the participating property owners. At present, no effort has been made to gauge industrial park property owners of their interest in forming an assessment for this purpose. If the Commission were to direct Staff to pursue this specific plan change, a funding mechanism would have to be solidified as the immediate next step in the process.

3) Rename the industrial park.

During the discussions on factors inhibiting economic development, Committee members noted a very minor issue was simply the name of the park. The industrial park is largely occupied with uses that are either directly or indirectly dependent on the wine industry. This appears to be the result of the park's proximity to Napa Valley and conversely its remoteness to other economic engines like ports and major freeways. Yet, the industrial park is named after the airport it adjoins. It was noted that the name, Napa County Airport Industrial Area, may not necessarily present an obstacle to a new business locating here, but it certainly is not attracting new business in the same right. The Committee felt that changing the name to something associated with the wine industry would more accurately characterize the present function of the park as well as present an inviting image for prospective new development. The Committee had no specific recommendation on the name. Napa Valley Wine Business Park and other similar names were put forward.

Amendment of the specific plan constitutes a fairly substantial commitment of staff time and resources. Amendment solely to change its name would not be a prudent use of staff resources. However, updating of the specific plan is presently already necessary in order to address the recent merger of the Conservation, Development and Planning Department and Environmental Management Department into what is now the Planning, Building and Environmental Services Department. References to titled decision makers need to be changed as well as other technical changes. Applying a new name to the specific plan and industrial park, if desired, could be implemented without substantial additional effort or cost in conjunction with these other necessary changes.

Process:

It is requested that the Commission conduct a discussion with Staff and any interested members of the public on these topics. Any topics of interest to the Commission that are not addressed in this agenda and staff report will

need to be scheduled separately as future agenda items. After a brief presentation by Staff, it is requested that the Chair allow testimony from any other interested parties, and then conclude the session by providing direction to Staff on next steps.

SUPPORTING DOCUMENTS

A . Blue Ribbon Committee Report

Napa County Planning Commission: Approve

Reviewed By: John McDowell