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Agenda Date: 8/20/2014  
Agenda Placement: 9A  
Continued From: July 16, 2014

## Napa County Planning Commission Board Agenda Letter

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**TO:** Napa County Planning Commission  
**FROM:** John McDowell for David Morrison - Director  
Planning, Building and Environmental Services  
**REPORT BY:** John McDowell, Deputy Planning Director - 299-1354  
**SUBJECT:** Raymond Winery Use Permit Modification # P11-00156

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### **RECOMMENDATION**

#### **RAYMOND VINEYARDS AND CELLAR / RAYMOND VINEYARDS WINERY USE PERMIT MAJOR MODIFICATION APPLICATION NO. P11-00156**

**CEQA Status:** Mitigated Negative Declaration Prepared. According to the proposed Mitigated Negative Declaration, the project would have potentially significant effects on Hydrology/Water Quality and Transportation/Traffic. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code sec. 65962.5.

**Request:** Approval of Use Permit Major Modification #P11-00156 requesting the following changes to the existing Raymond Vineyard Winery Use Permit, File No. U-89-46: ~~1) Increase daily tours and tastings from 400 to 500 visitors (400 public and 100 by appointment only visitors);~~ 2) Adoption of a revised marketing plan to allow 50 total events, not to exceed 8 events per month: (a) 2 events per year for up to 500-people; (b) 4 events per year for up to 250-people; (c) 6 events per year for up to 150-people; (d) 12 events per year for up to 100-people; (e) 26 events per year for up to 50-people; and (e) One weekend per month in May through October to not include an event exceeding 100 persons; 3) No change in annual wine production of 750,000 gallons per year (averaged over 3 years not to exceed 900,000 gals in any one year); 4) Expansion of the domestic wastewater treatment system; 5) Construction of 50 additional parking spaces for a total of 130 parking spaces; 6) Inclusion of food pairing as part of wine tastings and tours; 7) Construction and use of an outdoor demonstration kitchen as part of the tours and tastings experience; 8) Construction of a left-hand turn lane on Zinfandel Lane; 9) Recognition and remodeling of an existing 855 sq. ft. pool house used for private tastings; 10) Construction of a vineyard viewing platform; 11) Increase daily tours and tastings hours of operation from 10 am to 4 pm to 10 am to 6:30 pm; 12) Increase wine production hours of operation from 6 am to 6 pm to 6 am to 11 pm; 13) Increase the number of employees by 66 from 24 to 90; 14) Interior modifications, including the conversion of 10,670 sq. ft. of production space to accessory space, including relocating an entitled commercial kitchen from building "C" to building "A"; 15) Modify the existing conditions of approval to allow for outdoor events; 16) Conversion of the existing residential swimming pool to landscaping; 17) Recognition of an existing dog run and structures for use by visitor's pets; 18) Allowance of outdoor consumption of wine produced and purchased on-site within the outdoor visitation area between Building

A and the existing residence, consistent with AB 2004 (Evans), and 19) Display of public art within one-acre of landscape. The project is located on a 60.72 acre lot located on the south side of Zinfandel Lane approximately 0.3 miles east of its intersection SR 29, within Agricultural Preserve (AP) zoning district. (Assessor's Parcel Number 030-270-013 &-031). 849 Zinfandel Lane, St. Helena, California, 94574

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

**Staff Contact:** John McDowell, Deputy Planning Director, (707) 299-1354 or [john.mcdowell@countyofnapa.org](mailto:john.mcdowell@countyofnapa.org)

**CONTINUED FROM JULY 16, 2014 MEETING**

**EXECUTIVE SUMMARY**

**Proposed Actions:**

That the Planning Commission: 1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring Program based on Findings 1-6 of Exhibit A; and

2. Approve Use Permit Modification #P11-00156 based on Findings 7-11 of Exhibit A and subject to the recommended Conditions of Approval in Exhibit B.

**Discussion:**

On July 16, 2014, the Planning Commission conducted a public hearing to consider a revised proposal for the Raymond Winery Use Permit Major Modification P11-00156, which was originally heard by the Commission in June, 2012. Prior to the hearing, comments were received on the project as well as the adequacy of the proposed Mitigated Negative Declaration ("MND"). During the hearing there were several hours of testimony presented by Staff, the applicant's representatives, and interested parties. At the conclusion of the day's proceedings, the applicant expressed an intent to further revise the project by eliminating the request for an additional 100 daily by appointment visitors. The Planning Commission voted to continue the item to August 20, 2014 to provide Staff time to evaluate and respond to the comments received on the adequacy of the proposed MND.

On July 31, 2014, the applicant's attorney filed a revised project description (attached) that eliminates increases in visitation. Supplemental information from the project traffic engineer and civil engineer was submitted as well. It is requested that the Planning Commission resume its hearing on the matter and consider the supplemental information provided in this report. Staff is recommending that the revised project, with the visitation increase now eliminated, be approved subject to the attached conditions of approval. It is also requested that the Commission adopt the proposed MMD, inclusive of the supplemental materials provided with this report and including the downscaled revised project description.

**FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

Mitigated Negative Declaration prepared. According to the proposed Mitigated Negative Declaration, the project would have potentially significant effects on Hydrology and Water Quality and Transportation/Traffic unless mitigation measure are adopted. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

**BACKGROUND AND DISCUSSION**

Prior to and at the July 16, 2014 meeting, testimony from interested parties was given concerning the adequacy of the proposed MND, in addition to general comments on the merits of the project. At the conclusion of the July 16, 2014 hearing, Staff requested continuance of the item to allow Staff time to evaluate and respond to the comments on the proposed MND. Below are Staff's responses to comments received. The applicant's traffic engineer and civil engineer have provided responses with additional technical analysis that are attached to this report. The applicant's attorney has submitted a letter dated July 31, 2014, describing the project revision committed to by the applicant at the July 16, 2014 hearing which consists of eliminating the addition of 100 by appointment visitors.

With this revision, the project's scope has been further reduced from what was originally submitted in 2011 and to significant degree, what was evaluated in the original CEQA document and supporting studies. At this point, the major components of this use permit modification now include: 1) revision of the marketing plan, replacing smaller daily events with 50 events of varying sized from 50 to 500 persons; 2) increasing employee numbers from 24 to 90; 3) recognition of interior and exterior site improvements including tasting areas; and 4) upgrades to health and safety features such as installing a new domestic septic system. No changes in the level of daily visitation permitted under the 1991 use permit entitlement are proposed. Consequently, although the facility does not typically have 400 visitors daily as allowed under the 1991 use permit, the potential for the project now under consideration to have a significant impact on the environment has been substantially reduced.

The Commission's discretion is limited to determining the size and scope of marketing, the maximum number of employees, and the incorporation of the site and building improvement into the use permit. The 'project' subject to review under CEQA does not include the visitation component approved in 1991. If the Commission were to deny the request, the result would simply be that the facility could not increase employment, change marketing activities, and would need to revert tasting areas and site improvements to that shown in the 1991 permit. The 1991 permit would still stand, and the County would be obligated to issue permits for any elements of the 1991 permit the permittee wished to move forward with, including a visitation level of 400 daily drop in customers, daily and weekly marketing events up to 493 events annually, and installation of additional buildings. Denial of the project does not necessarily translate into the project returning to the way it was before the current buyer acquired it. The applicant has substantially reduced the scale and scope of this project. They have agreed to implement business practices that will ensure that the increased employment levels will not add a discernable number of vehicles trips to the network during peak periods. They will apply measures to control visitor trips during peak hours. They have agreed to improve the winery wastewater system although they are proposing no changes to wine production. In aggregate, it appears that the revised downscaled project is an improvement over what is allowed under the current permit. As such, Staff recommends that the Commission approve the project as revised. Responses to comments are as follows:

Baseline Traffic Conditions:

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The Planning Commission received comments that the proposed MND and supporting traffic study did not properly disclose existing traffic conditions. In particular, it was asserted that the MND improperly set existing baseline conditions on the use permit entitlement versus what is presently occurring. The commenter cited the July 16, 2014 Staff Report as the basis of this claim, which was published well after the MND. The MND not only properly states baseline conditions (which were actually cited by the commenter in their letter), but traffic impact analysis and the application of mitigation measures were based on the total traffic generation from the project and not the increment of change between existing conditions and proposed conditions. This results in mitigation being applied to all trips generated from the project including those which have already been occurring. No discounting or credit was given for the current use permit entitlement as suggested by one of the commenters and their traffic engineer. In addition, the traffic generation numbers reported in the initial studies are more than what will occur in the present, scaled down request. The engineer's attached memo indicates the current revised amount of total traffic.

Commenters also assert that baseline traffic generation from marketing events were not properly disclosed or factored into the impact analysis. The proposed MND and the supporting traffic study conservatively evaluated the proposed marketing plan as if no marketing activities were presently occurring at the site. This was done because the existing use permit allows both daily and weekly marketing events in addition to the entitled drop in visitation level of 400 customers per day, all of which are not presently occurring at that level. In order accurately reflect CEQA baseline conditions, no credit or discount was applied in the documents for the existing marketing plan. The traffic analysis properly identifies that traffic generated from the proposed marketing events, which will occur on a maximum 50 days per year outside of peak traffic periods. Events will not be a daily occurrence, and impact analysis must be considered in the context of its frequency. A commenter also expressed concern with the statements in the MND and traffic studies that marketing events do not typically occur during peak hours. Based on Staff's understanding application of the Winery Definition Ordinance from processing hundreds of winery applications, marketing events by their very nature occur predominately outside of normal business hours for visitation. This is why they are described separately in use permits from visitation, which occurs during normal business hours. By way of example: a food pairing lunch for 10 invited guests on a Saturday afternoon counts toward a winery's daily visitation totals; a 10-person wine maker's dinner held on Saturday evening after the winery is closed is a marketing event. The activities occur in the same room, and the same food is served. Both activities generate the same amount of traffic, same amount of water and sewage, same Greenhouse Gas Emissions, etc. Given the fact that Napa County's road network only suffers capacity issues during certain peak periods, these events pose virtually no potential for adding a discernable number of trips to the network during the relatively brief periods (several hours each day) when the network suffers from capacity issues. Still, the County has properly and conservatively applied mitigation measures to the marketing plan to ensure that trips do not occur on the network during time when capacity is constrained.

#### Cumulative Traffic Impacts:

Commenters expressed concerns that the County is continuing to approve new wineries and expansions of existing wineries without contemplating the cumulative traffic impacts. One commenter asserted that the County did not conduct a cumulative impact analysis for adoption of the Winery Definition Ordinance, the General Plan Update and the 2010 Amendments to the Winery Definition Ordinance pertaining to activities allowed in association with marketing and visitation. Contrary to these assertions, a cumulative impact analysis was performed on all of these documents. Both the 1991 Winery Definition Ordinance and 2008 General Plan Update included an extensive evaluation of the projected growth in wineries and found that winery development (and other types of developments) would result in significant unavoidable traffic

conditions. The Negative Declaration adopted for the 2010 Amendments to the WDO found that the impacts resulting from the changes to the marketing and visitation would remain essentially as projected in the General Plan Update EIR adopted in 2008. The primary reason traffic impacts were found to be significant and unavoidable in both the 1991 WDO EIR and the 2008 General Plan EIR was because of the County's primary objective of protecting the County's rural character and maintaining the total amount of land designated for agriculture in the County. The County found that the construction of major road widening projects to County arterial roadways would result in a loss of agricultural lands, a change to the County's rural character and greater and more severe environmental impacts associated with visual resources, water quality, noise, air quality and growth inducement. Highway 29 is projected to remain as a two-lane aerial. Consequently, since that road already experiences periods of congestion, projected growth shown in the past programmatic EIR's was found to contribute significantly to these traffic congestion impacts. Although a number of mitigation measures were applied in the 2008 General Plan EIR, the impacts remained significant and unavoidable due to the County's objective of protecting agricultural lands and the rural character of the Napa Valley.

One of the 2008 General Plan EIR mitigation measures called for the County to adopt a county-wide traffic impact mitigation fee to generate revenue for the minor road network improvements indicated in the plan. Since that mitigation measure has yet to be fully implemented, individual projects undergoing discretionary review in advance of that program must not result in a considerable contribution to the significant cumulative impacts identified in the General Plan EIR. That is what has occurred here for the Raymond Winery proposal. The traffic study properly identifies Highway 29 west of the project as a cumulatively significant impacted roadway network. Mitigation measures have been applied to the project to keep the project from adding trips to that roadway segment during the periods that it is congested, both in the near term and at General Plan buildout conditions. The applicant has further refined the components of the mitigation measures. As such, the project (as mitigated) would not result in a considerable contribution to a cumulatively significant traffic impact. If a project does not make some contribution to a cumulative environmental effect, the cumulative effect cannot be characterized as a cumulative impact of that project. (See *Sierra Club v West Side Irrig. Dist.* (2005) 128 CA4th 690, 700.)

Commenters expressed concern that the mitigation measures are not measurable and are ineffective because the measures would shift Highway 29 traffic to Silverado Trail potentially resulting in new impacts and would not reduce trips on Highway 29. The applicant's civil engineer has provide a supplement evaluation of the scaled down revised project (without the 100 person per day visitation), and the project's potential to impact the intersection of Zinfandel and Silverado Trail. The report concludes that the scaled down project would not have the potential to impact the intersection significantly, either individually on a project level basis or within a cumulative context. One reason for this is that the project has been scaled down substantially from the totals reported in the original traffic study in 2012. Total daily winery-related trips have been reduced from 24%-30% that which was evaluated in the original traffic study and proposed MND.

Subsequent to the last hearing before the Commission, Staff and the applicant revised Traffic Mitigation Measure XVI.2 to provide clarification, strengthen the effectiveness of the employee related trip reduction measures and further reduce impacts as follows: The applicant shall: (1) participate in the Bay Area Commuter Benefit program; (2) offer a \$3 per day Carpool subsidy, a \$20 per month Bicycle subsidy and a \$3 per day Transit Subsidy; (3) establish an employee commuting reward program, where employees will earn rewards such as gift cards for actively participating in the program such that at least 15 employees will regularly participate in the program. In addition, the applicant shall schedule employee shifts in a manner that reduces the traffic impacts on the 4pm to 6pm traffic period as follows:

- 1) Production teams (20-30 total) will work Monday thru Friday from 7am to 3:30pm
- 2) Hospitality teams (20-36 in total) will work seven days per week from 9am to 6pm
- 3) Admin and Marketing teams (20-24 in total) will work Monday thru Friday from 8am to 5pm.

Because these revisions to the MND clarify and strengthen the overall effectiveness of the measures and further reduce impacts, recirculation of the MND is not required. As such, the project has been modified through project revisions and mitigation measures so as not to contribute new trips to the road network during periods of traffic congestion. Please see the attached revised project conditions of approval, including condition number 2 containing applicant commitments for implementing the proposed mitigation measures. These include employer sponsored financial incentives for carpool and ridesharing, alternate hours for work shifts, and commitment to keep marketing-related trips from occurring during peak hours.

#### Greenhouse Gas Emissions:

Commenters stated that the project was not implementing sufficient off sets to address the project's contributions to global warming; that there is no clear description of the number of vehicles trips resulting from the project; and no clear Greenhouse Gas Emissions (GHGs) threshold is stated. One commenter also asserted that the County cannot tier the proposed Mitigated Negative Declaration off of a programmatic EIR for an impact with significant and unavoidable impacts.

Although the MND references the Napa County General Plan EIR and that document's conclusion that the overall growth in Napa County will contribute to significant unavoidable GHG's impacts, there is no mention or suggestion in the MND that the County is relying on, or in any way tying into the General Plan EIR in order to conclude that this project does not result in a significant impact to GHGs. The MND clearly states the GHG's were evaluated based on the total amount of development contemplated under the original, much larger and more impactful project filed in 2012, and the corresponding amount of gross truck and automobile trips. Included in the report materials is the applicant's Voluntary Best Management Practices Checklist for Development Projects which delineates the applicant's commitments to address GHG's. The substantially revised and scaled down project, now consists of essentially an increase in employees from 24 to 90 people, modest changes changes to the site plan and buildings, and revising the marketing plan (roughly reducing total allowed marketing visitors by half). The GHG's impact of this modified proposal is negligible even without consideration of the reduction measures the applicant has either already implemented or is proposing to implement as part of this proposal. The applicant's solar project alone, which converted the project to sustainable electrical power generations for 92-97% of the overall electrical energy demand, more than off sets the minimal increase in emissions resulting from 66 additional employees. Emissions would also be further reduced and offset by the ridesharing and carpooling measures included in the MND's Traffic Mitigation Measures.

Total traffic generation from the project, inclusive of existing traffic, proposed new traffic, and entitled elements of the project that are not affected by this request is now 378 trips (gross trips), which is the equivalent of the amount of traffic generated by 38 single family homes (which generate 10 trips per day) or 15% to 30% of a single fast-food restaurant (which generate 1,000 to 3,000 trips per day). If we look at the increment of change from the addition of 66 employees, it results in the equivalent amount of traffic generated by 13 single family homes, or 4% to 13% of a single fast food restaurant. The Bay Area Air Quality district has an established threshold that a project generating less than 2,000 trips per day is considered to be less-than-significant. Since vehicle trips are the single greatest contributor to GHG's for this project, it is appropriate to view the project's potential to contribute significantly to GHG's impacts from the perspective of the amount of new trips the project is creating. To put the project generated trips into a

context of regional growth, the Association of Bay Area Governments is projecting the need for 187,990 new housing units in the greater Bay Area between 2014 and 2022, which roughly would equate to 1.87 million new trips on the Bay Area's road network (not counting the jobs these new residents will occupy), and thus resulting in substantial amounts of carbon being cast into the atmosphere. Raymond winery, without considering the GHG's Best Management Practices implemented or proposed, represents the potential to add vehicle related carbon emissions equivalent to .007% of the amount of carbon that the new residential units projected by ABAG will contribute over the next 8 years.

#### Groundwater:

Commenters expressed concern the MND did not consider drought conditions, misstates the amount of groundwater needed to serve the development, and relies on a standard. Commenters also expressed concern that the existing high water table may be negatively affected by winery wastewater infiltration from the winery wastewater ponds. Although Staff notes that the Public Work memo contained in the Staff Report contained out of date information based on the original, much larger project, the groundwater analysis in the MND and supporting Water Availability Analysis provided by the applicant's civil engineer adequately evaluated ground water resources and the project's potential to impact those resources. The applicant's engineer has provided supplement information in response to these comments, which are attached to this report. In regard to drought conditions, the MND and the applicant's civil engineer's reports rely on the conclusions of the recently completed Groundwater Resource Advisory Committee (GRAC) and the groundwater study performed by the County in 2011 to support the committee's mission. The GRAC looked extensively into groundwater resources and water extraction practices on the valley floor of Napa Valley, where Raymond Winery is centrally located. The 2011 study, performed by Luhdorf and Scaladini, a qualified hydrology consultant firm, found that groundwater use in the Napa Valley floor is functioning at a sustainable rate in most areas including the general area surrounding the Raymond Winery. The study affirms comments received on this project that the groundwater table is relatively high.

The Water Availability Analysis looks at the property as a whole addressing the water needs of all land uses, both existing and proposed. The study indicates the total amount of groundwater use is below the sustainability levels recognized in the Luhdorf/Scaladini study of 2011. That study looked at groundwater extract from several dozen monitoring wells throughout Napa Valley over both wet and dry seasons, and it reaffirmed that the previously adopted 1.0 ac. ft. of water per acre of property standard was a sustainable level of water use within most areas of the valley floor. This property, in aggregate falls well below that standard. Likewise, with the scaled down revised project, the currently requested entitlement represents only a mere fraction of the amount of water use on the property. Most water use will be directed to the vineyards and the wine production. Increased water use directly resulting from this project comes from the increased number of employees and the changes to the visitation practices, primarily resulting from food service being added to visitation practices.

#### Stormwater and Waste Water:

One commenter expressed concern that the existing wastewater ponds may be discharging raw untreated process water into the groundwater because the ponds may be unlined. The applicant's engineer's report confirms that the ponds have a 3 foot clay liner and there is no evidence in the record supporting the commenter's unsupported speculation that discharge of untreated process water into the groundwater is or has occurred. The civil engineer's report indicates that the integrity of the clay liner will be confirmed by the Geotechnical analysis as part of the permit for upgrades. Staff would like to point out that despite there being no legal nexus to require the applicant to upgrade the existing wastewater facilities, the applicant has

volunteered to do at considerable expense in an effort to alleviate concerns. The commenter did not raise any issues that the project, which consists of changes to the marketing components of the existing development, will potentially result in new soil and groundwater impacts that were not already evaluated in MND other than to question the preliminary report on stormwater runoff for the new parking lot. No further analysis or augmentation of the MND is required. However, in an abundance of caution, the project engineer has provided supplemental stormwater and wastewater management information that more thoroughly describes both existing conditions and improvements.

#### Speed Limit on Zinfandel:

Several comments were received about the speed of cars on Zinfandel Lane and suggested the visitation and employee increases at the facility may exasperate these concerns. The issue of speeds on Zinfandel has previously come before the Planning Commission and Board of Supervisors prior to the Raymond application submittal. In response, several years ago the Board of Supervisors reduced the speed limit on Zinfandel from 55 mph to 45 mph. Early this summer, during consideration of the Castellucci Winery application located on the far eastern side of Zinfandel Lane, the Commission requested the Staff bring an item to the Board of Supervisors to consider further lowering of the speed limit to 35 mph. That item is in process and is anticipated to go before the Board of Supervisors before the end of the year. In regard to the Raymond Winery project, a left turn lane into the project's driveway off Zinfandel Lane is required to address the project's contribution to traffic increases on Zinfandel Lane. The applicant is not however responsible for setting speed limits on County roadways.

#### Notice to neighbors:

Several comments were received regarding the extent of notice provided, primarily focused on the County's standard noticing requirement of 300 feet as being insufficient. Commenters were likely not aware that noticing on this project was expanded to 1,000 feet, as well as noticing being mailed to persons who had previously commented on other project in 2012 plus those persons who had commented on the Castellucci Winery east of this project site. The applicant also held a neighborhood meeting during the public comment period on the environmental document prior to the July 16, 2014 hearing. As such, the public notice provided on this project was extensive and well beyond applicable legal requirements.

#### Recommendation:

Although there is some basis for suggesting that the revised project no longer results in significant impacts triggering traffic mitigation, Staff recommend a conservative approach that continues to find the changes to employment, changes to the marketing plan, and the recognition that these business practice upgrades may enable the facility to reach its entitled visitation warrant applying traffic mitigation measures that limit the amount of trips being added to the road network during peak periods where congestion is being experienced or is projected to occur in the future. It is requested the Commission also consider the outcome if this project were to be denied or otherwise not move forward. Denial of the project does not change the number of visitors and marketing events the facility was authorized for in 1991.

### **SUPPORTING DOCUMENTS**

- A . Revised Conditions of Approval
- B . Applicant Letter with Revised Project Description
- C . Traffic Engineer Response to Comments Memo



- D . Traffic Engineering Supplemental Analysis
- E . Storm and Wastewater Supplemental Analysis
- F . Abbott and Kindermann Comment Letter July 15, 2014

Napa County Planning Commission: Approve

Reviewed By: John McDowell