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Agenda Date: 9/15/2010

Agenda Placement: 9A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Melissa Gray for Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: RONALD GEE, PLANNER III - 707.253.4417
SUBJECT: Ca'Nani Winery - Use Permit # P09-00185-UP / Variance # P09-00492-VAR

RECOMMENDATION

YOUNTVILLE VINEYARDS, LLC / CA'NANI WINERY - USE PERMIT P09-00185-UP & VARIANCE P09-00492-VAR

CEQA Status: Negative Declaration has been prepared. According to the proposed Negative Declaration, the proposed project would not have any potentially significant environmental impacts. The project site is not on any of the the lists of hazardous waste sites enumerated under Government Code Section 65962.5

Request: **(A)** Approval of a Use Permit to establish a new, 48,000 gallon per year winery with: 1) a two-story, 16,243 sq. ft. winery building with 5,800 sq. ft. of offices, 1,670 sq. ft. of tasting/sales area; 2,281 sq. ft. of barrel storage, total 2,410 sq. ft. roof deck areas and 15,970 sq. ft. of cave area with four portals for a winery totaling 56,370 sq. ft.; 2) conversion of an existing 1,460 sq. ft., detached garage to a farm equipment storage building and a new 375 sq. ft. utility building; 3) 13 full-time and 2 part-time employees; 4) 44 on-site parking spaces; 5) new entrance monument and sign; 6) up to 75 visitors per day (Fri-Sun) and 40 visitors per day (Mon-Thurs) by appointment only; 7) a marketing plan with 27 events per year with a maximum of 24 people (10 as evening events ending at 10:00 PM), two events per year with a maximum 49 people, one event per year with 100 people, and one event per year with 300 people; and 8) a new process wastewater septic system. **(B)** Approval of a Variance to reduce the minimum 600 foot winery setback from SR 29/St. Helena Highway to 235 feet. The project site is located on two parcels, approximately 14.11 acres total size (12.52 and 1.59 acres), on the southeast corner of the intersection at Yount Mill Road and SR-29/St. Helena Highway, within the AP (Agricultural Preserve) zoning district. (Assessor's Parcel Numbers: 031-120-026 and 031-130-026) 7466 St. Helena Highway, Napa.

Staff Recommendation: Adopt the Negative Declaration and approve the Use Permit and Variance with the recommended Conditions of Approval.

Staff Contact: Ronald Gee, 707-253-4417, or ronald.gee@countyofnapa.org

EXECUTIVE SUMMARY

Proposed Action:

That the Planning Commission:

1. Adopt the Negative Declaration for Variance # P09-00492-VAR and Use Permit # P09-00185-UP, based on Findings 1-6 of attached Exhibit A - Findings; and
2. Approve Variance # P09-00492-VAR, based on Variance Findings 7-11, and Use Permit # P09-00185-UP, based on Use Permit Findings 12-16, of attached Exhibit A - Findings, both subject to attached Exhibit B - Conditions of Approval.

Discussion: The proposal would establish a new 48,000 gallons/year, 56,370 sq. ft. winery built into a hillside on the Napa Valley floor with 15,970 sq. ft. of cave area. The two-story, winery building includes offices, a tasting sales area, barrel storage, roof deck areas and outdoor gardens. The winery cave will have four portals, three of which open into the winery building. The proposal will establish a marketing plan, allow installation of a new parking lot and wastewater treatment system. The new winery will have 13 full-time and 2 part-time employees. Existing vineyard areas will remain. Two existing residences will be removed and the existing detached garage will be converted to a farm equipment storage building. A new 1,000 sq. ft. residence will be built adjacent to the garage. The concurrent Variance request would reduce the minimum 600 foot winery setback to 235 ft. due to the unusual width of the SR 29 / St. Helena Highway along parcel frontage, whereby existing vineyard is located within and will be maintained in the road right-of-way.

The proposed winery expansion is attractive and will be partially screened with additional environmentally-friendly and productive landscape improvements. New parking and other site improvements will accommodate the new facility. The only issue of concern in the request is whether the size and scale of the proposed marketing plan is appropriate for the winery operation.

Staff recommends approval of the proposed Use Permit and Variance request.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Negative Declaration Prepared. According to the proposed Negative Declaration, the proposed project will not have any potentially significant environmental impacts. The public review period for the proposed Negative Declaration occurred between June 17, 2010 through July 7, 2010. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Owners: Yountville Vineyards, LLC

Applicant: Yountville Vineyards, LLC / Ca'Nani Winery

Representative: Thomas Atterbury, Atterbury & Associates, Inc.

General Plan Designation: Agricultural Preserve, 2008 Napa County General Plan

Zoning: AP (Agricultural Preserve) District

Filed: November 6, 2009

Declared Complete: March 11, 2010 / Revised August 4, 2010

Winery Size: 56,370 sq. ft. (structures) and 17,509 square feet (caves)

Production Capacity: 48,000 gallons/year

Marketing: 27 events/year with a maximum of 24 people (ten as evening events ending at 10:00 PM); 2 events/year with a maximum of 49 people; 1 event/year with 100 people; and 1 event/year with 300 people.

Visitation: Daily private tours/tasting with a maximum 75 visitors/day (Friday-Sunday) and 40 visitors/day (Monday-Thursday) by appointment only.

Number of Employees: 13 full-time and 2 part-time

Hours of Operation: 7:00 AM to 6:00 PM; seven days/week.

Parking: 44 total off-street (30 customer, 14 employee, including 4 ADA spaces)

Adjacent Zoning / Land Uses:

North: Rural Residential, Agriculture and sca7 acres (9.00 and 14.97 acres)

South: Rural Residential, Agriculture AP 10.89 acres (2.72 and 8.17 acres)

East: Rural Residential, Agriculture/Residence AP (12.27 acres)

West: Rural Residential, Agriculture AP 12.62 acres (2.30, 3.00, 1.00, 1.00, 1.03 and 4.29 acres)

Nearby Wineries (within 0.5 mile of the project site):

Consentino Winery, 7153 St. Helena Highway, Approved: 1987, Producing: 30,000 gallons/year, Public tours/tasting;

Folie a Deux Winery, 7481 St. Helena Highway, Approved: 1973, Producing: 50,000 gallons/year, Public tours/tasting;

Paradigm Winery, 1277 Dwyer Road, Approved: 1988, Producing: 13,000 gallons/year, By appointment only;

Far Niente Winery, One Acacia Drive, Approved: 1979, Producing: 175,000 gallons/year, Public tours/tasting;

Cardinale Winery, 7600 St. Helena Highway, Approved: 1980, Producing: 1,280,000 gallons/year, By appointment only; and

Lincoln Ranch Winery, 7554 St. Helena Highway, Approved: 2009, Producing: 50,000 gallons/year, By appointment only.

Property History:

Agricultural Preserve Contract # AP 89/70 was approved for APN 031-12-010 on May 14, 1970. Lot Line Adjustment #1490 (aka LLA # W06-01283) created the current two-lot configuration for the project site, APNs # 031-120-026 and # 031-130-026. Agricultural Preserve Contract # P06-01375, Type A, approved February 3, 2010, rescinded and replaced # AP 89/70 to conform with the new property boundaries (see attached exhibits).

Code Compliance History:

There is no code compliance history for the project site.

Discussion:

The Use Permit request would establish a new, 56,370 sq. ft., 48,000 gallons/year winery including 15,970 sq. ft. of cave area. A concurrent Variance would reduce the minimum 600 ft. winery setback from SR 29/St. Helena Highway to 235 feet along property frontage. The unusual width of the SR 29/St. Helena Highway right-of-way, location of the property line within existing vineyards and location of the on-site hill create physical limitations that make setback compliance impossible and deprive the property of its ability to have uses allowed by others in the vicinity within the AP (Agricultural Preserve District).

As part of the project, the applicant has agreed to relocate the main existing driveway entrance by shifting it approximately 35-ft. north to align with the Napa Cellars driveway on the west side of SR 29/St. Helena Highway. This change is consistent with Public Works Department requirements. Since the existing vineyard and driveway are located within the CalTrans SR 29/St. Helena Highway right-of-way, however, the driveway relocation requires CalTrans Encroachment Permit approval.

Proposal:

The winery would have a 16,243 sq. ft. winery building built into the hillside with 1,670 sq. ft. of tasting/sales area, 2,281 sq. ft. of barrel storage, a 518 sq. ft. commercial kitchen for on-site food-pairing preparation, 100 sq. ft. laboratory and 15,970 sq. ft. of cave area with four portals (three of which open into the building) on the first floor. There would be 5,800 sq. ft. of office space and a total 2,410 sq. ft. roof deck areas on the second floor for a winery totaling 56,370 sq. ft. in area. The maximum height of the two-story winery structure, built into the existing hillside, will be 34 ft. 6 inches in total. Total winery coverage is approximately 35,153 sq. ft. (0.81 acre), approximately 5.7% where a maximum 25% of parcel is allowed.

Two existing, nonconforming residences will be removed from the site; a new, 1,000 sq. ft. residence will replace the existing dwellings. As part of the project, the existing 1,460 sq. ft. detached garage will be converted to a farm equipment storage building and a new 375 sq. ft. utility building will be built on the hill above the winery. There will be 13 full-time and 2 part-time employees.

The winery operator has proposed up to 75 visitors per day (Fri-Sun) and 40 visitors per day (Mon-Thurs) by appointment only. The marketing plan consists of 27 events per year with a maximum of 24 people (10 as evening events ending at 10:00 PM), two events per year with a maximum 49 people, one event per year with 100 people, and one event per year with 300 people. Winery hours of operation would be from 7:00 AM to 6:00 PM, except during crush season. All evening marketing events are proposed to finish by 10:00 PM, including clean-up.

Utility Services

The winery will be served with existing wells. According to the Phase 1 Study for Water Availability Analysis, the existing 7.65 acre feet/year (af/yr) water use for residential, vineyard and fire protection use will increase to 9.12

af/yr for residential, winery, vineyard and fire protection. With water allocations of 1.0 af/yr per acre per year for Valley Floor parcels, the anticipated water use for the winery is below the 14.11 af/yr allocation for the site. A new 50,000 gallon storage tank is proposed as part of the project. Current domestic sewage is disposed through an existing subsurface drip sewage system with a peak flow of 750 gallons/day. For the new process wastewater system, a hold-and-haul system and future Elutriate System are proposed.

According to August 27, 2010, Department of Environmental Management comments (Exhibit W), separate permits for the commercial kitchen, water supply, subsurface drip sewer treatment system, including annual alternative sewage treatment system monitoring and annual hold-and-haul monitoring permits, are required prior to issuance of building permits for the project.

According to December 16, 2009 Fire Marshal comments (Exhibit X), the winery must comply with standard Fire Code requirements. The wine cave was redesigned to ensure that assembly areas are sprinklered and that the maximum travel distance to exits do not exceed the maximum 250-ft. limit.

Parking/Circulation

The new 44-space winery parking lot will be divided into three sections consisting of 30 visitor spaces in front of the winery building and two employee parking areas with 11 spaces adjacent to the new residence/converted barn and 3 spaces northeast of the guest parking area; 4 ADA spaces are dispersed between the visitor and employee areas.

An existing 20-ft. wide, driveway along SR 29/St. Helena Highway provides the main access to the site; the driveway will be retained and improved. A second, emergency vehicle access (EVA) only driveway is proposed for the northeast corner of the site. According to the applicant, no trucks or other traffic will be allowed access along this EVA as part of winery operations.

The George Nickelson, *Traffic Analysis for a Proposed Ca'Nani Winery Project on State Route 29, North of Yountville in Napa County, July 23, 2010 (Exhibit Y)*, stated that, ". . . (the project will generate) approximately 59 maximum daily trips on a weekday, 82 maximum daily trips on a Saturday and 71 maximum daily trips during the 6-week harvest season over the course of a year by the 48,000 gallons/year winery. The project's trips would add minimally (about 0.4%-0.5%) to peak hour traffic volumes in/out of the proposed winery and in/out of the nearby Napa Cellars driveway (offset by 35-ft. across SR 29), it appears the project driveway could be shifted to align with the Napa Cellars driveway. . ." The applicant has agreed to relocate the existing project site driveway to align with the Napa Cellars driveway, consistent with Public Works Department, September 1, 2010, recommendations (Exhibit Z) and will be subject to CalTrans Encroachment Permit application, review and approval.

Variance

Concurrent Variance application requests that the minimum 600-ft. winery setback along major road frontage be reduced to 235 ft. Along SR 29/St. Helena Highway property frontage, the two-lane highway, with center left-turn lane, has approximately 56-ft. of roadway. The actual road right-of-way width, however, ranges between a 156-ft. on the southwest corner of the project site to 252-ft. on the northwest corner at Yount Mill Road. Along this entire parcel frontage, the flat, buildable land area on the valley floor ranges from 290-ft to 525-ft. in width due to the hill along the east side of the property. The effective building setback from the paved roadway for the new residence will be 430-ft.; due to the location of the existing property line, the actual setback will be 235-ft.

A variance to the 600-ft. winery setback to 235-ft. is prudent for the applicant to establish a winery. In this case, the 14.11 acre property width ranges between a minimum 259-ft. to 609-ft. along SR 29 frontage. Unique circumstances apply to this parcel due to the configuration of the parcel in relation to the unusual SR 29/St. Helena Highway right-of-way location, the physical limitations to the site due to the limited amount of flat building area on

the valley floor and hill located along the property's east side. In addition, a portion of the existing 9-acre vineyard is located within the existing right-of-way, which will be maintained as part of the proposed winery operation. These limitations do not affect similarly-zoned parcels north of the project site. Strict application of the 600-ft. winery setback would deprive the property of privileges enjoyed by other properties within the vicinity in the same zoning designation.

Other Issues

The subject property is located on the east side of SR 29/St. Helena Highway, at the southeast corner of the intersection with Yount Mill Road. The project site is located within the AP (Agricultural Preserve) zoning district and the Agricultural Resource land use designation of the 2008 Napa County General Plan. The proposed winery use complies with all requirements of Use Permit Findings and 2008 Napa County General Plan policies. There is an existing Napa County Agricultural Preserve Contract on the property,

The attached Initial Study/Negative Declaration did not identify any potentially significant environmental effects of the project and no mitigation measures are required. The Tom Origer & Associates, *Cultural Resources Survey for the Ca'Nani Winery Project, Napa California, July 6, 2010 (Exhibit Z)*, concluded that no cultural resources were found during the course of their survey on the project site, including the two existing homes that will be removed as part of the project.

All reviewing departments/agencies have found the project as proposed to be consistent with their respective requirements and regulations. The proposed project is consistent with applicable standards as set forth in the attached Findings for both the setback Variance and Use Permit (Exhibit A) and Conditions of Approval (Exhibit B).

SUPPORTING DOCUMENTS

- A . Exhibit A -Findings
- B . Exhibit B- Conditions
- C . Fire Marshal Comments
- D . Department of Environmental Management Comments
- E . Public Works Department Comments
- F . Initial Study / Negative Declaration
- G . Traffic Analysis
- H . Revised Application Materials
- I . Report Graphics

Napa County Planning Commission: Approve

Reviewed By: Melissa Gray