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Agenda Date: 9/19/2018

Agenda Placement: 7B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Wyntriss Balcher, Planner II - 707 299-1351
SUBJECT: Maldonado Winery Major Modification #P17-00101

RECOMMENDATION

HUGO MALDONADO/MALDONADO WINERY/USE PERMIT MAJOR MODIFICATION #P17-00101-MOD

CEQA Status: Consideration and possible adoption of Categorical Exemptions pursuant to the California Environmental Quality Act (CEQA) Section 15303, Class 3 (New Construction or Conversion of Small Structures); Section 13504 Class 4: Minor Alterations to Land; and, Appendix B, Class 3:#10 (New Construction or Conversion of Small Structures) of the Local Procedures for Implementing the California Environmental Quality Act. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

Request: Approval of a modification of Use Permit #P04-0271-UP as follows: to increase the production capacity of an existing winery from 15,000 gallons to 30,000 gallons/year; add one full-time and one part-time employees, for a total of three employees; upgrade the on-site septic system; and make improvements to the access driveway and gate. No changes to visitation, marketing, or hours of operation are proposed. The project is subject to the current County Road and Street Standards, which require the construction of additional width to the access driveway and an increase in the width of the existing gate. The project is located on a ±11.14 acre parcel on the west side of Old Lawley Toll Road, ±1,880 feet north of its intersection with Lake County Highway (State Highway 29) within the AW (Agricultural Watershed) zoning district; 3070 Old Lawley Toll Road, Calistoga, CA 94515; APN: 017-140-039.

Staff Recommendation: Find the project Categorically Exempt from CEQA and approve the Use Permit Modification, as conditioned.

Staff Contact: Wyntriss Balcher, Planner II, (707) 299-1351 or wyntriss.balcher@countyofnapa.org

Applicant Contact: Hugo Maldonado, (707) 738-3970; hugo@maldonadovineyards.com

EXECUTIVE SUMMARY**Proposed Actions:**

That the Planning Commission:

1. Adopt the Categorical Exemption, based on recommended Findings 1-3 of Attachment A;
2. Approve Use Permit #P17-00101 based on Findings 4-8 and subject to the recommended conditions of approval (Attachment B).

Discussion:

The project proposes the modification of an existing 15,000 gallon/year winery to allow an increase in production capacity to 30,000 gallons. The existing winery facilities are able to accommodate the production increase and there is no proposal to expand the winery or request changes to visitation, marketing or hours of operation. To accommodate the increase in production, there is a request for a new full-time employee and an additional part-time employee. The use permit modification is subject to compliance with the current County Road and Street Standards, requiring an increase in the width of the access driveway and an alteration to an existing gate.

This proposal has been analyzed for its environmental impacts and has been found to be Categorically Exempt from CEQA. Staff believes there is sufficient evidence to support approving the winery's production increase, two additional employees, and improvements to the wastewater system since 1) the project will utilize the existing facilities and will not require the construction of any new structures to accommodate the production increase; 2) there is existing direct access to Lawley Toll Road and minimal access road improvements will be required to comply with the current County Road and Street Standards; 3) there is sufficient water supply to serve the production increase; 4) there is adequate grape sourcing including on-site estate grape production and additional grapes on other vineyard lands owned or leased by the winery; 5) the project will be subject to the County's expanded housing impact fees; and, 6) the project supports continued agricultural use of the land. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies, subject to the recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of Categorical Exemptions Class 3 and Class 4. It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See §15303 (New Construction or Conversion of Small Structures), §15304 (Minor Alterations to Land), §15022(a)(1)(C), and §15300.4 which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B, under Class 3 (#10) (New Construction or Conversion of Small Structures)]. This project site is not on any lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Attachment "D" is a CEQA memo that provides justification for the use of Categorical Exemptions.

BACKGROUND AND DISCUSSION

Owner/Applicant: Hugo Maldonado; 1460 Grayson Ave., St. Helena, CA 94574, (707) 738-3970;
hugo@maldonadovineyards.com

Zoning District: Agricultural Watershed (AW)

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

Filed: March 10, 2017; **Resubmitted:** May 29, 2018; **Resubmitted:** July 9, 2018; **Complete:** July 9, 2018

Parcel Size: ±11.4 acres

Existing Development: 2,800 ft² Winery caves; 2,780 ft² uncovered crush pad, 84 ft² restroom building, access driveway and gate

Vineyard Acreage (Existing): ± one acre

Vineyard Acreage (Proposed): No change proposed

Winery Characteristics:

Winery Size (Approved): 3,692 ft² winery building; 2,800 ft² cave; for a total 6,492 ft², with a 2,700 ft² uncovered crush pad, and a 1,050 ft² winery building deck

Winery Size (Existing): 2,800 ft² winery caves, 2,780 ft² uncovered crush pad, and 84 ft² restroom, for a total 5,664 ft²; the winery building will be constructed at a future date

Winery Size (Proposed): No change proposed

Production Capacity (Previously Approved): 15,000 gallons/year

Production Capacity (Proposed): 30,000 gallons/year

Development Area (Existing): ± 3,384 ft², ± 0.007 acres

Development Area (Proposed): No change proposed

Winery Coverage (Approved): ±11,030 ft², 0.25 acres, or 1.7% (the size of the property was reduced)

Winery Coverage (Existing): ± 9,880 ft², 0.2 acres or, 0.2%

Winery Coverage (Proposed): No change proposed

Accessory/Production Ratio (Approved): 192 ft² accessory / 6,300 ft² production = 3%

Accessory/Production Ratio (Existing): 84 ft² accessory / 5,580 ft² production = 0.01%

Accessory/Production Ratio (Proposed): No change proposed
(Maximum 40% allowed)

Number of Employees (Existing): One part-time employee

Number of Employees (Proposed): One full-time and two part-time

Visitation (Existing): Tours, tastings and retail sales by appointment only; tours and tasting shall be completed by 4:00 PM and retail sales shall be completed by 4:30 PM

Visitation (Proposed): No change proposed

Marketing Program (Existing): Tour and tasting by appointment only, limited to 4 per day with a maximum of 12 people per day, average of 10 tastings per week not to exceed 30 people per week, not to exceed 20 tastings per week; tours and tastings by appointment only, limited to two appointments per year (weekends only) with a maximum of 25 people; a marketing plan with two wine and food events per year (weekends only), for members of the wine trade only, a maximum of 15 people; and, one harvest event per year (weekends only) with a maximum of 50 people; No events shall occur at the same time

Marketing Program (Proposed): No change proposed

Days and Hours of Operation (Existing): Monday-Sunday, 10:00 am to 4:00 pm

Days and Hours of Operation (Proposed): No change proposed

Parking (Existing): Five spaces

Parking (Proposed): No change proposed

Setbacks (Required): 600 feet from State Highway 29; 300 feet Old Lawley Toll Road; 20 feet sides

Setbacks (Existing): 410 feet from State Highway 29; 210 feet from Old Lawley Toll Road; a variance was reviewed by the Planning Commission in 2004

Adjacent General Plan Designation/Zoning District/Land Use:

North: Agriculture, Watershed and Open Space (AWOS)/Agricultural Watershed/Residential and open space lands

South: AWOS and Resource (AR)/AW and Agricultural Preserve (AP)/Vineyards and open space lands

West: AWOS/AW/Residential

East: AWOS/AW/Agriculture and Residential

Nearby Wineries Located within one mile of the project:

Please refer to Attachment J.

Property History:

Use Permit # P04-0271-UP was approved by the Planning Commission on November 17, 2004, and included a variance request (#P04-0272-VAR) to construct a winery building and associated improvements 410 feet from the centerline of State Highway 29 and 210 feet from the centerline of Old Lawley Toll Road. The winery proposal included the construction of a 3,692 ft² winery building for fermentation, barrel storage, office, laboratory and restrooms, and the construction of 2,800 ft² caves for barrel storage for a total 6,492 ft² winery. The proposal also included the construction of a 2,700 ft² uncovered crush pad, an 80 ft² outdoor equipment pad, a 200 ft² water tank pad, a new engineered septic system, two 12,000 gallon water tanks, five parking spaces and a new driveway. One part-time employee was approved. By-appointment tours, tastings, and retail sales were approved. Completion of tours and tastings by 4:00 PM and completion of retail sales by 4:30 PM was required. The condition of approval for marketing was listed as : tour and tasting by appointment, limited to four per day with a maximum of 12 people per day, average of 10 tastings per week, not to exceed 30 people per week, not to exceed 20 tastings per week; tours and tastings by appointment only limited to two appointments/year (weekends only), with a maximum of 25 people; a marketing plan with two wine and food events per year (weekends only) for members of the wine trade only with a maximum of 15 people; and one harvest event/year (weekends only) with a maximum of 50 people. A limitation that no events shall occur at the same time was included. It should be noted that the winery building has been not been constructed, and only an 85 ft² restroom to serve the winery has been constructed.

The current owners submitted a Very Minor Modification #P16-00203-VMM, approved by the Planning Director on August 4, 2016, to allow the construction of a 1,050 ft² deck adjacent to the winery building that they were in process of submitting. No other physical changes or changes to the winery operation were applied for or approved. The construction of the winery building has been deferred to a later date, and, as noted above, an 85 ft² restroom has been constructed.

Code Compliance History:

There is no record of any code violations.

Discussion Points:

Setting – The project is located on a ±11.14 acre parcel on the west side of Old Lawley Toll Road, ±1,880 feet north of its intersection with Lake County Highway (State Highway 29). Development on the property includes the winery, consisting of the caves where wine production occurs, an uncovered crush pad in front of the caves, a 85 ft² restroom building, a paved access driveway; five parking spaces, and a one-acre vineyard.

Winery Proposal - The project proposes the modification of Use Permit #P04-0271-UP to increase the production capacity of an existing winery from 15,000 gallons to 30,000 gallons/year, with an expansion of the existing on-site septic system, an increase of two employees (one full-time and one part-time) and, required driveway improvements pursuant to the County Road and Street Standards. No building expansion, increase in the number of visitors, marketing events, or change to the hours of operation are proposed. The project is subject to the current County Road and Street Standards that require the construction of additional width to the access driveway and an increase in the width of the existing gate.

Tours & Tasting/Marketing Events - The winery was approved for tours, tastings, and retail sales by appointment only. Visitation was approved in the original use permit as marketing (COA No. 2). The tour/tasting was considered a group event of a maximum of 12 people, with no more than four of these events occurring on a single day. The condition further limited the number of these tastings per week (average 10, maximum 20), and the total number of people allowed to visit per week (30). A larger tour/tasting event is allowed two times per year for a total of 25 people. A marketing plan with two wine and food events per year (weekends only) for members of the wine trade only with a maximum of 15 people was approved, in addition to one harvest event per year (weekends only) with a maximum of 50 people. No events are allowed to occur at the same time. This project does not propose any change to the visitation or marketing, but a winery comparison analysis has as included in this staff report to provide background information regarding this winery.

Traffic & Parking - The project meets the criteria established by Appendix B of Napa County's Local Procedures for Implementing the California Environmental Quality Act under Class 3 (New Construction or Conversion of Small Structures), since the project will generate less than 40 vehicle trips per day and 5 peak hour trips except on those days when marketing events are taking place. The original project approved one part-time employee. The current proposal is to add one full-time and one part-time employee for a total of three winery employees. A maximum of 30 visitors are permitted at the winery per week and there are a total of five "marketing events for larger groups (25 people, 15 people, and 50 people). Based upon the Napa County Winery Traffic Information/Trip Generation Sheet prepared for the project, the maximum number of weekday daily trips would be 10.82 trips; 4.03 trips during PM peak hour (4:00PM – 6:00 PM). There are no marketing events allowed on weekdays. On a weekend, 4.9 trips would be generated and 2.8 PM peak trips. The total daily truck trips during a non-harvest weekday and on a crush Saturday is calculated to be 0.54 daily trips.

The project does not propose and increase in visitation or marketing. There are five parking spaces on permanent surfaces and with the additional paved area of the crush pad, adequate parking on-site would be available, if

necessary, to accommodate the two new employees.

Groundwater Availability - The project is not located in a "groundwater deficient area" as identified in Section 13.15.010 of the Napa County Code. Minimum thresholds for water use have been established by the Department of Public Works using reports by the United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. Any project which reduces water usage or any water usage which is at or below the established threshold is, for purposes of the application of the County's Groundwater Conservation Ordinance, assumed not to have a significant effect on groundwater levels. Based on the submitted Phase One water availability analysis, the ±11.14 acre valley floor-area parcel has a water availability calculation of 11.1 acre feet per year (af/yr), which is arrived at by multiplying its approximately 11.14-acre size by a one acre foot per year per acre fair share water use factor. The Water Demand Calculations submitted for the project placed water demand for existing uses on the property at 0.7005 af/yr (winery= 0.3975 af/yr and ±1.0 acre vineyard= 0.303 af/yr). The proposed winery production increase places the new demand for the parcel property at 1.0980 af/yr (winery= 0.795 af/yr and ±1 acre vineyard= 0.303 af/yr). Based upon this figure, the project would be well below the established threshold for groundwater use on the property and is projected to increase by 0.397 af/yr. The County is not aware of, nor has it received any reports of, groundwater shortages near the project area. The project will not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level.

Wastewater - The proposed project will not violate any known water quality standards or waste discharge requirements. Improvement to the existing on-site process wastewater systems are proposed to accommodate the increase in production. The Napa County Division of Environmental Health has reviewed the proposed domestic process wastewater systems and recommends approval as conditioned.

Greenhouse Gases/Climate Action Plan - The County requires project applicants to consider methods to reduce Green House Gas (GHG) emissions consistent with Napa County General Plan Policy CON-65(e), which requires GHG review of discretionary projects. The applicant has completed the Department's Best Management Practices Checklist for Development Projects, which is attached to this report as part of the application materials. The applicant already incorporates GHG reduction methods including: energy conserving lighting; compost 75% food and garden material (grape pomace); site design that is oriented and designed to optimize conditions for natural heating, cooling and day lighting of interior spaces and to maximum winter sun exposure, such as a cave; use 70-80% cover crop.

Grape Sourcing - The winery will utilize 75% Napa County grapes from the one-acre parcel located on-site, from the 40-acre family-owned vineyard in Jameson Canyon, from vineyards planted on neighbor's property under a 30-year lease, and from a contracted four-acre parcel in Calistoga near the winery.

Public Comments – No public correspondence has been received regarding the project.

Decision Making Options:

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

Disposition - This proposal has been analyzed for its environmental impacts, which has been found to be Categorically Exempt from CEQA. Staff believes there is adequate rationale to support approving the winery's production increase, two additional employees, and improvements to the wastewater system since 1) the project will utilize the existing facilities and will not require the construction of any new structures to accommodate the production increase; 2) there is existing direct access to Lawley Toll Road and minimal access road improvements will be required to comply with the current County Road and Street Standards; 3) there is sufficient water supply to serve the production increase; 4) there is adequate grape sourcing including on-site estate grape

production and other vineyards owned or leased by the winery; 5) the project will be subject to the County's expanded housing impact fees; and, 6) the project supports continued agricultural use of the land. Considering all of the enumerated reasons, staff finds that the project meets all County Code requirements and complies with General Plan Policies, subject to the recommended conditions of approval.

Action Required - Follow proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made.

Option 2 - Modification of Applicant's Request

Disposition - This option could result in no production increase or an amount less than requested.

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

Option 3 - Deny Proposed Project

Disposition - In the event the Commission determines that the project does not, or cannot meet the required findings for the granting of the Use Permit Modification, Commissioners should identify what aspect or aspects of the project are in conflict with the 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 Modification 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 the denial of the project.

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

Option 4 - Continuance Option

The Commission may continue an item to a future hearing date at its own discretion.

SUPPORTING DOCUMENTS

- A . Recommended Findings
- B . Recommended Conditions of Approval and Final Agency Approval Memos
- C . Previous Project Conditions
- D . CEQA MEMO
- E . Public Comments
- F . Use Permit Application Packet
- G . Water Availability Analysis
- H . Wastewater Feasibility Study
- I . Graphics
- J . Winery Comparison Analysis and Summary of Changes

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith