



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/21/2011

Agenda Placement: 9B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning

REPORT BY: RONALD GEE, PLANNER III - 707.253.4417

SUBJECT: Faust House LLC - Faust House Winery / Use Permit # P11-00060-UP, Conservation Setback
Exception Use Permit # P11-00164-UP and Exception to Road and Street Standards

RECOMMENDATION

FAUST HOUSE LLC / FAUST HOUSE WINERY - USE PERMIT # P11-00060-UP, CONSERVATION SETBACK EXCEPTION USE PERMIT # P11-00164-UP AND ROAD AND STREET STANDARDS EXCEPTION

CEQA Status: Negative Declaration Prepared. According to the proposed Negative Declaration, the proposed project would have no potentially significant environmental impacts. The project site is not on any of the lists of hazardous waste sites enumerated under Government Code section 65962.5.

Request: To establish a new 10,000 gallons per year, 7,085 sq. ft. Ghost Winery (pre-Prohibition Carbone Winery) by: 1) converting the two-story main residence (Faust House) to a 3,000 sq. ft. winery building with a 1,499 sq. ft. barrel room and 96 sq. ft. accessory barrel tasting area on the first floor and the 1,591 sq. ft. second floor with a 923 sq. ft. tasting room, 277 sq. ft. kitchen, 161 sq. ft. pantry and 156 sq. ft. hallway; 2) converting a 288 sq. ft. carriage house to an accessory event-support building with two rest rooms, utility closets, storage and a 110 sq. ft. staging kitchen; 3) converting a 618 sq. ft. accessory, creek-side building to a 222 sq. ft. laboratory, 330 sq. ft. of storage area and 66 sq. ft. employee rest room; 4) constructing a 2,993 sq. ft. covered production building with a 943 sq. ft. crush pad and 1,025 sq. ft. production area; 5) maintaining an existing residence (former duplex converted to single-family residence); 6) upgrading the existing sanitary and wastewater treatment system; 7) installing a new 7-space parking lot with 2 additional spaces at the south residence and improved access/circulation area from the west-side driveway; 8) authorize one full-time and 2 part-time employees; and 9) establish by prior appointment visitation at a maximum of 15 persons per day and maximum of 100 persons per week; 10) establish a winery marketing plan with 12 events per year for a maximum of 25 persons, 4 events per year with a maximum of 50 persons, 2 events per year with a maximum of 100 persons, and participation in the Napa Valley Wine Auction. The concurrent Conservation Setback Exception Use Permit would allow limited earth disturbing activities necessary to convert the existing historic structures located within the required creek setback to winery-related purposes. The Exception to Established Napa County Road Standards would reduce the minimum 30 ft. turning radius onto the site from eastbound Coombsville Road to 13 ft. to preserve two historical entrance pylons located at the main driveway entrance. The approximately 6.35 acre winery parcel is located on the south side of Coombsville Road, approximately 900 feet west of the intersection with 2nd Avenue, within the AW

(Agricultural Watershed) zoning district, (Assessor's Parcel Number: 045-250-030) 2031 Coombsville Road, Napa.

Staff Recommendation: Adopt the Negative Declaration and approve the requested use permits with exceptions to conservation setback and road and street standards as conditioned.

Staff Contact: Ronald Gee, 707.299-1351 or ronald.gee@countyofnapa.org

EXECUTIVE SUMMARY

Proposed Action:

That the Planning Commission:

1. Adopt the project Negative Declaration, based on findings 1-5 of Exhibit A; and
2. Approve Winery Use Permit # P11-00060-UP, Conservation Setback Exception Use Permit # P11-00164-UP and Exception to Established Road & Street Standards based on findings 6-17 of Exhibit A and subject to the recommended Conditions of Approval, Exhibit B.

Discussion:

This application to establish a new 10,000 gallons per year, 7,085 sq. ft. Ghost Winery (pre-Prohibition Carbone Winery) consists of three concurrent applications. The winery Use Permit would entitle conversion of a two-story main residence (Faust House) to a winery building, convert a carriage house and creekside building to accessory winery uses and construction a 2,993 sq. ft. covered production building with a 943 sq. ft. crush pad and 1,025 sq. ft. production area. Visitation hours and the marketing plan are detailed in the project description. The concurrent Conservation Setback Exception Use Permit is required to allow conversion of existing historic structures located within the required creek setback for winery-related purposes. The Exception to County Road Standards would reduce the turning radius of a portion of the driveway apron connecting to Coombsville Road to preserve two historic entrance pylons.

The project site is located in the Milliken-Sarco-Tulocay (MST) Groundwater Deficient Area. The current *Phase One Water Availability Study* states the new winery use would reduce groundwater use from 1.9 acre feet per year (af/yr) to 1.7 af/yr. However, neighbors have recently alleged that the Phase One study submitted by the applicant overstates existing water use. The applicant has said that they will be providing additional background water use information prior to the hearing to address this concern.

The attached historical survey and other information address the Faust House's "Ghost Winery" status and the property's earlier use as a winery. The Ghost Winery Ordinance provisions allow pre-prohibition wineries to be re-established within original ghost winery structures that are substantially intact. Neighbors have questioned the whether the historic house to be converted to winery use was actually an integral to the original historic winery operation. The main winery building on site burned down in the late 1890's. The applicant has stated that they will provide additional background information regarding the Faust House status and winery use prior to hearing.

Neighbors have also expressed concerns about noise potential from winery and hospitality operations, especially concerning outdoor events. Planning Division Staff are supportive of a winery being approved on this site, but, as of the writing of this report, it appears that several issues and questions outstanding. It is anticipated that additional information will be provided to supplement the public record prior which may assist the Commission in reaching a final decision. Any supplemental information recieved prior to the hearing will be

forwarded to the Commission as soon as possible.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Negative Declaration prepared. According to the Negative Declaration, the proposed project will not have a significant environmental impact. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION**BACKGROUND AND DISCUSSION**

Owner/Applicant: Faust House Winery LLC / Faust House Winery

Representative: Jeffrey Redding, AICP

General Plan Designation: Agriculture, Watershed & Open Space

Zoning: AW (Agricultural Watershed) District

Filed: February 24, 2011

Deemed Complete: August 21, 2011

Winery Square Feet: 7,085 square feet

Production Capacity: 10,000 gallons/year

Visitation: 15 visitors per day/100 visitors per week with up to including wine and food pairings; Visitation hours from 10:00 AM-6:00 PM, Sunday-Saturday.

Marketing: 12 annual events with 25 people, 4 annual events with 50 people, two annual events with 100 people and participation in the Napa Valley Wine Auction event; all evening events concluding by 10:00 PM with half-hour clean-up; all large events would be catered with no additional staff.

Number of Employees: 10 or fewer

Hours of Operation: Visitation hours are proposed 7 days per week from 10:00 AM-6:00 PM with non-harvest production hours of 7:30 AM-6:00 PM

Parking: 9

Parcel Size: 6.35 acres

Accessory/Production Ratio: 1.975 square feet/5,110 square feet = 38.6%

Winery Coverage: 5,494 square feet / 33,528 square feet (6.35 acres) = 16.4%

Winery Road Setbacks: 613 feet from centerline of Coombsville Road, exceeds standards

Adjacent Zoning/Land Use:

North - RC (Residential Country) District - Rural Residential (Four parcels: 1.99, 0.46, 0.53 and 0.63 acres)

South - AW District - Vineyard (15.34 acres)

East - RC District - Rural Residential (Two parcels: 1.65 and 1.51 acres)

West - AW - Rural Residential and Vineyard (Two parcels: 1.87 and 161.28 acres)

Nearby Wineries (within one mile of project site):

Marshall Vineyards - 15 Chateau Lane, 11,728 square feet, 20,000 gallons/year, appointment only (40/week), marketing with 12 events/year with 25 people and 12 events/year with 50 people (not built);

Griggs Winery - 1030 Coombsville Road, 541 square feet, 20,000 gallons/year, appointment only (1/week), no public tours and tasting;

Whitford Cellars - 4047 Coombsville Road, 8,100 square feet, 20,000 gallons/year, appointment only (1/week), no public tours and tasting, no marketing;

Tulocay Winery, 1426 Coombsville Road, 0 square feet listed, 2,400 gallons/year, appointment only (4/week)/no public tours and tasting, no marketing;

Star Hill Winery, 1075 Shadybrook Lane, 800 square feet, 2,090 gallon/year, appointment only (0/week), no marketing.

Comparison Wineries

Winery	Production	Visitors per Week	Marketing Events per Year
Faust House Winery	10,000 gpy	100	12 < 25, 5 < 50 and 2 < 100
Keever Winery	10,000 gpy	32	12 < 25 persons and 2 < 75 persons
James Cole Winery	10,000 gpy	72	4 < 75 persons and 1 > 75 persons
Sawyer Vineyards	10,000 gpy	25	14 < 25 persons
Mt. Veeder Springs Winery	10,000 gpy	3	14 < 25 persons and 1 < 75 persons

Property History:

1870 Carbone Family arrives in Napa County

1888 First Carbone residence at project site burns

1889 Carbone residence (Faust House) built

1890 Winery built

unknown Winery burns (Historical evaluation states "unknown" but application statement lists the date as 1898)

1902 Tulocay Creek bridge built
1910 Stone entrance pylons installed
1920 Duplex residence built
1920-1933 Prohibition
1984 Use Permit #U-258384 issued to expand an existing 580 sq. ft. nonconforming residence (Creekside Building) to 1,200 sq. ft. As part of this proposal, the existing duplex was converted to a single-family residence. With the main house, the permit effectively reduced the number of on-site dwellings from 4 to 3 units.
2007 Current owners purchase property

Code Compliance History

There is no record of Code Enforcement referral or activities for this property.

Discussion:

Winery Use Permit

Visitation and Marketing

As outlined stated above, the marketing program includes wine and food pairings for visitors using both a kitchen in the Faust House winery building and a separate "staging kitchen" in the Carriage House. The second, 110 sq. ft. kitchen would only be used as needed during catered marketing events, presumably for outdoor events given its proximity to the existing lawn and garden.

Although not indicated on submitted site plans, the applicants stated they will conduct marketing events within the Faust House building and in the front yard area, between the access road and house. All events would end by 10:00 PM with a half-hour clean-up time. There would be no outdoor, amplified music. Parking for the events would be provided on-site, with valet service, in the 9 proposed parking spaces and among trees in the existing walnut grove. Additional staff would be provided on Coombsville Road to direct traffic to the main entrance and access road and prevent parking along Coombsville Road and access driveways. Based on the applicant's longstanding arrangement with the Westin Verasa Hotel in Napa, parking will also be provided at the hotel during larger events with shuttle service provided for clients.

There is neighbor concern about potential noise generated at these events which include 12 annual events with 25 people, 4 annual events with 50 people, two annual events with 100 people and participation in the Napa Valley Wine Auction anticipated as one event with 50 people. The closest residence is located about 370 ft. east of the Faust House and approximately 270 ft. east of the lawn and garden area where outdoor events are likely to occur. The applicants have stated they would be willing relocate events behind the house (southwest side) and have offered to install additional landscaping to screen these activities. However, as of the writing of this report, these measures have not been incorporate into the project. To comply with County Noise Ordinance requirements, all outdoor events would need to keep noise levels for adjoining residences at, or below 50 dBA (A-weighted sound level in decibels) between the hours of 7 a.m. and 10 p.m., and at, or below 45 dBA after 10 p.m. The applicant has said that they would be willing to provide notice to neighbors of upcoming events to help resolve potential conflicts.

Traffic and Circulation

Proposed on-site circulation and parking areas include adequate emergency access and turnaround areas located outside required conservation setback areas. The property has two existing driveways from Coombsville

Road, both shared right-of-way access driveways for separate adjacent properties. Only the west driveway will be improved to the standard two-way, 18 ft. width and 2 ft. shoulder roadway for winery use; the east driveway is one-lane, 16 ft. wide and is purportedly used as a play area for children on the adjacent parcel. Conditions of approval require adequate signage to identify the west driveway as the sole winery entrance and to prohibit winery-related vehicle access along the east driveway. As stated above, the applicants propose that valet service and staff will be provided to direct traffic on Coombsville Road to the winery.

According to Public Works-Traffic Engineering staff, a review of the traffic study and site inspection determined that traffic along Coombsville Road, including trips generated by both the winery and the neighboring, off-site single-residence sharing the west access driveway, does not warrant installation of a left-turn lane; the combined traffic number falls below the County's left-turn warrant threshold. Sight distance along Coombsville Road is adequate and conforms with Caltrans standards. Any potential line-of-sight issues due to the location of the existing driveway on Coombsville Road can be addressed with conditions of approval for landscape clearance and maintenance.

As detailed below, there is a concurrent request that an exception to County Road and Street Standards be granted to allow the east side turning radius of the winery driveway entrance be reduced from 20 ft. to 13 ft. to preserve historic pylons. The entrance pylons were constructed circa 1910 and the off-site Tulocay Bridge was built across Tulocay Creek in 1902. There is 23.5 ft. between the pylons, adequate space for the standard roadway. The driveway flare needed for the entrance is limited by the location of the east pylon, which is located in the County right-of-way. The Public Works Department has recommended the pylon be retained in its current location to preserve its historical status. In addition, they determined there would be minimal westbound traffic entering and exiting the site and function of the driveway would retain "the same overall practical effect as the standards. .
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Ghost Winery Status

The applicant is seeking approval of a winery on a 6.35 acre parcel under the provisions of Zoning Ordinance Section 18.104.245, Exceptions to Winery Setback and Parcel Size for Pre-Prohibition Wineries. This section allows wineries on parcel less than 10 acres in size when the Commission finds that the property contains a significantly intact (four walls and a roof) structure used as a winery prior to prohibition. As stated in application materials, although the original winery building on-site was destroyed in a fire in 1898, the basement in the main house was later used for winery barrel storage. Neighbors have expressed concerns that this project does not qualify a pre-prohibition winery because the main winery building no longer exists and that it is unclear as to the extent the basement of the house was used to make wine.

The applicant's representative stated that staff from PAST Consultants, LLC will be able to respond to questions at the public hearing and may provide additional evidence concerning the extent the historic house was integral to the winery use. Staff feel it is likely that some form of winery related activity occurred within the basement given its size relative to the size of the dwelling space. It is also clear that the ordinance does not require the original primary wine-making building to exist. The ordinance merely requires the Commission to find that "substantially intact buildings used as wineries prior to Prohibition" exist. Staff recommends that the Commission seek out additional evidence before determining whether the Faust house was used as a winery.

Section 18.104.235, Exceptions to Winery Setback Requirements for Historical Buildings and Sites, does not apply since no reduction in the required Coombsville Road 600-foot winery setback for an arterial roadway is necessary; the new production building will have an approximately 613 foot setback.

Historic Evaluation

As stated in the evaluation, historic buildings are rated according to their significance. The main residence, original

winery and entry pylons were built within the site's period of significance, 1889-1925. Buildings constructed outside the period of significance, although they may be over 50 years old and considered historic, carry a lower rating or significance. Based upon submitted floor plans, the following changes to the the historic buildings are proposed:

- a) Carbone Residence (Faust House) - Interior changes that do not change or impact the exterior elevations of the building;
- b) Construction of a new Production Building will take place in a disturbed area and will be proportional in size, scale and architectural detail to the historic production building;
- c) Demolition of one historic building, the chicken coop (identified as a shed on the site plan, the easternmost structure), for construction of the new Production building;
- d) Conversion of the Carriage House to winery use - Changes include installation of new door openings on one facade; and
- e) Conversion of the Creekside building to winery use - Changes include installation of new openings on two facades.

PAST Consultants believes the proposed changes do not constitute an adverse change according to CEQA. As stated in the report, since no changes are proposed to the exterior of the Carbone Residence, it can retain its historic integrity and ability to communicate historic significance. Demolition of the chicken coop removes a historic building but the building has lost most of its historic integrity and was constructed outside the period of significance. Additional buildings that that communicate the site's agricultural use Prohibition are being retained, including the multiple use shed and other remaining sheds.

Changes to the Carriage House and Creekside building alter the appearance of these structures but the changes retain the buildings in their original locations and take place on "minor elevations". These buildings were constructed after the closure of the Carbone Winery due to Prohibition and were built outside the period of significance. Additions and alterations to the Creekside building have already removed much of the building's historic integrity. No elevations of these structures were provided with the application, only floor plans.

To qualify for landmark status and not cause a substantial adverse change in the of a historical resource as defined in CEQA Guidelines §15064.5, all winery improvements must conform to the *Secretary of Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings*. Staff believes the above changes will not cause a substantial adverse change to the historic resource.

Water Use

The project site is located in the Milliken-Sarco-Tulocay (MST) Groundwater Deficient Area, which is an area east of the City of Napa with documented declining groundwater resources. Although extension of a recycled water line to the area is currently in its initial phases, and will reduce reliance on groundwater resources, presently the groundwater basin cannot sustain additional groundwater extraction beyond current levels. Consequently, the only readily apparent way new discretionary projects can be approved in this area is if they result in no net increase in groundwater demand. As of the writing of this report, it is unclear whether the project meets this prerequisite.

According to the applicant, existing water usage on the parcel is approximately 1.9 af/yr, including 0.7 af/yr for the main residence use, 0.3 af/yr for a secondary residence, 0.3 af/yr for the carriage house, 0.3 af/yr for the creekside building and 0.3 af/yr for irrigation of other agriculture (walnut grove). Estimated ground water use for this application is 1.7 af/yr consisting of 0.3 af/yr of winery water use, 0.5 af/yr for a proposed 0.5 acre vineyard, 0.3 af/yr for other agriculture, 0.5 af/yr for the secondary residence and 0.1 af/yr for the carriage house (prep kitchen). These figures include conversion of the main house and creekside building to winery use, both former residences. The net 0.2 af/yr reduction in water use appears to demonstrate "no net increase" in water use.

However, neighbors have alleged that the Phase One water availability analysis is inaccurate. In meetings with Staff and submitted comments, neighbors state that of the three residential units on the property only one has been occupied during the last 4 years and it was occupied only during one summer. Assuming this is true (the applicant has not provided evidence to refute this assertion), two of the existing dwellings have lost their pre-existing legal conforming status and are considered voluntarily abandoned. When determining the extent of existing groundwater use, Staff does not assign a water allocation to discontinued uses, and therefore it does not appear that the existing water use is 1.9 af/yr.

Staff have presented this issue to the applicant who is presently re-evaluating existing and proposed groundwater demand. It is anticipated that the applicant will provide additional information on this topic prior to the hearing. Options for proceeding with the project are as follows:

- 1) Applicant provides sufficient evidence that existing ground water use is 1.9 af/yr. Suggested forms of evidence would be well logs, testimonials from occupants of the residences, utility bills showing residential occupancy, etc.
- 2) Applicant revises existing and proposed ground water demand for the project. In the event the existing groundwater demand is revised downward to account for abandoned land uses, then the proposed project will need to be altered to reduce projected groundwater demand. Options for reducing groundwater demand include, but are not limited to: a) decreasing wine production; b) decreasing visitation/marketing; c) reducing/replacing/eliminating landscaping; d) removing groundwater fed vineyards on adjoining property leased by the applicant, and e) a combination of some or all of the above measures.

Other Background

The existing sanitary and wastewater treatment systems will be upgraded; they are located on the south side of the creek. Although not shown on the site plan, new mechanical equipment, water storage tank pads and an enclosed trash enclosure will be added as required by the Department of Environmental Management and Fire Marshal. No change to the existing pedestrian bridge that crosses the creek at the single-family residence is proposed. According to the applicant, although there will generally be one full-time and 2 seasonal, part-time employees on site, the application states there will be "less than 10 employees". As stated in the traffic report, there will be 4 to 6 additional employees, as needed, for marketing events.

Conservation Setback Exception

Due to the flat topography of the site near the ephemeral stream, the concurrent Conservation Setback Exception request would recognize use of existing historic structures located within the required 35-foot creek setback for winery-related purposes including the Creekside building, Carriage House and single-family residence; only internal improvements and the addition of three access doors would take place, in conformance with the Secretary of the Interior Standards and Guidelines for Historic Preservation Projects. Only pedestrian walkways would be added to improve access to the carriage house and creek-side buildings. The north ends of all three buildings are located on or beyond the 35 ft. setback line. Access to the buildings are in already-disturbed areas that will become pedestrian walkways to minimize further disturbance in this area. Existing landscape improvements in these areas would be retained. Conditions of approval require construction staging to occur outside the required setbacks to prohibit further disturbance to areas within the setback.

With required Building and Public Works Department permits, the project will not result in substantial erosion or siltation on- or off-site. There are no existing or planned stormwater systems that would be affected by this project. As the project will likely result in disturbance to more than one acre of land, the permittee will be required to comply with the requirements of the Regional Water Quality Control Board addressing stormwater pollution during construction and post-construction. The project will not substantially alter the existing drainage pattern of the site or

area, including through the alteration of the course of a stream or river, will not substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site, and will not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted run-off.

Exception to Established Napa County Road Standards

The third application, Exception to Established Napa County Road Standards, would reduce the minimum 20 ft. turning radius onto the site from eastbound Coombsville Road to 13 ft. to preserve two historical entrance pylons located at the main driveway entrance. According to the Public Works Department Traffic Engineering staff, appropriate findings can be made as required under Section 3(D) and (E) of the Napa County Road and Street Standards as adopted by Resolution 2011-95 by the Board of Supervisors on July 11, 2011. Their September 1, 2011 memo states that the proposed exception "is necessary to accommodate other limiting factors such as recorded historical sites or legal constraints" based on the PAST Consultants, LLC historical survey. In addition, they found the exception "provides the same overall practical effect as these standards towards providing defensible space, and consideration towards life, safety and public welfare. Monetary hardship alone shall not be considered as a basis for an exception." Since the majority of traffic to the site would mainly come from eastbound traffic, the westbound turning radius reduction would still "provide the same overall practical effect" with the addition of directional signs for larger vehicles indicating the reduced turning radius for westbound traffic.

Consistency with Standards:

Zoning: The project is consistent with AW (Agricultural Watershed) zoning district and Section 18.104.235 regulations that apply to pre-Prohibition Ghost Wineries.

Fire Department Requirements: The Fire Department recommends approval. See their March 9, 2011 memo.

Environmental Management Department Requirements: The Environmental Management Department recommends approval with conditions. See their July 25, 2011 memo.

Public Works Department Requirements: The Public Works Department recommends approval with conditions. See their September 2, 2011 memo.

Sheriff's Department Requirements: The Sheriff's Department has reviewed this application and has no comments.

Neighbor Comments

As stated above, several neighbors have expressed concerns about the project. To date, Staff has received 10 written comments, met with five neighbors and responded to phone calls and e-mails about the winery project.

SUPPORTING DOCUMENTS

- A . Exhibit A - Findings
- B . Exhibit B - Conditions of Approval
- C . Departmental Comments
- D . Initial Study / Negative Declaration
- E . PAST Consultants, LLC Historical Evaluation

- F . Traffic Impact Analysis
- G . Wastewater Feasibility Report
- H . Greenhouse Gas Reduction Measures
- I . Application Materials
- J . Application - Property History I
- K . Application - Property History II
- L . Correspondence
- M . Graphics

Napa County Planning Commission: Approve

Reviewed By: John McDowell