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Agenda Date: 9/5/2018
Agenda Placement: 7A
Continued From: August 1, 2018

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: Jason Hade, Planner III - (707) 259-8757

SUBJECT: Maxville Lake Winery Use Permit Major Modification P17-00225 and Use Permit Exception to Conservation Regulations P18-00189

RECOMMENDATION

KOKO NOR CORPORATION - MAXVILLE LAKE WINERY - USE PERMIT MAJOR MODIFICATION NO. P17-00225 AND USE PERMIT EXCEPTION TO CONSERVATION REGULATIONS P18-00189

CEQA Status: Consideration and possible adoption of a Mitigated Negative Declaration. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, transportation/traffic, and tribal cultural resources. 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 Use Permit Major Modification to an existing 59,000 gallon per year winery to allow the following: (1) Convert approximately 2,069 square feet of the existing wine storage caves from a type I to a type III cave for hospitality use and convert approximately 3,056 square feet of existing winery building floor space to hospitality use; (2) Install a commercial kitchen and convert the existing mezzanine area to employee offices within the existing 23,662 square foot winery building; (3) Increase annual permitted maximum production from 59,000 gallons to ~~240,000~~ 225,000 gallons; (4) Upgrade the existing wastewater system and associated infrastructure consistent with County Code; convert the existing storage ponds to a wastewater treatment pond; and install on-site drainage systems and fire suppression systems; (5) On-premises consumption of wines produced on site in the tasting areas and outdoor patio in accordance with Business and Professions Code Sections 23358, 23390 and 23396.5; (6) Increase employees from 10 full-time employees to 15 full-time employees and nine (9) part-time employees; (7) Increase parking spaces from 30 spaces to 50 spaces; (8) Change the winery's tasting room hours of operation from 10:00 AM to 4:00 PM to 10:00 AM to 6:00 PM (Seven days a week) and non-harvest production hours of operation from 8:00 AM to 5:00 PM to 7:30 AM to 6:00 PM (Seven days a week); and (9) Construct a new access driveway to Chiles Pope Valley Road. An increase in the maximum number of guests for daily tours and tasting and the modification of an existing marketing program is also requested. A Use Permit Exception to the Conservation Regulations (P18-00189) is also requested to allow construction of the proposed

new access driveway to Chiles Pope Valley Road to encroach into the required 55-foot stream setback by approximately 45 feet for Maxwell Creek and associated wetland for approximately 120 lineal feet. The project is located on an approximately 247.5 acre site within the AW (Agricultural Watershed) zoning district at 4105 Chiles Pope Valley Road, St. Helena, CA; APN: 025-020-023.

Staff Recommendation: Adopt the Mitigated Negative Declaration and approve the Use Permit Exception to the Conservation Regulations and Use Permit Major Modification, as conditioned.

Staff Contact: Jason R. Hade, AICP, Planner III, (707) 259-8757 or jason.hade@countyofnapa.org

Applicant Contact: Jeffrey Redding, AICP, Land Use Planning Services, 2423 Renfrew Street, Napa, CA 94558, (707) 255-7375 or jreddingacip@comcast.net

ITEM CONTINUED FROM THE AUGUST 1, 2018 REGULAR MEETING

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on recommended Findings 1-7 in Attachment A;
2. Approve an Exception to the Conservation Regulations in the form of a Use Permit (P18-00189), based on Findings 8-14 of Attachment A and subject to the revised recommended conditions of approval in Attachment B; and
3. Approve Use Permit Major Modification No. P17-00225-MOD based on recommended Findings 15-19 in Attachment A, and subject to the revised recommended conditions of approval in Attachment B.

Discussion:

This proposal was considered by the Planning Commission at its hearing of August 1, 2018 and continued to the September 5, 2018. Several members of the Commission expressed concerns regarding the intensity of the requested marketing program changes and also requested additional grape sourcing details related to the proposed production capacity increase. In response to these concerns, the applicant provided supplemental application materials dated August 9, 2018 and August 17, 2018 and attached to this report as Attachment F. This information provides further grape sourcing details and reduces the number of proposed marketing events from 128 to 68. Annual marketing event visitors would be reduced from 9,150 guests to 3,600 guests. Further, the applicant is proposing to phase the increased production capacity with 155,000 gallons per year authorized through 2024 and 225,000 gallons per year authorized upon demonstration that an additional 49 acres of vineyards have been planted on-site.

Staff has reviewed the proposal, including the supplemental application materials dated August 9, 2018 and August 17, 2018, and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. The requested annual maximum visitation is below the average and the median of similar production capacity by appointment wineries. The requested number of marketing events is above both the average and median for similar production capacity by appointment wineries while requested maximum annual visitors is below the average and median. Sufficient water is available to implement the project and a Transportation Demand Management plan would be implemented as part of the project's mitigation measures (MM TRANS-1 and MM

TRANS-2). A tribal monitoring agreement would also be implemented via a mitigation measure to address potential cultural resources at the project site. Furthermore, the applicant has already implemented the following GHG reduction methods at the existing winery: installation of rooftop solar panels; installation of water efficient fixtures; application of low impact development; installation of water efficient landscape in compliance with the Water Efficient Landscape Ordinance (WELo); installation of energy conserving lighting; the installation of bicycle racks; and the designation of clean air/carpool/electric vehicle parking spaces. As part of this project, the applicant intends to install additional electric vehicle charging stations, implement a lake restoration plan, and explore the installation of water floating solar systems. All potential environmental impacts were found to be less than significant with implementation of mitigation measures in the areas of biological resources, transportation/traffic, and tribal cultural resources.

Staff believes that the necessary findings can be made to approve the requested exception to the Conservation Regulations due to the proposed driveway's limited encroachment into the required stream setback and based upon the agreed upon biological resources mitigation measures. The new driveway would improve an existing gravel driveway with a previously permitted culvert to County standards. Biological resources mitigation measure would require that all road paving within 50 feet of the intermittent stream and seasonal wetlands be conducted during the dry season of May 1 to October 15 to minimize water quality impacts and that if any placement of fill within the seasonal wetlands or intermittent stream identified in the *Biological Resources Assessment Maxville Lake Winery and Vineyard Permit Modification Project Napa County, California*, is proposed, consultation and permitting must be obtained from the U.S Army Corps of Engineers, Regional Water Quality Control Board, and California Department of Fish and Wildlife prior to and during the construction.

Based on the reasons stated above, staff continues to recommend approval of the project subject to the revised recommended conditions of approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Mitigated Negative Declaration and MMRP. According to the proposed Mitigated Negative Declaration, the proposed project would not have any potentially significant environmental impacts after implementation of mitigation measures. Mitigation measures are proposed for the areas of biological resources, transportation/traffic and tribal cultural resources. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

Discussion Points:

This project was continued from the meeting of August 1, 2018 to the meeting of September 5, 2018 to address the following issues: visitation and marketing program reduction; and additional grape sourcing information. Both topics are discussed below.

Visitation/Marketing Program - As shown in Attachment H, the proposed annual maximum visitation is below the

average and the median of similar production capacity by appointment wineries. The requested number of marketing events has been reduced from the previously requested 128 events to 68 events but remains above both the average and median for similar production capacity by appointment wineries while requested maximum annual visitors is at the average and median. The proposed visitation increase could result in a maximum of 16,900 tastings per year, but it is very unlikely that the winery would host 25 visitors (Monday through Thursday) or 75 visitors (Friday through Sunday) for 365 days per year. Based on a current permitted maximum of 30 visitors per day and 210 visitors per week, the winery may host 10,920 tastings per year. Marketing events with 30 guests are planned for weekdays and weekends between the hours of 12:00 PM to 3:30 PM while 95 person events would be held on weekdays and weekend days between the hours of 2:00 PM to 4:00 PM. The tasting room would be closed during marketing events of 75 or 95 persons. Shuttle service is proposed for marketing events of 75 guests or larger. The applicant's proposed project revisions (Attachment F) include Exhibit C, Traffic Management Plan, which has been incorporated into the revised recommended conditions of approval.

Grape Sourcing - Additional grape sourcing information was provided (Attachment F) which indicates that grapes from Maxwell Lake Winery together with other Napa County sources can supply approximately 883 tons of fruit or approximately 81 percent of the requested capacity increase to 225,000 gallons per year. The revised recommended conditions of approval include a requirement for compliance with the 75 percent grape sourcing rule (COA 4.6 – Attachment B).

Phasing - As shown in Attachment F, the applicant is requesting authorization of an increase to 155,000 gallons per year through the year 2024 at which time replanted blocks and additional planting on-site is to be completed. Production would be permitted to increase to a maximum capacity of 225,000 gallons per year upon proof submitted to the Zoning Administrator that planting of the additional 49 acres of vineyards on-site has occurred. The recommended conditions of approval have been modified to reflect this phased production increase approach.

Public Comments - One additional public comment email (Attachment I) was received after the August 1 Planning Commission hearing expressing concerns regarding the requested increase in daily visitation and marketing events. However, the comments appear to be based upon the initial request, not the revised request.

Decision Making Options:

As noted in the Executive Summary Section above, staff is recommending approval of the project with revised conditions of approval as described in Option 1 below. Decision making options also include a no project alternative and a redesign alternative.

Option 1 - Applicant's Proposal

Disposition - This option would result in approval of the proposed modifications to the 59,000 gallon per year winery. Staff continues to recommend this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. Potential environmental impacts were found to be less significant. Adequate water is available to implement the project and a TDM plan would be implemented. The applicant also proposes to incorporate additional GHG reduction methods beyond those reduction measures which have already been adopted at the site.

Action Required - Follow the proposed action listed in Executive Summary. If conditions of approval are to be amended, specify conditions to be amended at time motion is made. This option has been analyzed for its environmental impacts, which were found to be less than significant with the implementation of the mitigation measures for biological resources, transportation/traffic, and tribal cultural resources.

Option 2 - Redesign Alternative

Disposition - This option would require that the applicant attempt to relocate the proposed new driveway location to completely avoid the stream setback or further minimize the proposed driveway's encroachment into this setback. However, this would be challenging as Maxwell Creek traverses the entire parcel requiring any new driveway to the north of the winery area to cross the creek. Relocating the driveway outside the stream setback would potentially require additional oak tree removal and grading. A new alignment would also fail to take advantage of utilizing the existing gravel roadway with a previously approved culvert. Because of the location of Maxwell Creek within the site, a redesigned alternative is likely to still require a Conservation Regulations exception.

Staff does not support this option because it appears that an alternate driveway location would not have significantly fewer environmental impacts than the proposed project. Although outside the stream setback, such an alternative location may require additional vegetation removal and disturbance, potentially leading to greater environmental impact.

Action Required – Follow proposed actions listed in the Executive Summary and amend scope and project specific conditions of approval to revise the location of the driveway and required conditions of approval. The item will need to be continued to a future date to complete CEQA review on the new driveway and any associated required improvements.

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 a Use Permit modification and Conservation Regulations Exception, 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 and Conservation Regulations Exception 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 denial of the project.

Action Required - Commission would take 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 Conditions
- D . Initial Study/Mitigated Negative Declaration
- E . Planning Commission Staff Report - August 1, 2018
- F . Applicant's Proposed Project Revisions
- G . Graphics

H . Winery Comparison Analysis

I . Public Comments

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith