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Categorical Exemption (Cat
Ex) CEQA Memo

P21-00281



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David Morrison
Director

MEMORANDUM

To: Planning Commission	From: Dana Morrison, Planner III
Date: July 7, 2022	Re: #P21-00281-MOD / Use Permit Major Modification CEQA Exemption Determination 5398 Carneros/Sonoma Highway (Highway 12/121) APN: 047-070-023-000

Background

Pursuant to Section 303 of Napa County's Local Procedures for Implementing the California Environmental Quality Act (CEQA), the Planning Division has prepared this environmental evaluation for the proposed Hudson Winery Major Modification Application (File No. P21-00281).

The Napa County Planning Division has received a request for a Major Modification #P21-00281 to modify the existing Use Permit (#P16-00068 and subsequent modifications) for Hudson Winery to allow the following changes to visitation (tours and tastings and marketing events) – see Project Description, under Application Materials, to view a tabulated version of the proposed changes:

A. EXISTING ENTITLEMENTS:

- 1) Visitors: 120 by-appointment visitors per day (480 per week)
 - i. [24,960 tour and tastings visitors annually];
- 2) Marketing Events:
 - i. Six (6) events per month with 24 guests (1,728 small event guests annually),
 - ii. Seven (7) events per year with 50 guests (230 medium event guests annually),
 - iii. Three (3) events per year with 150 guests (450 large event guest annually)
 - iv. 2,528 event guests annually;
- 3) Overall visitors annually [Tours and Tastings + Event visitors] = 27,488 overall visitors

B. PROJECT REQUEST:

- 1) Visitors: No change to daily and weekly visitor allowance, except that applicant proposes to reduce Tour and Tasting visitor numbers on days which have events scheduled, as follows:
 - i. 108 tour and tastings visitors on days with small events
 - ii. 84 tour and tastings visitors on days with medium events
 - iii. Zero (0) tour and tastings visitors on days with large events
 - iv. Total reduction of 3,120 tours and tastings visitors annually;

1. [21,840 tours and tastings visitors annually]
- 2) Marketing Events:
 - i. Six (6) events per month with 36 guests (2,592 small event guests annually),
 - ii. 30 events per year with 60 guests (1,800 medium event guests annually),
 - iii. Two (2) events per year with 250 guests and five (5) events per year with a maximum of 150 guests (1,250 large event guests annually)
 - iv. 5,642 event guests annually;
- 3) Project will result in a total increase of 3,114 event guests annually and a reduction of 3,120 tour and tastings guests, resulting in an overall decrease of six (6) visitors to the winery per year.
- 4) Overall visitors annually [Tour and Tastings + Event visitors] = 27,482 overall visitors

No changes are proposed to wine production, employees, hours of operation, or existing infrastructure.

Existing Setting

The project is located on a 166.8-acre parcel on the north side of Carneros/Sonoma Highway (HWY 12/121) approximately 0.8 miles from the intersection of Duhig Road and Carneros/Sonoma Highway (HWY 12/121) within the AP (Agricultural Preserve) Zoning District; APN: 047-070-016. The General Plan land use designations for the property are Agriculture Watershed and Open Space (AWOS) and Agricultural Reserve (AR).

The property has a steep northern slope with slopes ranging from zero (0) to 30%. The parcel contains with a residence, 100 acres of vineyard, farm operations center, irrigation reservoir, two wells, greenhouse, and several agricultural workshops, storage, and maintenance buildings. The property also currently includes livestock and orchard operations. The property produces both olive oil and products prepared from fruit trees on site. The winery includes olive oil tastings and sales. The surrounding land uses include vineyards, wineries (Artesa Winery, Domaine Carneros, Cuvaision Carneros, Michael Mondavi Family Winery), and residential development on large parcels, the nearest of which is approximately 2,700 feet southwest of the proposed winery. An unnamed blue line stream which flows into Huichica Creek runs along the western property line. No construction or winery activities are proposed near the creek.

The winery is being developed in two phases; to date only Phase I of the winery development has been completed consisting of the following; 5,050 sf hospitality/administration building; 7,064 sf fermentation and crush pad area; 10,130 sf cave (Type III); 480 sf of mechanical sheds; all paths and covered porches; and, wastewater and driveway improvements. Phase II (not yet implemented) would finalize the full build out of the originally approved 10,124 sf hospitality/administration building, 20,434 sf fermentation and crush pad area, 38,240 sf cave, and 4,733 sf mechanical sheds.

Past Approvals

On October 7, 2015, the Planning Commission adopted a Mitigated Negative Declaration (MND) and approved a use permit request (Use Permit P14-00202 – UP) for Hudson Vineyards Winery to operate a wine production facility with visitation, marketing events, and Type III cave on a 166.8-acre property located at 5398 State Highway 12. That approval allowed construction of a new winery hospitality building totaling 6,913 sf, with a

commercial kitchen, 3,215 sf winery office building with storage and laboratory space, 20,545 sf of fermentation space in two (2) structures, and 4,550 sf of covered crush pad, 32,240 of caves (Type III). Winery operations were limited to production of up to 80,000 gallons of wine per year, 16 employees, up to 120 tours and tastings visitors per day by appointment (weekly maximum of 480), and a wine marketing program consisting of up to 16 events per year with a range of 24-150 guests.

A very minor modification (Permit Number P16-00068 - approved March 24, 2016) permitted the winery to be constructed in a two phase development. Where Phase I consisted of development the 5,050 sf of hospitality/administration building, 7,064 sf fermentation and crush pad area, 10,130 sf cave, 480 sf of mechanical sheds, all paths and covered porches, wastewater and driveway improvements. While Phase II, not yet implemented, will consist of a full build out of the originally approved 10,125 sf hospitality/administration building, 20,545 sf fermentation and crush pad area, 38,240 sf cave, and 4,733 sf of mechanical sheds. The very minor modification did not result in changes to the production, hospitality, marketing, or number of employees.

Zoning and General Plan Consistency:

Roads and Traffic:

The site is located on the north side of Carneros/Sonoma Highway (Highway 12/121), approximately 0.8 miles west of the intersection of Carneros Highway and Duhig Road Lane at 5398 Sonoma Highway. Access to the winery is from an existing driveway which is accessed off Carneros Highway. The applicant has submitted a Winery Trip Generation Worksheet for the project, which was reviewed by the Public Works Department. According to the trip generation worksheet the project is expected to generate twenty-eight (28) new daily trips during weekdays, and twenty-five (25) new trips during weekends as a result of the increased marketing visitation; however, with the reduction in tours and tasting visitors the overall number of annual visitors to the site is decreasing by six (6). The trip generation worksheet analyzed the proposed changes between previous entitlements and the current request.

Napa County is currently in the process of establishing a threshold for minimum vehicle miles traveled (VMT) for various land uses. The "winery" project category does not fall neatly into traditional land use categories and is a hybrid land use combining VMT characteristics of agriculture and office uses. Until minimum VMT thresholds are established by the County for winery projects, guidance may be taken from the California Governor's Office of Planning and Research, Technical Advisory on Evaluating Transportation Impacts in CEQA, December 2018. The Advisory indicates that the VMT metric supports three statutory goals: "the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and diversity of land uses." The Advisory goes on to state that "achieving 15 percent lower per employee (office) VMT than existing development is both generally achievable and is supported by evidence that connects this level of reduction to the State's emissions goals." With regard to the proposed project, the Technical Advisory provides "screening thresholds" for small projects as follows:

"Many local agencies have developed screening thresholds to indicate when detailed analysis is needed. Absent substantial evidence indicating that a project would generate a potentially 4 significant level of VMT, or inconsistency with a Sustainable Communities Strategy (SCS) or general plan, projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant transportation impact."

As noted above, a Trip Generation Form was completed and reviewed by Napa County Public Works Division Staff; it was determined that no Traffic Impact Study was required. In addition, there is no increase in wine production proposed, therefore, there will be no increased truck traffic beyond current levels. Installation of a left-turn lane was required as part of the original winery use permit approval, and this was implemented. The project is below the 110 trip per day threshold limit and as such results in a less than significant impact.

Greenhouse Gas Emissions:

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 existing winery already incorporates the following GHG reductions methods: generation of on-site renewable energy, habitat restoration or new vegetation, local food production, AND use of 70-80% cover crop. In addition the following GHG reduction methods are already being done and plan to be continued: solar hot water heating, energy conserving lighting, energy star roof/cool roof, water efficient fixtures, water efficient landscape, recycle 75% of all waste, connection to recycled water, compost 75% of food and garden material, planting of shade trees, local food production, and implement site design to optimize natural heating/cooling. Furthermore, in relation to GHG emissions in resulting from transportation, projects resulting in less than 110 trips per day are considered to be below the threshold for a significant impact. Given that the project results in an additional 28 daily trips on weekdays (25 on weekends), it is below this threshold and considered to have a less than significant impact on transportation GHG emissions.

Groundwater:

On April 21, 2021, Governor Gavin Newsom declared a drought emergency in the state of California and as of July 8, 2021, 50 counties are under the drought state of emergency, including Napa County. The Governor directed the Department of Water Resources to increase resilience of water supplies during drought conditions. On June 8, 2021, the Napa County Board of Supervisors adopted a resolution declaring a Proclamation of Local Emergency due to drought conditions which are occurring in Napa County. On October 19, 2021, the Governor issued a proclamation extending the drought emergency statewide. The County of Napa has not adopted or implemented any mandatory water use restrictions. The County requires all discretionary permit applications (such as use permits and erosion control plan approvals) to complete necessary water analyses in order to document that sufficient water supplies are available for the proposed project and to implement water saving measures to prepare for periods of limited water supply and to conserve limited groundwater resources.

In March 2022, Governor Newsom enacted Executive Order N-7-22, which requires prior to approval of a new groundwater well in a basin subject to the Sustainable Groundwater Management Act and that is classified as medium- or high-priority, obtaining written verification from the GSA (Groundwater Sustainability Agency) managing the basin that groundwater extraction would not be inconsistent with any sustainable groundwater management program established in any applicable GSP (Groundwater Sustainability Plan) and would not decrease the likelihood of achieving sustainability goals for the basin covered by a GSP, or that the it is determined first that extraction of groundwater from the new/proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure. On June 7, 2022, the Napa County Board of Supervisors

provided direction regarding interim procedures to implement Executive Order N-7-22 for issuance of new well permits during the declared drought emergency. Because the Board's interim procedures and the Executive Order N-7-22 apply to issuance of new well permits or alterations to existing wells only, and the project relies on an existing well permit, the project is not subject to the EO or the Board's interim procedures implementing the EO.

Due to the project's location on a hillside, a Tier 1 and Tier 2 Water Analysis Study was prepared by Ludhorff & Scalmanini Consulting Engineers as part of the original winery approval dated March 19, 2015. The applicant has also provided Water Use Estimate Calculations for existing and proposed permit conditions. The project is not expected to violate any water quality standards or waste discharge requirements nor substantially deplete local groundwater supplies. The project site contains a Transient Non-Community Water System (a water system to serve the winery, visitors, and employees). There are two existing well onsite, which will continue to serve the existing winery, vineyard and on-site residence. The wells are 117 feet and 170 feet deep, and produce at 25 and 60 gpm. The projected water use for the project is 11.09 AF/YR, which is a very minor increase as compared to existing conditions as there is no increase in employees, production and the proposed changes to the tours and tastings and the marketing plan result in an overall decrease of six (6) visitors to the site per year. The slight increase is a result of additional water use anticipated for guest attending medium and large events. The existing vineyards are currently watered from the existing freshwater pond on site (State of California Water Resources Board Permit # 18829) and will continue to be watered from that source.

The 2015 WAA concluded that based on an average rainfall on the parcel was 29.54 inches or 410.5 AF/YR. This average rainfall was measured using precipitation data from 1998-2011, encompassing dry, normal, and wet years. Based on the soils on site the groundwater recharge was estimated to be 39.6 AF/YR during normal rainfall years and 27.72 AF/YR during drought years. The proposed water use of 11.09 AF/YR is a very minor increase from 11.00 AF/YR; the proposed water use is well below the available groundwater of 39.6 AF/YR (and 27.72 AF/YR in dry years) available to the site. Additionally, there are no non-project wells within 500 feet. Based on these calculations, the project would remain below the established availability of groundwater use on the parcel, and the water system engineer's report indicated there is adequate water available to serve the project. Furthermore, 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. The project is proposing a very minor increase in water use on the site which is well below the 27.72 dry year water recharge and, as such, no further review in regards to water is required.

Wastewater:

The proposed project was reviewed by the Environmental Health Division, who did not raise concerns regarding the projects ability to accommodate wastewater, provided the project continues to implement the existing Conditions of Approval. According to the Wastewater Feasibility Study prepared by Applied Civil Engineering, Inc., dated May 30, 2014, the winery facility is serviced by one combined domestic and process waste septic system. The existing mound system is anticipated to have adequate capacity for disposal of the domestic wastewater, with an existing capacity of 1,425 gallons per day (gpd).

Transient Non-Community Water System:

A Transient Non-Community Water System was required to be installed as part of the original use permit approval and as such already exists. The public water system well will continue supply the residence, the

winery facility and the associated landscaping. Vineyard irrigation will continue to be supplied by the on-site pond. The total proposed water use for the public water system well is estimated at 11.00 AF/YR. This results in an average daily demand of approximately 2,892 gallons and a maximum daily demand (MDD) of approximately 6,507 gallons (calculated using a peaking factor of 2.25 per California Waterworks Standards Section 64554b.3.(C)). As noted by Environmental Health, there are no concerns about the existing system handling the slight change in visitors to the site per year as the annual number of overall visitors to the site is being reduced by six (6).

Noise:

The subject property is located along the Carneros Highway. The nearest off-site residence is located more than 2,700 feet from the subject parcel. As such, a Noise Study was not submitted as part of this Major Modification. Hours and operations of marketing events and tastings will continue to adhere to the original Use Permit Conditions of Approval. Hudson has not had a history of complaints from neighboring residences regarding noise from winery activities and no concerns were raised during the initial courtesy noticing period for the project. The project, as conditioned, will not create a noise nuisance for surrounding residences.

CEQA Exemption Criteria and Analysis:

Article 19 of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines) establishes a list of classes of projects that are categorically exempt from the provisions of CEQA. The minor operational changes to the winery's visitation/marketing plan qualify under Article 19: CCR Section 15301 (Class 1, Existing Facilities), which permits operational changes to existing facilities involving negligible or no expansion of existing use. The project site is not located on any of the lists of hazardous material sites compiled pursuant to Government Code Section 65962.

Under CEQA Guidelines Section 15300.2, a Class 1 Categorical Exemption cannot be used if the project substantially affects mapped or designated environmentally sensitive areas or resources. There are no environmentally sensitive resources (source: Napa County Geographic Information System including California Natural Diversity Database layer) on the subject property. According to the County's resource maps, there are no scenic resources, hazardous waste sites, nor historic resources identified on the site. The project does not result in substantial effects to mapped or designated environmentally sensitive areas or resources. No native trees or native vegetation will be removed as part of the project.

The only change in the winery's operation would be the decrease in the number of daily (and weekly) tours and tastings visitors, and an increase in the maximum number of visitors permitted at approved marketing events; resulting in an overall decrease of six (6) visitors to the site per year. This minor decrease will not trigger the need for physical changes to the site itself or to operations; therefore no additional analysis of the winery's operational components are required.

Based upon the above analysis there is no reasonable possibility that the project would have a significant effect on the environment or damage scenic resources because there will be no physical changes to the existing development on the project site. CEQA Guidelines Section 15301 exempts projects involving the minor alteration of existing facilities involving negligible or no expansion of existing or former use. Hudson Winery is proposing to make no changes to the existing winery production or marketing facilities but will decrease the number of annual tours and tastings visitors and increase the number of marketing visitors per year, resulting

in an overall decrease of six (6) visitors to the site per year. No additional floor area or site alterations are needed to allow this change to the existing marketing plan. The project was assessed by County Division Staff and the proposed project can be accommodated with the existing circulation infrastructure circulation and would result in a minor increase in trips; below a level of significance. The proposed changes, while increasing the number of events and event visitors, overall, results in a decrease in the number of overall visitors to the site annually. The proposed change to the marketing plan is considered to be minor in nature and would not have a negative impact on the environment. Based on the proposed project as described above, the Hudson Winery Use Permit Major Modification application request meets the criteria for eligibility as a Class 1 Categorical Exemption from CEQA.