



Napa County

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Legislation Text

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TO: Board of Supervisors
FROM: David Morrison, Director of Planning, Building, and Environmental Services
REPORT BY: David Morrison, Director of Planning, Building, and Environmental Services
SUBJECT: Direction on Draft Micro-Winery Ordinance

RECOMMENDATION

Director of Planning, Building and Environmental Services (PBES) requests direction on the attached draft ordinance amending Section 18.10.020 of Chapter 18.10 (Zoning Administrator), Section 18.124.130 of Chapter 18.124 (Use Permits), and adding a new Section 18.08.377 to chapter 18.08 (Definitions) of Title 18 (Zoning) of the Napa County Code regarding issuance of Micro-Winery Use Permits and modifications to Use Permits.

EXECUTIVE SUMMARY

The Board of Supervisors has regularly expressed their concern for family-owned wineries and the need to take pro-active steps to ensure their continued survival. This concern has been reflected in the County Strategic Plan, the General Plan, the Agricultural Protection Advisory Committee, the Local Guidelines for Implementing the California Environmental Quality Act (CEQA), and the Process Improvement Study.

Families who own vineyards would like to create small amounts of wine to add value to their agricultural product, as well as provide on-site tastings so they may sell that wine directly to consumers. However, the impact of complying with complex Federal, State, and County regulations falls disproportionately on these family-owned businesses, who are less able to absorb the additional costs necessary to meet increasingly stricter standards.

In October 0f 2019, and again in September and December of 2020, the Board of Supervisors indicated their interest in a micro-winery ordinance, but indicated that disasters and other issues at that time took precedence. On March 2, 2021, the Board of Supervisors directed staff to prepare a draft micro-winery ordinance and return to the Board for further direction.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and direction to staff.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Vibrant and Sustainable Environment

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa cannot compete globally on a volume discount basis. We produce 4% of wine grapes in the state and less than 0.5% of world-wide wine grape production. Other regions in California and the U.S. produce wine on cheaper land, with less regulation, and lower costs for energy, water, and labor. To maintain its competitive advantage, Napa must produce high-quality and unique wines that cannot be replicated anywhere else. Those wines will likely come from small, independent winemakers.

The Board of Supervisors has regularly expressed their concern for family-owned wineries and the need to take action to allow them to succeed, summarized as follows:

Napa County Strategic Plan (2019-2022):

- Action 9.G: Provide a healthy and welcoming business environment by implementing the Process Improvement Plan for the Planning, Building, and Environmental Services (PBES) Department and expanding the process to other permitting functions.
- Action 9.H: Protect family-owned businesses, local wineries, and small farmers as a vital part of the economy, including preservation of the small vineyard exemption.

Napa County General Plan:

- Policy AG/LU-16: In recognition of their limited impacts, the County will consider affording small wineries a streamlined permitting process. For purposes of this policy, small wineries are those that produce a small quantity of wine using grapes mostly grown on site and host a limited number of small marketing events each year.

- Action Item AG/LU-16.1: Consider amendments to the Zoning Ordinance defining “small wineries,” a “small quantity of wine,” “small marketing events,” and “mostly grown on site,” and establishing a streamlined permitting process for small wineries which retains the requirement for a use permit when the winery is in proximity to urban areas.

Agricultural Protection Advisory Committee (APAC):

Prepare an ordinance to establish a process to streamline the consideration of use permits for those small wineries that meet all of the following criteria:

1. Have structures that total less than 5,000 square feet in size, excluding caves
2. Involve either no cave excavation, or excavation sufficient to create no more than 5,000 additional square feet, with all of the excavated cave spoils to be used on site;
3. Produce 30,000 gallons of wine or less per year;
4. Generate less than 40 vehicle trips per day and 5 peak hour trips, except on those days when marketing events are taking place;
5. Hold no more than 10 marketing events per year, each with no more than 30 attendees, with one additional wine auction event of up to 100 attendees; and
6. Hold no temporary events.

Napa County's Local Procedures for Implementing the California Environmental Quality Act (CEQA), Appendix B:

In addition to the exemptions contained in the State CEQA Guidelines, pursuant to Sections 15022(a)(1)(C) and 15300.4 of the State CEQA Guidelines, the Board has found that the following types of projects typically do not have a significant effect on the environment and therefore qualify for a categorical exemption under the class of categorical exemptions listed below:

Class 3: New Construction or Conversion of Small Structures [State CEQA Guidelines §15303] 10. Construction and operation of small wineries, other agricultural processing facilities, and farm management uses that: (a) are less than 5,000 square feet in size excluding caves; (b) will involve either no cave excavation, or excavation sufficient to create no more than 5,000 additional square feet with all of the excavated cave spoils to be used on site; (c) will produce 30,000 gallons or less per year; (d) will generate less than 40 vehicle trips per day and 5 peak hour trips except on those days when marketing events are taking place; (e) will hold no more than 10 marketing events per year, each with no more than 30 attendees, except for one wine auction event with up to 100 persons in attendance; AND (f) will hold no temporary events.

ANALYSIS OF THE PLANNING REVIEW PROCESS

As mentioned previously, the Board of Supervisors has expressed interest in 2019 and 2020 regarding the concept of creating a new definition of micro-wineries and a streamlined permit process. Over the past three years, staff has worked with Save the Family Farms group to develop the following framework, as reflected in the attached draft ordinance:

1. Micro-wineries would be defined as meeting the following criteria:

- a. Annual production not to exceed 5,000 gallons;
 - b. Wine must include 75% estate grown fruit, grown on the same property as the micro-winery or on contiguous parcels under the same ownership;
 - c. Maximum enclosed winery space of 5,000 square feet, including storage, processing, tasting, and caves;
 - d. No more than 20 average daily trips (ADT), equivalent to 10 daily round trips, including visitors, employees, and deliveries;
 - e. No marketing events;
 - f. Tours and tastings, and retail sales would be limited to between the hours of 9:00 AM and 6:00 PM; and
 - g. No subsequent modification or amendment would be considered for 2 years after approval of the micro-winery use permit.
2. New micro-winery use permits would be considered by the Zoning Administrator, instead of the Planning Commission.
 3. New micro-winery use permit applications would be accepted for 3 years following adoption of the proposed ordinance. No additional applications would be accepted unless the proposed ordinance is amended, extended, or re-adopted.
 4. Future modifications of a micro-winery use permit would be considered by the Zoning Administrator, so long as they meet the following criteria:
 - a. Any increase in the number of full-time equivalent existing permitted employees so long as the total number of such employees does not exceed five;
 - b. Any increase in (1) the number of full-time equivalent existing permitted employees, including seasonal employees, (2) tours and tastings, or (3) deliveries, so long as the total number of vehicle trips for all such uses on the property does not exceed 40 ADT or 20 round trips;
 - c. An increase in wine production so long as the total annual production does not exceed 5,000 gallons annually; and
 - d. Any change in days of operation provided there is no increase in visitation, except pursuant to this section.
 5. Any increase in aggregate building footprint (including caves) so long as the total does not exceed 5,000 square feet.

PUBLIC COMMENTS

Staff has received written comments from the Napa Valley Vintners, Winegrowers of Napa Valley, Napa County Farm Bureau, and Napa Valley Grape Growers. Copies of all public comments received may be found in Attachment B.

NEXT STEPS

Following this meeting, staff will work with County Counsel to make any revisions to the draft ordinance and codify any Board direction. The draft ordinance will be circulated for public review, evaluated under the California Environmental Quality Act (CEQA), and will be forwarded to a public hearing before the Planning Commission for their recommendation. The Commission's recommendation will then be sent to a public hearing before the Board of Supervisors for final consideration. Staff anticipates that the Board hearing will occur in January, 2022.