



Legislation Details (With Text)

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Title: DUCKHORN WINE COMPANY / DUCKHORN VINEYARDS WINERY / USE PERMIT MAJOR MODIFICATION (P19-00097-MOD)

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 following areas: Biological Resources and 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 160,000 gallon per year winery to allow the following: 1) construction of a 58,042 sq. ft. facility ('West Winery') on the West Property (APN 022-100-033) containing 54,722 sq. ft. of production space and 3,320 sq. ft. of office and accessory uses, a 90,000 gallon fire protection water tank, two 158,000 gallon irrigation storage water tanks, a 24,000 gallon domestic water tank, landscaping, driveways, and other winery improvements; 2) construction of a 8,839 sq. ft. expansion to the existing Estate House on the East Property (APN 022-130-010) for a total floor space of 18,162 sq. ft.. At build out the Estate House will consist of 17,810 sq. ft. of accessory space and 352 sq. ft. of production space; 3) removal of the existing combined process and sanitary wastewater system on the East Property and the development of separate process and sanitary wastewater systems on both the East and West Properties connected through Directional Boring under the Napa River; 4) increase onsite parking spaces from 68 to 96; 5) demolition of the existing Tank Shed, Chais 1, 2, 3 & 4 on the East Property; 6) demolition of a single family residence (Red House), portions of the existing gravel driveway and other agricultural and single-family dwelling improvements on the West Property and APN 022-100-034; 7) conversion and expansion of a 16,900 sq. ft. agricultural pond on the West Property to a 20,300 sq. ft. bio-retention pond; 8) removal of approximately 3.55 acres of vineyard on the West Property; 9) removal of approximately 49 trees; 10) increase in maximum annual permitted wine production from 160,000 gallons to 300,000 gallons; 11) increase the existing daily "By Appointment" Tours and Tastings of 82 visitors and voluntarily abandon the winery's existing pre-Winery Definition Ordinance (WDO) entitlement of 50 visitors per week (no more than 30 on the busiest day) for "Public Tours and Tastings" for a total of 219 daily visitors for By Appointment Tours and Tastings (110 visitors per day for Tours and Tastings without food, 109 per day for Tours and Tastings with food); 12) modification of the existing Marketing Plan allowing Private Tours and Tastings events for up to 20 guests 120 times annually, Wine with Food Pairings events for up to 25 guests 36 times annually, Large events for up to 600 guests twice annually, and Auction-related events for up to 250 guests twice annually as follows: 200 Private Tours and Tastings annually for up to 20 guests, 40 Wine with Food Pairings annually for up to 25 guests, 40 Medium Events annually for up to 60 guests, three (3) Large Events annually for up to 400 guests and one (1) Auction-related event for up to 250 guests; 13) addition of activities in conformity with AB 2004 (on-premise consumption)) on the Estate House porch and landscaped gardens west of the Estate House; and 14) Temporary relocation of approved hospitality activities (Tours and Tastings, Marketing Events, on-premise consumption) in and around the Estate House to the 2,067 sq. ft. of ground floor accessory space and adjacent outdoor areas of the proposed West Winery during the expansion of the Estate House. Hospitality activities to return to the Estate House and East Property upon approval of final occupancy of the Estate House. An Exception to the Napa County Road and Street Standards is also requested from a Left Turn Lane Warrant for east bound traffic on Lodi Lane entering the East Property driveway to avoid significant environmental impacts by preserving unique features of the natural environment. Staff has found the project to comply with

N.C.C. § 18.104.230.A.1 (Wineries located in open space areas - setbacks) as the expansion of the existing Estate House, which received prior approval of its location within the 600-foot setback from Silverado Trail through Variance application #98123-VAR, expands no closer to the centerline of Silverado Trail than the nearest point of the existing structure. The project is located on four (4) parcels approximately 32.35 acres in size within the AP (Agricultural Preserve) zoning district at 1000 Lodi Lane, St. Helena, CA 94574. APN's 022-130-010, 022-100-033, 022-100-034 and 022-100-035.

Staff Recommendation: Adopt the Mitigated Negative Declaration and the Exception to the Napa County Roads & Street Standards and Use Permit Major Modification, as conditioned.

Staff Contact: Trevor Hawkes, Supervising Planner; phone number (707) 253-4388; email address: trevor.hawkes@countyofnapa.org

Applicant: Alex Ryan, 1000 Lodi Lane, St. Helena, CA 94574, email address: alex@duckhorn.com

Representative: George H Monteverdi, Monteverdi Consulting LLC, PO Box 6079, Napa, CA 94581; phone number (707) 761-2516, email address: george@monteverdiconsulting.com

Sponsors: Board of Supervisors

Indexes:

Code sections:

Attachments: 1. Attachment A - Recommended Findings, 2. Attachment B - Recommended Conditions of Approval and Final Agency Approval Memos, 3. Attachment C - Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program, 4. Attachment D - Use Permit Major Modification Application, 5. Attachment E - Road and Streets Standards Exception Request Letter, Left-Turn Lane Analysis & Lodi Lane Improvements Agreement, 6. Attachment F - Traffic Impact Study, 7. Attachment G - Traffic Demand Management Plan, 8. Attachment H - Water Availability Analysis, 9. Attachment I - Onsite Wastewater Dispersal Feasibility Study, 10. Attachment J - Floodplain Impact Analysis, 11. Attachment K - Horizontal Directional Drilling Exhibit, 12. Attachment L - Winery Comparison Analysis and Project Summary, 13. Attachment M - Graphics.pdf, 14. Attachment N - Public Comments, 15. Attachment O - Additional Public Comments.pdf, 16. Attachment P - Noise and Vibration Assessment.pdf

Date	Ver.	Action By	Action	Result
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TO: Napa County Planning Commission
FROM: Brian Bordona - Interim Director of Planning, Building and Environmental Services
REPORT BY: Trevor Hawkes - Supervising Planner
SUBJECT: Duckhorn Vineyards Winery Use Permit Major Modification #P19-00097-MOD

RECOMMENDATION

DUCKHORN WINE COMPANY / DUCKHORN VINEYARDS WINERY / USE PERMIT MAJOR MODIFICATION (P19-00097-MOD)

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 following areas: Biological Resources and 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 160,000 gallon per year winery to allow the following: 1) construction of a 58,042 sq. ft. facility ('West Winery') on the West Property (APN 022-100-033) containing 54,722 sq. ft. of production space and 3,320 sq. ft. of office and accessory uses, a 90,000 gallon fire protection water tank, two 158,000 gallon irrigation storage water tanks, a 24,000 gallon domestic water tank, landscaping, driveways, and other winery improvements; 2) construction of a 8,839 sq. ft. expansion to the existing Estate House on the East Property (APN 022-130-010) for a total floor space of 18,162 sq. ft.. At build out the Estate House will consist of 17,810 sq. ft. of accessory space and 352 sq. ft. of production space; 3) removal of the existing combined process and sanitary wastewater system on the East Property and the development of separate process and sanitary wastewater systems on both the East and West Properties connected through Directional Boring under the Napa River; 4) increase onsite parking spaces from 68 to 96; 5) demolition of the existing Tank Shed, Chais 1, 2, 3 & 4 on the East Property; 6) demolition of a single family residence (Red House), portions of the existing gravel driveway and other agricultural and single-family dwelling improvements on the West Property and APN 022-100-034; 7) conversion and expansion of a 16,900 sq. ft. agricultural pond on the West Property to a 20,300 sq. ft. bio-retention pond; 8) removal of approximately 3.55 acres of vineyard on the West Property; 9) removal of approximately 49 trees; 10) increase in maximum annual permitted wine production from 160,000 gallons to 300,000 gallons; 11) increase the existing daily "By Appointment" Tours and Tastings of 82 visitors and voluntarily abandon the winery's existing pre-Winery Definition Ordinance (WDO) entitlement of 50 visitors per week (no more than 30 on the busiest day) for "Public Tours and Tastings" for a total of 219 daily visitors for By Appointment Tours and Tastings (110 visitors per day for Tours and Tastings without food, 109 per day for Tours and Tastings with food); 12) modification of the existing Marketing Plan allowing Private Tours and Tastings events for up to 20 guests 120 times annually, Wine with Food Pairings events for up to 25 guests 36 times annually, Large events for up to 600 guests twice annually, and Auction-related events for up to 250 guests twice annually as follows: 200 Private Tours and Tastings annually for up to 20 guests, 40 Wine with Food Pairings annually for up to 25 guests, 40 Medium Events annually for up to 60 guests, three (3) Large Events annually for up to 400 guests and one (1) Auction-related event for up to 250 guests; 13) addition of activities in conformity with AB 2004 (on-premise consumption) on the Estate House porch and landscaped gardens west of the Estate House; and 14) Temporary relocation of approved hospitality activities (Tours and Tastings, Marketing Events, on-premise consumption) in and around the Estate House to the 2,067 sq. ft. of ground floor accessory space and adjacent outdoor areas of the proposed West Winery during the expansion of the Estate House. Hospitality activities to return to the Estate House and East Property upon approval of final occupancy of the Estate House. An Exception to the Napa County Road and Street Standards is also requested from a Left Turn Lane Warrant for east bound traffic on Lodi Lane entering the East Property driveway to avoid significant environmental impacts by preserving unique features of the natural environment. Staff has found the project to comply with N.C.C. § 18.104.230.A.1 (Wineries located in open space areas - setbacks) as the expansion of the existing Estate House, which received prior approval of its location within the 600-foot setback from Silverado Trail through Variance application #98123-VAR, expands no closer to the centerline of Silverado Trail than the nearest point of the existing structure. The project is located on four (4) parcels approximately 32.35 acres in size within the AP (Agricultural Preserve) zoning district at 1000 Lodi Lane, St. Helena, CA 94574. APN's 022-130-010, 022-100-033, 022-100-034 and 022-100-035.

Staff Recommendation: Adopt the Mitigated Negative Declaration and the Exception to the Napa County Roads & Street Standards and Use Permit Major Modification, as conditioned.

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EXECUTIVE SUMMARY

PROPOSED ACTIONS:

That the Planning Commission:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) based on Findings 1 - 7 of Attachment A;
2. Approve the Exception to the Roads and Streets Standards, based on Findings 8 and 9 in Attachment A and subject to the recommended conditions of approval in Attachment B; and
3. Approve Use Permit Major Modification Application No. P19-00097-MOD, based on Findings 10 - 14 of Attachment A, and subject to the recommended Conditions of Approval in Attachment B.

DISCUSSION:

The applicant requests approval of a Use Permit Major Modification to an existing 160,000 gallon a year pre-WDO winery allowing construction of new production and hospitality facilities on existing and newly acquired parcels and modification to by appointment Tours and Tastings, Marketing Events, and annual wine production levels. There are no changes requested to the number of employees or hours of operation.

Duckhorn Vineyards Winery is an existing pre-WDO winery on a 10.67 acre parcel, referred to as the West Property, at the corner of Lodi Lane and Silverado Trail. The winery recently completed a purchase and lot line

adjustment of a neighboring 19.67 acre parcel, referred to as the West Property for a total winery parcel size of 30.34 acres. With this Use Permit Major Modification request the applicant wishes to establish the majority of wine production activities to the West Property through the construction of a 58,042 sq. ft. facility, referred to as the West Winery, including a 90,000 gallon fire protection water tank, two (2) 158,000 gallon irrigation water storage tanks, a 24,000 gallon domestic water tank, landscaping, driveways and other winery improvements. The existing winery's domestic water system and newly developed and expanded process and sanitary wastewater systems on the East Property would be connected to the new development on the West Property through Directional Boring of utility pipes underneath the Napa River.

At the conclusion of the development on the West Property the applicant would temporarily move existing by-appointment Tours and Tastings visitation and marketing events to 2,067 sq. ft. of ground floor accessory space in the West Winery and adjacent outdoor areas. During this time the applicant would begin construction on a 8,839 sq. ft. expansion of their existing Estate House on the East Property. At the conclusion of development on the East Property requested hospitality activities would resume within the Estate House, Estate House porch and landscape gardens.

Due to increases in hospitality operations the requested Use Permit Major Modification triggers the Napa County Road and Street Standards Left-Turn Lane Warrant. The applicant has included a request for exception to this requirement of the Road and Street Standards due to environmental impediments (fill within the floodplain and tree removal) to widening Lodi Lane at the East Property driveway.

Duckhorn Vineyards Winery currently exists within the County's 600-foot winery setback from Silverado Trail. The existing Estate House was approved by the Zoning Administrator on December 18, 1998, with Use Permit Modification #98122-MOD and Variance #98123-VAR as a detached structure from existing structures and to be constructed 90-feet from the centerline of Silverado Trail. The applicant's request to expand the Estate House by 8,839 sq. ft. does not locate the expansion any closer to the centerline of Silverado Trail than the existing nearest point of the existing structure. This complies with N.C.C. § 18.104.230.A.1, which allows for the expansion of existing winery structures within minimum setbacks if the expansion is no closer to the centerline of the right-of-way than the closest point of the existing structure.

Staff has reviewed the proposal and found it to be consistent with the Zoning Ordinance and applicable General Plan policies. Additionally, Staff believes that the required Findings to issue an exception to the Napa County Road and Streets Standards can be made. Conditions of Approval related to groundwater, traffic, and wastewater will prevent the project from creating any significant environmental impacts. Adoption of the project's Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program will also reduce potential impacts to biological and cultural resources to a less than significant impact. Staff believes that the necessary findings for the project can be made and recommends approval of the Use Permit Major Modification request as proposed and subject to conditions, approval of the Exception to the Napa County Road and Streets Standards, and adoption of the Mitigated Negative Declaration.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: 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 following areas: Biological Resources and 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

Applicant: Alex Ryan, 1000 Lodi Lane, St. Helena, CA 94574, email address: alex@duckhorn.com

Representative: George H Monteverdi, Monteverdi Consulting LLC, PO Box 6079, Napa, CA 94581; phone number (707) 761-2516, email address: george@monteverdiconsulting.com

Parcel Size: 30.34 acres

Zoning: Agricultural Preserve (AP)

General Plan Designation: Agricultural Resource (AR) and Agriculture, Watershed and Open Space (AWOS)

Application Filed: March 26, 2019; Resubmittal (1): August 19, 2020; Resubmittal (2): November 24, 2020; Resubmittal (3): April 5, 2021; Resubmittal (4): July 6, 2021; Resubmittal (5): August 29, 2022

Application Complete: October 11, 2022

Existing Development: The project parcel is developed with winery buildings and associated infrastructure, vineyards, a single-family residential structure and a pond.

Winery Characteristics:

Winery Size (Approved): 42,190 sq. ft.

Winery Size (Proposed): 102,512 sq. ft.

Accessory to Production Ratio (approved): 11,313 sq. ft. (37%)

Accessory to Production Ratio (proposed): 23,120 sq. ft. (29%)

Production Capacity (approved): 160,000 gpy of which 50,000 is a pre-WDO entitlement.

Production Capacity (proposed): 300,000 gpy of which 50,000 will be a pre-WDO entitlement.

Winery Coverage (approved): 146,120 sq. ft. (3.35 acres of a total 10.67 acres) = 11% (Maximum 25% allowed).

Winery Coverage (proposed): 333,705 sq. ft. (7.77 acres of a total 31.34 acres) = 24.8% (Maximum 25% allowed).

Number of winery employees (approved): 45 full-time employees, 5 part-time employees, 6 seasonal employees

Number of winery employees (proposed): No change

Wine Production Day and Hours of Operation (approved, excluding harvest): Daily 6:00 A.M. - 7:00 P.M.
Wine Production Day and Hours of Operation (proposed, excluding harvest): No change, same as approved.

Tours and Tastings Visitors (approved): 82 visitors/day for by-appointment Tours and Tastings. 50 visitors/week with no more than 30 visitors on the busiest day for Public Tours and Tastings (pre-WDO entitlement).

Tour and Tastings Visitors (proposed): 219 visitors/day for by-appointment Tours and Tastings. Applicant voluntarily abandons existing pre-WDO entitlement.

Marketing Program

Event Name	Approved	Proposed
Private Tours and Tastings	120 events per year with a maximum of 20 guests	200 events per year with a maximum of 20 guests
Wine with Food Pairing	36 events per year with a maximum of 25 guests	40 events per year with a maximum of 25 guests
Medium Events		40 events per year with a maximum of 60 guests
Large Events	2 events per year with a maximum of 600 guests	3 events per year with a maximum of 400 guests
Auction-related Events	2 events per year with a maximum of 250 guests	1 event per year with a maximum of 250 guests

Hospitality Days and Hours of Operation (approved): Tours and Tastings: Daily 10:00 A.M. - 4:00 P.M.
 Marketing Events: 10:00 A.M. - 11:00 P.M. with quiet cleanup till 12:00 A.M.

Hospitality Days and Hours of Operation (proposed): Visitation hours remain the same. Existing Marketing Events: 10:00 A.M. - 11:00 P.M. with quiet cleanup till 12:00 A.M. Additional or modified Marketing Events: 10:00 A.M. - 10:00 P.M. with quiet cleanup till 11:00 P.M.

Parking (existing): 68
Parking (proposed): 96

Adjacent General Plan Designations, Zoning Districts and Land Uses: Adjacent properties to the north and south have a General Plan land use designation of Agricultural Resource (AR) while adjacent properties to the east and west have a General Plan land use designation of Agriculture, Watershed and Open Space (AWOS). Adjacent properties to the north and south have zoning district designation of Agricultural Preserve (AP) while adjacent properties to the east and west have a zoning district designation of Agricultural Watershed (AW). Surrounding development includes vineyards, wineries and rural residential development.

Wineries within One Mile of Project Site: For a listing of all wineries located within one mile of the project site, refer to Attachment L (Winery Comparison Analysis and Project Summary).

Property History: On August 4, 1976, the Napa County Planning Commission approved Use Permit #U-827576 to convert a portion of an existing greenhouse to a winery with a maximum production capacity of

36,000 gallons over a seven-year period. The winery was approved to operate from 8:00A.M. to 5:00P.M. Monday through Friday with ten parking spaces, six (6) full time employees and two (2) part-time employees. The permit was limited to a three (3) year period with the possibility of renewal. No public tours and tastings were approved. In the intervening time prior to the permit being considered 'used', the applicant would receive two extensions of the time period to act on the permit as well as a reduction in wine production capacity from 36,000 to 2,500 gallons per year and relocation of the proposed production area from a bay of an existing greenhouse to an adjacent 1,200 sq. ft. building.

Subsequent to the approval of the original Use Permit, the permittee has received approval for the following modifications:

On November 19, 1980, the Planning Commission approved Use Permit Modification #U-28081 to increase the production capacity to 36,000 gallons per year, construct an additional 11,200 sq. ft. of building space, and a minimum of 23 parking spaces. The application included a Variance request #V-18081 to allow a reduced roadway setback along Silverado Trail from the required 600 feet from centerline to allow expansion of winery buildings. The application included a request for public tours and tastings subsequent to the completion of physical improvements, however no hospitality area was identified. A mitigation measure requiring the installation of a northbound left-turn lane on Silverado Trail was included as a prerequisite prior to initiation of public tours and tastings.

On July 2, 1986, the Planning Commission approved U-428586 to increase the production capacity to 50,000 gallons per year and expand the area within the winery building for barrel storage and fermentation tanks by 3,908 sq. ft.

On April 15, 1994, the Zoning Administrator approved Use Permit Modification #93369-MOD to construct a 2,500 sq. ft. barrel building attached to an existing structure and a 544 sq. ft. expansion to enclose the fermentation tanks.

On September 2, 1994, the Zoning Administrator approved Use Permit Modification #94053-MOD to allow relocation of a water storage tank pad and placement of a 31,000 gallon tank.

On December 4, 1995, the Zoning Administrator approved Use Permit Modification #95168-MOD to relocate the winery driveway entrance from Silverado Trail to Lodi Lane and add eight (8) new parking spaces for a total of 40 parking spaces.

On May 7, 1997, the Planning Commission approved Use Permit Modification #96346-MOD to increase production to 110,000 gallons, construct a 7,880 sq. ft. building for office, marketing and public tastings, recognize marketing activities, increase employees to 16, and abandoning the previous condition requiring a left turn lane on Silverado Trail to recognize the relocated winery access off Lodi Lane. Visitors for public tours and tastings were limited to 50 per week and 30 on the busiest day. The public tasting area was limited to a 672 sq. ft. tasting room and a 240 sq. ft. entry area. The 75% rule was applied to the production increase of 60,000 gallons. The modification included a marketing plan allowing five (5) to seven (7) private industry events per year for 25 guests and 10 invitational tastings per month for up to 20 guests (prearranged trade customer tours and tastings).

On June 5, 1998, the Zoning Administrator approved Use Permit Modification #97488-MOD allowing the conversion of a 235 sq. ft. mezzanine to winery office/lab use.

On December 18, 1998, the Zoning Administrator approved Use Permit Modification #98122-MOD and Variance #98123-VAR. The permit revised the office, tasting, and retail sales building design and layout (approved under #96346-MOD), reducing the overall building area to 7,060 sq. ft. and increasing the public

tasting area to 1,000 sq. ft. No public wine tasting was permitted in the entry/reception area or on the terrace/veranda. The Variance allowed the building to be detached from the existing winery and constructed 90 feet from Silverado Trail.

On April 23, 1999, the Zoning Administrator approved Use Permit Modification #98373-MOD to replace an existing 2,760 sq. ft. greenhouse with a new 3,705 sq. ft. winery production building including a 2,730 sq. ft. first floor and 975 sq. ft. of upstairs office space; relocate an existing water tank and install a temporary winery office trailer.

On February 23, 2005, the Director approved Use Permit Modification P05-0040 to convert existing attic storage in Chai #5 to administrative office space; increase the number of full-time employees to 12; and reclassify blending room in Chai #7 from accessory to production.

On October 5, 2005, the Planning Commission approved Use Permit Modification P05-00199-MOD to increase wine production to 160,000 gallons per year, expand wastewater systems, increase employees from 28 to 45 full-time with five (5) part-time and six (6) seasonal; increase operations to seven (7) days per week; expand hours of operation to 6 a.m. to 7 p.m., except during crush; tours and tastings by appointment; and approve a marketing plan. The marketing plan consisted of: 36 events with food for 25 guests (replaced previous seven events for 25 guests); two (2) wine events for 600 guests; two (2) auction events for 250 guests; 10 private tastings per month up to 20 guests. Visitation consisted of: a maximum of 82 visitors per day with an average of 576 persons/week (48 private tours and tastings per week for a maximum of 12 guests at each appointment). Tours and Tastings completed by 4:00 p.m. and retail sales of wine completed by 4:30 p.m. The winery's existing entitlement of 50 public tours and tastings (no more than 30 on the busiest day) remained in effect. The 75% rule was expanded to include the additional wine production for a total of 110,000 gallons per year.

On March 20, 2012, the Director approved Very Minor Modification P11-00426-VMM to recognize new landscape area, and allow tastings and marketing events to occur within the garden area.

On November 12, 2019, the Director approved Very Minor Modification P19-00375-VMM to allow reconfiguration of accessory spaces on the second floor of the existing Estate House.

Existing Characteristics: Prior to the submittal of the Use Permit Major Modification application a Lot Line Adjustment (LLA) was completed merging the East Property (APN 022-130-010, 10.67 acres) and the recently purchased West Property (APN 022-100-033, 19.67 acres) for a total winery parcel size of approximately 30.44 acres. This parcel contains the existing 160,000 gallon per year winery consisting of 27,637 sq. ft. of grape processing, fermentation and storage space distributed across seven production buildings (referred to as "Chai's") and a covered crush pad, a 4,185 sq. ft. tank shed, 1,045 sq. ft. of winery maintenance space in two structures and 9,323 sq. ft. of office and hospitality in the "Estate House", which includes an attached outdoor porch and a garden.

Compliance History: There are no active code violations at this project site.

Discussion Points:

Existing Setting: The project site is located on the Napa Valley Floor, approximately a half mile northwest of the boundaries of the City of St. Helena. The project includes four (4) parcels, encompassing approximately 32.35 acres. APN 022-130-010, referred to as the East Property, is approximately 10.67 acres in size and includes an existing winery, driveway, vineyards, and other improvements typical to production and hospitality facilities of wineries as well as agricultural operations. APN 022-100-033, referred to as the West Property, is

approximately 19.67 acres in size and includes an existing single-family residence, vineyards, a driveway, a pond and various other agricultural improvements. Prior to submission of this Use Permit Major Modification the applicant combined the East and West Parcels through a lot line adjustment, but the parcels are separated for assessment purposes (SFAP). APN 022-100-034 is approximately 1.01 acres in size and includes existing vineyards and a driveway. APN 022-100-035 is approximately 1.01 acres in size and includes existing vineyards. Access for the East Property is achieved from a driveway accessed from Lodi Lane, approximately 200 feet from the intersection of Lodi Lane and Silverado Trail. Access for the West Property is also achieved from a accessing a driveway from Lodi Lane, approximately 1,380 feet from the intersection of Lodi Lane and Silverado Trail, and driving through APN 022-100-034. The subject properties form a ‘horseshoe’ configuration, property lines abut each other along the Napa River which splits the two properties (along the northwestern boundary of the East Property and along the northeastern boundary of the West Property). Heading further south the two properties are divided by two properties of approximately 4.9 acres (APN’s 022-130-008 & 022-130-009). The West Property also abuts the former Southern Pacific right-of-way on its west side. The site is generally flat with slopes between zero (0) and five (5) percent in the vineyard and winery areas, and slopes of five (5) to 15 percent along the sections of the Napa River. Highest elevation on the site is approximately 245 feet amsl while the lowest elevation on the site is approximately 230 feet amsl. All three (3) properties are primarily agriculture or built up, with Riparian Forest (California Bay - Coast Live Oak - Walnut - Ash) running along the stretch of the Napa River in the northern sections of the West and East properties and along a drainage ditch on the north side of Lodi Lane where the road abuts the property line of APN 022-100-034. A small portion of Valley Oak woodland extends into the West Property just south of the existing pond. Soil types include Bale loam, 0 to 2 percent slopes and Forward-Kidd complex, 11 to 60 percent slopes. Due to the location of the Napa River, the entire East Property and a majority of the West Property lie within the boundaries of the 100-year FEMA Flood Zone and Regulatory Floodway. The project site is outside of the State Responsibility Area (SRA).

Land uses in the area are dominated by large lot residential properties, wineries, and vineyards. The existing winery is located approximately 500 feet to the southwest and approximately 160 feet downhill of the nearest neighboring residence located east of Silverado Trail. The proposed West Winery would be approximately 580 feet to the southeast of the nearest residence.

Visiting/Marketing Program: Under existing entitlements Duckhorn Vineyards Winery is entitled to 82 visitors per day for by-appointment tours and tastings and 50 visitors per week, with no more than 30 on the busiest day, for public tours and tastings (a pre-WDO entitlement). The winery’s Marketing Program also allows for 120 events per year for up to 20 guests, 36 events per year with up to 25 guests, two (2) events per year with up to 600 guests and two (2) Auction-related events per year with up to 250 guests.

Under the proposed Use Permit Major Modification the applicant would increase by-appointment tours and tastings and voluntarily abandon their pre-WDO entitlement of public tours and tastings for a total of 219 visitors per day. The applicant also proposes to modify their Marketing Program to allow for 200 events per year with up to 20 guests, 40 events per year with up to 25 guests, 40 events per year with up to 60 guests, three (3) events per year with up to 400 guests and one (1) event per year with 250 guests. The applicant has an existing entitlement that allows Marketing Events to end at 11:00 P.M. with quiet clean up till 12:00 A.M. Under the proposal all new and expanded Marketing Events would be required to end at 10:00 P.M. with quiet clean till 11:00 P.M.

This modification would increase the number of weekly visitors for Tours and Tastings to the winery by 907 visitors per week for a total of 1533 visitors and increase annual visitation for Tours and Tastings by 47,164 visitors for a total of 79,716 visitors. Modification to the Winery’s Marketing Program will result in an increase

in marketing events by 124 for a total of 284 events and increase annual marketing events guests by 3,850 guests for an annual total of 8,850 guests. Total annual visitation to the winery (by-appointment Tours and Tastings and Marketing Event Guests) would increase by 51,014 visitors for a total of 88,566 visitors annually.

Staff has provided a Winery Comparison Analysis (Attachment M) of other wineries with production levels similar to the applicant's requested annual wine production level. Nineteen wineries were queried for production levels between 250,000 gpy and 350,000 gpy, consisting of four (4) by-appointment only wineries, 13 pre-WDO wineries and two (2) wineries within the Napa Valley Business Park. The applicant's requested increases in by-appointment visitation, marketing events, and marketing event visitors exceeds the average and median values for existing by-appointment wineries with similar annual wine production values. While the delta between the comparison averages and the applicant's request is not as big as the by-appointment wineries the applicant's hospitality request exceeds the average and median for by-appointment visitation, marketing events, and marketing event visitors when compared to the 13 pre-WDO wineries with similar annual wine production values.

Roads, Traffic and Exception to the Napa County Roads and Street Standards: The project site is located on the northwest side of Lodi Lane. The existing driveway for the East Property is approximately 200 feet from Silverado Trail and the existing driveway entrance for the West Property is approximately 1,400 feet from Silverado Trail.

Upon initial review by the Department of Public Works the applicant submitted a Traffic Impact Study (TIS; W-Trans, 2021). According to the TIS the proposed operational modifications would result in a net increase of 120 daily trips on a Friday during harvest, with 17 new trips during the peak hour. Adjusting the number of net new trips anticipated on Friday to a typical weekday average, and accounting for a two-month harvest season, the project would be expected to result in an average of approximately 79 new daily trips per weekday over the course of the year.

Analysis indicates that the study roadway segments of SR 29, Lodi Lane, and Silverado Trail and the study intersections of Silverado Trail/Lodi Lane are projected to operate acceptably at LOS D or better under Existing, Near-Term, and Cumulative Conditions, and would continue to do so with the addition of project-generated traffic. The study intersection of SR 29/Lodi Lane would operate unacceptably at LOS E or F under Existing and Near-Term Conditions, though the project would result in less than five seconds of additional delay, so this effect is considered acceptable. However, under Cumulative Conditions, the stop-controlled approach at SR 29/Lodi Lane would operate at LOS F and the project would result in an adverse effect since project trips represent more than 10% of the anticipated growth during each peak hour. To offset the project's effect under Cumulative volumes to the intersection of SR 29 and Lodi Lane, the project has been conditioned to construct a dedicated right turn lane or contribute its fair share towards the costs of a dedicated right-turn lane, depending on whether this project or county-initiated work on the intersection begins first.

Senate Bill (SB) 743 changed the metric to be applied for determining transportation impacts under the California Environmental Quality Act (CEQA) associated with development projects from the delay-based criteria previously used to an increase in Vehicle Miles Traveled (VMT) as a result of a project. The date of analysis for the project's TIS predates the establishment of Napa County thresholds of significance related to Vehicle Miles Traveled (VMT) and guidance documents. The TIS assessed VMT based on guidance provided by the California Governor's Office of Planning and Research (OPR) in the publication Transportation Impacts (SB 743) CEQA Guidelines Update and Technical Advisory. The OPR Technical Advisory identifies several criteria that may be used to identify certain types of projects that are unlikely to have a significant VMT impact and can be "screened" from further analysis. One of the screening criteria pertains to small projects, which OPR defines as generating fewer than 110 new vehicle trips per day on average. OPR specifies that VMT

should be based on a typical weekday and should take into consideration seasonal fluctuations.

The proposed project is anticipated to result in 120 new daily vehicle trips on harvest Friday and 108 new daily vehicle trips on a non-harvest Friday, though based on count data collected at the existing driveway the winery generates approximately 36 percent fewer trips on the other weekdays compared to Friday. Adjusting the number of net new trips anticipated on Friday to a typical weekday average, and accounting for a two-month harvest season, the project would be expected to result in approximately 79 new daily trips per weekday over the course of the year. Since this is below the small project threshold of 110 trips, it is reasonable to conclude that the project would have a less than significant impact on VMT for the purposes of the CEQA and a detailed VMT analysis was not warranted. The applicant is still conditioned to provide a Transportation Demand Management (TDM) Program which when implemented will reduce VMT traveled by 15%. The applicant's proposed TDM Program is contained in Attachment H. The change in VMT from truck trips no longer traveling to Duckhorn's production facility in Hopland and instead utilizing the new winery building on the East Property was not calculated but is expected to generate a reduction in overall VMT associated with the operations of the production facility.

Existing pedestrian and transit facilities serving the site are limited, though given the rural location of the site and anticipated demand for these modes, this is considered an acceptable condition. The existing Class II bike lanes on Silverado Trail along with the shared use of Lodi Lane with motorist and planned facilities consisting of the Vine Trail and a Class III bike route on SR 29 would provide adequate access for bicyclists. The proposed vehicular parking supply is adequate to accommodate the anticipated peak parking demand.

A left-turn lane is warranted at the east driveway under existing volumes based on application of the County's criterion but, even with project trips added, would not be warranted at the west driveway. The applicant has submitted a Request for Exception to the Napa County Road and Street Standards as a component of the project for relief from the east driveway left-turn lane warrant. In its request the applicant identifies that compliance with the left-turn lane warrant will require widening of Lodi Lane adjacent to the east driveway, which will result in (1) the placement of approximately 900 - 2,000 cubic yards of fill into the Napa River floodway and floodplain and (2) the removal of 29 trees of greater than 6" diameter at breast height. The applicant's request also provides analysis that the additional trips of the proposed project would not create any new safety issues based on the TIS's collision history analysis and expected delay for left-turns into the project. In order to improve conditions on Lodi Lane in the event that the Exception Request is granted, the applicant has proposed to construct road improvements along Lodi Lane between the Napa River bridge and Silverado Trail. These improvements include asphalt resurfacing, improvements to driveway access points and restriping of the improvement area at the conclusion of improvements. The Director of Public Works has reviewed the request and improvements proposal and tentatively approved pending Planning Commission approval. The applicant's Request for Exception to the Napa County Road and Street Standards and their Left-Turn Lane Analysis is contained in Attachment F and staff has provided Findings approving the exception request in Attachment A.

Groundwater: Water uses on the project parcel includes wine production, domestic water for hospitality and employees, a single-family residence, and vineyards. The parcel is located within the GSA Subbasin so the 0.3 acre feet per acre per year calculation was used to determine the water allocation. All four (4) parcels (East and West Properties plus APN 022-100-034 & -035) combine for a total 32.34 acres and a groundwater allocation of 9.7 acre feet per acre per year under the Board of Supervisor's interim guidance for implementing Executive Order N-7-22. According to the submitted plans there are five (5) existing wells on the East and West Properties. The East Property contains Domestic Well #1, currently used for domestic water use at the existing winery facilities, and Well #4, primarily used for vineyard irrigation and landscaping. The West property contains Well #2, which was used for domestic water uses at the existing single-family residence and vineyard

irrigation, as well as Wells #1 and #3, which have been out of service and are planned to be destroyed as part of the project.

The existing water use associated with the winery, vineyards, and residence is estimated to be 14.04 acre feet per year. Because the existing water use exceeds the 0.3 acre feet per acre per year allocation (i.e. 9.7 acre feet/acre/year), the applicant is required to design a project which can achieve a no net increase over existing conditions. The proposed project would demolish the existing single-family residence on the West Property, include a reduction in vineyard from 15.67 acres to 12.12 acres and include increases in wine production, visitation and marketing events. The project also proposes to replace the existing combined process and sanitary wastewater system on the East Property and develop separate process and sanitary wastewater systems across the East and West properties which will be connected through force mains bored under the Napa River. Process wastewater is proposed to be treated and beneficially reused for vineyard irrigation and heat protection on the West Property. This reuse of process wastewater is expected to reduce water demand by 4.65 af/yr. Total estimated water use for the existing and proposed project is calculated based on the Guidelines for Estimating Residential and Non-residential Water Use from the Napa County Water Availability Analysis Guidelines (2015) and summarized in the table below.

Source of Demand	Existing (acre-ft.)	Proposed (acre-ft.)	Difference (acre-ft.)
Primary Residence	.75	0	-0.75
Vineyard	7.84	4.19	-3.65
Process Water	3.44	6.45	3.01
Domestic & Landscaping	.8	1.50	.7
Employees	.7	.7	0
Tasting Room Visitation	.27	.74	.5
Events and Marketing, with onsite catering	.24	.42	.18
Total	14.04	14	-0.04

Tier II and Tier III WAA analyses may be required for project wells within 500 feet of non-project wells or if project wells within 1,500 feet of significant stream channels. Non-project wells are located within 500 feet of wells #1 (domestic well) and Well #4 (East Property vineyard and landscaping), but because total groundwater use on the parcel is estimated to decrease over existing conditions by approximately 0.04 acre feet per year a Tier II and Tier III analysis is not required for this project.

Staff has considered impacts to public trust resources in the event the project wells may be connected to a navigable waterway. Staff determined that because the project applicant has demonstrated that there will be no net increase in groundwater extraction over existing uses, there are no adverse impacts to trust resources which would result from issuance of this permit. Applicants have reasonably demonstrated no net increase of groundwater extraction over existing demand by abandoning an existing single-family residence, reductions in total vineyard irrigated and reuse of process wastewater for vineyard irrigation. The County has satisfied its duty to consider impacts to trust resources and no further analysis is required.

Wastewater: The proposed project was reviewed by the Environmental Health Division, who did not raise concerns regarding the project’s ability to accommodate wastewater. The applicant proposes to remove the existing combined process and sanitary wastewater system and replace it with separated process and sanitary wastewater systems capable of accommodating the wastewater flows under the proposed project. Process

wastewater is proposed to be pretreated then surface applied as vineyard irrigation, while sanitary wastewater is proposed to be pretreated before being dispersed through a subsurface drip dispersal field. Both systems will utilize pump and lift stations to transfer wastewater between the East and West properties through forcemains bored under the Napa River and along vineyard avenues. The proposed systems have been sized to handle daily and peak wastewater flows of the proposed project. No disposal of wastewater effluent (either PW or SS) will occur within 100 feet of any existing or proposed wells.

Biological & Cultural Resources: Construction and earthmoving activities related to the driveway, West Winery building and related infrastructure on the West Property and APN 022-100-034 will require the removal of approximately 21 trees, 14 of which are native oak species. These oak species are located either directly adjacent to the existing driveway entrance, which requires widening in order to meet County Code, or scattered around the existing single-family residence and pond. The other seven (7) trees are not species that are generally protected. All trees planned for removal on the West Property are located in areas where the applicant proposes to develop an expanded code compliant driveway to access the West Winery building. 28 trees are identified for removal as part of the expansion of the Estate House, but these tree species are primarily existing landscape trees and none are classified as Oak species. Due to the location of the project and the amount of trees scheduled for removal the project's Mitigated Negative Declaration includes mitigation measures for pre-construction surveys of Northern Spotted Owl as well as raptors and nesting birds in the event earth moving or building is scheduled for the nesting seasons.

The applicant commissioned a Cultural Resource Study early in the project planning phase. The study included a Sacred Sites inventory request to the Native Heritage Commission, a records search with the Northwest Information Center, and a field reconnaissance survey. The field survey resulted in the identification of large number of primary and secondary obsidian flakes, flake tools, and bifaces in all stages of manufacture, as well as naturally-occurring obsidian that is associated with the adjacent Glass Mountain obsidian source. Due to the amount of obsidian identified the study concluded that this would appear to indicate that the entire property was used as an obsidian quarry and workshop area in prehistoric times, and reflects use of a broader cultural landscape that includes obsidian quarry locations, obsidian workshop areas, midden deposits indicating long-term habitation and areas in between that contain evidence of an thriving economy centered around the procurement and processing of Glass Mountain obsidian by Native Americans in prehistoric times. Because the broad scatter of obsidian artifacts, and concentrations thereof, observed within the Duckhorn Winery properties has the potential to yield information that is important to the prehistory of the local area and California and may have the potential for eligibility for listing on the California Register of Historical Resources (CRHR) under Criterion 4, and also as a unique archaeological resource. However, due to past land use activities that includes agriculture, winery buildings, and road construction and maintenance, much of the obsidian has been damaged over the years as a result of these activities, and in many instances, it is difficult to discern between the culturally-modified obsidian and the naturally occurring obsidian that has been damaged in more recent times. Staff has included in the project's Mitigated Negative Declaration two mitigation measures in compliance with recommendations from the project's Cultural Resources Study.

Noise: The nearest residence to the proposed new winery building is approximately 580 feet to the north and the nearest residence to the expansion of the existing State House is approximately 500 feet to the east, but also 160 higher in elevation and on the opposite side of Silverado Trail. Hours for hospitality and production operations will continue to adhere to existing Use Permit entitlements (10:00 A.M. - 4:00 P.M. for hospitality and 6:00 A.M. - 7:00 P.M. for production related activities). Existing hospitality operations are proposed to be temporarily moved from the West Property to the 2,067 sq. ft. of ground floor accessory space within the proposed West Winery Facility and the adjacent outdoor areas during expansion of the Estate House. Given the distances to residences of the proposed West Winery Facility it is not anticipated that the temporary relocation

of hospitality operations would create significant noise impacts on surrounding residential uses. Duckhorn Vineyards Winery has not had a history of complaints from neighboring residences regarding noise from winery activities.

Variance Not Require: Duckhorn Vineyards Winery predates the establishment of the 600-foot winery setback from Silverado Trail. The existing Estate House was approved alongside Use Permit Modification #98122-MOD with Variance #98123-VAR. The original project parcel (East Property; APN 022-130-010) is completely encumbered by the 600-foot winery setback from Silverado trail, the 300-foot winery setback from Lodi Lane and a stream conservation setback from the Napa River such that expansion of winery activities on the property is not possible without approval of a Variance application. Although initial notification included a request for Variance from the Napa County Code (N.C.C.) Staff has found the project to comply with N.C.C. § 18.104.230.A.1 (Wineries located in open space areas - setbacks) as the expansion of the existing Estate House expands no closer to the centerline of Silverado Trail than the nearest point of the existing structure.

Public Comments: At the time of publication of this Staff Report one (1) public comment (Attachment N) has been received on the project. Primary concerns of the commenter include the size and intended use of the West Winery Facility, ramifications of boring utility lines underneath the Napa River, the size of proposed hospitality operations and their temporary relocation on the West Property, and flooding of neighboring properties.

Decision-Making Options:

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

Upon consideration of additional public comment and close of the public hearing, the Commission may take one of the following actions:

Option 1 - Approve Applicant's Proposal

Disposition - This option would result in approval of the proposed modifications to the winery and allow an increase the 300,000 gallons per year of production. Staff recommends this option as the request is consistent with the Zoning Ordinance and applicable General Plan policies. With implementation of the project's Conditions of Approval the project would not increase groundwater extraction or cause impacts to transportation facilities. Adoption of the project's Mitigated Negative Declaration and Mitigation and Monitoring Report would prevent significant impacts to Biological and Cultural Resources.

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

Option 2: Modify the Applicant's Proposal

Discussion - This option would result in modification to the winery's requested by appointment visitation, marketing events and/or wine production levels to address concerns of the Commission and/or public comments if solicited.

Action Required - Follow proposed action listed in Executive Summary and amend scope and project specific conditions of approval to require a reduction in requested operational conditions. This option would have proportionately fewer environmental impacts, since less groundwater and wastewater generation would be

reduced and would result in less traffic trips compared to those discussed in the staff report, and thus, no new analysis beyond that already discussed above would be necessary. If major revisions of the conditions of approval are required, item will need to be continued to a future date.

Option 3: Deny the Requested Use Permit

Discussion - As a result of this action, the winery would continue to operate under its currently permitted allowances by appointment tours and tastings, public tours and tastings, marketing events and production levels. Denial of the project would also result in no new winery facilities being developed. In the event the Commission determines that the project with conditions does not or cannot meet the required findings for granting of a Use Permit Major Modification and/or the Exception from the Roads and Street Standards, the Commissioners should clearly articulate 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 exception is not being approved.

Action Required - Commission would adopt a tentative motion to deny the project and remand the matter to staff for preparation of required findings to return to the Commission at a future hearing date.

Option 4 - Continuance Option

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

Attachments

- A - Recommended Findings
- B - Recommended Conditions of Approval and Final Agency Approval Memos
- C - Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program
- D - Use Permit Major Modification Application
- E - Road and Streets Standards Exception Request Letter, Left-Turn Lane Analysis & Lodi Lane Improvements Agreement
- F - Traffic Impact Study
- G - Traffic Demand Management Plan
- H - Water Availability Analysis
- I - Onsite Wastewater Dispersal Feasibility Study
- J - Floodplain Impact Analysis
- K - Horizontal Directional Drilling Exhibit
- L - Winery Comparison Analysis and Project Summary
- M - Graphics
- N - Public Comments