



# Napa County

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## Legislation Text

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**TO:** Board of Supervisors

**FROM:** Brian D. Bordona - Director of Planning, Building and Environmental Services

**REPORT BY:** Trevor Hawkes - Supervising Planner

**SUBJECT:** Inn at the Abbey proposed Development Agreement terms, Use Permit Major Modification #P19-00038-MOD

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### **RECOMMENDATION**

PUBLIC HEARING 9:00 AM - Inn at the Abbey Development Agreement

Director of Planning, Building and Environmental Services and County Counsel requests discussion and direction regarding proposed terms of a Development Agreement between Napa County and Jackson Family Investments, LCC (Applicant), concerning their existing Use Permit Major Modification application, #P19-00038-MOD, the Inn at the Abbey.

### **EXECUTIVE SUMMARY**

Director of Planning, Building and Environmental Services and County Counsel request that the Board take public comment and provide direction to staff on the applicant's proposed terms of a Development Agreement between the County and Jackson Family Investments, LLC. The Development Agreement would be processed concurrently with the Applicant's pending Use Permit Major Modification No. P19-00038-MOD for the proposed 79-room hotel project known as the Inn at the Abbey, north of the City of St. Helena. The Applicant has proposed onsite affordable housing units for employees, in lieu contributions to affordable housing within the unincorporated county, contributions of easements and rest shelters for the vine trail, and improvement of nonproductive agricultural lands south of Lodi Lane. In return the Applicant seeks the County's formal recognition of historic vested parking for commercial uses on lands zoned Agricultural Watershed (AW), fee credits from future transportation impact fees equal to constructed transportation improvements for the Vine Trail and other transportation improvements, the continued use of vested wastewater treatment on AW zoned lands south of Lodi Lane for all uses south of Lodi Lane, and the allowance of hotel guests to tour agricultural operations on the AW zoned lands south of Lodi Lane.

The 15-acre project site includes six parcels owned by the Applicant. The project site is located approximately one-half mile north of the City of St. Helena in unincorporated Napa County and includes five (5) parcels

(Assessor's Parcel Numbers 022-130-020, -021, -023, -024 and 022-220-028).

## **PROCEDURAL REQUIREMENTS**

1. Open public hearing.
2. Staff Report.
3. Applicant presentation.
4. Public comments.
5. Close public comments.
6. Board provides direction to staff on the material terms and conditions to be included in the Development Agreement.

## **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	No
Is it currently budgeted?	No
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	None. Staff's time in preparation of the Draft Development Agreement would be the responsibility of the Applicant to fund.
Consequences if not approved:	N/A. Staff requests discussion and directions from the board concerning an applicant requested proposed Development Agreement. This action does not obligate the Board to approve the Development Agreement.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit

## **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: Draft EIR in process. A Notice of Preparation (NOP) was issued on July 23, 2020, and the 30-day public comment period closed on August 24, 2020. Pursuant to CEQA and State CEQA guidelines Section 15064, the discussion of potential effects on the environment in the EIR shall be focused on those impacts that the County has determined may be potentially significant. The County has determined that the project may have significant effects on the environment in the following areas: Aesthetics, Agricultural Resources, Air Quality and Greenhouse Gas Emissions, Biological Resources, Cultural and Tribal Cultural Resources, Energy, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services and Utilities, Transportation/Traffic, and Wildfires.

## **BACKGROUND AND DISCUSSION**

### **History**

In February 2019, the Applicant submitted a Use Permit Major Modification request for the project known as the Inn at the Abbey. The Applicant is currently requesting approval to:

1. Demolish three existing buildings currently serving as a restaurant, retail wine shop, art gallery, and five-room motel (10,048 total square feet).
2. Develop the North Parcel with a new 55,000 square foot of floor area hotel building, dedicating 21,000

square feet of floor area to 50 guest rooms and 34,000 square feet of floor area for a spa, retail operations, a rooftop terrace and other public areas, circulation, back-of-house uses, and a 54-stall underground parking garage.

3. Develop the South Parcel with a 11,000 square foot, 11 guest room, hotel building, a 7,500 square foot 12 guest room barn building, a plunge pool, a 350 square foot fitness studio, and two (2) bungalow buildings totaling approximately 4,000 square feet and containing six (6) guest rooms in total. Retention of six (6) existing on-site residential dwelling units that would be used for workforce housing.
4. Landscaping, improvements, and infrastructure associated with the proposed development.
5. An additional 48 new employees to the existing 55 employees for a total of 103 employees on the project site.

The 15-acre project site includes six (6) parcels owned by the project applicant. The project site is located approximately one-half mile north of the City of St. Helena in unincorporated Napa County. Three (3) of the six (6) project parcels are either fully or partially zoned with the County's Commercial Limited (CL) Zoning District designation, whose compatibility with the County's Agriculture, Watershed or Open Space policies is enumerated in General Plan policy AG/LU-45. Figure AG/LU-2 from the 2008 General Plan, which shows the location of parcels subject to Policy AG/LU-45 is contained in Attachment B.

#### Development Agreement

Development Agreements are authorized by state law (Govt. Code Section 65864 et seq.). The purpose of a Development Agreement in this case would be to provide the Applicant with a vested right to develop the project for 20 years in accordance with the applicable laws and entitlements in effect at the time of project approval. In exchange, the Applicant would agree to terms that would address the impacts of the project which could not have been otherwise required under applicable law. A summary of the Applicant's proposed material terms and conditions include the following:

Term Length: 20 years

Applicant proposed terms with public benefit:

1. Onsite, affordable housing units for employees: Existing six market rate units to be deed restricted affordable for employees. Provides new affordable housing and reduced vehicles miles traveled (VMT). Applicant contends that restriction of rental rates represents property value of \$3.44 million over twenty years.
2. Affordable housing funding: Payment to County's affordable housing trust fund equal to three times current affordable housing fees that would otherwise apply to the project at the time of building permit issuance. Based on the current fees, the contribution would be \$1,580,000 to be paid in two equal payments at building permit issuance and five years after project occupancy. Funds would be made available for use by Napa County or a County designated affordable housing developer (e.g. Our Town St. Helena, Napa Valley Community Housing) for the development of affordable housing.
3. Vine Trail/Shelter Easements: In conjunction with the project application, Applicant has contributed easements for the Vine Trail and trail rest shelter without receiving compensation. Due to the timing of the Vine Trail grant process, the Vine Trail asked to grant these easements prior to Applicant receiving approval of the project.

4. Improve South Parcel agricultural lands to productive agricultural use: Proposal includes active agriculture on South Parcel's agriculturally zoned land that is currently fallow. Agricultural uses to consist of growing and harvesting but not processing of agricultural products. Agricultural use intended to provide "farm-to-table" experience for project food service and to educate hotel guests on Napa County's agricultural economy.

Applicant proposed terms benefiting applicant:

1. Applicant may modify site plan/building locations so long as total square footage and room count are not increased beyond what was approved as confirmed by PBES Director.
2. Applicant continues to use established/vested parking area documented in approved use permit P12-00359-VMM on the AW zoned parcel as shared parking for north and south parcel without intensification of use.
3. Fee credit against any future enacted transportation impact fee in amount equal to value of Vine Trail/Shelter easements and other transportation improvements.
4. Continued use by applicant of south parcel with historic/vested wastewater treatment system on AW lands for all south parcel uses (employee housing and commercial uses).
5. Allow hotel guests to tour model agricultural operations on AW lands south of Lodi Lane. Activities of tour guests limited to uses allowed under definition of "agriculture" in County Code (e.g. retail purchase of agricultural products produced onsite).

The applicant has provided a hotel comparison chart (Attachment C), detailing hotel approvals in Napa County and their affordable housing fee and non-monetary affordable housing measures provided in comparison to the proposed terms for Inn at the Abbey.

#### Vine Trail Easements

On December 15, 2020, the Applicant and the County entered into Trail Easement Agreements 2021-0012018 and 2021-0012019. With these agreements, the Napa Valley Vine Trail acquired three (3) permanent easements of approximately 14,150 sq. ft. and appraised at approximately \$125,000. These Easement sections run adjacent to APN's 022-220-028, 022-130-023, -024 and where their property lines abut SR-29. The Napa Valley Vine Trail: St. Helena to Calistoga section is currently under construction, although at the time of writing this report the sections which would occupy the aforementioned easements has not commenced.

#### Historic Commercial Limited Parking and Wastewater Systems on AW Zoned lands

The North Parcel's shared parking between CL and AW zoned lands was recognized in Very Minor Modification P12-00359-VMM. That mod, based upon a review of prior permitting, acknowledged 52,775 sq. ft., or 170 parking spaces located with the Agricultural Watershed (AW) zoning district as parking for Freemark Abbey Winery and the shared uses within the Commercial Limited (CL) zoning district.

The South Parcel's existing commercial and residential use buildings are served by on-site wastewater treatment systems. Historically, uses in the CL-zoned areas of the South Parcel have disposed of 0.93 mgd of wastewater in systems on the AW-zoned areas of the site. This legacy of shared wastewater disposal would be preserved with the new development. Wastewater from the new South Parcel hotel buildings would be disposed of through discharge to the existing underground septic system and disposal to a new on-site gray water

treatment system.

#### Use Permit Processing Procedures for Non-Wineries

The applicant requests approval of a Major Modification to an existing Use Permit. Pursuant to Napa County Code 18.124.130(A) modifications to an approved Use Permit shall be processed in compliance with the procedures set forth within the section. Modification which exceed thresholds listed throughout the chapter are considered Major Modifications subject to consideration and a decision by the Napa County Planning Commission (or in the case of a project which requires the certification of an EIR, the Board of Supervisors). The holder of a (non-winery) Use Permit may request that the Zoning Administrator approve minor non-controversial modifications to approved use permits after giving notice of intent to approve or deny, but without a public hearing in regard to project design or permit conditions which do not affect the overall concept, density, intensity or environmental impact of, or substantially alter or delete any environmental mitigation measure for the project. Consistent with those parameters the Zoning Administrator may approve changes in location and/or size of approved structures or portions thereof, provided that, the zoning administrator shall not consider or approve a minor modification if the result of the approval of the requested minor modification would result in any structure or the aggregate of all approved structures being increased more than 25 percent in size or one story in height based on the size allowed under the approved Use Permit. Additionally, the holder of a (non-winery) Use Permit may request that the Zoning Administrator approve very minor, non-controversial, modifications to approved Use Permits without public notice, including the following:

- An extension of use permit expiration time not to exceed one year beyond the then-operative date of use permit expiration as established in conformance with this chapter, provided that the director shall not approve more than three such extensions of any one use permit or use permit modification approval;
- Small (less than ten percent) changes in square footage or building footprint;
- Realignment of internal circulation roads; and
- Similar items at the discretion of the director.

Staff is requesting direction on the above terms of the proposed Development Agreement. Should the Board request revisions to the proposed terms, they may also request that Staff work with the Applicant and bring those revised proposed terms to the Board at a later date. Direction for Staff to proceed with preparing a Draft Development Agreement does not obligate the Board to approve the Development Agreement. Upon receipt of Board direction, staff will negotiate with the Applicant (consistent with the Board's direction), prepare a draft Development Agreement which will be processed concurrently with the pending Use Permit Major Modification. The terms of the Draft Development Agreement will be analyzed for their environmental impacts in the Inn at the Abbey Draft EIR, which is currently being prepared. Both the Development Agreement and the Use Permit Major Modification will be considered by the Planning Commission, which will make its recommendation to the Board of Supervisors. It is expected that the Planning Commission would consider both proposals in Spring/Summer of 2024, with the Board of Supervisors making the decision in Summer/Fall of 2024. Notice to the public of the future hearings before the Planning Commission and the Board of Supervisors will be provided in advance of the meetings.