"A"

Recommended Findings

PLANNING COMMISSION HEARING – JULY 2, 2025 RECOMMENDED FINDINGS

TESSERON NEW WINERY USE PERMIT P22-00309-NEW

1000 WALL ROAD, ST HELENA, CA, 94558

Primary APN 027-060-022-000 (Winery Parcel);

Holding APNs: 027-060-020-000 (soil dispersal area and new residential well), 027-060-023-000 (existing vineyard and open space), 027-060-024-000 (existing vineyard and open space) in Napa County and APNs 051-200-016-000 (existing vineyard and proposed water storage fire suppression tank) and 051-010-079-000 (existing vineyard and open space) in Sonoma County

ENVIRONMENTAL:

The Planning Commission (Commission) has received and reviewed the proposed Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and finds that:

- 1. The Planning Commission has read and considered the Initial Study/Mitigated Negative Declaration prior to taking action on said Initial Study/Mitigated Negative Declaration and the proposed project.
- 2. The Initial Study/Mitigated Negative Declaration is based on independent judgment exercised by the Planning Commission.
- 3. The Initial Study/Mitigated Negative Declaration was prepared and considered in accordance with the requirements of the California Environmental Quality Act (CEQA).
- 4. There is no substantial evidence in the record as a whole, that the project with mitigation will have a significant effect on the environment.
- 5. There is no evidence, in considering the record as a whole that the proposed project will have a potential adverse effect on wildlife resources or habitat upon which the wildlife depends.
- 6. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5 and is not within the

boundaries of any airport land use plan.

7. The Secretary of the Commission is the custodian of the records of the proceedings on which this decision is based. The records are located at the Napa County Planning, Building & Environmental Services Department, 1195 Third Street, Second Floor, Napa, California.

PLANNING AND ZONING ANALYSIS:

USE PERMIT:

The Commission has reviewed the use permit major modification request in accordance with the requirements of the Napa County Code §18.124.070 and makes the following findings:

8. The Commission has the power to issue a Use Permit under the Zoning Regulations in effect as applied to property.

<u>Analysis</u>: The project is consistent with the Agricultural Watershed (AW) zoning district regulations. A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.20.030) are permitted in the AW district with an approved use permit. The project, as conditioned, complies with the Napa County Winery Definition Ordinance (Ord. No. 947, 1990) and all other requirements of the Napa County Zoning Ordinance (Title 18, Napa County Code) as applicable.

9. The procedural requirements for a Use Permit set forth in Chapter 18.124 of the Napa County Code (zoning regulations) have been met.

Analysis: The New Winery Use Permit has been appropriately filed and noticed and public hearing requirements have been met. The hearing notice and Notice of Intent to adopt an Initial Study/Mitigated Negative Declaration were posted on March 13, 2025, and copies were forwarded to the appropriate persons on the mailing list. The public comment period ran from March 13, 2025, to April 15, 2025.

10. The grant of the Use Permit, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

<u>Analysis:</u> Granting the New Winery Use Permit for the project, as proposed and conditioned, will not adversely affect the health, safety, or welfare of the County.

Various County divisions and departments have reviewed the project and commented regarding site access, parking, water and wastewater disposal systems, building permits, and fire protection. Conditions of Approval are recommended which will incorporate County comments into the project to ensure the protection of the public health, safety, and welfare is maintained during construction and operation of the project.

11. The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan and any applicable specific plan.

Analysis: Compliance with the Zoning Ordinance

The project is consistent with the Agricultural Watershed (AW) zoning district regulations. A winery (as defined in the Napa County Code Section 18.08.640) and uses in connection with a winery (refer to Napa County Code Section 18.20.020) are permitted in the AW District with an approved use permit.

The winery is not subject to the 600-foot road setback from any state highway, Silverado Trail or any arterial county road (18.104.220.A.1). The proposed winery is located outside of all required setbacks.

Analysis: Compliance with the General Plan

As proposed and as conditioned, the requested New Winery Use Permit is consistent with the overall goals and objectives of the 2008 General Plan. The General Plan land use designation for the subject parcel is Agriculture Resource (AR).

General Plan Agricultural Preservation and Land Use Goal AG/LU-1 guides the County to "preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County." General Plan Goal AG/LU-3 states that the County should "support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands." Goal AG/LU-3 and Policy AG/LU-2 recognize wineries as agricultural uses.

The approved use of the property for fermenting and processing of grape juice into wine supports the economic viability of agriculture within the County, consistent with Goal AG/LU-3 and Policy AG/LU-4 ("The County will reserve agricultural lands for agricultural use including land used for grazing and watershed/open space..."). By allowing the expansion of the existing agricultural use, the requested New Winery Use Permit supports the economic viability of both the vineyard and agricultural product processing uses on the property, consistent with Economic

Development Goal E-1 and Policy E-1.

The "Right to Farm" is recognized throughout the General Plan and is specifically called out in Policy AG/LU-15 and in the County Code. "Right to Farm" provisions ensure that agriculture remains the primary land use in Napa County and is not threatened by potentially competing uses or neighbor complaints. Napa County's adopted General Plan reinforces the County's long-standing commitment to agricultural preservation, urban centered growth, and resource conservation.

Applicable Napa County General Plan goals and policies:

- <u>Goal AG/LU-1</u>: Preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County.
- <u>Goal AG/LU-3</u>: Support the economic viability of agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.
- <u>Policy AG/LU-2</u>: "Agriculture" is defined as the raising of crops, trees, and livestock; the production and processing of agricultural products; and related marketing, sales and other accessory uses. Agriculture also includes farm management businesses and farm worker housing.
- <u>Policy AG/LU-4</u>: The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/open space, except for those lands which are shown on the Land Use Map as planned for urban development.
- <u>Policy AG/LU-8</u>: The County's minimum agricultural parcel sizes shall ensure that agricultural areas can be maintained as economic units.
- Policy AG/LU-15: The County affirms and shall protect the right of agricultural operators in designated agricultural areas to commence and continue their agricultural practices (a "right to farm"), even though established urban uses in the general area may foster complaints against those agricultural practices. The "right to farm" shall encompass the processing of agricultural products and other activities inherent in the definition of agriculture provided in Policy AG/LU-2.

Goal CON-10: Conserve, enhance and manage water resources on a sustainable basis to attempt to ensure that sufficient amounts of water will be available for the uses allowed by this General Plan, for the natural environment, and for future generations.

Goal CON-11: Prioritize the use of available groundwater for agricultural and rural residential uses rather than for urbanized areas and ensure that land use decisions recognize the long-term availability and value of water resources in Napa County.

Policy CON-53: The County shall ensure that the intensity and timing of new development are consistent with the capacity of water supplies and protect groundwater and other water supplies by requiring all applicants for discretionary projects to demonstrate the availability of an adequate water supply prior to approval. Depending on the site location and the specific circumstances, adequate demonstration of availability may include evidence or calculation of groundwater availability via an appropriate hydrogeologic analysis or may be satisfied by compliance with County Code "fair-share" provisions or applicable State law. In some areas, evidence may be provided through coordination with applicable municipalities and public and private water purveyors to verify water supply sufficiency.

Policy CON-54: The County shall maintain or enhance infiltration and recharge of groundwater aquifers by requiring all projects in designated groundwater deficient areas as identified in the County's groundwater ordinance (County Code Chapter 13.15) be designed (at minimum) to maintain a site's predevelopment groundwater recharge potential, to the extent feasible, by minimizing impervious surfaces and promoting recharge (e.g., via the use of water retention/detention structures, use of permeable paving materials, bio- swales, water gardens, cisterns, and other best management practices).

<u>Policy CON-55</u>: The County shall consider existing water uses during the review of new water uses associated with discretionary projects, and where hydrogeologic studies have shown that the new water uses will cause significant adverse well interference or substantial reductions in groundwater discharge to surface waters that would alter critical flows

to sustain riparian habitat and fisheries or exacerbate conditions of overdraft, the County shall curtail those new or expanded water uses.

<u>Policy CON-60.5:</u> All aspects of landscaping from the selection of plants to soil preparation and the installation of irrigation systems should be designed to reduce water demand, retain runoff, decrease flooding, and recharge groundwater.

Policy CON-72: The County shall seek to reduce the energy impacts from new buildings by applying Title 24 energy standards as required by law and providing information to the public and builders on available energy conservation techniques, products, and methods available to exceed those standards by 15 percent or more.

Policy CON-77: All new discretionary projects shall be evaluated to determine potential significant project-specific air quality impacts and shall be required to incorporate appropriate design, construction, and operational features to reduce emissions of criteria pollutants regulated by the state and federal governments below the applicable significance standard(s) or implement alternate and equally effective mitigation strategies consistent with BAAQMD's air quality improvement programs to reduce emissions. In addition to these policies, the County's land use policies discourage scattered development which contributes to continued dependence on the private automobile as the only means of convenient transportation. The County's land use policies also contribute to efforts to reduce air pollution.

<u>Policy CON-81</u>: The County shall require dust control measures to be applied to construction projects consistent with measures recommended for use by the Bay Area Air Quality Management District (BAAQMD).

<u>Goal E-1</u>: Maintain and enhance the economic viability of agriculture.

<u>Policy E-1</u>: The County's economic development will focus on ensuring the continued viability of agriculture in Napa County.

<u>Policy SAF-20:</u> All new development shall comply with established fire safety standards. Design plans shall be referred to the appropriate fire agency for comment as to:

- 1) Adequacy of water supply.
- 2) Site design for fire department access in and around structures.
- 3) Ability for a safe and efficient fire department response.
- 4) Traffic flow and ingress/egress for residents and emergency vehicles.
- 5) Site-specific built-in fire protection.
- 6) Potential impacts to emergency services and fire department response.
- 12. That the proposed use would not require a new water system or improvement causing significant adverse effects, either individually or cumulatively, on the affected groundwater basin in Napa County, unless that use would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Sections 13.15.070 or 13.15.080 of the County Code.

<u>Analysis:</u> The project is consistent with General Plan Conservation Policies CON-53 and CON-55, which require that applicants, who are seeking discretionary land use approvals, prove that adequate water supplies are available to serve the proposed use without causing significant negative impacts to shared groundwater resources.

The winery property is NOT located within the groundwater basin boundary set by the California Department of Water Resources, which was studied and evaluated by the County's Groundwater Sustainability Agency (GSA).

A Groundwater Water Availability Analysis, dated August 2022 (see **Attachment F**) with Addenda dated April 25, July 5, 2024 and April 1, 2025 was prepared by Provost & Pritchard Consulting Group and Applied Civil Engineering, to determine the estimated water use of the existing development, the proposed project and water availability, and to assess potential drawdown impacts to neighboring wells and springs. There are approximately 19.5 acres of vineyard located within the holding which are dry farmed. The proposed project will utilize an existing spring to supply water to the winery. Currently the spring provides water to the two residences, pools, accessory structures, and landscaping for the entire holding. If approved, the winery will be served by the spring while the residential water use will be swapped to be served by the existing well (Well No. 2) located on parcel 027-060-020-000

where the soils dispersal area is proposed. The original August 2, 2022 WAA notes that either of two wells within the holding will be utilized to serve the existing residential water demands. However, the applicant has identified, and a Condition of Approval (COA) is being included to specifically require that, the residential water demands utilize the well located on parcel 027-060-020-000 (Well No. 2). This is due to the fact that the well located on this parcel is not within 500 feet of any neighboring wells, nor within 1500 feet of a significant stream or a neighboring spring being utilized for domestic or agricultural use. The well has a pumping rate of 20 gallons per minute which would be able to handle the domestic water demands for the parcel. The Domestic Well Use Condition of Approval will ensure that the well that will be used for domestic water use within the holding does not negatively impact off-site wells or springs. Another Condition of Approval has been included specifically noting that no well water or surface water rights shall be used for winery operations and that if any other source of water is proposed or used for winery production or operations, it may trigger a Use Permit Modification or additional CEQA review (Recommended COAs Attachment B). The WAA April 1, 2025 addendum clarified that the vineyard irrigation use (the vineyard is dry farmed but during replants irrigation will be required during vine establishment) could be accommodated from Well No. 2

There are two neighboring parcels, under separate ownership, one at APN 027-550-011-000 which is served by an existing spring, and APN 027-550-005-000 which served by an existing well. However, the off-site well and spring are more than ~2,800 feet from the identified project well located on 027-060-020-000 which has been conditioned to serve as the water use for Tesseron holding residential uses.

The project spring, located at the southwestern end of the property, is currently used to provide domestic water supply to the on-site residences, and has been the primary water source for the residences for many years. The current and historical residential demands for the holding have been estimated to be 1.35 acre-feet/year. With project development, the residential water use will be shifted to one of existing on-site domestic wells located on APN 027-060-020-000, and the spring will be used solely for winery demands. The winery demands from the spring are estimated to be 0.5 acre-feet/year. Hence, future use will result in lower demands on the spring. No efforts will be made to modify or enhance the spring to increase yield. Using water that naturally flows out of the spring cannot contribute to the additional depletion of the spring, reduce the spring yield, or have a significant impact on the aquifer. The spring has not been observed by Tesseron vineyard staff or property owners to flow off the estate parcels, or flow to any creek, river, wetland or other water body. The flow from the spring is relatively small and has only been observed

to create a saturated wet spot in the vicinity of the spring outlet. As use of the spring (at a high demand) is the existing baseline condition, the proposed project with a more than 50% reduction in spring water demand should not have a significant impact on ground or surface water resource in the vicinity.

As noted above, the total water use for the winery includes employee uses, process water, and water for wine production, and is estimated to be 0.5 AF/yr. All of the water will come from the spring located at the southern end of the property (see **Attachment E** and **F**). The WAA, prepared before the 10-year PRISM data became the standard used a Normal Year and Dry Year Rainfall analysis of 33.1 inches and 8.7 inches, respectively. The 10-year prism data was requested provided at a later date from Applied Civil Engineering; the 10-year PRISM data varies across the entire holdings but averages approximately 35.5 inches per year. According to the addendum from Applied Civil and April 1, 2025 Addendum, the Normal Year estimate used in the WAA was conservative compared to the 10-year PRISM data. For the 607.85 acre holding, using the PRISM 35.5 inches per year the recharge, assuming 5% recharge per the WAA, the recharge is 89.0 AF/yr (compared to 84 AF/yr in the WAA for Normal Year and 22 AF/yr for Dry Year]. For the 43.26 acre winery parcel, using the PRISM 35.5 inches per year the recharge, assuming 5% recharge per the WAA, the recharge is 7.0 AF/yr (compared to 6.0 AF/yr in the WAA for Normal Year and 1.6 AF/yr for Dry Year). This demonstrates that just the recharge on the winery parcel (7 AF/yr) is more than 3 times the estimated demand for all of the existing and proposed uses on all parcels (0.5 AF/yr for winery demands + 1.35 AF/yr for residential demands + 0.4 AF/yr for irrigation demands = 2.25) and that the recharge on the entire holding (89.0 AF/yr) is nearly 40 times the estimated demand. The recharge for the holdings within Napa County is 89.0 AF/yr (wet), while the recharge for the individual parcel is 7.0 AF/yr. The estimated total water demand of 2.25 AF/yr is less than both the individual parcel recharge and the overall holdings recharge. As such, there should be adequate water on-site to provide for both the existing and proposed water uses and impacts would be less than significant.

The requested New Winery Use Permit is consistent with General Plan Goals CON-10 and CON-11, as well as the policies mentioned above that support reservation and sustainable use of groundwater for agricultural and related purposes.