

NAPA COUNTY
RESPONSES TO THE GRAND JURY REPORT:
Behind the Curtain: Napa County Use Permit Process
July 11, 2025

Introduction:

The “Behind the Curtain: Napa County Use Permit Process” Report of the 2024 – 2025 Napa County Grand Jury Report sets forth five (5) findings and five (5) recommendations related to the use permit process in Napa County. This memorandum comprises the responses of the Director of the Planning, Building, and Environmental Services Department, the Chief Executive Officer, and the Board of Supervisors.

Background:

The Planning, Building, and Environmental Services Department (PBES) partners with the community to promote the health, safety, and sustainability of Napa County by providing a range of development services while balancing agricultural, environmental, and economic vitality.

The Planning Division, comprised of a team of thirteen professional land use planners, plays a pivotal role in managing land use, guiding responsible development, and ensuring strict adherence to local, state, and federal regulations. The division oversees the County’s General Plan, zoning ordinances, and land use development policies, facilitating growth that reflects the values and environmental objectives of Napa County’s Board of Supervisors and residents.

A key responsibility of the Planning Division is to review development applications for consistency with the County’s General Plan and zoning ordinances. In addition, the division prepares the necessary environmental documents for these applications, ensuring compliance with all applicable environmental regulations. The division processes more than 30 different types of development applications, ranging from General Plan amendments and zoning changes to new winery permits and modifications, telecommunication permits and temporary events, to lot line adjustments, sign permits, and street addressing, to name a few. Each application type varies in complexity and approval requirements, with application approvals under the purview of the Board of Supervisors, Planning Commission, Zoning Administrator, or administratively by the Department Director. A summary of the Use Permit Types for wineries and non-wineries can be found on the County’s website at the following link: [Use-Permits-and-Modifications---FAQs-and-Flow-Charts](#)

In the processing of development applications, the Planning Division works collaboratively across multiple divisions within PBES, including Engineering, Environmental Health, Code Compliance, and Building, as well as other departments such as Public Works, the County Fire Marshal’s Office, and County Counsel. This collaborative, multi-disciplinary approach ensures a thorough and comprehensive review of every application, considering a broad range of factors including infrastructure, public health and safety, environmental impact, and consistency with land use policies.

In its day-to-day operations, the Planning Division prioritizes transparency and community involvement, actively engaging the public, stakeholders, state agencies, and key decision-making bodies such as the Planning Commission and Board of Supervisors. This commitment to collaboration ensures that land use decisions are made with input from all affected parties, reflecting the diverse interests of the community while adhering to the County's growth and environmental sustainability goals. Through its work, the Planning Division plays a vital role in shaping Napa County's future, guiding development in a way that balances progress with the preservation of the County's unique agricultural character and natural resources.

The Civil Grand Jury findings:

F1: Pre-application review meetings are optional and come with a fee, which may discourage applicants from using this, reported as helpful, resource.

Response: The Director of Planning, Building, and Environmental Services, the Chief Executive Officer, and the Board of Supervisors disagree partially with this finding.

While a pre-application in-office meetings are optional (as well as pre-application site visits), and does come with a fee, these meetings can provide valuable guidance and clarity for applicants. As of July 7, 2025, the fee for a pre-application in-office meeting with the Planning Division, which includes preparatory research, a one-hour in-person meeting, and follow-up, is \$772. Depending on the project's scope, applicants can choose to include additional reviewing divisions at the in-office meeting. The fees for these divisions are as follows:

- Engineering: \$453
- Environmental Health: \$318
- Building: \$496
- Public Works: \$344
- County Fire Marshal: \$1,028
- County Counsel: \$351
- Code Compliance: No Charge

The total cost to meet with all reviewing divisions would be \$3,762. However, the majority of pre-application in-office meetings typically involve only the Planning Division and at times, one other reviewing division. For example, an applicant seeking a development application that requires both a septic system installation and a groundwater permit might schedule a pre-application meeting with both Planning and Environmental Health.

To put this in context, the average county cost for processing a new winery use permit (excluding micro-wineries) from January 1, 2023, to July 2, 2025, was \$37,163. If an applicant holds a pre-application meeting with the Planning Division at a cost of \$772, the total county cost to process the winery use permit would be \$37,935, with the pre-application in-office meeting accounting for only 2% of the total processing cost. The majority of costs borne by the applicant are non-county associated costs, including but not limited to consultants, land use attorneys, architects and designers, and licensed technical

specialists for environmental review, such as biologists and hydrogeologists, as well as the subsequent costs associated with building materials and contractors to build out a new winery. The pre-application in-office meeting fee is a fraction of the overall cost associated with establishing a new winery. The pre-application meetings offer a valuable opportunity to clarify the application process, address potential issues early on, and align expectations; ultimately aiding to reduce the number of resubmittals and potentially lowering overall project costs and the number of application resubmittals.

A winery use permit significantly increases a property's value by granting the legal right to operate a winery, including specific entitlements for production, visitation, and marketing. Since the permit runs with the land in perpetuity, it provides long-term security and is highly attractive to potential buyers or investors. Additionally, it enhances access to capital, as properties with existing winery use permits are viewed as more valuable and can command higher prices due to the region's strict regulations on issuing new permits. Given the significant added value that a winery use permit provides to a parcel, the relatively small cost of a pre-application meeting is minimal when compared to the broader financial investment required for the development of a new winery.

F2: The County's 80% cost recovery fee model creates added burdens for applicants, with more challenges expected with the planned shift to 100% cost recovery.

Response: The Director of Planning, Building, and Environmental Services, the Chief Executive Officer, and the Board of Supervisors disagree wholly or partially with the finding.

State law allows government agencies to recover the cost of providing services by levying fees. Napa County has previously established fees for services and has periodically updated those fees. A comprehensive fee update was adopted in May 2019 via Board Resolution 2019-70. At the conclusion of the 2019 study, the Board of Supervisors maintained the goal adopted in 2003 to obtain full cost recovery for the Building Division and other building permit-related functions of the Fire Marshal, Public Works, County Counsel and Environmental Health, and an 80% cost recovery for all other Planning and Public Works related applications and activities.

Due to significant economic changes since 2019, including inflation, cost of living adjustments due to union contracts, and other related factors, the County initiated an updated fee study in 2023, awarding a request for proposal (RFP) to MGT Consulting to ensure that fees remain aligned with current economic conditions. The goal for this study was to present a well-documented and defensible cost of service plan that would identify rates that would be used to recover billable costs for services and to develop user fees that comply with Proposition 26, Proposition 218, and other applicable statutory requirements and County goals. The study was performed under the general direction of the County Executive Office. The primary goals of the study were to:

- Define what it costs the County to provide the various fee-related services
- Determine whether there are any services where a fee should be collected
- Identify service areas where the County might adjust fees based on the full cost of services and other economic or policy considerations

- Develop revenue projections based on recommended increases (or decreases) to fees

The fee study was presented to the Board of Supervisors on November 5, 2024. Recommendations included but were not limited to increasing cost recovery from 80% to 100% for all applicant fees to ensure the County General Fund isn't burdened by discretionary development applications. In addition to increasing cost recovery to 100%, the fee study recommended increasing the General Plan Surcharge from 3.3% to 7.5%, as the old 3.3% surcharge recovered less than 50% of annual expenses related to General Plan Activities such as the State mandated Housing Element Update or Safety Element Update.

After careful consideration, public comment, and discussion, the Board accepted and adopted recommendations (resolution 2024-119) to increase fees associated with private development applications.

F3: The winery database is outdated and inaccurate, limiting its usefulness as a reliable permitting resource.

Response: The Director of Planning, Building, and Environmental Services, the Chief Executive Officer, and the Board of Supervisors disagree wholly or partially with the finding.

The Winery Database was originally created to support cumulative impact analysis as outlined in Action Item AG/LU-10.1 of the 2008 Napa County General Plan. Its purpose was to track winery production capacity, marketing events, and other characteristics that could impact neighboring properties, not to serve as a real-time entitlement tracking system. However, over time, some community groups and wineries have started to rely on the database as a definitive source for entitlement information. This shift has led to the database being used or "weaponized" in ways it was never intended, based on incomplete or inaccurate data.

While the Winery Database provides valuable context for broad comparisons of winery operations, and though the County strives to ensure the accuracy of the information, it was not intended as a comprehensive record of individual winery entitlements. The database is primarily used by County staff for general reporting purposes at Planning Commission hearings, such as comparing proposed wineries with existing operations within specific geographic areas. It is not, nor was it intended to be a replacement for the official records of winery entitlements. Its misuse can result in confusion or misinterpretation of a winery's legal standing.

Given these issues, it is important for both community groups and wineries to understand the limitations of the Winery Database and avoid relying on it as a definitive source of entitlement information. Instead, formal, established processes such as Status Determinations or official permit documents should be used to confirm the scope of any winery's entitlements.

In addition, to address this issue, the County has included a notice to users of the winery database on the GIS mapping program. The notice explains that the database is "a complex dataset" that is updated, maintained, and spot-checked for accuracy, but that it is not unusual to find errors. Users are directed to a dedicated email address for reporting possible errors. In addition, the notice directs users to the

appropriate public information sources, i.e., the use permit records, to verify the information in the database.

F4: There is no process in place for conducting random audits to ensure winery permit compliance in the County.

Response: The Director of Planning, Building, and Environmental Services, the Chief Executive Officer, and the Board of Supervisors disagree wholly or partially with the finding.

We partially disagree. While Napa County no longer operates the random audit program that existed over a decade ago, where a select number of wineries were audited each year from a randomized list, the County has established other mechanisms to address potential violations. Under the previous Board of Supervisors, the County's Code Compliance program transitioned to a complaint-based model. This model focuses on actively responding to complaints through a structured process that includes warnings, escalating fines, and, when necessary, litigation against non-compliant properties. The County's current approach aims to be both responsive and equitable, ensuring that all complaints are addressed thoroughly and objectively. Code Compliance staff work to uphold regulatory requirements while engaging respectfully with residents and businesses alike.

For wineries, compliance with local and state standards is closely monitored through the permitting and construction phases, but ongoing enforcement post-permitting and post-construction is more challenging in the absence of complaints or self-reporting of violations. Prior to 2015, the previous Board of Supervisors prioritized random winery audits. In December 2018, the Board implemented the Winery Code Compliance Program (Resolution 2018-164). The Compliance Program took a more collaborative approach to help wineries who were out of compliance with their existing entitlement, remedy and resolve their violations to ensure long-term regulatory compliance. Under the Winery Code Compliance Program, 47 wineries enrolled, with 38 successfully reviewed and brought into compliance, while 9 remain pending as of July 2025. The program, although taking longer than expected, emphasized education over penalties, aiming for long-term compliance by guiding wineries to understand and address entitlement inconsistencies. It allowed wineries to align with regulations in a manner that balanced their current and actual operations with environmental review and regulatory standards.

However, competing Board's priorities redirected staff and fiscal resources away from random and structured winery audits. These competing priorities included the devastating impacts of the 2017 and 2020 wildfires, which necessitated extensive recovery efforts, as well as the ongoing demands of post-disaster rebuilding and ensuring community resiliency. In addition, the unprecedented challenges brought on by the COVID-19 pandemic further strained County resources. Consequently, the Board determined that it was necessary to reprioritize resources to address these immediate and pressing concerns, shifting focus away from an established winery audit program.

While the County remains committed to supporting local agriculture and the wine industry, fostering a culture of compliance through education, transparency, and fairness, the revival of a formal Winery Audit Program would require new policy direction from the current Board of Supervisors, as well as the identification of adequate funding and staffing to make it effective.

F5: The Napa County Planning, Building & Environmental Services Department faces structural inefficiencies, including a high supervisor-to-staff ratio and a lack of effective management structure.

Response: The Director of Planning, Building, and Environmental Services, the Chief Executive Officer, and the Board of Supervisors disagree wholly or partially with the finding.

The claim that PBES “faces structural inefficiencies” and “lack[s] an effective management structure” is untrue and not supported by evidence. PBES had a long-serving Director who was called upon to act as a temporary Chief Executive Officer during a lengthy nationwide recruitment. The current Director of PBES was promoted following the prior Director’s announced retirement in 2023. For the past two years, the department has undergone a significant leadership transition and has focused on establishing their own brand of culture which includes a focus on accountability, transparency, and customer service. This new brand of culture has also become a directive of the CEO and Board. While any kind of organizational change can be challenging, PBES has proactively invested in leadership development to strengthen performance management and team dynamics, while simultaneously establishing and re-establishing proactive working relationships with community stakeholders and wine industry groups. Under the prior and now current leadership, the department has consistently demonstrated a clear and well-organized management structure, supported by rigorous internal processes and a commitment to accountability. PBES understands the value of its employees and the importance of accountability and recognition for the highest level of service to the community they serve.

The suggestion that PBES operates without an effective management framework not only misrepresents the department’s operations but undermines the considerable efforts made to ensure high performance and service excellence. Such claims distract from the department’s ongoing dedication to meeting the needs of the community, and we remain confident in the integrity and strength of our leadership and organizational structure while simultaneously striving for continuous reflection and improvement.

Regarding staffing, PBES follows a robust recruitment process and management structure that adheres to established County policies and processes. The department continually evaluates its staffing needs and structure, and with the collaboration of Human Resources, makes staffing decisions that align with the broader goals and needs of the organization. Every vacancy undergoes a thorough review and requires approval by department leadership, the County Executive Office, and Human Resources before being filled.

The Grand Jury’s comments regarding the Code Compliance Division’s high turnover are mischaracterized. While it’s true that there has been turnover, it’s not uncommon for employees to leave for promotional opportunities, secure jobs in more affordable communities, or choose to retire. PBES, like all other county departments, uses its probation period strategically to assess new hires and ensure a good, long-term fit. Furthermore, the current vacancy rate for the department as of July 2025 is 4%.

The Civil Grand Jury recommends:

R1: The Napa County Board of Supervisors make pre-application meetings mandatory, eliminate upfront costs, and fold costs into the full permit fee for those who proceed, and to do so by July 2026.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

Napa County supports a transparent, consistent, and professional development review process that encourages early coordination between applicants and staff with the Planning, Building, and Environmental Services Department. Pre-application meetings are an important tool for facilitating communication, clarifying regulatory requirements, and improving the overall quality of project submittals. However, pre-application meetings remain a voluntary service, and Napa County does not mandate them as a prerequisite for filing a development application. Furthermore, Napa County does not require applicants to pay for services unless such fees are adopted through a formal and legally compliant fee schedule. Under the updated fee schedule adopted by the Board of Supervisors in Fall of 2024 after a comprehensive county-wide Fee Study, and effective January 2025, pre-application meetings remain a billable service, consistent with the Board of Supervisors' adopted policy of recovering costs from project applicants rather than relying on the use of taxpayer monies to subsidize private, for profit, discretionary development proposals.

While we appreciate the Grand Jury's interest in improving the use permit process, making pre-application meetings mandatory, and either folding their costs into the overall permit fee or offering them for free to applicants who do not proceed with a permit, is not reasonable. This approach would require taxpayer-funded staff time to support private development interests, contradicting the County's long-standing policy of 80% cost recovery (increasing to 100% in January 2025). Under this policy, those who benefit from specialized services, such as private permit processing, are responsible for covering the associated costs rather than shifting that burden to the general public.

Moreover, making pre-application meetings (office and site visits) mandatory and folding those costs into a permit fee only if the applicant proceeds with a full application raises issues of equity and administrative challenges. The presumptive assumption of the Grand Jury is that everyone who participates in a pre-application meeting moves forward with a formal development application. It should be noted that the pre-application process is sometimes utilized to explore development options for the sale of a property with no intention of proceeding forward with a development proposal. Such a system would require the County to subsidize costs for applicants who choose not to proceed, potentially resulting in unrecoverable expenditure of staff time and resources. The existing structure ensures that applicants who wish to engage in early consultation can do so at their discretion and pay a fair and proportionate cost for the time and expertise involved. While pre-application in-office meetings are scheduled, hour-long consultations that require payment by the applicant, Napa County Planning staff are also available daily to assist members of the public through complimentary, unscheduled 15-minute walk-in consultations either in-person at the permit counter or virtually by Zoom, or by phone. This service allows residents and prospective applicants to receive timely guidance on a wide range of topics, from minor matters such as fence setbacks, lot line adjustments, and home occupation permits to

more complex inquiries involving home remodels, agricultural developments, or winery use permits. This no-cost, readily available service reflects the County's continued commitment to accessibility, transparency, and public service, while distinguishing between general inquiries and the more in-depth, project-specific analysis provided during formal pre-application meetings.

Most importantly, Napa County emphasizes that the quality of a development application is ultimately the responsibility of the applicant and their consultant team. While County staff are available to provide guidance and feedback, including through pre-application meetings, those meetings are advisory in nature. The pre-application process is only effective if the applicant or applicant team chooses to fully utilize the substance of what is discussed at the pre-application meeting and submits a thorough, fully comprehensive application. Often, applicants who participate in pre-application meetings, return after months, or in some cases years, and submit an application that is substantially incomplete. The submission of a partial application creates a process that does not enable staff to complete a comprehensive review of the project in its totality because of missing information. The absence of a complete and thorough application guarantees the applicant an incompleteness letter. Furthermore, if lack of information is related to other aspects of the project and that information is submitted well into the process (e.g. with the second or third resubmittal), that has the potential to result in additional comments, which are often referred to by applicants as "late hits." Those "late hits" are often simply comments from staff on newly submitted information that was initially missing from the application package or the project proposal has been significantly changed or altered to reflect adjustments by the owner in physical layout, interior winery design, hospitality operations, or to address public concerns.

Pre-application meetings are a valuable tool in the development review process; however, they do not replace the need for applicants to perform their own due diligence, retain qualified professionals if needed for complicated development proposals, and submit complete, thorough, and technically sound applications that meet all applicable federal, state, and local regulations. The County's standards for application completeness, technical documentation, and consistency with local, state, and federal regulations are clearly defined in publicly available materials and have been reinforced through staff guidance and public workshops. Ultimately, the onus remains on applicants and the licensed professionals they retain to meet those standards.

To illustrate this, on October 18, 2023, the Planning Commission unanimously approved a use permit for a new 20,000-gallon winery with an associated visitation and marketing plan. The applicant did not participate in a pre-application meeting. The initial application was submitted on August 29, 2022, and after three resubmittals, received approval 13 months and 20 days later. In another case, a micro-winery use permit application began with a pre-application meeting on July 29, 2022. The formal application was submitted on March 16, 2023, and following three resubmittals, was approved by the Zoning Administrator on October 25, 2023, 14 months and 27 days after the pre-application meeting. These two examples, one with a pre-application meeting and one without, demonstrate that timely project review and approval are less dependent on participation in a pre-application meeting and more closely tied to the quality and completeness of the initial submittal. In both cases, the applicants assembled knowledgeable teams that provided thorough applications and sound technical documents, enabling

staff to issue substantive, project-specific comments early in the process and guide each project through the approval process.

While County Planning and County Counsel diligently strive to stay current with the evolving landscape of state and federal regulations, it is equally essential that qualified, licensed professionals retained by applicants during the development process maintain their own expertise and up-to-date knowledge of all relevant federal, state, and local requirements. The complexity and frequent changes in regulatory standards, particularly at the state level, demand a collaborative effort, where both public staff and private consultants contribute their specialized understanding to ensure compliant, thorough, and well-prepared applications. This shared responsibility helps facilitate an efficient and effective review process that protects public interests and supports sound development outcomes.

While Napa County values early engagement and constructive dialogue with project applicants and their teams, it will not implement the Grand Jury's recommendation to mandate and potentially subsidize pre-application meetings. The County will continue to offer this service on a voluntary, fee-based basis as part of a fiscally responsible, applicant-driven planning process that promotes accountability, transparency, and quality outcomes.

R2: The Napa County Board of Supervisors implement a structured fee system based on project complexity whenever possible to ensure fairness and greater transparency, and to do so by July 2026.

Response: The recommendation has been implemented.

Local jurisdictions like Napa County are entrusted with the critical responsibility of managing limited public resources while delivering high-quality services to the community. Development-related fees are a key mechanism for ensuring fiscal responsibility. These fees are not general taxes; rather, they are designed to recover the actual costs incurred by the County in processing private development applications, including staff time, technical analysis, and administrative overhead. Without a structured fee system, the financial burden of reviewing and managing private development would be subsidized by use of taxpayer dollars.

By implementing a fee schedule that accounts for project complexity and the level of service required, Napa County ensures that those who directly benefit from specialized planning services pay their fair share. This promotes transparency, equity, and accountability in the development review process. Fee studies are an essential tool in achieving this goal. They allow local governments to assess the true cost of service delivery and to align fees, accordingly, ensuring sustainable operations without relying on taxpayer subsidies. Structuring fees based on project complexity also helps ensure fairness in a manner whereby simpler projects are not overcharged, while more complex proposals are appropriately assessed fees based on the greater resources they require.

To support this objective, on October 10, 2022, the County Executive Office issued a formal request for proposals (RFP) to identify a qualified consultant to lead a comprehensive, county-wide fee study. The

goal of the study was to provide a data-driven analysis of service delivery costs and to establish a fee schedule that is equitable, transparent, and legally defensible.

Following a competitive selection process, on April 18, 2023, the Board of Supervisors awarded the contract to MGT Consulting, a nationally recognized public sector consulting firm. Over the course of 2023 and 2024, MGT worked collaboratively with multiple departments, including the Planning, Building, and Environmental Services Department, Public Works, County Counsel, the County Fire Marshal's Office, and Ag Commissioner's Office, to evaluate current service costs and cost recovery goals. One substantial change that emerged from the study was the recommendation to the Board of Supervisors to increase the Planning Division's cost recovery target from 80% to 100%. Under the previous 80% model, the remaining 20% of planning-related service costs were effectively subsidized by taxpayers. Transitioning to a 100% cost recovery goal ensures that the full cost of processing private, for-profit discretionary development proposals is borne by the applicant, not the public. This policy shift reflects Napa County's commitment to equitable resource allocation and responsible fiscal stewardship.

The final recommendations from the fee study were presented during a publicly noticed Board of Supervisors hearing on November 5, 2024. After careful consideration, public comment, and discussion, the Board accepted and adopted the recommendations through Board resolution number 2024-119. The new fee schedule, reflecting a more refined, data driven structure, and updated cost recovery targets, went into effect in January 2025.

Napa County has proactively implemented a structured and transparent fee system that ensures applicants pay in proportion to the level of service received, while protecting taxpayer resources. By moving to a 100% cost recovery model for planning services and basing fees on project complexity, the County has positioned itself to continue delivering high-quality public service in a fiscally responsible and equitable manner.

R3: The Napa County Board of Supervisors update and maintain the winery database as the authoritative and trusted reference for permits in the County, and to do so by July 2027.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

The Winery Database was originally developed in response to Action Item AG/LU-10.1 of the 2008 Napa County General Plan, which directed staff to "maintain a database of all wineries including their production capacity, marketing events, and other characteristics that could influence analysis of cumulative effects or the winery's effect on neighbors." The intent was to support ongoing cumulative impact analyses and inform future planning efforts, not to serve as a real-time, parcel-specific entitlement tracking system.

Over time, however, some community groups and wineries have come to utilize the database as a definitive source of entitlement information. In some cases, it has been misused or "weaponized" to challenge winery operations based on assumptions or incomplete data. This shift in use on the part of

external users is inconsistent with the original policy direction of the Board of Supervisors and the purpose of the General Plan action item.

To support accurate entitlement verification, Napa County provides a formal process known as a Status Determination. This voluntary application process allows property owners of a use permit to request a thorough review of their legal entitlements. The fee for this process is a deposit of \$1,500 and primarily involves processing by Planning and County Counsel staff based upon hourly rates. County staff then issues a written determination within 120 days of a complete submittal that confirms the scope of a legally established use permit. A Status Determination does not authorize new uses or expand existing ones; it simply documents what has already been approved. It also does not validate historical uses or structures that were not legally established. This decision can be used to inform future land use applications and CEQA baseline conditions.

Unfortunately, some individuals now attempt to substitute the Winery Database for a formal Status Determination, leading to confusion and improper reliance on a tool not designed for entitlement verification. For those with legitimate questions, the Status Determination process or use of the County's official Electronic Document Retrieval (EDR) system, are the appropriate and accurate paths for confirming entitlements.

Meeting the Grand Jury's recommendation would, in effect, require County staff to conduct a Status Determination for every winery in Napa County, regardless of whether such a review has been formally requested, and without payment of the Board-adopted fees. This would be a multi-year initiative requiring the redirection of existing staff from active application processing or the hiring of additional positions funded by General Fund dollars. In other words, the effort would place the cost of researching private property entitlements on taxpayers, despite the County already offering a formal process for applicants to pursue this work at their discretion.

While effort is made to ensure the accuracy of the Winery Database, no dataset is entirely error-free, especially given the complexity of land use entitlements. It is important to note that the Winery Database is not a resource frequently utilized by Planning staff in day-to-day permit processing. Staff primarily reference it when compiling a Winery Comparison Chart for Planning Commission staff reports to provide a broad context to the Commission, such as how a proposed winery's production or visitation numbers compare to existing operations within a 1-mile radius. This information serves as a tool to assist the Planning Commission in facilitating discussions when evaluating project proposals. However, its application is complicated by the varying standards under which wineries operate (e.g., pre-Prohibition, pre-Zoning Code, pre-Winery Definition Ordinance, and post-Winery Definition Ordinance). Beyond this limited use of the Winery Database, it is not a resource used by County staff.

Given the aforementioned issues, Planning staff would be supportive of the Board of Supervisors directing the removal of the Winery Database altogether. This action would help prevent further misuse and misinterpretation while preserving staff resources for their core duties. Lastly, decommissioning of the Winery Database would publicly reinforce the fact that formal Status Determinations or referencing historical documents in the County's Electronic Document Retrieval (EDR) system, are the appropriate paths for confirming use permit entitlements.

Repurposing the Winery Database as a definitive entitlement record would exceed its original intent, demand significant new public resources, and risk ongoing confusion. Instead, staff recommends continued reliance on formal, established processes such as Status Determinations and the EDR system that ensure entitlement information is accurate, legally verified, and consistent with regulatory standards. This approach preserves staff capacity for timely and effective application review while ensuring taxpayer resources are properly managed.

R4: The Napa County Board of Supervisors establish a funded audit program to monitor winery compliance, and to do so by July 2026.

Response: The recommendation requires further analysis.

Napa County's Code Compliance program currently operates on a complaint-based model, a structure necessitated by limited staffing and funding. The County implements a proactive enforcement process that includes warnings, escalating fines, and the potential for litigation if properties remain out of compliance, while emphasizing responsiveness and fairness, ensuring that complaints are addressed in a thorough and objective manner. Code Compliance staff work to balance the County's regulatory obligations with a consistent and respectful approach to residents and businesses alike.

As it relates to wineries, compliance with local and state standards is closely monitored through the entire post-permitting and construction process, with conditions of approval reviewed through routine inspections prior to final occupancy. After a project is built and operational, however, ongoing enforcement becomes more challenging unless the County receives a complaint or a winery self-reports information that is inconsistent with the conditions of its use permit.

The County has taken steps to improve monitoring. In 2015, the Board of Supervisors identified winery auditing as a policy priority and implemented the Winery Audit Program. However, the Board later shifted its focus in 2018/19 to the Winery Code Compliance Program, a more collaborative approach to bringing wineries into alignment with their existing entitlements. In addition to this strategic shift, the previous Board's priorities evolved in response to two major wildfires, post-disaster rebuilding and resiliency efforts, and the need to guide the County through the unprecedented challenges of the COVID-19 pandemic. These realities demanded a redirection of both staff capacity and fiscal resources.

A total of 47 wineries enrolled in the Winery Code Compliance Program. As of the date of this response, 38 have been successfully reviewed and brought into compliance, and 9 are currently pending final resolution. The program, while taking longer than the Board expected to get all the participating wineries through the process, reflects the County's intent to provide permit holders with a clear, structured path to compliance; one that emphasized education over penalty and supported long-term alignment with land use policies. It allowed property owners to better understand their entitlements, acknowledge use permit inconsistencies and violations, and, where no public health or safety risks were present, bring their operations into compliance in a way that balanced business needs with environmental review and regulatory standards. The program further specified that properties that did not submit an application to the Code Compliance Program and who were subsequently found to be out

of compliance with their use permits, were required to come into immediate compliance. They were also required to operate within their existing legal entitlements for one year from the date of the initial Notice of Violation before submitting any subsequent use permit or modification application to the County.

The Planning Department remains focused on supporting local agriculture and the wine industry while safeguarding environmental resources and ensuring adherence to land use regulations. The County's goal is to foster a culture of compliance through education, transparency, and fairness. That said, if the revival of a formal, ongoing Winery Audit Program is a priority of the current Board of Supervisors, it will require clear policy direction and an appropriate funding mechanism to be successful.

To that end, there are two potential funding models that the Board could consider:

General Fund Allocation – The Board could fund new enforcement and monitoring positions directly using General Fund resources. This would require a clear identification of the program as a Board priority and a commitment to fund and sustain new Full-Time Equivalent (FTE) positions.

Use Permit Monitoring Fee – Alternatively, the Board could direct staff to develop an enforcement and monitoring fee to be assessed on new or modified use permits. This fee would help offset the cost of routine monitoring and post-occupancy audits. However, even if such a fee were implemented, it is likely that a General Fund allocation would still be required, as the relatively small number of new or modified use permits processed each year would not generate sufficient revenue to fully cover the staffing and operational costs of a comprehensive audit program for all existing use permits.

It should also be noted that without additional staffing, implementing a full-scale audit program would require redirecting existing Code Compliance staff away from their current complaint-based caseload, which could impact the County's ability to respond to active violations and new complaints across all land use and building codes.

While the Planning, Building, and Environmental Services Department supports a proactive and balanced approach to ensuring winery compliance, the establishment of a formal audit program is a policy-level decision that would require clear Board direction, additional resources, and potentially a new, equitable fee structure. The Department remains committed to working collaboratively with the Board of Supervisors and stakeholders to ensure any future compliance initiatives are fiscally responsible, transparent, and aligned with the County's broader land use policies and goals.

R5: The Napa County Board of Supervisors evaluate alternative management structures for the Napa County Planning, Building & Environmental Services Department to establish a flatter, more effective organization, and to do so by July 2026.

Response: The recommendation has been [partially] implemented.

The Planning, Building, and Environmental Services Department remains committed to building a high-performing, mission-driven team dedicated to exceptional service to the community. In collaboration

with the County's Human Resources division, the department follows a rigorous recruitment protocol focused on identifying qualified candidates who align with the department's values and service goals.

Following a period of long-standing leadership, the department has undergone significant transitions in both management and leadership roles. This change has brought renewed focus to cultivating a culture of accountability, transparency, and customer-oriented service delivery. Recognizing that organizational change can create challenges, PBES has made significant investments in leadership development and organizational support through its ongoing partnership with The Centre for Organizational Effectiveness (TCFOE). These efforts have strengthened performance management, improved team dynamics, and supported the department's overall effectiveness.

As part of its broader organizational development, PBES launched a new Mission, Vision, and Values statement, introduced updated internal and external communication tools, created process guides and checklists, and is actively documenting department-wide standard operating procedures. These tools are designed to provide consistency and clarity for both staff and the public.

The department continuously assesses its organizational structure and staffing needs. Each time a position is vacated, a comprehensive review is conducted of the vacancy in question, and backfilling that position or restructuring requires approval from departmental leadership, the County Executive Office, and Human Resources. Staffing decisions are not made in isolation at the division level. Division managers serve as both working managers carrying their own workload and assignments, in addition to managing direct reports and overseeing day-to-day operations of their assigned division. PBES has worked closely with Human Resources to implement restructuring efforts when appropriate, with a focus on enhancing performance, accountability, and service delivery. For example, as part of the Fiscal Year 2025–26 budget, the department received approval to convert a Field Inspection Supervisor to a Deputy Chief Building Official and a Plans & Permit Supervisor to a Permit Technician. Both changes reflect efforts to flatten management layers and improve oversight and customer service.

Specific to Code Compliance Division, the Grand Jury noted "... the recent turnover rate has also been high. In the past year, two of the four code compliance officers resigned, and the Code Compliance Manager was recently dismissed after less than a year in the role for unclear reasons. This represents a 50% turnover rate.... This high turnover rate often signals problems in management, culture issues, or a negative work atmosphere." The Grand Jury's assessment of the Code Compliance Division is a mischaracterization that lacks context and substantive examples of "problems in management, culture issues or a negative work atmosphere." While the County will not comment on individual personnel matters, in general it is not uncommon for resignations to occur due to employees leaving for promotional opportunities with other jurisdictions, to relocate for jobs in communities that have a lower cost of living than Napa County, or for tenured employees to simply retire. In the recruitment and onboarding of new employees, the probation period is not merely used as a formality, but as a strategic window to train, assess, and hold new hires accountable, which at times leads to positive turnover whenever there isn't a good fit. As of July 2025, the department-wide vacancy rate is 4%.

Lastly, regarding the Grand Jury's comment of "family members and friends allegedly receiving preferential treatment and often working together in the same department", as previously noted, all

recruitments are conducted in close coordination with Human Resources and subject to the County's hiring rules, including Policy 37H – Rule 6, Section 5 which states: *The employment of a member of any employee's immediate family within the same department shall only be permitted when (1) the related employees are not supervised by the same supervisor, and when (2) the course and nature of their work is independent and does not cause interaction or a close working relationship. An employee's immediate family shall be considered for this provision as spouse, child, mother, father, grandparent, or grandchild, brother, sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or a corresponding step-relationship. Relatives of nonclassified employees shall not be employed in the same department as the nonclassified employees. The employment of relatives exclusion shall not apply to employees currently employed as of the date of adoption of this provision.*

This policy has been in effect since 2005 and is adhered to in all PBES hiring decisions. In addition, the department is developing a formal guidance document for employees to clarify expectations for family member employment. As of July 11, 2025, this document has been submitted to Human Resources for review and feedback.