

Executive Summary
White Paper 1
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A vision for the future: How Napa County should support the region's wine industry, economic vitality, agricultural uniqueness and strong base of employment

Introduction:

- This paper is presented by a group of vintners concerned about the viability of Napa County's wine industry – and in turn, the future of the entire region.
 - This paper is number 1 of several that will be submitted to the Napa County Board of Supervisors. These papers are created by livelihood vintners, and are meant to be helpful if not instrumental in shaping needed change in our regulatory systems.
 - Anti-winery vitriol and hyperbole have taken control of the narrative about the greatest wine-producing valley in the world, threatening the singular importance of this industry to the local job market, schools, housing and tax revenues supporting all of its citizens.
 - Napa County needs to ask, "How do we ensure the future success of the wine industry for the benefit of everyone? How do we preserve and enhance the amazing quality of life and unique agricultural community that wineries and growers have played such a crucial role in creating?"
 - These questions could not have higher stakes. Other wine regions are catching up to Napa Valley, and we are losing our competitive edge over places like Paso Robles or Santa Barbara. The cost of doing business is driving up the cost of Napa wine. With each year a multitude of new wines are offered to the marketplace and perceptive consumers, critics and sommeliers are noticing.
 - This paper lays out three important recommendations that we feel are urgently needed.
- 1. Winery visitation should be based on infrastructure of the facility – period.**
- Napa County does not tell a restaurant, hotel, bowling alley or dentist how many employees or visitors they are allowed to have each day. Wineries are built to host visitors of Napa Valley – they are the lifeblood of our industry, and without them we are out of business. Think how uncomfortable a restaurant feels when you are the only table seated. Wineries should provide a cheerful atmosphere, not unlike restaurants.

- While restaurants and other places of business may not be located in the AP or AW, they have a great deal in common with wineries, in that they need to be able to operate in a viable way.
- If wineries cannot be successful within agricultural areas, then the AP itself will be in jeopardy. After all, wine sales are part of agriculture, and wineries cannot exist if they cannot market and sell their wine.
- While we are behind efforts to reduce traffic, visitation at wineries has been shown **not** to be a prime culprit (see County's Fehr and Peers study).
- If a winery's overall capacities are sufficient, and there are no significant impacts to infrastructure, then the county and its citizens should not be concerned with the number of visitors a winery has. What's more, neighbors should be accepting of living in an agricultural area close to working wineries, as the land is zoned for agriculture along with winery activities as the highest and best use.
- Focusing on a winery's infrastructure will also reduce the demand for use permit modifications in the future, reducing the need for compliance-related modifications just because a winery has too many visitors (or employees). It is an educated guess that a significant number of wineries that have visitors beyond their use permit limits are nevertheless within the limits of their infrastructure.
- The above recommendation does not mean there will be no regulation or limits on visitation – simply that these will be based on a winery's infrastructure. This proposal amounts to regulation that is fair, appropriate, and updated for today's business climate.

2. Minor changes in winery operations should not trigger a major mod

- The permitting process has become prohibitively expensive and lengthy – anecdotally, we know of wineries that would go out of business if they had to go through the process of modifying their use permit.
- Increases in the number of visitors, employees and production should be allowed as a minor or very minor modification, which does not require public hearings and full CEQA analysis.
- Why does changing a winery's permitted production from 30,000 to 35,000 gallons require a hearing in front of the Planning Commission? Why should adding a few employees or 10 visitors a day require a Major Mod?
- The guiding principle for mods should be infrastructure – if a winery can accommodate greater production, visitation or employees, then it should not be subjected to the expense, time and hurdles of a major mod. Only if infrastructure is inadequate should a winery have to go through the major mod process. Rather than having to do a full CEQA analysis or rebuild roads, a winery could be charged a traffic mitigation fee or other such measures to ensure safety and other county requirements.
- The above proposal will not only be fairer for wineries, but will save the county money, time and resources, as it will not have to go through the laborious major mod process for even small adjustments in production and visitation.

3. Take steps to preserve agriculture as the highest and best use of Napa County land

A. Encourage production shift to the South County

- The county should support the further shift of wine production to South County – this would greatly alleviate traffic congestion up-valley and preserve the area’s unique pastoral character for visitors and locals alike.
- Development of wineries in the South County would also help sustain winery construction and its associated thousands of jobs. This would also help keep contractor traffic out of the up-valley.
- One possible avenue is to incentivize wineries to voluntarily move their production of out-of-county fruit to South County – even though current traffic in the area is a problem, the South County is better-positioned to address this with additional roads and improved infrastructure. Employees would also be shifted down valley – likely in closer proximity to where they live – again reducing traffic overload.
- We envision local vintner and growers associations, politicians, friends and neighbors working together to “Do the right thing for Napa Valley to lessen our traffic!”
- A range of incentives could be implemented to support the above vision, from tax incentives to “by-right approvals” for wineries that shift to the South County.

B. Increase permitting requirements for estate homes in the AG and AW

- In addition, we propose that the county examine and potentially curb the proliferation of large-scale estate homes in the AP and AW.
- An estate brings no agricultural value, yet has favored status within the AP. Why are the private property rights of an estate owner favored over those of an agricultural producer that grows grapes and makes wine on the property?
- Why is there a winery development area analysis done for every winery, but an estate that is just as significant has no such analysis or constraint? Every criteria a winery faces in development within the AP and AW should be imposed on residential housing – water, biological studies, storm water runoff plans, hydrologic slope etc.
- We propose the County create a housing framework in the AP and AW, and housing that exceeds certain minimums should have to go through a use permit-like process, including a public Planning Commission hearing. Estate owners of new builds would also need to sign a “right-to-farm” agreement, indicating that they understand and accept the conditions of working wineries and their related activities, such as visitation, night harvesting etc.

Conclusion:

- Many in the County seem to take the vitality of the wine industry as a "given," and this naïve way of thinking needs to change.
- Wineries face a different economic reality than they did even 10 years ago. They need support just to survive, let alone thrive, in the new competitive landscape in which they operate.
- Not only is the future of the industry at stake, but so is much more – the Valley’s economic vitality, job stability and job creation, and the world-class reputation and unique specialness of this extraordinary place.
- Hopefully the proposals in this paper will fuel our mutual efforts to work collaboratively to advance the overall long-term welfare of the Napa Valley.