

**REVISED PROJECT STATEMENT
FOR A
WINERY USE PERMIT AND VARIANCE
FOR
MOUNTAIN PEAK VINEYARDS LLC
3265 SODA CANYON ROAD, NAPA, CA
APN 032-500-033**

The proposed project is a new 100,000-gallon per year production winery proposed for a 41.76-acre parcel located at 3265 Soda Canyon Road, Napa. The applicant has targeted this winery for LEED Platinum status and the LEED Scorecard for the winery is included with this Project Statement. The wine caves will house approximately 80 percent of the overall winery uses, and play an important role in the LEED certification.

The proposed winery includes a total winery coverage area of 70,375 square feet of impervious surface, for an overall coverage of 3.8 percent of the overall site. The winery fermentation room and barrel storage will be contained within 65,224 square feet of wine caves, which will be Class III caves that also contain 10,955 sq. ft. of accessory space, with crush being done on a 15,015-sq. covered outdoor crush pad and work area.

Winery accessory uses will be housed within two at-grade structures, a 6,190-sq. ft. tasting room and winery administrative offices building and a second rectilinear structure of 2,719 sq. ft., which will house additional winery offices and tasting areas.

The production-to-accessory ratio for the proposed winery is 24.5 percent.

The winery improvements envisioned for the property also include various infrastructure and mechanical structures: winery access roads and parking areas (28 spaces including 3 ADA-accessible spaces); two water storage tanks of 100,000 gallons each (one of these an underground cistern with a 100,000-gallon capacity); emergency fire protection turnaround areas; a LYVE System wastewater treatment facility and sanitary wastewater treatment facilities; and several agricultural outbuildings associated with the vineyards on-site. There is an existing 3,000-sq. ft. building that is an approved viticulture offices and agricultural storage building that will continue in that capacity and is not part of the proposed winery uses.

The landscape concept for this winery includes beautiful Asian gardens that separate the hospitality structure and the winery administrative offices buildings, and which offer superb views of vineyards and mountains as backdrop. The gardens will also be complimentary to ten separate landscape (pervious surfaces) areas, features providing an outdoor experience for wine tasting and certain of the winery marketing events. Each of these areas represents an extension of the landscape gardens and are accessible via footpaths from both the gardens and the accessory structures.

Actions requested in this winery use permit include the following:

- (1) Approval of a use permit for the winery development improvements described above and herein, along with a Winery Marketing Plan;
- (2) Approval of a Variance to the 300-ft. road setback contained in the County's *Winery Definition Ordinance*, for a private road extending from Soda Canyon Road's termination and which serves more than one property owner;
- (3) An exception to the *Napa County Road Standards* for portions of the winery access road that are to be less than 20 feet in width, as noted in the Road Exception Request letter in the engineering reports;
- (4) Recognition of a Phasing Plan for the winery construction that will allow the winery to open for certain of its activities prior to completion of the overall project construction.

Project Setting and Surrounding Land Uses

The subject parcel is 41.76 acres in size and is located almost at the top of Soda Canyon Road, which extends eastward from the Silverado Trail just north of the City of Napa. The parcel contains approximately 28 acres of vineyards (Tract II Plan), a large residence that will be removed for siting of the winery, and several agricultural buildings. The most notable of the agricultural buildings is an approved viticulture offices that has served as the center for agricultural interests for Stagecoach Vineyards (Dr. Jan Krupp and Mr. Bart Krupp, former owners). The viticulture offices building will continue in its present capacity and is not proposed to include winery uses at this time.

The property is characterized by rolling hills and vineyards, with a cleared area near Soda Canyon Road for the residence and surrounding landscaping. This property is located within the Rector Reservoir Municipal Watershed Area, and so is subject to the County's 60/40 Percent Rule, which stipulates that no more than 40 percent of the overall parcel may be cleared of tree canopy and/or native shrubs and grasses, based on 1993 aerial mapping of the area. This property has reached that threshold; therefore, existing cleared areas associated with the previous owner's residence became the basis for the overall winery "footprint." The existing residence will be replaced by the proposed winery buildings.

The area along Soda Canyon Road is generally characterized as vineyard property, with several wineries, some grazing lands, a school, and a number of single-family rural residences. Soda Canyon Road is a County-maintained road up to almost the point where it terminates near the primary entry for the proposed winery.

There are a number of wineries of varying sizes along Soda Canyon Road and the Silverado Trail. Among those are: William Hill Estate, Darioush, Hagafen, Van Der Heyden, Reynolds Family, and Black Stallion Wineries.

Napa County Geographic Information Systems (GIS) Data

A review of the County's GIS data base for this parcel yields the following as an environmental setting and constraints inventory.

Alquist Priolo Faults: None found.

Archaeology: No archaeological sites or cultural resources found.

CalVeg: NX-Mixed hardwoods.

WalWater Watershed: HR: San Francisco Bay
HU: San Pablo
HA: Napa River
HSA: Napa River
SPW: Lower Napa River
PW: Rector Reservation *

- Subject property is within the Rector Municipal Watershed; therefore, Napa County's 60/40 Percent Rule for maximum cleared area applies.

Faults: No faults found.

FEMA Flood Zone: Parcel not in FEMA Flood Zone.

Fire Hazard Severity: Very high fire hazard severity (SRA). Compliance with Chapter 7A of the *California Building Code* is required for all new construction.

Groundwater Ordinance: Parcel not in Groundwater Deficient Area.

Landslides: No landslides found.

Local Drainage: Rector Reservoir

Soil Type: Boomer loam, 2 to 15 percent slopes.

Special Species: No special species found.

Spotted Owls: No Spotted Owls found.

HazMat Releases – Local Oversight Program (LOP) (within 1,500 ft.):
No Non-LOP hazardous materials releases found.

County Zoning: AW (Agricultural Watershed) See subsequent discussion on zoning.

Schools within 0.25 Mile Radius: No schools within 0.25-mile radius.

Relationship to Local Plans and Ordinances

General Plan Land Use Element and Zoning: The land use designation for the subject property in the *Napa County General Plan* is AW (Agricultural Watershed). The zoning district is also AW. The AW District allows the growing of agricultural products, including wine grapes. On parcels of ten acres or larger, it also allows wineries as an agricultural processing use, with an approved winery use permit. In addition to wineries, several types of residential uses are allowed: (1) one primary residence of any size; (2) a guest house of up to 1,000 sq. ft. in size (but without a kitchen); (3) a "second unit" of up to 1,200 sq. ft. in size (may have a kitchen and can be rented for 30 days or more, but not as a vacation rental); and (4) any number of farm worker or caretaker units, so long as the units meet County development standards and the occupants of said units qualify according to their job descriptions and income levels.

Winery Definition Ordinance (WDO): The *Napa County Winery Definition Ordinance (WDO)* defines wineries and describes the parameters for the design and development of wineries, as well as describing the activities that may occur at wineries. A winery is allowed on any agriculturally zoned property of ten acres or greater, but requires an approved winery use permit.

A winery may not exceed 25 percent of the overall land area of the parcel, including all structures and other impervious surfaces, including roads and parking areas. Another coverage threshold is the production-to-accessory ratio for winery structures, which is 60 percent for production (minimum) and a 40 percent (maximum) for accessory uses (tasting rooms, kitchens, winery offices, etc.)

Mountain Peak Vineyards LLC has an overall coverage of 70,375 square feet (includes existing viticulture building for grading/drainage consideration), with an overall coverage of 1.62 acres of winery development area or 3.8 percent of the parcel size. This falls considerably below the maximum coverage of 25 percent allowed in the County's *WDO*. Production facilities are housed in the wine caves and include the covered (structural) crush pad area for a total of 52,399 square feet. The accessory uses are accommodated in two at-grade structures proposed on the site, which total 12,825 square feet in area. The resulting production-to-accessory ratio is 24.5 percent, considerably lower than the maximum 40 percent accessory use allowed in the County's *WDO*.

In order to access the only area on the parcel that is conducive to wine caves, and to adhere to the strict 60/40 Percent Rule for municipal watershed areas, the winery was sited on a previously disturbed portion of the parcel that is also located adjacent to the area that works for wine caves. The wine caves are an important consideration in the applicant's objective of having the winery LEED Platinum certified and approximately

80 percent of the winery operations will occur in the wine caves as proposed. This results in the necessity of requesting a variance to the 300-ft. public or private road setback contained in the County's *WDO*. When the winery was first submitted, encroachment into the setback of Soda Canyon Road and the private access road necessitated two variances. However, the applicant has elected to refine the design of the winery so that portions of two at-grade structures are now within the 300-ft. setback and the water storage tank previously proposed next to Soda Canyon Road is now fully underground.

The remaining variance is necessary in order to maximize the efficiency of the winery operations, to best utilize the area conducive to wine caves for operations, to minimize visual impact and the proliferation of at-grade structures, and to adhere to the previously disturbed area that is part of the 60/40 Percent Rule as "cleared area" as per the 1993 aerial mapping. The Variance application and draft findings in support of that variance are included in this application.

Response on Napa County 75 Percent Grape Source Requirement: The County's *WDO* requires an applicant to agree that a minimum of 75 percent of all fruit processed at the winery will be fruit originating in Napa County. This applicant's objective is to have more than 75 percent of his fruit coming from Napa County. The 28 acres of vineyards on-site will provide estate-grown wine and there are plans to expand the yield for some of the 28 acres of vineyards via replanting. In addition, at the time of this application submittal the applicant is negotiating the sale of another nearby vineyard. As for additional fruit necessary should the winery achieve its long-range production level of 100,000 gallons per year, there are numerous existing vineyards along Soda Canyon Road, and the applicant's objective would be to purchase fruit grown in proximity to the winery site from other growers as necessary. It is critical to the applicant's marketing plan and commitment to quality to utilize Napa grown grapes to the greatest extent possible. To that end, the applicant maintains a current and future spreadsheet breaking down the necessary fruit source relative to varietal, vineyard blocks, acreage, appellation, estimated tons/acre, estimated tons for current harvest translated into gallons and cases.

Napa County Conservation Regulations: The proposed project is consistent with the *Napa County Conservation Regulations*, which apply in all agriculturally zoned districts. One aspect of the project is its relationship to the 60/40 Percent Rule, which is a function of the parcel's location in an area designated as part of a Municipal Watershed Area (Rector Reservoir, which provides potable water to the City of Napa). This rule provides that no more than 40 percent of a property (based on 1993 aerial mapping) may be cleared of tree canopy or naturally occurring groundcover. This includes all impervious areas, vineyard plantings and other ornamental landscaping, roads, wineries and residences. This property has reached, but has not exceeded the 60/40 Percent Rule threshold and this condition is analyzed in the 60/40 Percent Rule Analysis included in the civil engineering reports. The winery development area falls within the 60/40 Percent Rule area related to existing vineyards and the residence, the latter of which will be replaced by the winery improvements.

Napa County Street and Road Standards: This proposal includes a request for a road exception to the *Napa County Street and Road Standards*, as a portion of the proposed winery access road will not meet the required 20-ft. width. A detailed description of the road exception request is contained in the engineering reports. The current private driveway averages approximately 12 feet in width and is lined with many mature black and live oak trees and Douglas firs. The goal is to minimize any potential road improvements to preserve as many of the existing trees as possible and also to retain the rural appearance and character of this private driveway. In addition to the trees, there is an existing rock wall on the south side of the private driveway that would require demolition and removal, significantly modifying (if not removing) the adjacent neighbor's entry gate. Finally, another benefit of utilizing the existing driveway is the ability to minimize the extent of grading and paving on-site.

Other County Departmental Regulations: The winery use permit will also be subject to regulations of Napa County Environmental Management and the Napa County Building Department, integral with the Planning Department. All required regulations will be satisfied as part of the proposed project, if approved.

Winery Development Area Improvements

As described above, this winery is housed almost exclusively within the wine caves for its production activities and a significant part of its accessory uses. A covered crush pad segues into the wine caves. All fermentation and barrel storage will occur within the caves. Additional accessory winery uses will be housed within two proposed at-grade structures. All necessary infrastructure and other facilities related to the winery are as described below, per County Code.

Wine Caves: The proposed wine caves are a total of 65,224 square feet and will be drilled in separate phases, as per the phasing plan submitted with this application. The applicant envisions all wine production activities, with the exception of grape receiving and crush, to be accommodated within the wine caves. The wine caves will also be used for tours and tastings and for some of the winery marketing events and several winery administrative offices located in a mezzanine area, so will be designated Class III caves, with the appropriate fire protection mitigation. This includes sprinklers within the caves and the appropriate exiting signs/lighting and other required life safety measures.

Caves spoils amounts are estimated at 46,248 cubic yards. Spoils areas are indicated on the winery development area site plan. One large area is indicated to the southwest of the vineyard blocks on the parcel. Another temporary spoils area is located in proximity to the drill area of one of the cave portals. All cave spoils will be utilized on-site in vineyard rows, for roads, or as part of the overall building design materials. Appropriate Best Management Practices and erosion control plan measures will be in place prior to the drilling of the wine caves and removal of spoils. It is anticipated that all spoils from the cave will be utilized on-site, for vineyard roads and uses.

The size of the wine caves is predicated on two factors. First, it provides a wine production capability almost in total, alleviating the need for an additional at-grade production related structure. This is a very important consideration as relates to both visual impact and ground disturbance, particularly in consideration of the applicable 60/40 Percent Rule in the municipal watershed. Second, the larger cave area allows the applicant the ability to achieve a low stack for at least two vintages of red wine, a consideration in his approach to quality control in winemaking and wine aging.

Winery Accessory Structures: Two structures are proposed for the purposes of wine tasting and hospitality and for winery administrative offices. The larger of these structures is a total of 6,190 square feet. The ground level will provide a reception area and reception office, two tasting room areas, a commercial kitchen and accessory storage areas, and visitor restrooms. A basement level in this structure a wine library, restroom facilities, and elevator shaft and a mechanical room. This structure is flanked with outdoor patio areas on the ground floor and a covered terrace at the basement area, all of which may be utilized for wine tastings when weather is accommodating.

The second accessory structure is located across the proposed garden area and is 2,719 square feet in size. This structure will provide administrative winery office space for employees of the winery. It includes a reception area, two smaller multi-purpose conference and wine tasting rooms that anchor the building, five winery offices, storage area for winery files, and an equipment room and elevator shaft. At either end of this structure are patio or terrace areas that provide outdoor areas for wine tastings and outdoor areas for winery employees to take their breaks or enjoy lunch.

As stated earlier, the accessory use coverage for this winery is 24.5 percent.

Winery Infrastructure and Outbuildings/Facilities: In addition to the two proposed winery structures, there will be two 100,000-gallons (each) water tanks. One of these will be designated exclusively for fire protection water sources and the other will provide potable water and water for irrigation of vineyards and landscaping. One of these water storage tanks, the one designated for fire protection, is located within the 300-ft. setback to Soda Canyon Road, but the tank is not a structure but a wholly underground cistern with only a cover at-grade. The tank is sited outside the 48-ft. setback requirement from the roadway. The reason for this location is so that a gravity-feed condition can be achieved for the water tank for firefighting purposes.

There is an existing structure on-site that is an approved viticulture office, originally permitted by the previous owner of the property. This structure will continue its present use as a viticulture office. Therefore, it has not been calculated into the proposed winery uses but has been considered in the overall coverage calculations for the Appendix A: Grading and Drainage analysis. The size of this structure is approximately 3,000 sq. ft.

Winery Access Road: As indicated in the site plan and addressed in the civil engineer's road exception request, the proposed winery includes an access road entering the property from a point extending beyond the County-maintained portion of Soda Canyon Road,

where the present property access is located. The road is designed to meet *Napa County Road and Street Standards* requirements for a winery access road, except in those segments where environmental degradation would be involved, such as the removal of existing mature trees and old rock walls. An effort has been made to minimize the extent of impervious surface on-site, in recognition of the constraints of the 60/40 Percent Rule for municipal watershed districts, but also in recognition of the importance of limited such surfacing as relates to the Greenhouse Gas Emissions Checklist.

The winery access road system includes the necessary fire protection access measures, including either clear access for structures or the required fire engine turnaround areas. The roadway also recognizes the needs of pullout and turnaround areas in proximity to designated parking areas.

Parking: Parking for winery employees is located in proximity to the accessory use structures and also in a separately designated area (for agricultural workers) located adjacent to the existing viticulture structure. These areas are envisioned as being of pervious surfaces, with the exception of the ADA-accessible parking spaces that will be paved and striped according to regulation. There are 28 total parking spaces provided, three of them ADA-accessible and two accessible for loading and unloading an ADA van. The area for agricultural worker parking, next to the existing viticulture structure, can accommodate another approximately 10 spaces.

Parking for the larger marketing events will be available along vineyard roads and valet parking and/or shuttle bus service may be available from legally designated parking areas off-site for the largest of the marketing events.

ADA-accessible Facilities: The winery hospitality structure will include an elevator that allows access to both the hospitality areas and the wine caves. A total of three ADA-accessible parking spaces are part of the parking concept. Two of these spaces will allow loading and unloading of an ADA-compatible van. Garden areas and outdoor tasting landscape features are similarly ADA-accessible, with compacted decomposed granite or other ADA-acceptable surface for wheelchairs.

Water Supply/Storage/Fire Protection: A *Phase One Water Availability Analysis* has been provided for the proposed winery, and it shows that the winery and all on-site water uses fall below the County's threshold. The parcel currently contains a residence (which will be replaced by the proposed winery), vineyards and miscellaneous agricultural structure/infrastructure associated with vineyard operations. The property has an existing groundwater well with a reported 30-gpm yield. The current water use on the property is 13,168 gallons per day. The proposed water use with the new winery would be 17,096 gallons per day.

In order to meet the requirements of the *Transient Non-Community Water System* predicated by employees and winery visitors, the applicant is drilling a second groundwater well that will meet the requirements of a 51-foot seal. This use permit

REASONS FOR GRANTING A VARIANCE

1. Please describe what exceptional or extraordinary circumstances or conditions apply to your property (including the size, shape, topography, location or surroundings), which do not apply generally to other land, buildings, or use and because of which, the strict application of the zoning district regulations deprives your property of the privileges enjoyed by other property in the vicinity and under identical zoning classification.

Winery development area is restricted by the County's 60/40 Percent Rule for municipal watershed areas. Due to the amount of vineyard on the site, Applicant is forced to fit the winery and related infrastructure on previously cleared area. The vast majority of County lands zoned for agriculture are not restricted by the 60/40 Percent Rule, creating an unusual constraint on this parcel.

This is to be a LEED certified winery and wine caves are a critical part of the energy savings in the overall design concept. Topography of the site requires a specific location for caves, which constitute 80% of the winery development.

2. Please state why the granting of your variance request is necessary for the preservation and enjoyment of your substantial property rights.

Applicant has minimized both impervious surfaces and at-grade structures, with 80% of the winery in caves. Caves are not as conducive to winery marketing areas or winery administrative offices, however, with much of the wine produced estate-grown, the Applicant wishes to enjoy the benefits of quality control only achieved by having a winery on-site. The variance will allow greater efficiency for the winery and less visual impact due to clustering of area.

Originally, the application required two variances (one from Soda Canyon Road and one from the extension, a private access road). Applicant has elected a minor redesign of two structural elements and placing a 100K-gal. watertank underground in order to adhere to the Soda Canyon Road setback, which we believe to be the major consideration.

3. Please state why the granting of your variance request will not adversely affect the health or safety of persons residing or working in the neighborhood of your property, and will not be materially detrimental to the public welfare or injurious to property or improvements in your neighborhood.

Health and safety for winery employees is maximized by having offices close to production areas. There is no potential adverse impact that will result from granting of the requested variance. On-site crush capability translates into increased worker safety and efficiency. The clustering of structures in the winery development area offers benefits relative to energy conservation and minimal visual impact, as well.

*Note: The winery water storage tanks are located within the 300-ft. setback, but are not considered a structure because it is entirely underground with only a cover on top. The tank is outside the 48-ft. road setback. Specified tank's location is necessary for achieving gravity feed for firefighting purposes.