

P L A N S

W I N E

May 27, 2014

Ms. Shaveta Sharma
Planner III
Dept. of Planning, Building & Environmental Services
Napa County
1195 Third Street, Suite 210
Napa, CA 94559

**SUBJECT: MOUNTAIN PEAK WINERY PROJECT REVISION
APN 032-500-033**

Dear Ms. Sharma:

Please find enclosed or sent to you in separate e-mail, technical reports and project revision requests which respond to neighborhood concerns raised over the past months relative to the proposed Mountain Peak Vineyards Winery located at 3265 Soda Canyon Road. The production uses of the winery are contained within the wine caves except for the covered crush pad. Accessory uses are proposed within an at-grade structure. The sq. ft. associated with the wine caves changes slightly to allow for the temporary portal for reducing drilling time, and the surface coverage numbers change slightly in recognition of a proposed alternative to the current winery entry, as described. The winery is:

- A 100,000-gpy production winery utilizing 100% estate grown grapes owned by the applicant, which will eliminate at least 88 large grape truck trips currently occurring on Soda Canyon Road due the requirement for off-site production.
- LEED Platinum designed winery and Napa Green completely organic vineyards
- LYVE System state-of-the-art wastewater treatment system for maximizing re-use of winery-generated wastewater
- Minimal visual impact since almost all production (and some accessory) uses are contained within the winery caves
- Winery Marketing Plan and visitation that is consistent with or lower than other similarly sized wineries in the area, with a maximum of 320 visitors per week or an average of 45 visitors daily. This translates into a maximum of less than 2.5 vehicles per hour during the winery's visitation hours between 10:00 AM and 6:00 PM. (The 80 visitors per day is not the average visitation number, but one allowing the applicant to be in compliance on their busiest day.

Background for Project Revision Statement

During the course of neighborhood communications and meetings that span five months, the applicant has considered a broad range of issues raised by residents in the immediate proximity to the proposed winery. As a result of numerous questions and concerns, my client engaged Crane Transportation Group to further evaluate safety on Soda Canyon Road and the firm of Slade & Associates to prepare a hydrology report assessing the potential of the winery's water use effecting the groundwater wells of neighbors. Neither of these studies has identified any potentially significant impact related to either traffic and traffic safety, or the potential depletion of the groundwater table in the area.

In addition, my client has expressed willingness to modify their project to reflect changes that speak specifically to concerns expressed about the primary access to the winery, visual aspects from the immediate neighbors' vantage point, dust mitigation during winery construction, and winery visitation. The applicant has spent a significant amount of money in meetings with the neighbors that included the winery design team consultants and in redesign efforts related to the project revision request herein.

Earlier this month, a proposal agreement was presented to the neighbors that incorporated the project revisions described in this report. In that proposal (see attachment), my client offered to make significant changes to his project in return for the neighbors agreeing they would not continue to oppose the winery. We regret that this proposal was ultimately not accepted by the neighbors. However, they expressed strong sentiments that my client should follow through on the project revisions, even in the absence of their participation in the agreement. As a gesture of good faith and in the hopes that the future holds a respectful and constructive relationship between the winery and the neighbors, my client has agreed to make the changes in the proposed agreement, even though the neighbors have chosen to continue their efforts in opposition to the winery. Since the project's inception, my client has cared about being a positive contribution to the neighborhood and has designed the project accordingly. So in this spirit, they are making these concessions, in spite of our disappointment that the neighbors would not sign on to this agreement.

History of Neighborhood Outreach Efforts

Last summer, the new owners of the property and their representative (Steven Rea) held a barbeque for approximately 65 people from the Soda Canyon neighborhood. At this time, they shared their plans to file a winery use permit application. In January, the applicant sent out a letter to all neighbors on the 300-ft. noticing list and others, describing the winery and inviting them to contact us with any questions or concerns. The letter was comprehensive and contained copies of the winery site plan, winery elevations and a wine cave design, and a description of the winery marketing plan. My client met with a number of the neighbors individually at that time.

On March 28, my client met with Mr. Bill Hocker for 2 hours.

On April 2, my client met with the Arger family and Mr. Hocker, along with several members of his winery design consulting team, for approximately 4 hours.

On April 10, my client and his civil engineer met with the Arger family to discuss civil plans for the project, for more than 2 hours.

On May 8, my client offered a formal proposal agreement for the neighbors' consideration, which could be discussed in further depth at the May 15 meeting. The proposal agreement was an effort to reach an agreed upon compromise that would speak to all issues raised by the neighborhood group. These issues were many and are documented in approximately 40 pages of e-mail correspondence. A copy of the proposal agreement is attached to this letter.

On April 23, my client and several members of his consulting team and County Engineering personnel met with the Arger family, Mr. Hocker, and another neighboring agricultural interest, Tony Fernandez, for approximately one and a half hours, to discuss the entry to the winery and safety on County-maintained Soda Canyon Road.

On May 15, my client and his consulting team met for 2 hours with the Arger family, Bill Hocker, and 12 neighbors at the Arger vacation residence. At this meeting, all the neighbors could ask questions and discuss matters with my client. The proposal agreement was discussed and my client asked them to respond by the following week.

The neighbors have elected to not enter into the agreement, but have still encouraged my client to perform on all the points contained therein.

Applicant's Proposal for Performance

The applicant has requested an update of the transportation analysis performed by Crane Transportation Group, to assess the impact of all the grapes for production being processed on-site, as opposed to being trucked off-site for production. This results in the removal of at least 88 large grape truck trips that currently occur on Soda Canyon Road. The traffic engineer further assessed the safety of an alternative entry to the winery, one that would remove all winery traffic from the private gravel road where several of the concerned neighbors reside. County Engineering personnel has reported that there are no safety issues on Soda Canyon Road and that accident data on file reflects this finding.

The revised civil plans reflect a new winery entry off Soda Canyon Road, before one reaches the private gravel road. Under this alternative entry, the private gravel road will see no winery traffic. In addition, this alternative removes the necessity of a variance to the 300-ft. WDO setback and eliminates the need for a road exception.

In response to the neighbors' expressed concerns about groundwater depletion, the applicant engaged the services of Slade & Associates to analyze said potential. That report will be available later this week. We plan on having Richard Slade attend the use

permit hearing to present its findings and to answer any questions that the neighbors or the County might have about groundwater and water use associated with the winery.

Civil plans have been revised to reflect other aspects of the compromise my client is willing to offer relative to expressed neighbor concerns. These include:

- **Relocation of Water Storage Tanks:** The large water storage tank originally shown at Soda Canyon Road will be an underground reservoir, with no visibility from the road.
- A temporary tunnel into the wine caves will allow for significant reduction of the period of time necessary for drilling the caves. This will result in reduced period of potential disruption. This will be achieved at considerable expense.
- A landscaped berm between the Arger residence and the winery, to reduce the visibility of the winery from the vantage point of their residence.
- Dust mitigation in the form (other than the standard BMPs) of a canvas (or other suitable material) shade cloth on fences closest to winery construction, during construction activities. To our knowledge, this is unprecedented in the Valley.

Winery Visitation: The applicant has proposed a very reasonable winery visitation program in his original application, one that is consistent with or lower than a number of wineries of similar size. On its busiest day, tours and tastings will not exceed 80 persons or 30 vehicles (less than 4 vehicles per hour). On most days, and as reflected in the maximum 320 visitors weekly, the busiest days would result in a total of 45 persons or 45 visitors daily. This translates into a maximum of 17 vehicles per day, or 2 vehicles each hour the winery is open.

Neighbors have requested that tours/tastings be concluded before 4:00 PM daily, and that evening events be concluded by 9:00 PM in the evenings. We believe this winery owner should be afforded the standard hours of operation other wineries enjoy, which are 10:00 AM until 6:00 PM, and which allow the winery to avoid peak hour commute periods. We further wish to observe the standard hours for evening events, 6:00 PM until 10:00 PM (for cessation of all activities and cleanup), as the alternative does not allow a reasonable time for receiving guests, wine tasting, a meal paired with wines, and cleanup.

We believe that the applicant's performance in proposing a LEED Platinum designed winery should result in some consideration of support of his marketing plan and tours/tastings, which are already consistent with similarly sized wineries that are not characterized as having the level of environmental sensitive that this winery does. There should be some incentives and performance standards recognition for such wineries, if we believe that responsible design should be encouraged and rewarded.

That said, the applicant has still proposed a compromise with neighbors relative to the daily visitation. The proposal is that on days when a marketing event is held, there will be

a reduction in the number of tours/tastings equal to one-half the number of participants in the marketing event.

The above noted revisions result in minor changes in sq. ft. of the wine caves, as reflected in the caves plans submitted by Condor Earth Technologies with this revision statement.

The above changes do not result in any changes in sq. ft. to the architectural plans. The plans submitted originally with the application are the same, except for the ag barn.

The site plan has been revised to eliminate an agricultural barn located at the property boundary, since this structure would not have contained any winery uses. It would have been or will be an agricultural barn, but it is not an existing structure. Future building plans may include the addition of this agricultural barn, but it does not require reflection in the winery use permit plans.

Overall coverage numbers change slightly, as reflected in Appendix A (Revised), prepared and submitted by Bartelt Engineering, with this project revision statement. The relationship of production-to-accessory use remains the same as reflected in the original application. All coverage thresholds are entirely consistent with the levels required in the Winery Definition Ordinance.

SUMMARY

We believe that the applicant has worked exhaustively with its neighbors to affect a reasonable compromise, even though the neighbors have chosen to not cooperate by entering into an agreement that would minimize the level of opposition to this winery. Although we are disappointed that a formal agreement could not be reached with neighbors, the applicant remains willing to make concessions to them, because he believes this is the right thing to do for his future relationship with them. This has been done at a very considerable expense born by the applicant, as well as a significant loss of time for extended meetings and subsequent redesign of the project details as contained herein.

The area of concern where the applicant has not proposed concessions is the neighbors' request that the winery be significantly downsized from its current size. The applicant owns a total of 116 acres of vineyards either on-site or on a nearby site (3565 Soda Canyon Road), which results in the winery being able to process almost 100 percent of its maximum production level with estate grown grapes that in future will no longer require trucking to an off-site crush facility. It would not make sense for the applicant to develop a winery capable of processing only half or some fraction of the grapes under his ownership in the immediate area.

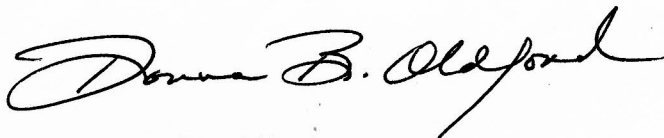
In summary, we have seen very few wineries in the Napa Valley target LEED Platinum certification and we should encourage this performance standard. We also do not see many larger-scaled wineries that have under their ownership 100 percent of the fruit they use for production. We also do not typically see an applicant willing to work this

extensively with neighbors, modifying their project significantly in order to speak to their concerns, even though the neighbors elect to not reach agreement accordingly.

We believe the County should accept the applicant's project revision request as a demonstration of their sincere efforts at responsible design that takes into consideration the highest level of environmentally friendly construction, as well as a genuine consideration of neighborhood concerns and relationships. The applicant looks forward to being a positive contribute to the Soda Canyon Road neighborhood, and to being a good example for responsible viticulture and winery development in Napa County.

Thank you for your consideration of the revisions proposed in this letter and in the revised materials submitted with it.

Sincerely,



Donna B. Oldford
Planning Consultant

cc: Mr. Anthony Arger
Mr. Bill Hocker

Enclosures: Revised Civil Plans and Reports
Revised Wine Cave Plans
Updated Use Permit Application Form Sheets per Revisions
Updated BMP Application Form for LEED Platinum Target
Copy of Proposal Agreement extended to neighbors

Via e-mail: Revised Traffic and Traffic Safety Report by Crane Transportation Group
(Also included in the civil engineering binder in hardcopy)
Hydrology Report by Richard Slade & Associates (pending)