

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

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This paper is presented by group of winery owners and wine industry professionals concerned that the County of Napa has become too focused on issues related to use permit compliance when it should be focused on sustaining, growing and improving the County's only economic engine. Somehow anti-winery vitriol and hyperbole has taken control of the narrative about the greatest wine producing valley in the world, ignoring the singular importance of this industry to the local job market, schools, housing and tax revenues supporting our unique wine country lifestyle. It is as though sustained economic growth and the efforts the wine industry must put in to making this happen is viewed negatively by the local governments. Why aren't local governments asking "How do we help sustain this, how do we help make this easier?" Instead the regulatory environment is expensive, distressingly time-consuming and generally speaking negative for wineries, threatening to stagnate the industry in Napa Valley and move production elsewhere.

This paper proposes some fundamental ideas for the common good of the wine industry, the County's economy and the County regulatory scheme, ideas that the County is encouraged to study further and hopefully implement. These ideas have been developed the hard way, after a great deal of time and resources expended through wineries going through the trials and tribulations of the County's use permit process while trying to grow their business, raise wages, and make and sell great wine.

1. Winery Visitation, A Different Approach.

1. Wine industry in Napa Valley, per NVV, generates \$9,400,000,000 annually
2. Napa Valley tourism generates, per Visit Napa Valley, \$1,900,000,000 annually
3. About 3.5 million visitors a year to Napa Valley, a stagnant number for 10 years
4. The 475 built wineries fight for those visitors
5. Over 60,000 tourism/wine industry jobs in Napa County (only 141,000 residents)

A. Visitation and Employee Proposal.

The County recently set a new deadline of March 29, 2019 for wineries that are out of compliance to come to the County for a use permit modification. After that, if a winery is out of compliance it will have to stop the activity that is out of compliance for one year and then and only then may it apply to the County for a use permit modification to expand. This policy is largely driven by concerns regarding visitation-related traffic. The Napa Valley Register reports this new policy as being to address "scofflaws."

What this policy fails to consider, or perhaps insufficiently considers, is the economic impact of stopping an ongoing visitation program for one year and then going into a modification process for a use permit that often takes over a year and may cost more than \$150,000 in County fees, engineers, consultants, lawyers and other experts. This policy is really a two year punishment regime, that will force wineries to fire employees, spend tens of thousands of dollars to adjust its wine sales programs, and perhaps fail to get what they seek from the Planning Commission or Board of Supervisors. In the meantime, competitors will sweep up those visitors.

Has the County thoroughly evaluated the economic costs to the wine industry of this new policy and to the local economy? The authors of this paper have spoken to a number of local accountants whose businesses focus on the wine industry. Anecdotally, these folks say that 80% of Napa Valley wineries make less than 5,000 cases of wine a year and 80% of those wineries are not profitable. How many of those money losing wineries are presently out of compliance with their use permits and how much farther underwater would they be if they weren't out of compliance? And where is the real concrete articulated data on the harm that the "scofflaws" are actually causing to the local community? Where is the County or industry sponsored study articulating concrete data showing winery use permit compliance is causing actual harm to the local infrastructure and the local economy?

Vineyard values have never been higher, wine quality never better, grape prices solid, employment numbers have literally never been better in the County, tourism, even after the Fires remains vibrant and loudly touted by the County, the industry and so forth.

Does this policy account for the next overall economic downturn, since we have been on a ten year growth cycle?

Does this policy account for the increasingly competitive wine tourism market that Napa County will face as other regions like Paso Robles, Santa Barbara, Sonoma, Willamette Valley and Red Hills improve their offering across the board? Napa Valley already faces far greater competition than it ever has before, does this policy help the local wine industry stay ahead of the competition?

We propose that the County stop restrictively counting employees and visitors at wineries, and focus on what the proposed winery or winery use permit modification will require for water, wastewater and other infrastructure limitations on a daily and annual basis. Counting heads on a weekly basis has no real benefit. A winery's total footprint, including what its total vehicle trips generated daily can be based on all the analytical studies provided by an applicant to the County, along

with the County's own General Plan, adopted policies and overall traffic studies, should allow the applicant and the County to arrive at total capacities of the infrastructure that alleviate counting each and every head all day long.

Put another way, neither Napa County nor its constituent municipalities tells a restaurant or hotel or bowling alley or dentist how many employees or visitors to have each day. They merely install zoning ordinances, require parking spaces, fire and life safety compliance, adequate water supply and wastewater facilities, and then they let the businesses operate. There is no "only one seating for dinner at 5:30 p.m. for 18 people" ordinance anywhere to be seen in the jurisdictions of Napa County. For good reason. Only wineries build visitation facilities that could easily handle 200 visitors a day, with multiple tasting seatings through the day, yet be restricted to 20 visitors a day instead.

The County has a lot of traffic data at its disposal, more than any other county in California, because every new winery or major winery modification prepares a traffic analysis. The County also has its own Fehr & Peers 2014 study, which clearly indicated that the major source of traffic congestion in Napa Valley isn't winery visitation, it's residents going about their daily business. It is folks coming into Napa Valley from outside the County to go to work every day and then go home. It's folks going to work in St. Helena that live in Vallejo and Vacaville. After all, back in 2014 Fehr & Peers opined that only 55% of vehicle trips in Napa County began and ended in Napa County, and most winery visitation traffic fell within that 55% of vehicle trips. The traffic issues aren't winery-visitor focused, they are overall Napa Valley employee issues -- overwhelmingly. And the County and the towns know this.

If a winery's overall capacities are sufficient, and the infrastructure can be effected without significant impacts, why should the County and its citizens care if a winery has 20 employees or 23 or 33? Or 25 visitors a day instead of 30? If the toilets flush properly, if the fire code is being complied with, and if the winery is complying with the WDO and its public and private appointment requirements, shouldn't that be sufficient? If a winery's infrastructure can handle 200 visitors a day and 50 employees a day, and it can accomplish this with 50 total vehicle trips a day, why should the County be concerned about the total number of visitors and the number of employees.

If a winery can focus its efforts on maximizing visitors and employees, while minimizing vehicle trips and other environmental impacts, given its capacities, then the winery is freed to actually be more efficient, more creative, and has the ability to be flexible as its business and wine industry itself changes. There is no better example of this than how the County and wine industry have all too slowly addressed the needs of wineries to do direct to consumer marketing in order to survive, let alone thrive, since the collapse of the wine industry's three-tiered marketing system. The psychological benefits to the winery workforce if their employers had more flexibility in their use permits to reasonably adjust its number of employees would be significant. This is better than not hiring because a use permit modification might cost them a single employee's salary for 3 years just so they don't break a rule or firing 10 employees to come into compliance with an outdated use permit for a year or more before getting a use permit modification approved.

This type of focus would benefit new winery permit applicants and the County considerably. Of course, new winery permits are in most ways easier to process than use permit modifications, because all the infrastructure and planning are done in advance.

Focusing on infrastructure will also reduce the demand for use permit modifications in the future and would likely reduce the need to bring wineries to the county for compliance-related modifications just because they have too many visitors or employees. It is an educated guess that a significant number of wineries that have visitors and employees beyond their use permit limits are nevertheless within the limits of their infrastructure. It would be an easy up-front analysis for the County and a winery seeking to evaluate whether or not to come in for a winery use permit modification to evaluate overall infrastructure capacities and visitation and employee levels to determine if a modification is necessary, particularly in light of what the County's existing traffic-related data establishes. Please consider this approach instead of the County's new compliance policy.

Related Proposals

In conjunction with what is proposed above, the County should evaluate the following:

- i. Greater flexibility for marketing events that stay within infrastructure requirements.
- ii. Greater flexibility for general operational hours for employees and visitors to allow for longer hours for tours and tasting, or earlier or later non-visitation staff hours, which would spread out visitation and employee related traffic away from peak hours.
 - a. During the summer why shouldn't a winery be allowed to operate tours and tastings until sunset? Or 8:00 p.m.?
 - b. Visitors use morning tasting times far less anyway.
 - c. Use in conjunction with an existing winery keeping its "out of compliance" visitation and reducing its traffic impacts during peak hours.
 - d. Industry data indicates most visitors now only visit 2 to 3 wineries a day, with visitors trending toward private for-hire vehicles instead of driving themselves, and that drunk driving arrests for visitors continue to shrink every year (locals are a larger issue).
 - e. This would encourage visitors to visit more "off the beaten path" wineries, which in turn would both help those wineries thrive and also lessen congestion on main traffic arteries.
- iii. Review changing the County's existing road standards for the requirement of turn lanes. What was the traffic science behind its development and implementation? Why does it differ so dramatically from the Caltrans standard, which appears to be far more precise in its calculations? Should there be more than one County standard for main roads, such as Silverado Trail versus more rural roads?

The County should have Fehr & Peers compile the data in the winery generated traffic analyses and otherwise project what the above proposals would do to overall visitation traffic generation. Would the proposals actually increase visitors and visitor traffic, or merely move the existing Valley

visitor numbers around from location to location at different hours? Would the proposals have a beneficial effect on employee traffic by moving employee commuting times away from peak hours?

II. A New Use Permit Modification Program

Since the groundbreaking WDO was implemented the County's permitting structure for winery modifications has stagnated. For instance, any change at all in winery production or visitation requires a major winery modification which comes with a full CEQA analysis and public Planning Commission hearing—or two, and then perhaps a Board of Supervisors appeal hearing. Arguably the same thing applies to an increase in employees. See Appendix A for more process related information. See Appendix B for a comparison chart of other wine jurisdictions' regulatory schemes.

The County allows for a Very Minor Modification where less than 10% of a winery is being modified, and there are no changes to visitors, employees or production. A Minor Modification allows for changes to a winery up to 25% of its square footage, again, so long as no changes are made to visitors, production or employees. Minor Modifications and Very Minor Modifications do not require public hearings in most circumstances and are quasi-ministerial. Anything above a 25% increase in the size of a facility, or any increase in production or visitation, requires a Major Modification.

Why does changing your winery's permitted production from 30,000 gallons to 35,000 gallons, simply to accommodate improved viticultural practices at that winery's grape sources, require a noticed hearing in front of the Planning Commission pursuant to a Major Modification process? Why should adding a few employees at the winery or adding 10 visitors a day to help sell the increase in wine production require a Major Modification? Quite frankly, they shouldn't.

In line with our proposed infrastructure approach to visitation, we propose that the County's use permit modification processes also be revised. If bedrock WDO rules like the 75% rule and its various applications remain adhered to, then certainly bringing a more engineering and infrastructure focused methodology to winery use permit modifications would reduce the regulatory load on the County and the wine industry, help the wine industry continue to grow and improve and adjust as the business of wine shifts in the future, and stop the process from being a deterrent to compliance.

At the very least, the County should take a close look at how its current standards could be adjusted to work better. Has 10% for a Very Minor Modification ever been re-evaluated by the County as to its efficacy? The same thing for the 25% threshold. Could those thresholds be increased? Building and fire standards have changed dramatically, road standards have changed dramatically, engineering as well. The overall data set that the wineries and County work with has improved dramatically, including the County's General Plan having been updated, the County having completed comprehensive groundwater studies and traffic studies.

Surely the Very Minor Modification use permit process and the Minor Modification process could establish levels of increases for infrastructure that would subsume some visitation, production and employees within them. If a winery's overall infrastructure can be expanded by 25% via a Minor Modification process then why should a change in visitation or production that occurs within that same

range trigger changing the process to a Major Modification? These proposals would save the County significant staff time and applicants a great deal of time and money.

This paper will not devolve into an analysis of the effect of CEQA on winery use permits modifications, but CEQA law has changed significantly since the WDO. A significant factor in any use permit modification is the traffic analysis required by the County for any increase in visitation or production. The traffic analysis is almost entirely driven by the County's need to do a CEQA analysis of the proposed project. The County sees tens of these traffic analyses every year, each one of them acknowledges existing traffic levels from the County level to the nearby intersections. Everything is accomplished and approved on the basis of a CEQA mitigated negative declaration or less significant document.

One key factor is that the County has to acknowledge in the CEQA process the facts in the Fehr & Peers 2014 study---that 3.5 million visitors are coming to the valley every year, that the employees are already here, and many existing intersections at 4 p.m. on weekdays and 5 p.m. on weekends are very congested. Almost every new winery and every winery that receives a Major Modification commits to traffic mitigation measures. But those types of measures could also be implemented via County-adopted Best Management Practices, as utilized for other impacts, at the Minor Modification level for some levels of visitation and production increases, couldn't they?

III. Recommendations For Preserving Agriculture

The wine industry needs help to continue to grow and thrive and preserve its vital resource, agriculture. Less than 2% of the world has the climate that Napa Valley has, which is exceptional for growing grapes. Even fewer have Napa Valley's unique soils. But we all know this. This is why wineries have been world class stewards of agriculture, insisting upon the Ag Preserve and the WDO. The vineyards though are not the final product, world leading wines are. World leading wines are why 3.5 million people visit here every year.

Here are a few proposals that we believe will help push the County and the industry forward yet again toward better protecting this unique viticultural resource:

A. Incentivize Moving Grape Production and Administration to South County

Wine production and winery administration have been moving to the southern portion of the County, in the Airport Specific Plan area and neighboring American Canyon. The reasons for this are many, including a less regulatory environment for use permits (for example, no 75% rule), shorter commutes for employees, less expensive office space, lower construction costs overall, and ease of access to product transportation. But there is a tremendous amount of the southern County that remains un-utilized by the County's dominant industry and it seems the only real option for much of that ground is large-scale warehousing for 'outside' industries.

Although the southern County has tremendous traffic congestion problems, the road infrastructure is far better designed for future expansion than is the region north of Yountville where

every road in the County is a two-lane road and will likely always stay that way. Moving large-scale wine production to the south County has the potential to lessen up-valley traffic congestion by moving more employees and production-related vehicles permanently out of the northern valley. Lessening the truck trips up-valley would have a tremendous effect on traffic and the condition of the roads and air quality. It would also have a positive effect on water use and wastewater processing facilities up-valley, reducing the dependence of the industry on septic systems in the agricultural preserve.

Why should large shipping warehouses for products made outside of the County be encouraged to be here instead of the making of the County's economic engine? Similarly, why should wine production be encouraged in Solano County or even farther east instead of in Napa County. Why should Napa County wineries have cost incentives to produce in Geyserville or Ukiah or Suisun Valley or Lodi and not be incentivized to do so here?

Development of wineries in the South County would help sustain the long-standing winery construction industry and its associated thousands of jobs, as this industry is threatened in the future as up-valley winery development and redevelopment cannot continue to sustain itself at present rates anyway. This would also help keep contractor traffic out of the up-valley areas as many contractors commute in to the valley every day for work.

Napa Valley's needs have changed over the decades. Visitation at wineries and DTC sales have become all-important. Today our number one problem is the excessive traffic on our highways. A significant cause of traffic is due to large Napa Valley wineries trucking in wine or grapes from outside of Napa County. A study should be completed to provide what reduction in traffic would be realized if "out of county grapes and wine" did not proceed north of the "southern crossing". One Napa vintner who has spent significant time on the matter estimates that 300 – 400 cars and 100 trucks could be removed from each rush hour periods.

How can we make this happen? Large wineries should be encouraged to remove, over time, some or all of their non-county grapes and wine from entering the congested upper valley. A voluntary ten-year sunset can be put into place. Local vintner and growers associations, politicians, friends and neighbors, can encourage and help raise awareness. Work together to "do the right thing for Napa Valley"(by removing some production and its associated traffic). In addition to reducing non-county grapes and wine from the congested areas, large wineries should be encouraged to relocate employees who are not needed at the up-valley winery sites to south of the southern crossing.

These production activities should take place in South Napa along Hwy 12. We propose that the County actively encourage and incentivize the wine industry to move all scales of wine production and the associated employees to this region. This transition could start taking place soon and increase over the next 5-10 years, with a goal of moving an as yet determined amount of production to the southern County. We suggest the following tools to expedite progress:

1. "By right" ministerial approvals-based zoning within the Airport Specific Plan Area for winery production and visitation
Production limits:

- a. Existing Napa wineries can fully utilize and relocate their pre-WDO-permitted production x 1.5 at the South County site.
 - b. New wineries or production must produce 85% minimum Napa County grapes, with the potential to create a similar guideline countywide.
 - b. For existing winery owners moving production to the southern County, allow adjustment by minor permit modification for conversion of production space to guest services...while requiring some minimum production to remain in order to sustain the region's character and connection to agricultural production.
2. Instead of just an Airport Specific Plan, the County should go further and establish a "winery development district" for this region to encourage development.
3. Property tax incentives for winery development in this region, perhaps included in the new winery development district regulatory composition.
4. Provide incentives in this winery development district for wineries to invest in nearby affordable housing projects.

There are two major hurdles that need to be overcome:

1. Water Sourcing. The biggest stopper of this is clearly the cost of water from American Canyon. It stops projects dead in their tracks.
 - a. The County needs to acquire a stable long-term water supply from north of the Delta or acquire some of Vallejo's water supply lakes in Solano County and then amortize the costs out over time through its water rates. American Canyon discourages water use with its pricing. The County can encourage water conservation and recover its costs without the discouraging pricing of American Canyon that drives wineries away and results in American Canyon encouraging large warehouse facilities instead of wine production facilities.
2. Traffic in the South Valley is worse than traffic in up-valley and this proposal may exacerbate the problem. How much it may be negatively affected should be studied, as well as solutions. One obvious solution is to create a more significant traffic mitigation fee for the Airport Specific Plan area to fund traffic congestion relief measures like north-south connector roads and the removal of stop lights in the Highway 12 and 29 intersections.

Early adopter candidates for this type of transition to the South Valley would be wineries like V. Sattui, Caymus, perhaps Charles Krug/C.K. Mondavi & Sons, and custom crush focused wineries who work with both in county and out of county grapes.

B. Hillside Wineries

Wineries that are currently located on hillsides or in other remote locations are a crucial component to the wine industry. In the future the County should consider whether wineries in those locations should have grape sourcing requirements to ensure that most of the wine made in those locations comes from areas in geographic proximity to the winery. Estate sourcing should be encouraged, if not required. This is often commonplace anyway, but the current constitution of the Planning Commission often emphasizes it as well.

Hillside or remote wineries that have custom crush components to them should similarly have grape source proximity requirements, perhaps something along the lines of a local or estate sourcing requirement of 60%. This will help reduce production-related traffic and traffic mileage. 60% may not be the right number, but the County can study this further. Wineries on the hillsides or in remote locations should not be allowed on parcels that do not have vineyard, unless there are plentiful grape sources in close proximity.

C. Regulation of Housing in AP and AW Zoning

As the County and the wine industry celebrate the groundbreaking establishment of the Ag Preserve 50 years ago, everyone should stop and evaluate carefully the proliferation of large-scale estate homes in the Ag Preserve and in the AW zoning areas. This region gets wealthier and wealthier and with that comes intense residential pressure in the vineyards. Estates as large or larger than many wineries continue to be built in our precious agricultural areas for over 20 years now. To this point, the Board of Supervisors just heard evidence showing that since 1993 206 acres of agricultural land has been lost to residential use, while only 112 acres have been converted for winery use (and a winery is by definition an agricultural use).

In 2017 the County, following through on the APAC process, re-emphasized set-back variance restrictions and related winery road exemptions to restrict the parcels upon which wineries could be constructed. These measures hurt the Ag Preserve by unnecessarily forcing all winery development onto parcels best suited for larger-scale, more efficient and cost-effective vineyard production, thereby making smaller and oddly-shaped parcels, suitable only for inefficient hobby vineyards and large estates. This is perhaps the law of unintended consequences, but the real estate market shows that this is what has happened.

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 Ag Preserve and the AW should be just imposed on residential housing in these areas. Water availability analyses should be required, as should biological studies, storm water runoff plans, hydrologic slope and water percolation analyses, erosion control plans and access road run off mitigations similar to those imposed on vineyards and wineries.

A large estate can use more water than a similarly sized winery. Pools, stables, estate garages, extravagant gardens can easily effect the environment and remove productive vineyard from use just as much as a winery. Wineries have strict water use requirements imposed on them now, but a similar sized estate does not.

An estate brings no agricultural value to play, yet has favored status within the Ag Preserve. Why are the private property rights of an estate owner in the Ag Preserve favored over those of an agricultural producer that grows grapes and makes wine from them on the property? Wineries face significant variance restrictions, few exceptions and punishing set-back requirements, as well as acreage minimums, but estates face none of these impediments.

We propose the County imposing housing thresholds in the Ag Preserve and AW, and housing that exceeds these minimums should have to go through a use permit-like process, including a Planning Commission hearing open to the public. Further, the County should consider on-property location restrictions to discourage estate development that would overly impact the County's precious vineyard resources.

IV. Conclusion

The integrity of the Ag Preserve and the integrity of the "Right to Farm" reiterated throughout the County's General Plan, ordinances and policies should be protected. These principles have been under attack by special interest groups more interested in the "quality of life" in the Ag Preserve rather than the Ag Preserve itself. Many of these people have moved to Napa Valley for the beauty that agriculture has created and would now like it to be a quiet park. The pressure from these interests threatens the vitality of the wine industry and the vitality of the County as a whole.

The County seems to take the vitality of the wine industry as a "given", and this way of thinking should change to the County considering ways to improve the wine industry's economy and keep it stable in the next inevitable downturn. The County should evaluate its existing land use policies and regulations not for ways to "crack down on scofflaws", but rather for the purpose of protecting and preserving the economic growth of the wine industry. Negativity should be directed at the principles of Nimbyism and stagnation. While the municipalities up-valley may inevitably become a bucolic retirement home for the wealthy, surely the future of Napa County and the wine industry is much more vibrant than that.

Hopefully the proposals in this paper become more than food for thought in our effort to work collaboratively and apply our collective time and energy on the overall long-term welfare of the Napa Valley. Hopefully, the County can use these proposals to ease pressure on the wine industry while working together with it to improve and grow its business and the County's economy. Hopefully the proposals in this paper become catalysts for the County to become a better and more productive regulatory partner for an even more vibrant wine industry, a wine industry that allows the County to continue to grow, not just mature.

Appendix A

Through the winery use permit process, either for a new winery or to modify an existing winery, the County must conduct a CEQA analysis of the application as well as its own internal analysis by the divisions of the PBES Department and Public Works. Through those processes the County carefully vets, not only the number of visitors and employees, but many other items. Below is a snapshot of some of those myriad of items:

- i. Water Availability and Water Use.
 - a. Valley Floor, Hillsides, Water Deficient Zones.
 - b. Detailed Water Availability Analysis and Water Efficiency BMPs.
 - c. Strict water supply limits upon permit approval with punitive regulatory process.

- ii. Waste Water Processing.
 - a. Capacity and Split System Analysis for winery process wastewater and human waste, as well as stormwater run-off regulatory regime.
 - b. To control stormwater runoff new crush pad covers and drainage facilities are now part of the regulatory scheme, even at existing facilities.

- iii. Fire and Life Safety regulations have increased in intensity.
 - a. Reinterpretations of fire codes as they relate to existing winery caves.
 - b. Fire code changes require existing winery roads to be improved to 20 ft. wide.

- iv. Road Access and Road Capacity.
 - a. Traffic studies are required for almost all new wineries and winery modifications that involve an increase in production capacity or visitation.
 - b. Many county roads are narrow, many dead end or are very rural.
 - c. Many county roads are far below the standards imposed on winery road.

- v. Parcel Size Minimums (new wineries), intensity of winery land use.
 - a. County adopted new standard in 2016 for minimum parcel size of 10 acres.
 - b. In 2016 County imposed more restrictive zoning code variance and parcel line set back regulations.
 - d. The County requires a calculation of the "development area" of the winery (18.104.210).
 - e. The County requires that indoor accessory uses, like tasting rooms, be only up to 40% of the total production space of the winery (the "60/40" rule).

- vi. Marketing Events are separately counted and heavily restricted.

- vii. Winery hours are regulated, with visitation required between for the most part 10:00 a.m. and 5:00 p.m., with regular operational hours between 7:00 a.m. and 6:00 p.m.

Appendix B

Winery Working Group Summary of Other Jurisdictions

County Authority	Napa	Monterey	Santa Clara	Yolo	Placer	El Dorado	San Luis Obispo	Santa Barbara	San Joaquin	San Diego
Size thresholds	Ordinance (adopted 1988); amended in various years Small <20,000 gal/yr Large >20,000 gal/yr (> 8k cases)	Agricultural and Winery Ordinance (adopted October 28, 2016) No thresholds	Ordinance (adopted December 2, 2014) Small < 10,000 case/yr Medium > 10,000 case/yr Large - any winery with events > 250 persons	County Code (updated July 2014) Small < 21,000 case/yr < 15,000 sq ft Large > 21,000 case/yr > 15,000 sq ft	Ordinance (adopted 2008; amended 2012 and 2014) Small < 20,000 case/yr Large > 20,000 case/yr	Ordinance (adopted January 16, 2006) Micro-winery < 250 gal/yr of wine Winery - no size thresholds	Ordinance (adopted in 1992; amended in 1995) No thresholds	Draft Ordinance Small < 20,000 sq ft max Medium < 20,000 sq ft max Large - max size est. by use permit	Ordinance (adopted November 4, 2014) Small - 201 - 35,000 gal/yr (15k cases) Medium > 35,000 - 80,000 gal/yr (45k cases) Large > 100,000 gal/yr (> 50k cases)	Ordinance (adopted August 4, 2010; in process of being amended) Wholesale or Boutique < 12,000 gal/yr (5k cases) Small < 12,000 gal/yr (5k cases) Large > 12,000 gal/yr (> 50k cases)
Minimum Site Area	Small - 4 ac min Large - 10 ac min	None	None	None	Winery - 4.6 ac min; min 1 ac vineyard Small event center - 10 ac < 100 people Medium event center - 20 ac < 200 people Large event center - 40 ac < 400 people	By right: Micro - 5 ac min 10 ac min w/5 ac vineyard in ag zones 20 ac min w/5 ac vineyard in non-ag zones Use Permit > 10 ac w/5 ac vineyard in non-ag zone	None	Small > 2 ac min Medium > 10 ac min Large > 20 acres > 10 acres vineyard Large > 40 acres > 20 acres vineyard	Small - 5 ac min Medium > 10 ac min Large > 20 acres	Boutique or Wholesale < 1 ac - 1,000 sf 1.2 ac - 1,500 sf 2.4 ac - 2,000 sf for every ac over 4 ac +200 sf up to 5,000 sf max Small, large - no min
Setbacks	800' setback on arterial roads 300' setback on other roads including private roads	100' from property line and 200' from existing residences all winery structures and outdoor use areas 200' from property line and 400' from existing residences for public use, public tasting, retail sales, or special events	None specified	None specified	200' setback from streams; > 20 acre lot size; < 2.5 ac max used for structures	200' setback from property line 200' from residence not owned by applicant for winery with tasting and events Special event setback of 1,000 ft from residential zone	Special event setback of 1,000 ft from residential zone	300' to property line of existing residence (if residence is setback 200' can be reduced to 100')	None specified	None specified
Tasting Room	Small - no public tours, no wine tasting, no retail sales, no public events Large - by use permit	Accessory to winery only	Accessory to winery only Off-site tasting room - use permit	Accessory to winery only; includes wholesale, retail sales, wine tasting and winery tours	Allowed with zoning clearance or conditional use permit	Micro - no public tasting, sales, tours accessory to a winery only Allowed by right on lots > 10 ac in ag zones Allowed by use permit > 10 ac in non-ag zones	Accessory to winery only Located within 200' of winery Limit to 1 per site Wineries may share a tasting room	Small - not allowed Medium - not larger than 600 sq ft or 10% of winery structure area Large - size est. by use permit	No more than 30% of wine production area (retail sales max 500 sq ft)	Wholesale - not allowed Boutique - 1 tasting/retail sales room allowed
Visitors	Events < 150 visitors	Events < 150 visitors	Small - may include limited public gatherings and promotional events	< 150 allowed by right	30 - 250 persons at one time allowed by right > 20 ac or > 10 ac in ag zones > 250 persons by use permit	By use permit	By use permit	Events shall end by 10 pm	Events shall end by 10 pm	Wholesale - not allowed Boutique - (from-legal sunset 7 days/week) Small - by minor use permit
Visitor Hours	Events end by 10:00 pm		No standard - by use permit	Use Permit if ends after 10 pm	Wineries: by use permit Ag Event Centers: 10am-10pm (Fri-Sat), 10am-8pm (Sun-Thurs)	By use permit	By use permit	Events shall end by 10 pm	Events shall end by 10 pm	Wholesale - not allowed Boutique - (from-legal sunset 7 days/week) Small - by minor use permit
Food Service	Commercial kitchen use permit Food and wine pairing allowed No menu options, no meal service such that the winery functions as a cafe or restaurant	Win Permit (Ministerial or Administrative); Use must be incidental, related, and subordinate in nature to the winery Located in same structure Max 150 sq ft of kitchen and dining area (including outdoor catering) Catering kitchen	Commercial kitchen allowed ancillary to winery operations	Restaurant allowed in Agricultural Commercial Zone	Allowed as Agricultural Event Center Conditional Use Permit. Restaurants are not allowed	Snack foods during wine tasting allowed Commercial kitchen > 20 acre parcels Dining facilities by use permit	Commercial kitchen allowed for members of the trade Medium, Large may be allowed	Commercial kitchen allowed for events and shall not be used as a restaurant	Commercial kitchen allowed for events and shall not be used as a restaurant	Wholesale - not allowed Boutique - 1 tasting/retail sales room allowed Small Winery: outdoor eating, max 5 tables, no more than 20 people

County	Napa	Monterey	Santa Clara	Yolo	Placer	Ei Dorado	San Luis Obispo	Santa Barbara	San Joaquin	San Diego
Event Definitions	Marketing of wine; activity conducted at a winery for the benefit of the winery and its products; catered social events (may include food service such as food and wine pairing); Business events can be marketing of wine if part of approved marketing plan	Winery-related Events: Promotional Events; Private Winery Events; Company/Holiday Party; Employee-Related Parties	Industry/Marketing events: any activity to market wine and wine products; wine tasting, barrel tasting, wine education, wine events, festivals and industry events; Small events: < 50 persons; Large events: > 50 persons; Private events: includes fund raising for non profit organizations	Small event: 12 events/yr, < 150 attendees; Wine Tasting; Wine Tasting Trips; Site Plan Review required; Large event: > 12 events/yr > 150 attendees; Minor Use Permit required	Marketing events: intended for promotion and sale of facility's products; Special events: charitable events (including fund raising, but not industry-wide events); Promotional events: facility rentals events (weddings, parties, company picnics, and reunions)	Marketing events: intended for promotion and sale of facility's products; Special events: charitable events (including fund raising, but not industry-wide events); Promotional events: facility rentals events (weddings, parties, company picnics, and reunions)	Special event: any event with 50 or more attendees including dinners, meetings, seminars, conferences, and other events (including fund raising, but not industry-wide events)	Winery special event: > 80 people including amplified sound, meetings, seminars, conferences, and other events (including fund raising, but not industry-wide events)	Accessory Winery event: promotes and marketing of wine and wine industry products (including wine tastings, barrel tasting, and wine club activities); Marketing event: include weddings and concerts; may include food service	
Agricultural Promotional Events	No more than 3 consecutive days < 50 persons/day; License not required; License required: > 50 persons/day; amplified sound: 8 days/yr; 50-400 persons/day; 8/yr; > 400 persons/day; 3/yr;	For Winery-related Events: Allowed up to 150 people; With Permit (Administrative): Allowed from 151-500 people; With Special Event Permit (notice and referral): Allowed over 500 people	Industry/Marketing events: 12/yr allowed; use permit required for additional events; Small events: allowed if lot is 5 acres or larger; Medium events: 12/yr; Large events: use permit required; Private events: no limit	2 events/yr temp use permit; 6 events/yr; use permit; Agricultural Event Centers: 26 events/yr or as est. by Use Permit	Wineries: 2 events/yr temp use permit; 6 events/yr; use permit; Agricultural Event Centers: 26 events/yr or as est. by Use Permit	Non ag "special" events: more than 48/yr > 250 people at one time allowed by use permit on > 10 ac in ag zones; See above	< 6 events < 80 people minor use permit; > 6 events or > 80 people use permit; For all: 20 ac min limited to 40 days/yr; Outdoor amplified sound only from 10 am-5 pm	Small: Not allowed; Medium: Max 4 winemaker meals/yr; Large: Max 6 winemaker meals/yr	Small: 12 events/yr, 150 people; Medium: 15 events/yr, 300 people; Large: 20 events/yr, 300 people; industry events and Accessory winery events are not included in the total number of events	Wholesale Limited Winery; Boutique Winery; Not allowed; Small Winery; Allowed, with standards
Industry-wide Events	Not mentioned	Allowed	See above	See above	Not mentioned	See above	All max allowed 4/yr small < 50 visitors max medium: < 40 acres < 100 visitors; > 40 acres < 150 visitors; large < 200 visitors industry wide or ag promo event			
Other Events (weddings, private parties, corporate, charitable)	No weddings. Events must related to wine education.	For Weddings and Charitable Dinners, see Special/Agricultural Promotional Events; For other events: Allowed			Allowed as Agricultural Event Center w/ use Permit	Facility rental 12/yr < 20 acres 24/yr > 20 acres	See Special Events	Small/medium: Not allowed Large: Max 12/yr with use permit		
Cooking Demonstrations				None	allowed for Agricultural Event Center			small/medium - not allowed large by use permit		
Parking	No standards Reviewed individually with use permits	Development Plan required Included requirements: 1 space per employee; visitor parking = 2.5 persons/vehicle with enough for max capacity; event (> 20 persons) requires adequate on-site or off-site parking	1 space/1,000 sq ft of warehouse area 1 space/200 sq ft of tasting room area	Must be on-site Special events, weddings, marketing promotional events may use temporary overflow parking	Small - min 5 spaces Large - 1 space/500 sq ft of tasting room/office 1 space/1,500 sq ft of production area 1 space/2.5 people for events Agricultural Event Center: 1 space/2.5 people, 1 space/1 TE	Permanent parking required for winery, tasting room, and accessory uses Temporary parking can be unsurfaced All parking must be on-site and meet the code requirements	400 sq ft Larger projects conditioned on parking plan and events no parking on any adjoining ROW	Parking plan for special events to include a parking coordinator for events attended by 100 or more persons	Parking attendant	Boutique - min of 6 spaces, min of 3 employee spaces, no off-site parking allowed
Noise	Noise standards 65 dBA for events	Noise standards	Noise standards	Noise standards	Noise standards	None	65 dB at property line	Outdoor amplified sound per use permit Permitted 10am-8pm	Outdoor amplified sound per use permit Permitted 10am-8pm	Noise standards 65 dBA for events; amplified sound is not allowed
Enforcement	Annual audit of % of use permit; annual fee						Enforcement Plan required Prior to effective date			

County	Napa	Monterey	Santa Clara	Yolo	Placer	El Dorado	San Luis Obispo	Santa Barbara	San Joaquin	San Diego
Misc	Categorically exempt allowance for small wineries (20,000 gallon production)		Must have adequate septic capacity for maximum number of visitors	Agritourism: for the enjoyment and education of visitors, groves, or orchards, vineyards, gardens, etc. that include demonstrations of local agricultural products and event centers that accommodate weddings, music, and limited dining.	Agricultural Event Center: Facility located on agriculturally zoned land that is an ongoing operation and that is used as a facility for any type of social gathering and consisting of multipurpose meeting and/or recreational facilities, typically consisting of multipurpose rooms and a kitchen that are available for use by various private groups for activities such as weddings, parties, receptions, etc.	50% local fruit required	Principal access driveway shall be located on or within one mile of an arterial Outdoor tanks require 100% screening		Marketing Calendar shall be filed with the Community Development Department on a bi-annual basis and updated monthly as needed; must be kept on-site at all time	Fruit requirements: Winesale Limited Winery: up to 10% may be imported from other counties in California Bordeaux Winery: 25% grown in the County, 25% grown on-site Small Winery: 50% grown in the County, 25% grown on-site

Appendix C

ACRES OF AG LAND CONVERTED TO NON-AG, 1993-2016

Era	years	AP		AW		other*		countywide	
		acres	rate	acres	rate	acres	rate	acres	rate
1993 - 2002	9	78	8.6 ac/yr	26	2.9 ac/yr	74	8.2 ac/yr	178	19.8 ac/yr
2002 - 2005	3	28	9.3 ac/yr	14	4.6 ac/yr	31	10.3 ac/yr	73	24.3 ac/yr
2005 - 2007	2	41	20.5 ac/yr	6	3 ac/yr	20	10.2 ac/yr	67	33.7 ac/yr
2007 - 2010	3	17	5.5 ac/yr	9	3.1 ac/yr	21	7 ac/yr	47	15.6 ac/yr
2010 - 2014	4	49	12.2 ac/yr	15	3.8 ac/yr	10	2.6 ac/yr	74	18.5 ac/yr
2014 - 2016	2	25	12.6 ac/yr	1	0.5 ac/yr	21	10.4 ac/yr	47	23.4 ac/yr
TOTAL CONVERTED (1993-2016)	23	237	10.3 ac/yr	71	3.1 ac/yr	178	7.7 ac/yr	486	21.1 ac/yr

* "other" consists mostly of lands falling within city boundaries, but does include some County non-ag zoning designations

REASON FOR CONVERSION OF AG LAND TO NON-AG, 1993-2016

Era	years	REASON FOR CONVERSION, EXPRESSED IN ACRES				
		other	reservoir or other ag infrastructure	residential	road or driveway	winery
1993 - 2002	9	22	5	85	18	48
2002 - 2005	3	20	5	35	4	8
2005 - 2007	2	17	2	20	14	15
2007 - 2010	3	8	0	27	4	7
2010 - 2014	4	10	4	26	9	25
2014 - 2016	2	17	7	12	2	9
TOTAL CONVERTED (1993-2016)	23	94	22	206	51	112
ANNUALIZED CONVERSION RATE		4.1 ac / yr	1 ac / yr	9 ac / yr	2.2 ac / yr	4.9 ac / yr