



Agenda Date: 5/11/2015

Agenda Placement: 6A

A Tradition of Stewardship
A Commitment to Service

Napa County Agricultural Protection Advisory Committee **Board Agenda Letter**

TO: Agricultural Protection Advisory Committee
FROM: David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: David Morrison, Director, Planning, Building & Environmental Servi - (707) 253-4805
SUBJECT: Workshop on Minimum Parcel Size, Vineyard Loss, and Estate Grape Production

RECOMMENDATION

This public workshop is being conducted by the Agricultural Protection Advisory Committee and County staff to allow for input and discussion regarding proposals for amending the County Zoning Code. The focus of this workshop concerns three topics: (1) the minimum parcel size for establishing new wineries; (2) the net loss of vineyards associated with winery development and/or expansion; and (3) the role of estate grapes in winery production.

EXECUTIVE SUMMARY

Proposed Actions:

That the Agricultural Protection Advisory Committee:

1. Receive the staff presentation and ask any clarifying questions;
2. Accept public testimony regarding the three issues;
3. Discuss the draft proposals included in the staff report as well as those received during the meeting;
4. Select a limited number of proposals for discussion and consideration on the May 26, 2015 meeting; and
5. Discuss and provide staff direction regarding additional research and/or analysis needed regarding the proposals being forwarded for consideration.

Discussion:

This public workshop is being conducted by the Agricultural Protection Advisory Committee and County staff to allow for input and discussion regarding proposals for amending the County Zoning Code. The focus of this workshop concerns three topics: (1) the minimum parcel size for establishing new wineries; (2) the net loss of vineyards associated with winery development and/or expansion; and (3) the role of estate grapes in winery production.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

RESEARCH

For the third meeting, the Committee directed staff to hold a workshop continuing its focus on the first three issues assigned by the Board of Supervisors: (1) the minimum parcel size for new wineries; (2) the net loss of vineyards in the establishment or expansion of wineries; and (3) the level of estate grape production for wineries. Following up to the discussion provided in the second meeting, the Committee requested several additional analyses. This staff report provides analysis, to the extent that data is available, for each request as follows:

Varietal Supply:

The Committee requested a breakdown of the grape supply by varietal. The following data comes from the Agricultural Commissioner's crop report for 2013 production:

Varietal	Tons	Percent of Total Grape Crop
Cabernet Sauvignon	65,919	37.7%
Chardonnay	31,228	17.9%

Merlot	21,038	12.0%
Sauvignon Blanc	18,010	10.3%
Pinot Noir	12,039	6.9%
Zinfandel	5,338	3.1%
Cabernet Franc	3,766	2.2%
Petite Sirah	3,484	2.0%
Sirah/Shiraz	2,803	1.6%
Petit Verdot	2,787	1.6%
Malbec	2,441	1.4%
Barbera, Cargnane, Charbono, Gamay/Valdigue, Granache, Mataro/Mourverde, Primitivo, Sangiovetto/ Sangiovese, Tempranillo, Touriga, Other Reds, Albarino, Chenin Blanc, Gewurtztraminer, Marsanne, Muscat Blanc/ Canelli, Pinot Blanc, Pinot Gris/Grigio, Rousanne, Sauvignon Musque, Sauvignon Vert, Semillon, Viognier, White Riesling, Other Whites	5,994	3.3%
TOTAL	174,847	100.0%

Parcel Size:

The Committee requested that the parcel size distribution be recalculated to exclude wineries that have pre-WDO (Winery Definition Ordinance) status. Staff estimates that of the 218 wineries that are not subject to the WDO, 46 are located on parcels less than 10 acres in size, which would not have been included in the table. The revised table is as follows:

	Parcels with Wineries			Parcels without Wineries		
	10-20 acres	20-40 acres	40 acres +	10-20 acres	20-40 acres	40+ acres
Subtotal	62	40	77	1,231	1,117	2,593
Grand Total	179			4,941		

The remaining distribution of pre-WDO wineries was:

-) 10-20 acres: 38 wineries
-) 20-40 acres: 60 wineries
-) 40+ acres: 74 wineries.

Vineyard Coverage:

The Committee requested a breakdown of the percent of vineyard coverage for a parcel, to see how it compared to the size of the parcel. This information is provided below:

AP Zone						
	Parcels with Wineries			Parcels without Wineries		
	10-20 acres	20-40 acres	40 acres +	10-20 acres	20-40 acres	40+ acres

Average	53%	71%	72%	70%	73%	77%
Median	65%	76%	78%	84%	84%	87%
0%	16%	3%	0%	10%	6%	3%
50%+	66%	89%	88%	80%	83%	90%
90%+	2%	11%	15%	30%	27%	39%
AW Zone						
	Parcels with Wineries			Parcels without Wineries		
	10-20 acres	20-40 acres	40 acres +	10-20 acres	20-40 acres	40+ acres
Average	36%	31%	35%	15%	11%	5%
Median	32%	29%	32%	0%	0%	0%
0%	20%	5%	5%	67%	68%	72%
50%+	34%	20%	26%	16%	11%	7%
90%+	2%	0%	1%	2%	2%	1%

Several broad conclusions can be drawn from this data:

-) Vineyard coverage is much higher in the AP Zone than in the AW zone.
-) The percentage of vineyard coverage goes up as parcel size increases throughout the AP Zone and in the AW Zone where a winery is present. The only area where this does not hold true is in the AW Zone where there is not a winery. Staff assumes that is due to a higher proportion of parcels that are steep, remote, and/or have low water availability and are generally unsuitable for vineyard and winery development.
-) The highest percentage of vineyard coverage is in parcels that are zoned AP, are larger than 40 acres, and do not have a winery. The lowest coverages are found in parcels that are zoned AW, are larger than 40 acres, and do not have a winery.
-) In the AP Zone, parcels without wineries have higher rates of vineyard coverage than parcels that have a winery. The reverse is true in the AW Zone, where parcels that have wineries also have a higher rate of vineyard coverage.

Variations

The Committee requested a list of the variances that have been granted, including the size of the parcel on which the project was located. Staff has provided this information below, dating back to the baseline year of the General Plan (2005).

Over the past 9 years, the Planning Commission has approved a total of 33 winery projects with variances included as a part of the request. On average, the County has approved 3.5 variances annually. Last year (2014) was unusual in that 6 variances were approved.

Half, or 16 of 33, are on parcels that are between 10 and 20 acres in size. The average parcel size of these 33 applications is 30 acres; the median parcel size is 19 acres.

Date Approved	Winery Name	Parcel Size
06-07-2006	Bekker	16
06-21-2006	Fulton	40
06-21-2006	Ulitin	11
07-19-2006	Gamble	10

03-07-2007	Whetstone	44
04-18-2007	Silverado Hill	36
06-06-2007	Malk	10
08-01-2007	Lieff	22
01-30-2008	Sage Canyon	115
11-19-2008	Alpha Omega	11
12-17-2008	Pavitt	23
04-01-2009	Lincoln Ranch	11
07-15-2009	Carver Sutro	80
09-16-2009	Wheeler	12
01-20-2010	Kitchak	15
06-16-2010	Ceja	10
06-16-2010	Shutters	15
09-15-2010	McBride	11
10-06-2010	Ca'Nani	14
01-05-2011	Rocca	1
11-16-2011	Lodestone	42
05-16-2012	Swanson	74
06-06-2012	Cairdean	50
03-20-2013	Tamber Bey	22
04-17-2013	Inglenook	95
11-06-2013	Corona	49
01-15-2014	Martini	28
05-17-2014	Titus	11
05-17-2014	Goosecross	32
05-21-2014	Castelucci	19
07-02-2014	Yountville Hill	11
07-16-2014	Long Meadow Ranch	30
03-04-2015	Melka	11

Contiguous Ownership:

The Committee requested an analysis of how many smaller parcels are in contiguous ownership in blocks of 40 acres or more. That analysis is still being developed and will not be ready for Monday's meeting.

PROPOSALS:

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For the third meeting, the Committee also requested Committee members and the public to submit draft proposals regarding the first three issues. The following is a summary of each proposal received by staff to date. The summary is intended to provide an easy and quick reference for use during discussion. The full text of each proposal and the accompanying comments are provided as an attachment. The proposals are presented in the order in which they were received.

Proposal A – Stan Boyd:

1. Retain the existing 10-acre minimum parcel size for new wineries in the AP and AW zones.

Proposal B – Charlie Hossom:

1. The County monitors groundwater by area and I recommend a similar approach in analyzing net cumulative impacts of development on traffic and public services. By use of metrics such as emergency response time or others, future development could be limited if adverse impacts were to occur as a result of the development and could not be mitigated.

Proposal C – John Dunbar:

1. Limit the total number of Use Permits available for winery development. The permits would be connected to the parcel if a change of ownership occurs.
2. Within the overall permit cap, allow a limited number of winery permits per various parcel sizes. Rather than setting a single parcel size minimum (i.e. 10, 20, 40 acres), allocate a specific number of permits for parcels up to 20 acres, with separate allocations for permits on parcels between 20+ to 40 acres, and permits on parcels larger than 40 acres.
3. Consider the impact of establishing vineyards on existing farm land that is not planted to grapes. For example, replacing an orchard or grazing land with vineyards results in an impact to the agricultural use.

Proposal D – Peter McCrea:

1. Increase the minimum parcel size for new wineries to 40 acres.
2. Establish a small winery Use Permit. New wineries located on parcels between 10 and 40 acres would only be allowed with the following requirements:
 - a. Tasting visitation would be limited to an absolute maximum of 10 visitors per week
 - b. Marketing events and/or food events of any kind would be prohibited.
 - c. 75% of the grapes used at the winery would be grown on the property.
 - d. No off-site water would be used on the property for growing grapes or making wine.
 - e. There would be no net reduction in vineyard acreage.
 - f. These restrictions would not be changed in the future for any reason.

Proposal E – Bob Fiddaman:

1. Increase the minimum parcel size for new wineries to 40 acres, in both the AP and AW zones.
2. Alternatively, adopt a tiered system of minimum parcel sizes. Allow a very limited number of wineries (i.e. 1 or 2 annually) to be built on parcels of at least 10 acres, a limited number (1 or 2) on parcels of at least 20 acres, and a limited number (2 or 3) on parcels of 40 acres or more. Base the overall limit on new winery production to the increase in grape supply over time.
3. Do not place any new requirements on the net loss of vineyards.

4. Consider requiring that a new winery include a minimum number of estate grapes depending on the amount of production requested (e.g., 1.75 acres of vineyard required for every 1,000 gallons of production requested).

Proposal F – Gary Margadant:

1. Increase the minimum parcel size for new wineries in the AP zone to 40 acres. Increase the minimum parcel size in the AW zone to 400 acres.
2. Prohibit vineyards from being converted to accessory or winery uses.
3. Limit the production of new and expanded wineries to using only those grapes that are grown on-site or on multiple adjacent parcels in common ownership.
4. Prohibit new vineyards and wineries within Municipal Watersheds.

Proposal G – David Graves:

1. Retain the existing 10-acre minimum parcel size for new wineries in the AP and AW zones.
2. Focus efforts on instead on addressing community challenges, such as managing traffic congestion.

Proposal H – Harvest Duhig:

1. No increase to the minimum parcel size.
2. Limit new wineries on 10-acre parcels to the following:
 - a. Maximum production limit of 15,000 gallons per year for a 10-acre parcel. Production should be allowed to increase proportionally as the parcel size increases (e.g., 1,500 gallons of production for each additional acre in parcel size).
 - b. All non-permeable development (winery, main residence, guest house, granny unit) shall not exceed a total of 40% of the parcel. The development footprint would increase proportionally as the parcel size increases (e.g., an additional 17,424 square-feet for each additional acre in parcel size).
 - c. The remaining 60% of parcel coverage shall be limited to vineyard production, open space, or other allowed land uses as provided for in the General Plan.
3. Require that new wineries result in a no net loss of existing vineyards. Any decrease in vineyard coverage can be offset on-site or on other parcels under common ownership
4. No restrictions should limit wineries to using estate grapes. Instead, create a streamlined Use Permit process and CEQA exemption for those wineries that use only estate grapes in their production.

Proposal I – Napa County Farm Bureau:

1. Limit wineries on parcels between 10 and 40 acres in the AP Zone to the following;
 - a. 100% of the fruit processed shall be sourced from the winery parcel.
 - b. No events shall be permitted on site;

- c. Only extremely limited visitations and hours for visitation shall be permitted.
2. Limit wineries on parcels of 40 acres or more in the AP Zone to the following:
 - a. 90% of the winery parcel shall be used for grape production.
 - b. 50% of the fruit processed shall be sourced from the winery parcel.
 - c. 100% of the fruit processed shall be "estate" grown, using the TTB definition for "estate bottled wines".
 - d. Very limited events/marketing shall be permitted on site.
 - e. Only limited visitations and hours for visitation shall be permitted.
 3. All new and expanding wineries shall be subject to the following:
 - a. The winery parcel shall have sufficient water source(s) on site for all new/or expanded winery production and winery activities (no trucking of water to augment the needs of winery production or activities shall be permitted). If water becomes insufficient for the permitted production capacity, the winery's permitted capacity shall be reduced to an appropriate level.
 - b. All applicable sewage/processed waste requirements and the sewage/processed waste disposal systems for new and/or expanded winery production shall be contained entirely within the winery parcel (no "hold and haul" system shall be permitted or expanded).
 - c. Grape source(s) shall be identified and proven to Napa County before any new or expanded winery production application is deemed to be complete.
 - d. Grape source, wine production and visitation counts shall be reported annually to Napa County in order to verify compliance.
 - e. If vines are removed for the purpose of winery production facilities, other areas (not already planted) of equal size shall be planted on the parcel so there is a "net zero" loss of vineyard. Vines shall not be removed for purposes of marketing or hospitality areas, enclosed or open. Historically planted areas will be considered as existing vineyard acreage, and not considered as "replacement/new" areas.
 - f. Maximum coverage of new wineries shall be 5% of the existing parcel or 5 acres, whichever is less.

Proposal J – Carolyn Czsapleski:

1. Implement General Plan Action Items AG/LU-2 and AG/LU-16.

Action Item AG/LU-2.1: Amend County Code to reflect the definition of "agriculture" as set forth within this plan, ensuring that wineries and other production facilities remain as conditional uses except as provided for in Policy AG/LU-16, and that marketing activities and other accessory uses remain incidental and subordinate to the main use.

Action Item AG/LU-2.1: Amend County Code to reflect the definition of "agriculture" as set forth within this plan, ensuring that wineries and other production facilities remain as conditional uses except as provided for in Policy AG/LU-16, and that marketing activities and other accessory uses remain incidental and subordinate to the main use.

SUPPORTING DOCUMENTS

- A . Proposals

Recommendation: Approve
Reviewed By: Charlene Gallina