# City of Calistoga Staff Report

TO:

Honorable Mayor and City Council

FROM:

James C. McCann, City Manager

DATE:

May 19, 2009

SUBJECT:

Bounsall & Wright Winery and Event Center development proposal

**ISSUE:** To receive a presentation regarding the preliminary development plans for the Bounsall & Wright Winery and Event Center proposal, discuss and determine whether to establish a City Council ad-hoc subcommittee to explore the merits of developing a Memorandum of Understanding with the developers to permit a land use application to be filed.

**RECOMMENDATION:** Receive presentation, discuss and confirm the Mayor's appointments to a two-member ad-hoc subcommittee to explore the merits of developing a Memorandum of Understanding with the developer.

BACKGROUND: The City's Growth Management System (GMS) requires that development proposals receive a Growth Management Allocation awarded by the City Council prior to the filing of a formal development application. However, the GMS allows projects which will be subject to a Development Agreement to proceed through the development application review process outside of the established GMS application cycle (the cycle begins in July of each year with allocations granted in December allowing a development application to be filed in January of the following year).

The Bounsall & Wright development proposal does not presently have a GMS allocation. The Bounsall family wishes to advance their development application and desire to execute a Development Agreement with the City.

**DISCUSSION:** The Bounsall family has discussed the Bounsall & Wright Winery and Event Center development concept for a number of years through the public input into the preparation of the City's General Plan and more recently in the development of the City's Urban Design Plan.

The property owners submitted a Preliminary Application for the Bounsall & Wright Winery and Event Center proposal last year to obtain staff and Planning Commission input. Attached is a copy of the April 25, 2009 letter from the

Planning and Building Director summarizing the evaluation of the proposal and the comments from the Planning Commission, City staff and responding agencies. The project plans and information as well as the Planning Commission reports and meeting minutes are also attached.

The preliminary proposal seeks to convert the 7 acre property located at 414 Highway 29 (Foothill Boulevard) which presently contains a walnut orchard, two homes and equipment storage into a winery and event center. The development would include a total of approximately 79,000 square feet of building area devoted to winery use (two buildings of 17,400 and 19,100 square feet each); delicatessen, wine tasting and sales market of approximately 18,500 square feet; a specialty fruit and vegetable retail store of approximately 7,800 square feet; two dwellings; and a 4,000 square foot event facility. The wineries are projected to produce not more than 50,000 cases of wine in combined total per year. The attachments from the applicant provide a detailed summary of the proposal concept.

The letter from the Planning and Building Director and the Planning Commission minutes summarize the thoughts to date on the Preliminary Application. These expressions make clear the City's enthusiasm for the development concept and the support for project refinement to address concerns and suggestions raised to date. The property owners have been encouraged to continue and to progress through the development review process. To do so without a GMS allocation requires that the Council indicate the willingness to consider a Development Agreement for the proposal. The applicants wish to obtain such an entitlement to secure their land use approvals, to permit phased development and to provide the certainty of approval, which is afforded by a Development Agreement. Staff recommends that the Council establish an ad-hoc two-member subcommittee to explore the potential elements of a Development Agreement and to determine whether sufficient merit exists for the City to consider entering into a Development Agreement in conjunction with the Bounsall & Wright Winery and Event Center proposal.

Should the Council's ad-hoc subcommittee find that sufficient merit exists in the developer's proposal to warrant the consideration of a Development Agreement, then a Memorandum of Understanding (MOU) expressing this interest and intent to consider a Development Agreement will be drafted for Council consideration and authorization. Execution of such an MOU will then allow the filing of development applications and the commencement to the formal land use review process.

The adoption of an MOU is an expression of City encouragement of a development application. It is <u>not</u> project approval nor does it suggest that the development proposal is endorsed by the City nor that it will be approved. The Preliminary Application, while well received in many regards, raised a number of

significant issues, which must be addressed through project design refinement, operations regulation and environmental evaluation and potentially subsequent project design amendments. As is evident from the attached summaries of Commission and staff input, the overall project concept of winery, delicatessen, specialty fruit/vegetable/food market and an event facility was well received. The scale, scope, overall project intensity, and degree to which the project elements are integrated to present a coordinated and complimentary development are expressed principal areas of concern identified at the conceptual application level. These topics will be addressed by the developer in response to the input offered on the Preliminary Application and will be subject to review and action during any subsequent development application public review process.

88 89 90

91

92

93

94

78

79

80

81

82

83

84

85

86

87

Staff compliments the Bounsall family for the significant thought and effort, which is evident in the Preliminary Application and the exceptional level of attention and design quality reflected in the project concept. Staff recommends that the Council establish a two-member ad-hoc subcommittee to explore the potential merits of entering into a Development Agreement with the developers to permit the proposal to advance through the development application review process.

95 96 97

98

99

FISCAL IMPACT: The costs to the City related to the Preliminary Application process and any efforts involved in the exploration of an MOU and subsequent work related to a development application will be borne by the developer through a direct cost-for-service deposit account.

100 101 102

103

104

105

Should a development project occur on the property as a result of the property owner's efforts through the process outlined above, revenue will be derived to the benefit of the community. The nature and amount of any fiscal impact derived from a development project will be determined by staff in conjunction with the evaluation of any future development proposal.

106 107 108

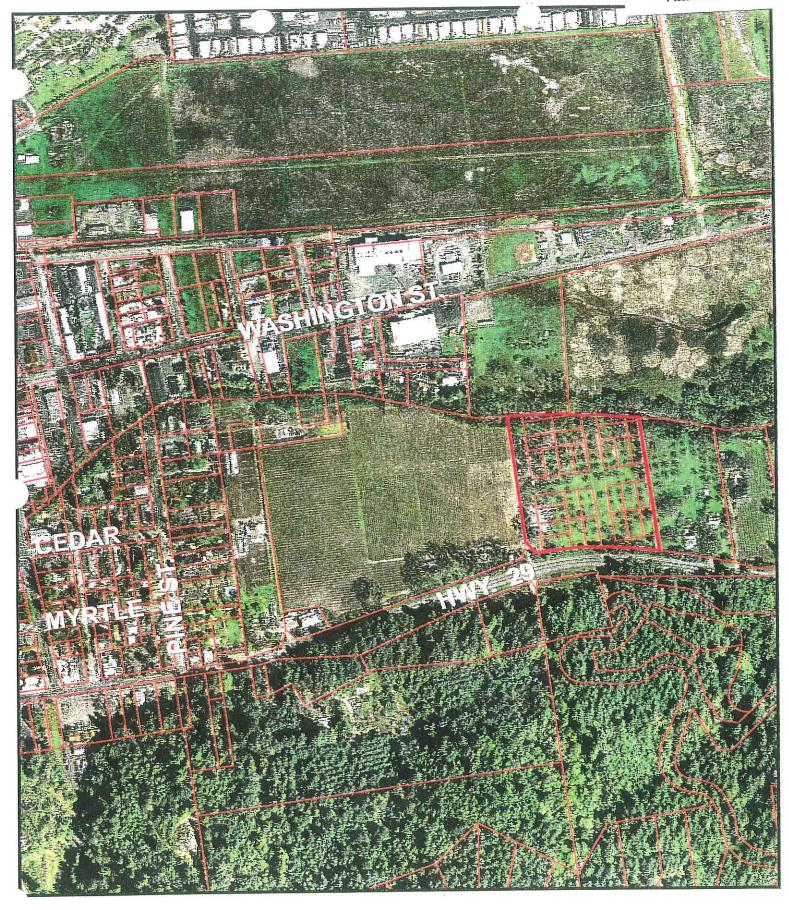
#### **ATTACHMENTS:**

109 110

114

115

- 1. Project vicinity map.
- 2. April 25, 2009 letter from Charlene Gallina, Director of Planning and 111 Building summarizing City comments on the Preliminary Application. 112 113
  - 3. May 9, 2009 letter and attachment from Jean Kapolchek + Associates.
  - 4. Planning Commission staff reports and minutes (February 11, 2009 and January 28, 2009).
  - Project concept plans.



VICINITY MAP

**BOUNSALL PROPERTY** 



## CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515 707.942.2800

April 25, 2009

Mr. Jeff Bounsall P.O. Box 65 Calistoga, CA 94515

RE: Pre-Application Consultation (PA 2008-04) & Conceptual Design Review

(CDR 2008-04) for Bounsall & Wright Winery and Event Center

#### Dear Jeff:

Given that the City has now completed our review of your conceptual proposal for the proposed Bounsall & Wright Winery and Event Center located at 414 Foothill Boulevard, provided in this letter is a summary of potential issues identified and discussed to date associated with your project proposal, and any specific studies or detailed information needed for formal processing of your project. Please note as your project proposal becomes more refined and moves through a formal application review, additional comments, as well as additional studies or specific conditions may be made or required by City staff and/or outside agencies.

#### Summary of Project Issues:

Please refer to the Planning Commission Staff Report of January 28, 2009 and February 11, 2009 for identification of issues that will need to be addressed in conjunction with the submittal of a formal application for project entitlements. In addition, I have attached for your information the adopted Planning Commission Minutes of February 11, 2009 reflecting the Commission's comments on the overall project concept.

In summary, the Commission supported the project in concept, generally and expressed appreciation for the clearly reflected superior quality in the architectural design of individual buildings. However, the Commission expressed significant concern with the proposed intensity of development with respect to the proposed scale, massing and overall size and anticipated operational functions of the two wineries, as well as the anticipated intensity and number of functions to occur on the site at any given time (e.g., retail sales, wine tasting, wine tours, wine production, truck deliveries, and special events). Furthermore, the Commission discussed at length concerns raised by the project's proposed height, bulk, mass and scale of buildings in relation to the project site, its immediate proximity to State Highway 29, and the surrounding low intensity land

Mr. Bounsall PA 2008-04; CDR 2008-04 April 25, 2009 Page 2 of 5

uses. Additionally, concerns were expressed regarding the proposal's consistency with General Plan policies relative to the Entry Corridor's goals and policies. It was the consensus of the Planning Commission that the overall intensity of the proposed project must be reduced in order to achieve consistency with a number of important General Plan provisions and to address foreseen potential adverse impacts, specifically parking deficiencies and traffic that may be generated by proposed land uses to be provided on-site. As previously discussed with your Project Team, I would recommend that additional information regarding the proposed operational characteristics of your concept be submitted at this time for presentation to the City Council.

#### Next Step:

The City Manager is in receipt of your request to secure a Memorandum of Understanding (MOU) from the City Council in order to reserve an allocation through the processing of a Development Agreement, given the scope and proposed phasing of this proposal. After meeting with the City Manager on April 27<sup>th</sup>, this request will be scheduled for City Council consideration at the earliest convenience.

#### Entitlement Needs:

Upon MOU execution, the following represents the necessary project entitlements that will be required for your project proposal, as identified to date:

- A California Environmental Quality Act (CEQA) Determination:
- A Development Agreement;
- A General Plan Amendment to amend the Light Industrial Land use Designation;
- A Rezone to establish a Planned Development District;
- A Text Amendment to establish Planned Development Regulations;
- Preliminary and Final Development Plan (includes Conditional Use Permit & Design Review); and
- A Lot Merger

It should be noted that the above entitlements can be processed concurrently, unless determined during the negotiations of the MOU that some entitlements such as the Final Development for each building may be phased within the terms of an approved Development Agreement.

Attached for your use is a copy of the following City applications and checklists specifying materials that will be required for the formal processing of your project.

- Planning Application Form
- Environmental Information Form
- General Plan Amendment

Mr. Bounsall PA 2008-04; CDR 2008-04 April 25, 2009 Page 3 of 5

- Zoning Amendment
- Conditional Use Permit
- Design Review
- Lot Merger
- Please note that the Department is currently updating our Planned Development (PD) application form and will be forwarded to you upon completion.
- Description of the Development Review Process

#### California Environmental Quality Act (CEQA):

I anticipate that, at minimum, a Mitigated Negative Declaration will be processed for this project. Studies identified to date include: a traffic/parking study, water and wastewater needs assessment, an arborist report, a preliminary soil report, a historical, cultural, and archeological resources study, and infrastructure and drainage studies. (Please refer to Department/Agency Comments) Other studies may also be required once more information is received and comments have been received from agencies and other City Departments. Based upon submittal of the Environmental Information Form, requested project assessments and other information requested herein, the City will be able to conduct an "Initial Study" of the project to determine whether or not a Mitigated Negative Declaration or an Environmental Impact Report will need to be required. Please note that opportunity for public review of this environmental assessment will be provided prior to any action of your formal applications.

#### Department/Agency Comments:

The following represents comments that were previously transmitted to you and your Project Team that will need to be addressed with the submittal of a formal application:

#### Police Department

1. No comments transmitted at this time.

#### Fire Department

- 1. Refer to Department comments dated September 29, 2008.
- 2. Second Emergency Vehicle Access Road to be required pursuant to discussion held on October 22, 2008.

#### Public Works Department

- 1. Refer to Department comments dated December 2, 2008.
- 2. Please note that clarification and additional information regarding these comments were provided by Public Works Department staff on December 14, 2008.

Mr. Bounsall PA 2008-04; CDR 2008-04 April 25, 2009 Page 4 of 5

#### State Department of Fish & Game

- 1. Refer to Department comments dated September 12, 2008.
- 2. Recommends that any additional construction within 100 feet of the Napa River be avoided unless sufficient mitigation is provided.
- 3. Will require the processing of a Lake & Streambed Alteration Agreement.
- Expressed concern that the construction of 2 winery facilities will require significant water resources.
- 5. Recommends that the City prepare an EIR and include a meaningful discussion of species impacts associated with the conversion of native riparian habitat and increased water usage.

#### County of Napa - Department of Environmental Management

- 1. Refer to Department comments dated August 28, 2008.
- 2. Requests clarification on proposed water and sanitary sewer services to be provided on-site.

#### Northwest Information Center

- 1. Refer to Center comments dated August 29, 2008.
- 2. Requests further archaeological assessment of the site and historical evaluation of the historic-era buildings.

#### State Department of Transportation (CALTRANS)

- 1. Refer to Department comments dated September 17, 2008.
- 2. Requests that the traffic analysis to be prepared by the City and/or through project design include specific items.
- 3. Provides comments related to specie selection for proposed landscape treatment along State Highway 29.

#### Public Comments:

The following public comments received at the Planning Commission Meeting have been attached for your information. It should be noted that these issues will need to be addressed in conjunction with the submittal of your formal application and/or as we move through the processing of your project.

- Napa Valley Farm Bureau Requested the City adopt winery development standards. It should be noted that the Department is currently conducting research on the issue and will present this request to the Planning Commission and City Council for direction in the near future. With respect to your project, additional information regarding proposed winery operations will need to be submitted in conjunction with the submittal of your application in order to adequately conduct an assessment of your project.
- Kristin Casey Identified issues associated with General Plan consistency and the importance in preserving the rural and small town character within

Mr. Bounsall PA 2008-04; CDR 2008-04 April 25, 2009 Page 5 of 5

this critical entry corridor. Please refer to the Planning Commission's response above for addressing this issue.

 Hammond Family/Michael Brooks – Identified the need resolve an existing southern property boundary dispute, potential environmental issues, wastewater production issues, and project compatibility issues associated with the Hammond property. Please develop and submit a strategy for addressing these issues.

Paul G. Smith – Identified concerns with wastewater discharges and requested conformance with the Napa grape sourcing requirements. It should be noted that all potential wastewater discharge issues will be addressed in conjunction with the project's water/wastewater assessment. With regard to grape sourcing requirements, please refer to the Napa Valley Farm Bureau for staff's response to this issue.

#### Filing Fees:

Required filing fees for processing of a formal application will be assessed through the existing Developer Deposit Account. Please note that I will be contacting you at the end of this month after all charges to date have be recorded to determine the amount of additional funds that will need to be deposited in conjunction with the formal submittal of the your application.

In closing, I am of the belief that your project will be a significant asset to the community if authorized to move forward. Furthermore, I am hopeful from our discussions to date that the issues identified by the Planning Commission and City Staff thus far will be adequately addressed and mitigated to the City's satisfaction.

I continue to look forward in working with you and your Project Team on this proposal. If you have any questions or need additional information to assist you in proceeding forward, please do not hesitate to contact me at (707) 942-2827.

Sincerely,

Charlene Gallina

Planning & Building Director

#### Attachments

cc: Bounsall Project Team
James C. McCann, City Manager
Dan Takasugi, Director of Public Works
Steve Campbell, Fire Chief



RECEIVED
FEB 1 1 2009
BY: CA

### NAPA COUNTY FARM BUREAU

811 Jefferson Street Napa, California 94559

Telephone 707-224-5403

Fax 707-224-7836

February 11, 2009

Jeff Manfredi, Chairman Calistoga Planning Commission 1307 Washington Street Calistoga, CA 94515

Re: Bounsall and Wright Winery and Event Center.

Dear Chairman Manfredi, and Members of the Commission:

Napa County Farm Bureau believes the city's interest will be best served by adopting winery development standards for all potential new wineries that are consistent with the long established and successful provisions of Napa County's Winery Definition Ordinance (WDO). Further we urge the city to adopt these standards for all new wineries within the Bounsall property and the city limits, as opposed to placing individual case-by-case conditions on each future winery permit application.

The WDO provision mandating that at least 75% of the grapes used in a winery's production need to come from Napa county vineyards is of great importance, as this rule plays a critical part in protecting the integrity of the Napa Valley appellation and hence in protecting the economic base of our community. This fact is clearly evident in reviewing the statewide Grape Crush Report, which shows grape prices throughout the state much less stable than Napa grapes, which continue to increase in price. This economic strength can be attributed to our world-renowned quality, and we respectfully ask the City of Calistoga to acknowledge its ability to partner with the county and the wine industry groups in protecting our appellation.

Another provision of the WDO places restrictions on public tours and tastings at new wineries, and restricts the types of retail sales to wine related items. These limitations reduce or eliminate conflicts with neighboring parcels. While understanding that the city has valid tax revenue needs and an urban commercial base, we urge the city to carefully consider adopting guidelines that are consistent with the county. Wine tastings present a great opportunity to attract downtown visitors and build the strength of the city center.

It should be noted that the City of Napa has adopted such provisions as part of its municipal code, which is attached, for your consideration.

Again, thank you for hearing our comments. We support the opportunity for the City of Calistoga to permit wine production facilities and to showcase Napa's premium wine products.

Very truly yours,

RON TADDEI Vice President

Attachment

17.52.540

A. Purpose. To provide attractive wineries that contribute to the strength of the Napa Valley viticulture industry in Industrial, Agricultural Resource, and any other districts where they are allowed.

B. Definition. Wineries are defined as an agricultural processing facility used for the fermenting and processing of grape juice into wine; or the refermenting of still wine into

sparkling wine.

C. General Provisions. Wineries require a Use Permit. The following specific

requirements shall apply to wineries in the City of Napa.

1. Source of fruit: At least 75% of grapes used to make the winery's still wine, or the still wine used by the winery to make sparkling wine shall be grown within the County of Napa. The application shall identify anticipated sources of fruit. 2. Tours, tastings and retail sales may be permitted as an accessory use only,

with limits to be determined through the winery Use Permit.

3. Winery production capacity shall be established as part of the Use Permit.

4. Use of mobile bottling equipment and disposal of wastewater shall be specifically reviewed.

5. Development standards of the underlying District shall be met, or if development standards are unspecified, by the Use Permit governing the winery. (0200312)

Date: January 28, 2009

Chairman and Members of the Planning Commission To:

From: Kristin Casey

Bounsall Development Proposed for Entry Corridor Re:



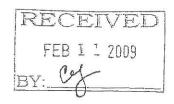
I have two primary issues regarding this proposed development in our Entry Corridor, having just reviewed the application and staff report briefly.

- 1. I object to the Staff's continued use and reference to the Urban Design Plan (the UDP), including copying provisions for the Planning Commissioners to refer to. The UDP is not yet fully vetted by the public, since the revisions which were mandated by the Planning Commission in response to public input last year have not yet been made available to the public and have not been publicly discussed. More importantly, the UDP has not been formally adopted by our City Council, and therefore it doesn't really legally exist yet. If the provisions of any guiding document are copied for Planning Commission consideration, they should be the provisions from our General Plan, at pages LU-26, 27, 28, 29 and LU-32, 33, 34 and LU-46. These provisions were not copied for reference in the packet, which means that anyone reading the packet would have to go to a copy of the General Plan to find the guidelines. And, although some of the General Plan provisions and sections mentioned here were set forth in the staff report, not all were included. The fact that the UDP provisions were added as an Attachment tends to give improper weight and authority to the UDP at this time. I continue to simply want to see more deference given to our General Plan and its original intentions.
- 2. It is clear from even a brief review of this proposed development that it is way over the top in regard to size. I wonder if this outrageously huge proposal is a negotiating ploy sometimes undertaken when someone wants to slip in a too-large project and therefore paints it as much larger to begin with, hoping the powers that be will be relieved to authorize a slightly reduced development (which is nevertheless too big). Beyond the size of the project as a whole, the number of uses being proposed goes beyond anything envisioned when we worked on the General Plan revision. Perhaps ONE small, rural winery was thought possible, but certainly not TWO. And it would have been unacceptable to those who crafted the General Plan to allow retail buildings and event + reception areas as part of the notion of one small winery with perhaps one small inn on this important site. Small is the governing word here, including low-rise (not 2 story) buildings and an emphasis on the agricultural setting over the physical development of the grounds.

I believe it would be inappropriate and irresponsible to encourage this project to proceed to obtaining a Development Agreement, unless and until the developers first show us that the size is seriously reduced and the uses are also limited. Certainly, Calistoga citizens should be concerned about giving water rights to this project - the last time I looked at the papers, California is in a drought.

#### ELIZABETH A. HAMMOND 304 FOOTHILL BOULEVARD CALISTOGA, CA 94515

February 11, 2009



Jeff Manfredi, Chairman Calistoga Planning Commission 1307 Washington Street Calistoga, CA 94515

Re: Bounsall and Wright Winery and Event Center.

Dear Chairman Manfredi, and Members of the Commission:

Thank you for the opportunity to comment on this proposed project.

I have resided at 304 Foothill Boulevard for four decades. During that time, I have witnessed many things "over the fence," but nothing that compares with this latest proposal. As proposed, it would wall-off the side yard of my property, near my house with a massive winery; subject me to industrial noise from processing activities conducted on the back side of the proposed winery; and, would direct vehicle and truck traffic by my house, on a one—way driveway located right next to my fence. This project is too intense, incompatible with our "rural residential" neighborhood, and too close to my property!

Specifically, I offer the following comments:

1. This application is premature, as no project has been identified. The "project" description is too vague, and too broad. The winery production has not been nailed down: It could be 10,000 cases, or, it could be 40,000, since the applicant has clarified "that the proposed winery operations have not been set at this time."! A range in production from 10,000 to 40,000 cases is huge, even by the applicant's own "analysis" of wineries: The majority of those wineries are less than 40,000 cases, and, the majority of those at or above 40K cases are located on parcels larger than my neighbor's — and my neighbor is proposing to build TWO such wineries! And just try to follow the phasing (maybe this first, or that, followed by this use, or that). I am frustrated by the lack of clarity in this proposal — to not know, with a degree of certainty, what I am facing as a result of this process. I'm sure as planning commissioners, you are as equally concerned as I am.

2. The project site is only 6.68 acres (Exhibit "A"). The application asserts it is seven acres. My land surveyor, Michael Brooks will further address this issue.

**The proposed "planned development" is too intense in a "rural residential" neighborhood.** The largest building in the project would be jammed up against my property. If that's not enough, their plan is to pave a driveway right up to my fence. The proposed buildings reach heights of 48 feet (Exhibit "D"). That scale is out of proportion with anything in the immediate neighborhood, and the buildings should be scaled down! And, the site plan is too intense! Even most Industrial Parks limit coverage with buildings, paving, and other "hardscape," to 50 percent. Here, approximately 61 percent coverage is proposed.

Letter to Calistoga Planning Commission February 11, 2009 Page 2

4. Two wineries are one to many. Not only is the number of wineries to intense, the site plan does not fit in this "rural residential" neighborhood. A more compatible approach would be to have one winery (i.e., one processing facility serving the two separate tasting rooms). In addition:

a. The buildings and parking should be oriented away from the neighboring properties. The winery should be located near the back of the site (outside the Napa River floodway), with all outdoor processing oriented toward the city's sewage disposal spray fields, and industrial uses located across the river.

b. On-site traffic circulation should be two-way, as a 60-foot-wide right-of-way already exists at the Bounsall driveway (Exhibit "E"). That right-of-way is sufficient to accommodate a two-way driveway. The proposed one-way circulation would force more traffic adjacent to my "rural residential" property. It is also more hazardous, as drivers will ignore signs when they are looking for parking — going the wrong way to take a short cut to an open parking stall. In general, as proposed, the circulation system is ill conceived with respect to separating visitor vehicular traffic from large trucks associated with wine production.

c. Visitor parking should be centralized. A centralized parking lot doesn't have to be ugly, sterile pavement. Take a look at the parking at the Napa Valley College's Up Valley Campus, in St Helena.. It is designed to minimize paving, and, its orchard-like trees provide shade for parked cars.

d. Side property lines should be landscaped (on the project site). The "rural residential" neighbors to this project shouldn't be burdened with having to look at such massive industrial and commercial buildings, and the other urban aspects of this project, including noisy machinery, auto and truck traffic, and, the hoards of people. Plant trees and shrubs, and plenty of them — hedge the side property lines with the kinds of plants suggested by Caltrans, in its letter to you concerning this project.

5. Outdoor amplified music should be prohibited! One thing that even a forest of landscaping would not block is noise. As stated above, if noise from the proposed wineries is not bad enough, the so-called "event center" is also proposed to be squeezed in adjacent to my side property line. I can just imagine being serenaded by every kind of music, inconveniently amplified for my annoyance. How incompatible is that in a "rural residential" neighborhood?

6. Traffic generated by this project will choke an already congested Foothill Boulevard. I can't get out of my driveway in the late afternoons and evenings. Cars are backed up to my driveway, and beyond, from that time until well after 6 p.m.. Even an existing business, Rainbow Ag Supply, moved into town when they had a chance, for easier and more convenient access.

Letter to Calistoga Planning Commission February 11, 2009 Page 3

7. The application underestimates the number of employees needed for a 25.000-case winery. My son-in-law owns and operates a 2,500-case winery, and has four employees: the same number as proposed here to operate a winery ten times larger! This should be reviewed by the Napa Valley Vintner's Association, or the county planning staff.

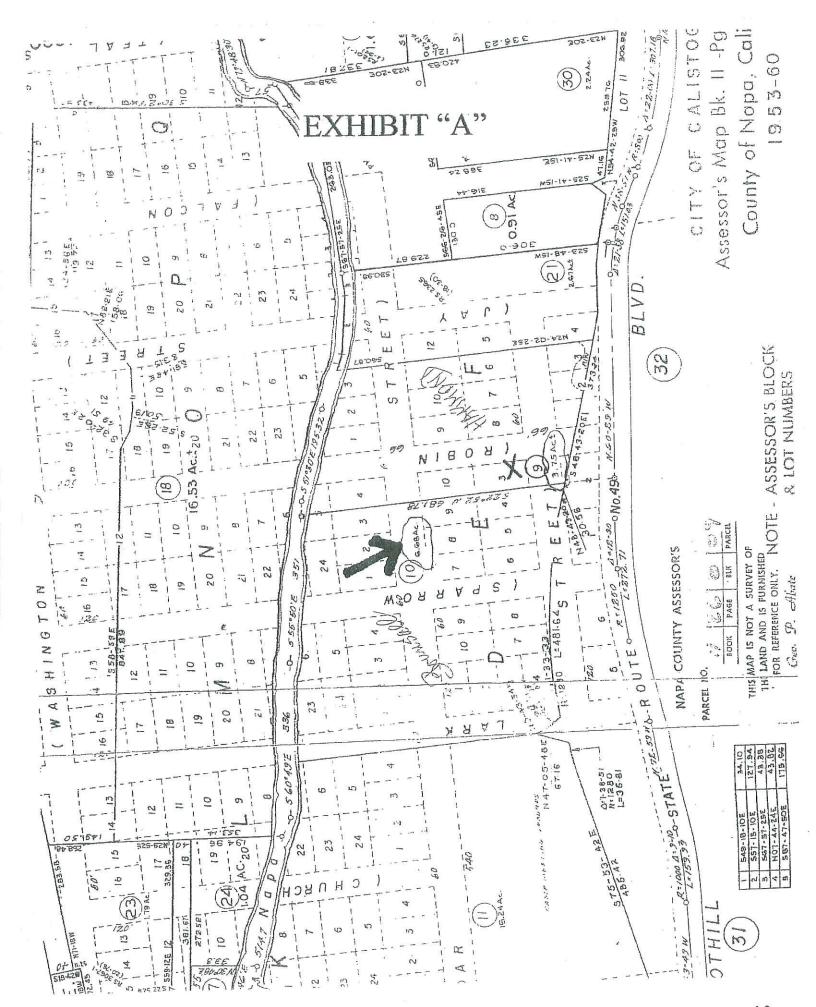
As I indicated earlier, my land surveyor, Michael Brooks will, for the record, address the commission concerning the boundary line, as well as the flood plain, and, the certificates of compliance described in the application before you.

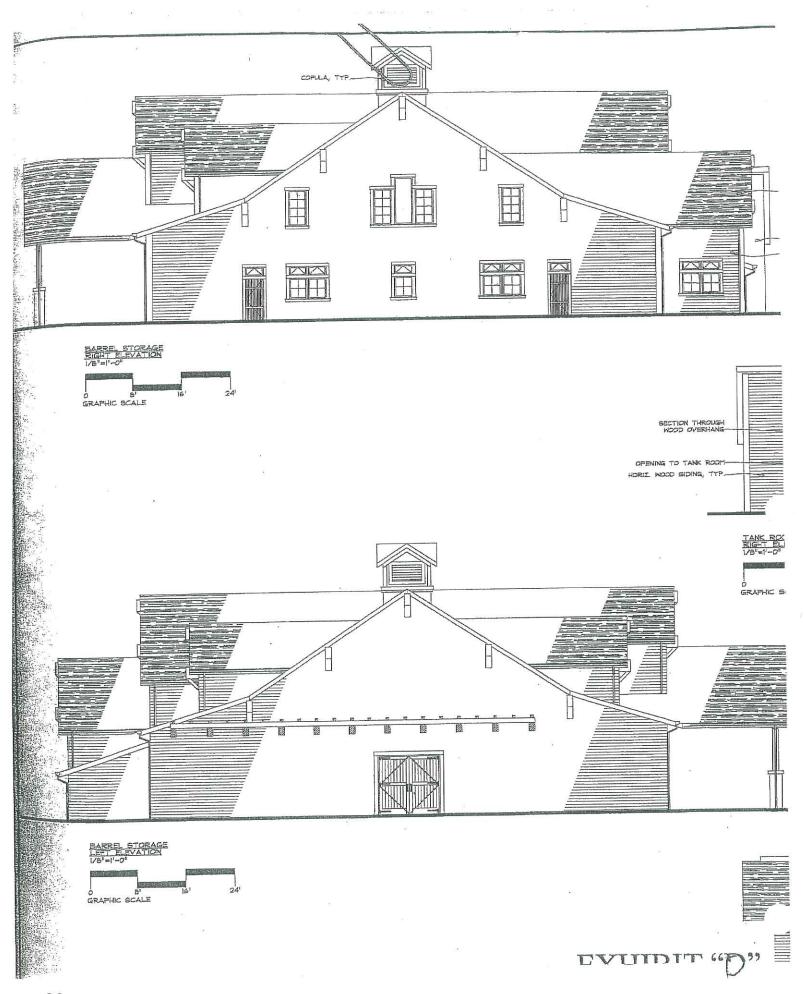
Thank you for the opportunity to comment on this matter.

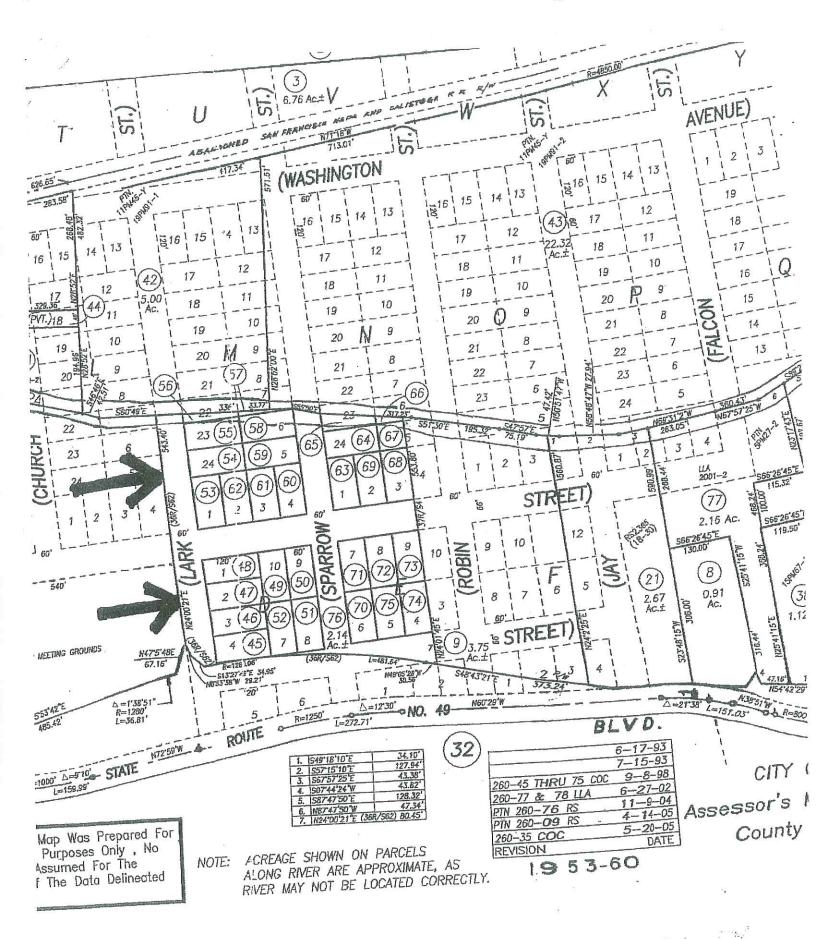
Very truly yours,

ELIZABETH A. HAMMOND

Attachments.







## EXHIBIT "E"