

**Anthem Winery
Project Statement
Amended Winery Use Permit
*August 29, 2017***

Owner: Anthem Winery and Vineyards, LLC
3454 Redwood Rd.
Napa, CA 94558

Project Location: 3454 Redwood Rd.
Napa, CA 94558
APN: 035-470-046

General Plan: Agriculture, Watershed, Open Space (AWOS)
Zoning: Agricultural Watershed (AW)

Request:

This request is to modify Anthem Winery and Vineyard, LLC's ("Anthem Winery") existing Winery Use Permit (#96006-UP) to: 1) build a larger winery facility; 2) increase wine production from 30,000 to 50,000 gallons; and 3) allow tours and tastings by appointment, retail sales and marketing events on a property located at 3454 Redwood Rd., Napa, California 94558 with an Assessor Parcel Number of 035-470-046 (the "subject property").

Background:

Anthem Winery is a woman-run winery in Napa, and is owned by Justin and Julie Arbuckle, Trustees of the Arbuckle Family Trust. They acquired the subject property in July of 2006 along with its existing winery facility and Winery Use Permit. The current use permit allows wine production of 30,000 gallons utilizing a large outdoor uncovered crush pad with outdoor fermentation tanks and an indoor wine production area of 1600 square feet. The 1996 application requested and received five tastings per week for wine trade. The subject property is 27.23 acres, 6 acres of which is planted to vineyards that Anthem Winery has been harvesting to produce its own wines since 2009. Additionally, Anthem Winery has an approved erosion control plan to plant an additional 2.29 acres of vineyards on the subject property, and adjoining parcel (3123 Dry Creek Rd.). Anthem Winery's adjoining parcels total 44.8 acres. Concurrent with this project, Anthem Winery is applying for an erosion control plan (ECP) to plant another 0.95 acres of vineyards on its two parcels.

In addition to the existing winery facility, there is an existing residence, two barns, and two accessory buildings on the subject property. There is also a 0.6 mile access road from Redwood Rd., across Redwood Creek, and to the residence and winery facility. The existing access road is 10 feet wide and has four turnouts.

The subject property is in an area with very few visible neighbors and is very difficult to see from the floor of the Napa Valley although parts of it are located near a minor ridgeline

overlooking Dry Creek Road. By building the production facility and caves into the hillside, the project's design minimizes the visibility and size of buildings to be located on the hilltop and the above-grade square footage required for wine production. The design also avoids removal of productive vineyards, requiring removal of just 0.2 acres of vines already in need of replanting, which will be replaced by planting 2.29 acres of vineyard already approved and the 0.95 acres of vineyards Anthem Winery now proposes in its ECP application.

At the County's request, Anthem Winery has had experts conduct traffic, noise, groundwater, and biological assessments. Each of these assessments have respectively concluded that the proposed use permit modification will have no significant impact on traffic, noise, groundwater, or the biological environment.

Project Description:

Winery: Anthem Winery proposes to build a new 10,833 square foot environmentally friendly winemaking facility (including two fermentation rooms, and a bottle room with a tasting area, a lab, and service rooms) into the hillside that it intends to be certified Napa Green. The winery, which has been designed by renowned Napa Valley architects Howard Backen and John Taft, will be divided into two buildings with a round bottle room in the center connecting the two buildings.

Instead of crushing and fermenting grapes outdoors on its existing large uncovered crush pad close the site's East property boundary line as it currently is permitted to do, Anthem Winery proposes to crush and ferment grapes in an indoor winemaking facility that is built back into the hillside, which will reduce noise and be less visible from the few neighboring parcels. This proposed winemaking facility will be over 200 feet away from the site's East boundary, whereas the existing permitted outdoor fermentation tanks and crush pad are located about 20 feet from the East boundary. The Arbuckles' residence is located about 300 feet from the proposed facility. When the existing winery was permitted in 1996, there were no residences on adjacent parcels within 1000 feet. (See page 2 of the Staff Report for 96006-UP dated October 16, 1996.) Now, the two nearest other residences are located approximately 900 feet (3 football fields) away from the proposed facility with ample existing evergreen screening between the proposed winery and those residences. Other residences in the vicinity are well over 1000 feet away.

This application requests to increase the winery's permitted production limit from 30,000 gallons to 50,000 gallons of wine per year. All of the grapes grown on the property will be crushed at the winery, as well the grapes from Anthem Winery's other Napa growers. Anthem Winery has no relationships with growers outside of Napa. Additionally, Anthem Winery intends to crush grapes of its winemaker's three other brands (currently Tor Kenward, RADIUS, and Mayacama Farms), all of which are located in Napa and produce Napa wines. Activities related to all wines produced at the winery (regardless of brand) will comply with the proposed production levels, visitation, employees, and all use permit conditions.

Hospitality / Marketing Plan: Anthem Winery's tasting room and guest relations building is separate from the winery building. This smaller 1508 square foot structure will offer guests

the opportunity to taste Anthem Winery's wines in a natural setting that will be one of the most beautiful places to learn about wine in Napa Valley. Allowing visitation to Anthem Winery is crucial to its survival and ability to preserve the agricultural use of its parcels. It is the only realistic means by which Anthem Winery can increase its direct to consumer sales enough to remain a viable agricultural business. In addition, Anthem Winery's visiting customers will help support Napa Valley's local economy, and the viability and success of all the other small businesses that depend on visitors and direct to consumer sales. During construction of the winemaking facility, Anthem Winery requests to have a temporary tasting room at its existing winery while wine production is occurring at this existing facility. The temporary tasting room will be located in the existing 1600 square foot winery and 200 square foot adjacent outdoor event area, and will utilize the existing winery restroom and the parking spots next to the existing outdoor crush pad. No temporary office is proposed.

On premise consumption of wine is requested pursuant to the Evans Bill (AB2004). Hours of operation will be from 8:00 a.m. to 8:00 p.m. (10:00 a.m. to 6:00 p.m. tasting, and 8:00 a.m. to 8:00 p.m. non-harvest production) 7 days a week.

After discussions with neighbors, Anthem Winery already has made the substantial concession of agreeing to reduce its visitation numbers by 20% and special event numbers by 50%. Anthem Winery has therefore reduced its marketing plan directly in response to its neighbors' concerns and now proposes the following reduced visitation and event numbers:

- (1) Tours and tastings by prior appointment of 48 people per day on weekends, and 32 people per day on weekdays, for a maximum of 256 guests per week.
- (2) Marketing plan comprised of 2 food and wine events per month with a maximum of 30 people with no more than one of these events in the evening; ten events per year with a maximum of 100 people; one 200 person event per year; one 300 person event per year; and participation in the Wine Auction.

This substantially reduced visitation and event plan is reasonable and falls well within the visitation and event numbers granted to similar wineries in the past few years. The marketing events will occur inside and outside the winery and hospitality buildings and may include food service. Tours and tastings may occur on days that marketing events also occur. Evening marketing events (including clean-up) are proposed to cease by 10:00 p.m. on weekdays and by midnight on weekends. In addition, the three larger events will move indoors by 10 p.m. All marketing events will be by appointment or invitation. Parking will be in front of the winery, on site next to the vineyard blocks, and off site utilizing shuttle service.

Administration/Office Building: The administrative offices for the winery will be adjacent to the tasting room. This 1,724 square foot structure will include an office area for winery staff and owners, a conference room, and a commercial kitchen for events.

Caves: Anthem Winery will store the wine produced at the winery in barrels located in underground caves that connect to the back of the winery's bottle room. The caves for barrels will total 26,408 square feet, including two cave extensions, two 641 square foot cave tasting

rooms for guests, and two mechanical room spaces. Harvested rainwater will be stored in two large underground storage tanks that total an additional 2,645 square feet.

Parking: Employees and guests will park in front of and behind the winery. There will be 22 new parking spaces, including 1 new ADA parking space, 1 new parking space for electric vehicles with an electric vehicle charging station, and 1 new parking space for clean-air vehicles.

Construction Phases: Anthem Winery will complete construction in three phases. The first phase includes construction of the driveway, parking, septic system, winery production structures, bottle room, outdoor tasting area, and cave storage tanks for harvested rainwater. The second phase includes construction of the caves, and the third includes building the tasting room and office structures.

Employees: Anthem Winery will employ 7 full time and 5 part time employees.

Site Improvements: Anthem Winery proposes to use less water than it is currently permitted to use through substantial rainwater harvesting, recycling of winery process water, and installation of a water-efficient underground irrigation system. The proposed rainwater harvesting and reuse of process water will more than offset the proposed winery's total water use in an average year. Anthem Winery will also utilize three of its existing wells as project wells, but proposes to substantially reduce its already permitted groundwater use.

The entry road for the winery, tasting room and offices will be re-routed to the existing driveway at 3123 Dry Creek Rd., which has better visibility and access for emergency vehicles. The existing driveway at 3123 Dry Creek Rd. will be widened to two lanes and improved. The proposed driveway will provide a paved connection between Redwood Rd. and Dry Creek Rd. that will enable access to these roads and to neighboring parcels in emergencies such as fires, mudslides, and earthquakes - a valuable benefit to the community. Dry Creek Rd. is Level of Service D or below, which the project will not change.

Greenhouse Gas Reduction: Anthem Winery is committed to sustainable operations in its winery and vineyard, and recently achieved Napa Green certification of its vineyards. The proposed winery will install solar panels on the rooftops of the new winery buildings to supply electricity, and has incorporated numerous Best Management Practices and greenhouse gas reduction measures into its project plans, including plans for winery certification under Napa Green, processing wastewater onsite (i.e. no hold-and-haul), substantial rainwater harvesting and reuse of treated process wastewater to decrease groundwater use below what is already permitted, energy and water saving winery equipment, and installation of a water-efficient underground irrigation system. Additionally, employees and visitors will be encouraged to carpool or ride their bikes. A bike rack will be installed and bicycle maps will be available online to customers.

Variance Requested: Anthem Winery requests a variance from the setback of 300 feet from a private driveway serving another parcel on the grounds that: (1) Anthem Winery owns both parcels that will share the 3123 Dry Creek Rd. driveway, thus the driveway is not actually

shared with any neighbor and the setback's purpose of protecting neighbors who share a driveway serving a winery would not be served; (2) compliance with the setback would require removal of mature, productive vineyards without a corresponding public benefit; (3) the proposed structures within the 300 foot setback will be far less visible from the subject driveway than these structures would be if they were forced to move South to be outside the setback because any feasible location outside of it would require a large wine production warehouse to be built on top of the hillside and ridgeline where productive vineyards are located; and (4) the proposed structures and caves will use far less energy and produce significantly less greenhouse gas than an above grade wine production warehouse. For these reasons and those set forth in the Variance Application, Anthem Winery requests it be allowed to build the buildings located less than 300 feet from its 3123 Dry Creek Rd. driveway as shown on the plans submitted herewith.

Road and Street Standards: Anthem Winery requests an exception to the Road and Street Standards for winery driveway width on the grounds that: (1) The topography, property boundary lines, and/or existing mature native trees prohibit widening the Dry Creek Rd. driveway to 20 feet its entire length, but wherever physically possible, Anthem Winery will widen the driveway to 20 feet; and (2) Compared to the proposed Dry Creek Rd. driveway, Anthem Winery's existing, already approved 10 foot wide Redwood Rd. driveway has inferior lines of site, provides inferior access for emergency vehicles to the winery, and no emergency access between Redwood Rd. and Dry Creek Rd. Additionally, the proposed exception includes measures to provide the same level of access and safety that would be achieved by the Road and Street Standards.