



A Tradition of Stewardship
A Commitment to Service

Planning, Building, and Environmental Services

JOINT BOARD OF SUPERVISORS AND PLANNING COMMISSION SPECIAL MEETING

March 10, 2015



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**Don't judge each day
by the harvest you reap
but by the seeds that you plant.
Robert Louis Stevenson**





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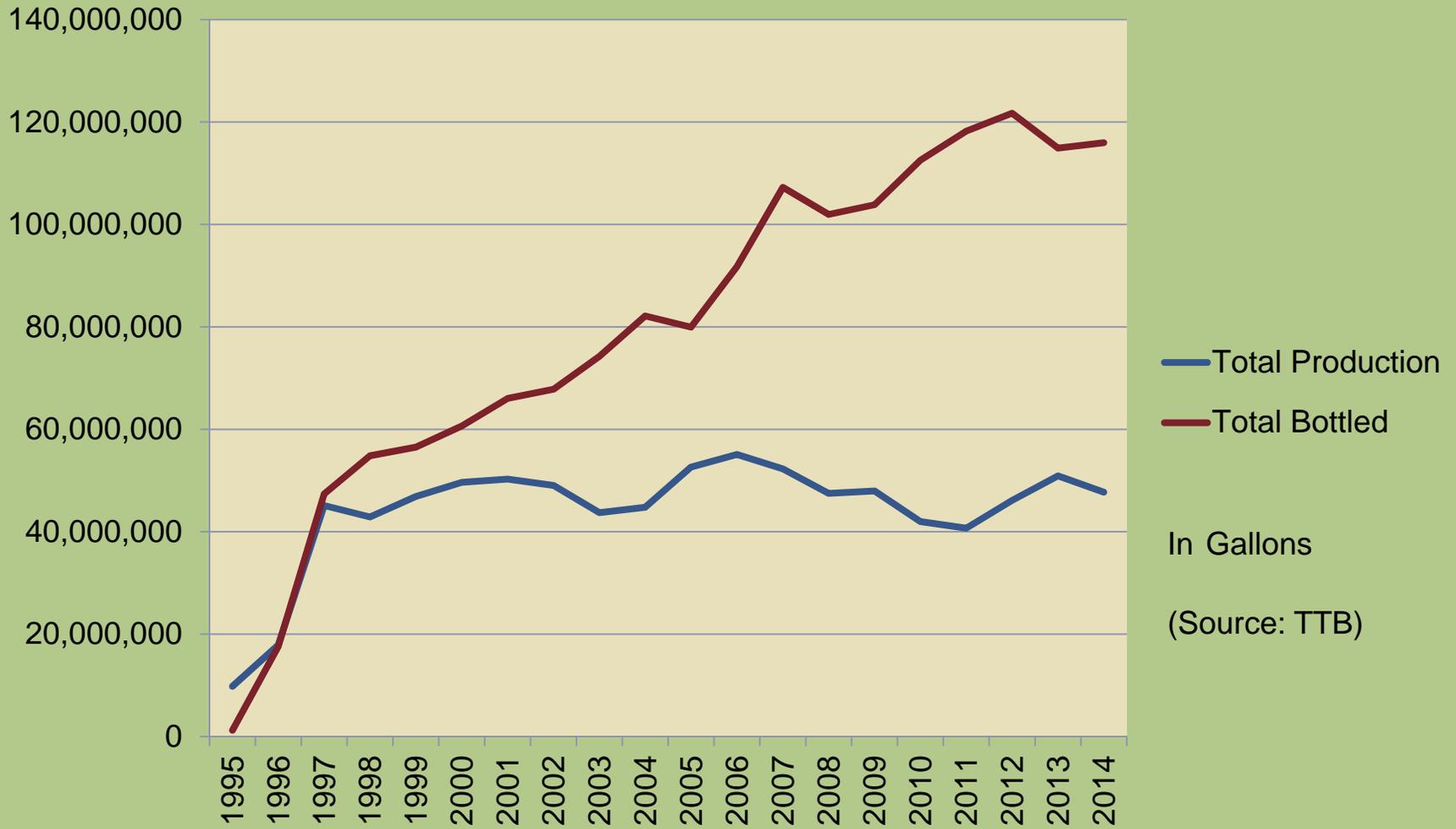
WHERE HAVE WE BEEN?





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— Total Production

— Total Bottled

In Gallons

(Source: TTB)

(Source: Alcohol, Tobacco Tax, and Trade Bureau)



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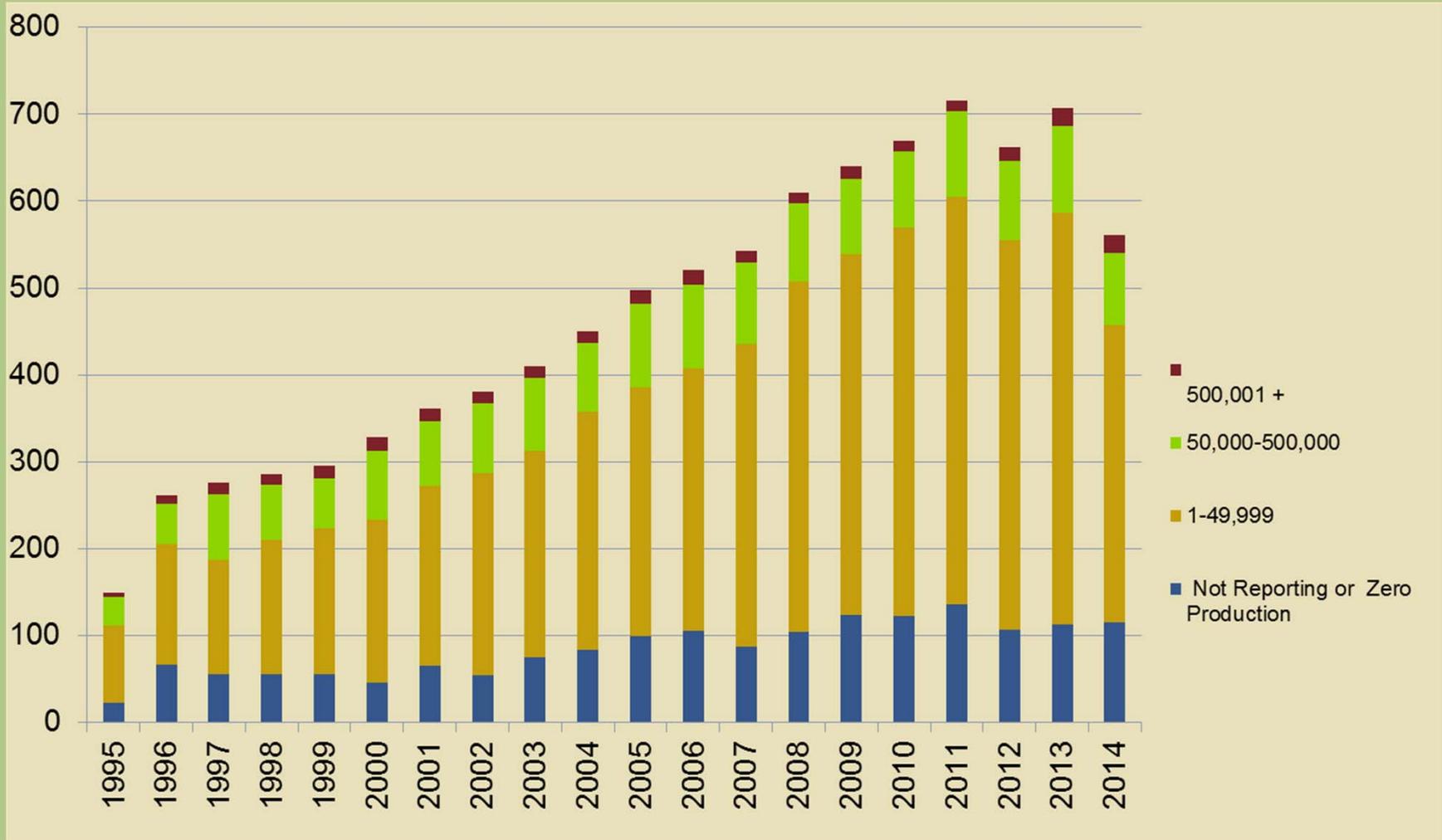
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- **In 1995, Napa bottled 13% of total grape production.**
- **Currently (2014), Napa bottles 243% of total grape production.**
- **Since 1997, total grape production has increased 6%. The total amount bottled has increased 245%.**



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(Source: Alcohol, Tobacco Tax, and Trade Bureau)



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- **Between 1995 and 2013, the number of bonded wineries increased 475%.**
- **The number of bonded wineries peaked in 2011.**
- **Small wineries have grown the fastest (533%). Medium-sized wineries have grown the slowest (248%).**



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RECENT WINERY USE PERMIT HISTORY

	2008	2009	2010	2011	2012	2013	2014	2015	TOTAL
Total Winery Use Permits Approved	20	18	17	16	14	26	14	2	127
New	8	11	11	5	5	7	7	1	55
Total New Production	3,059,000	1,100,000	421,475	350,300	3,844,000	648,500	530,800	49,000	10.0 m
Total New Tasting Visitors (Annual)	73,176	83,724	96,612	328,224	257,104	218,656	263,968	28,600	1.35 m
Total New Marketing Visitors (Annual)	19,479	22,375	67,964	26,923	31,878	19,940	15,440	1,900	205,899
Approved Projects with Variances	3	3	5	2	2	3	5	1	24

(Source: Napa County Planning, Building, and Environmental Services)



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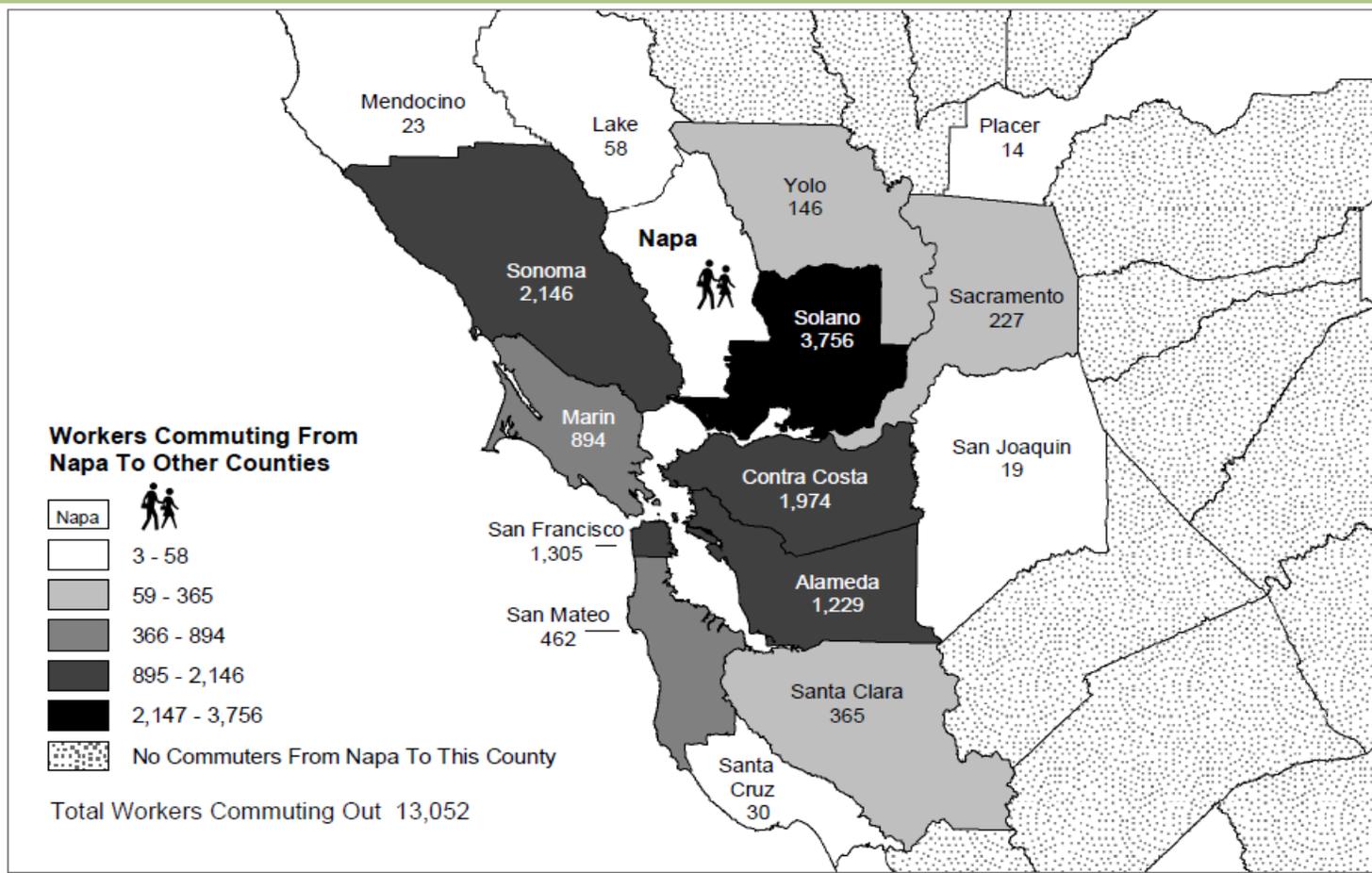
- **Over the past 7 years, the County has approved an average of 18 winery use permits per year, 8 of which were new wineries. An average of 3 variances per year has been approved.**
- **The average approval has permitted 181,874 gallons of new production; 24,547 new annual tasting room visitors; and 3,744 new marketing visitors.**



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WHERE DID PEOPLE COMMUTE TO IN 2000?

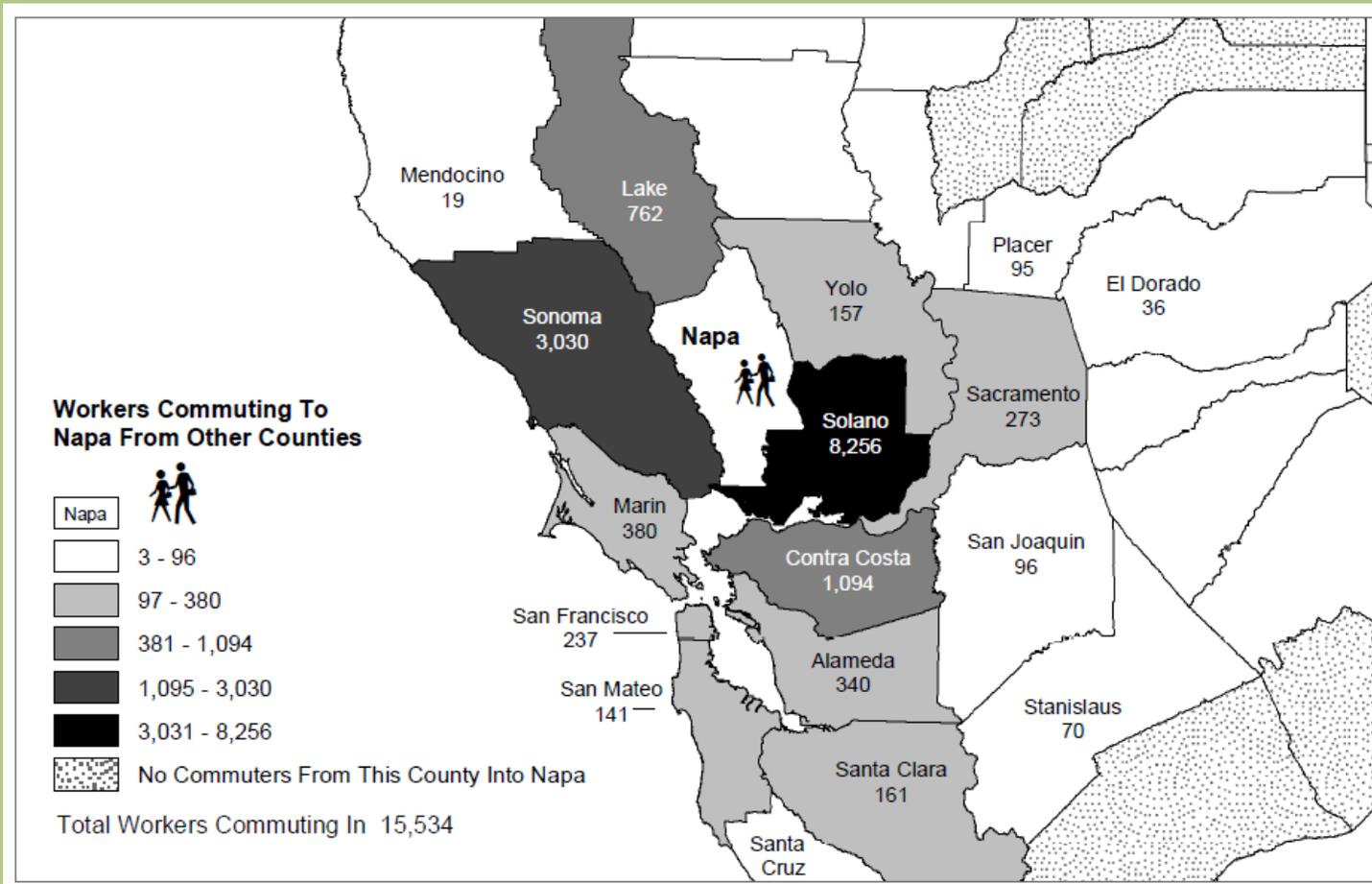




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WHERE DID PEOPLE COMMUTE FROM IN 2000?





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WHERE ARE WE NOW?





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HOW BIG IS OUR ECONOMY?

RANK	METROPOLITAN AREA	2013 GDP (billions)	2013 POPULATION
210	St. Cloud, MN	\$8.60	191,300
211	Iowa City, IA	\$8.56	161,200
212	Macon, GA	\$8.55	231,300
213	Hagerstown-Martinsburg, MD-WV	\$8.39	258,300
214	Colorado Springs, CO	\$8.25	678,300
215	Napa, CA	\$8.05	140,300
216	Jacksonville, NC	\$8.05	185,200
217	Florence, SC	\$7.90	206,300
218	Hilton Head, SC	\$7.75	198,500
219	Columbia, SC	\$7.58	793,800
220	Merced, CA	\$7.57	525,500

(SOURCES: US BUREAU OF ECONOMIC ANALYSIS
AND US OFFICE OF MANAGEMENT AND BUDGET)



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HOW DO WE COMPARE TO OTHER WINE REGIONS?

RANK	METROPOLITAN AREA	2013 GDP (billions)
98	Santa Maria – Santa Barbara, CA	\$23.7
158	Salem, OR	\$13.4
169	San Luis Obispo – Paso Robles, CA	\$12.4
177	Kennewick – Richland, WA	\$11.5
179	Charlottesville, VA	\$11.2
215	Napa, CA	\$8.1

(SOURCES: US BUREAU OF ECONOMIC ANALYSIS
AND US OFFICE OF MANAGEMENT AND BUDGET)



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TOURISM IS IMPORTANT TO LOCAL CITY REVENUES

City TOT	2012	Rank	% of 11-12 General Revenues
Napa	\$11.5m	#20	18%
Yountville	\$4.3m	#50	53%
Calistoga	\$3.8m	#61	47%
St. Helena	\$1.5m	#129	17%
American Canyon	\$0.9m	#168	6%

(Source: State Controller's Office)



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County	2012 TOT	% of Budget
Los Angeles	\$354.7	0.2%
San Francisco	\$336.6	4.9%
San Diego	\$185.7	3.8%
Orange	\$168.7	3.0%
Riverside	\$66.5	1.4%
Santa Clara	\$63.0	1.6%
San Mateo	\$52.6	3.2%
Monterey	\$46.6	5.0%
Alameda	\$42.5	1.7%
Santa Barbara	\$37.7	4.5%
Napa	\$28.3	8.4%

**IT'S ALSO
IMPORTANT
TO THE
COUNTY**

(Source: State Controller's Office)



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Employer	No. Employees	Industry
Veterans Home	1,500 - 6,000	Government
Napa County	1,000 - 5,000	Government
Napa State Hospital	1,000 - 5,000	Public Hospital
Napa Unified	1,000 - 5,000	Public School
Queen of the Valley	1,000 - 5,000	Hospital
Pacific Union College	1,000 - 5,000	Private School
Napa Valley College	500 - 1,000	Public School
Owens Corning	500 - 1,000	Manufacturer
Silverado Resort	500 - 1,000	Hotel
Treasury Wine	500 - 1,000	Winery
Walmart	500 - 1,000	Department Store

(Source: State Employment Development Department)

Only 2 of the 11 largest local employers are wine or tourism related. Government makes up 5 of the largest employers.



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Industry	2012	2022
Leisure/Hospitality	10,700	12,300
Government	9,900	10,500
Trade/Transportation/Utilities	9,200	10,700
Private Education/Health Care	9,100	10,800
Beverage Manufacturing	8,500	10,700
Self-Employed/Private Home	6,400	6,500
Professional/Business	6,100	6,800
Mining/Logging/Construction/ Other Manufacturing	5,400	7,100
Farm	4,800	5,600
Finance/Information	2,900	3,100
Other	1,900	2,400
TOTAL	74,800	86,500

**74% of
employees in
Napa do not
work in the wine
or tourism
industries.**

(Source: State Employment Development Department)



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HOW DO WE COMPARE TO OTHER CALIFORNIA TOURIST ATTRACTIONS?

Tourist Attraction	2012
Disneyland	15.9m
Golden Gate National Recreation Area	15.0m
Pier 39	15.0m
California Adventure	7.8m
Old Town San Diego State Park	7.2m
Universal Studios	5.9m
Sonoma Coast State Park	4.7m
Sea World San Diego	4.4m
San Francisco Maritime National Park	4.3m
Yosemite National Park	3.9m
ATT Park	3.4m
Dodger Stadium	3.3m
Napa	2.5m



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WE HAVE ENOUGH HOMES FOR OUR LOCAL EMPLOYEES

	Jobs (Dec-2014)	Homes (2014)	Ratio
American Canyon	5,200	6,071	0.86
Calistoga	3,000	2,320	1.29
Napa	43,100	30,324	1.42
St. Helena	3,500	2,802	1.25
Yountville	1,200	1,282	0.94
Unincorporated	16,500	12,356	1.34
TOTAL	72,500	55,155	1.31

**Ideal jobs/housing balance is 1.5 jobs/home
We need an additional 10,232 jobs to balance.**

(Source: State Department of Finance and Employment Development Department)



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	2014 Median Home Price	Income Needed	2012 Median Income
American Canyon	\$414,900	\$115,100	\$83,600
Calistoga	\$563,700	\$156,300	\$52,000
Napa	\$483,900	\$105,100	\$69,600
St. Helena	\$949,600	\$263,400	\$71,100
Yountville	\$764,000	\$211,900	\$67,900
Napa County	\$487,900	\$135,300	\$69,600

**HOMES
AREN'T
AFFORDABLE
FOR THE
PEOPLE WHO
WORK HERE**

(Sources: Zillow.com and US Census)

(Assumes 10% down, 4.5 interest rate, and a 30 year loan)



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HOW MANY WINERIES ARE THERE?

This isn't as easy a question as it may seem. If a winery crushes in one location, has a tasting room at a second site, and maintains wine sales and distribution at a third facility, is there one winery or three?

If 30 wineries all custom crush at one central location, are there 30 wineries or one?

If one company owns seven wine production facilities that use the same sources for grapes and have a central administration office, is it one winery or seven?



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HOW MANY WINERIES ARE THERE?

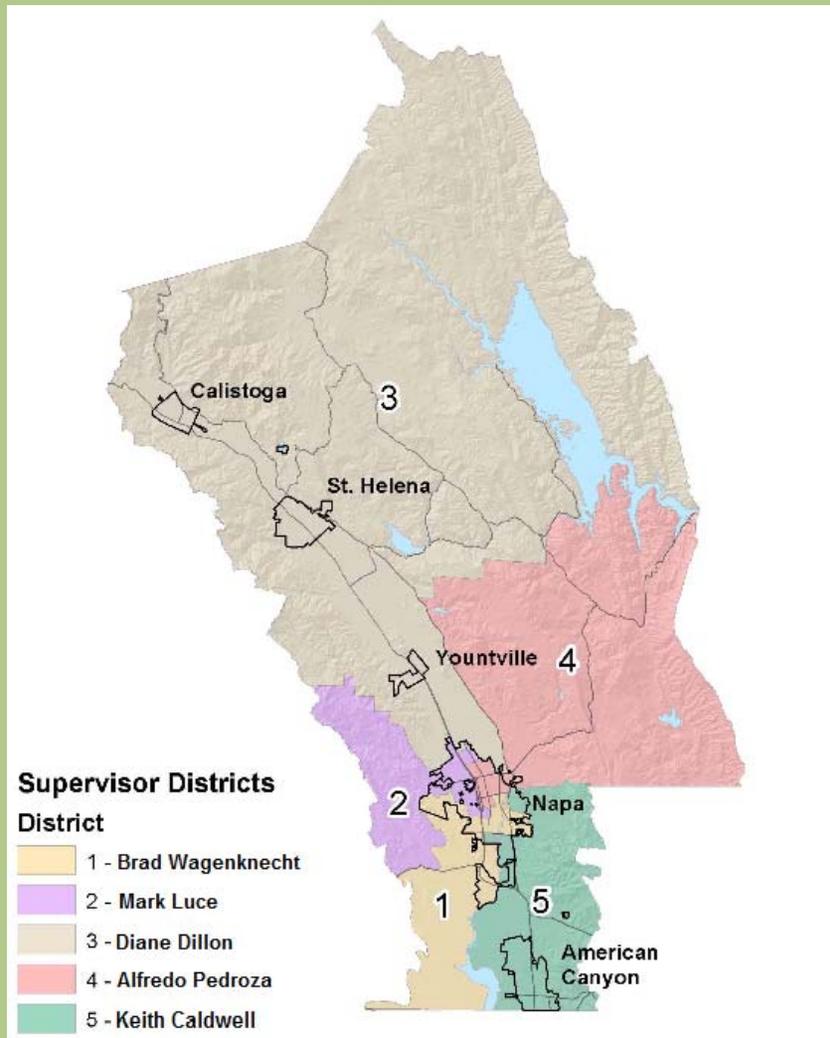
Staff has created a master inventory of the County Winery Database, ABC (Alcoholic Beverage Control), ATTB (Alcohol, Tobacco Tax, and Trade Bureau), and the Napa Valley Vintners membership.

The resulting list has over 2,100 entries. After removing duplicate companies, staff estimates that there are approximately 1,260 separate labels with a physical address in Napa County (including the five cities).



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WINERIES BY SUPERVISORIAL DISTRICT

DISTRICT	# OF WINERIES	% OF TOTAL	TOTAL GPY	% OF TOTAL GPY
1 - Wagenknecht	15	3.2%	2,198,048	1.7%
2 - Luce	16	3.4%	2,461,877	1.9%
3 - Dillon	350	74.9%	65,572,238	51.4%
4 - Pedroza	58	12.4%	4,272,199	3.4%
5 - Caldwell	28	6.0%	52,956,590	41.5%
TOTALS	467	100%	127,460,952	100%



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AVA	# of wineries	% of total	Total approved GPY	% of total GPY	GPY subject to 75% rule	GPY required to be from NV
Atlas Peak	9	1.9%	634,500	0.5%	164,500	123,375
Calistoga	44	9.4%	3,824,878	3.0%	1,761,000	1,320,750
Chiles Valley District	5	1.1%	136,560	0.1%	123,000	92,250
Coombsville	13	2.8%	274,090	0.2%	196,500	147,375
Diamond Mountain District	13	2.8%	587,500	0.5%	199,000	149,250
Howell Mountain	22	4.7%	674,000	0.5%	597,000	447,750
Los Carneros	18	3.9%	3,418,048	2.7%	840,048	630,036
Mount Veeder	13	2.8%	1,245,877	1.0%	690,500	517,875
Napa Valley (no sub-AVA)	94	20.1%	56,535,200	44.4%	6,545,400	4,909,050
Oak Knoll District of Napa Valley	31	6.6%	2,973,000	2.3%	2,061,000	1,545,750
Oakville	31	6.6%	10,395,500	8.2%	3,827,500	2,870,625
Rutherford	45	9.6%	24,018,000	18.8%	3,407,250	2,555,438
Spring Mountain District	27	5.8%	700,400	0.5%	205,600	154,200
St Helena	63	13.5%	16,782,000	13.2%	1,722,000	1,291,500
Stags Leap District	22	4.7%	2,477,399	1.9%	1,233,399	925,049
Wild Horse	0	0%	0	0%	0	0
Yountville	17	3.6%	2,784,000	2.2%	674,000	505,500
TOTALS	467	100%	127,460,952	100%	24,247,697	18,185,773

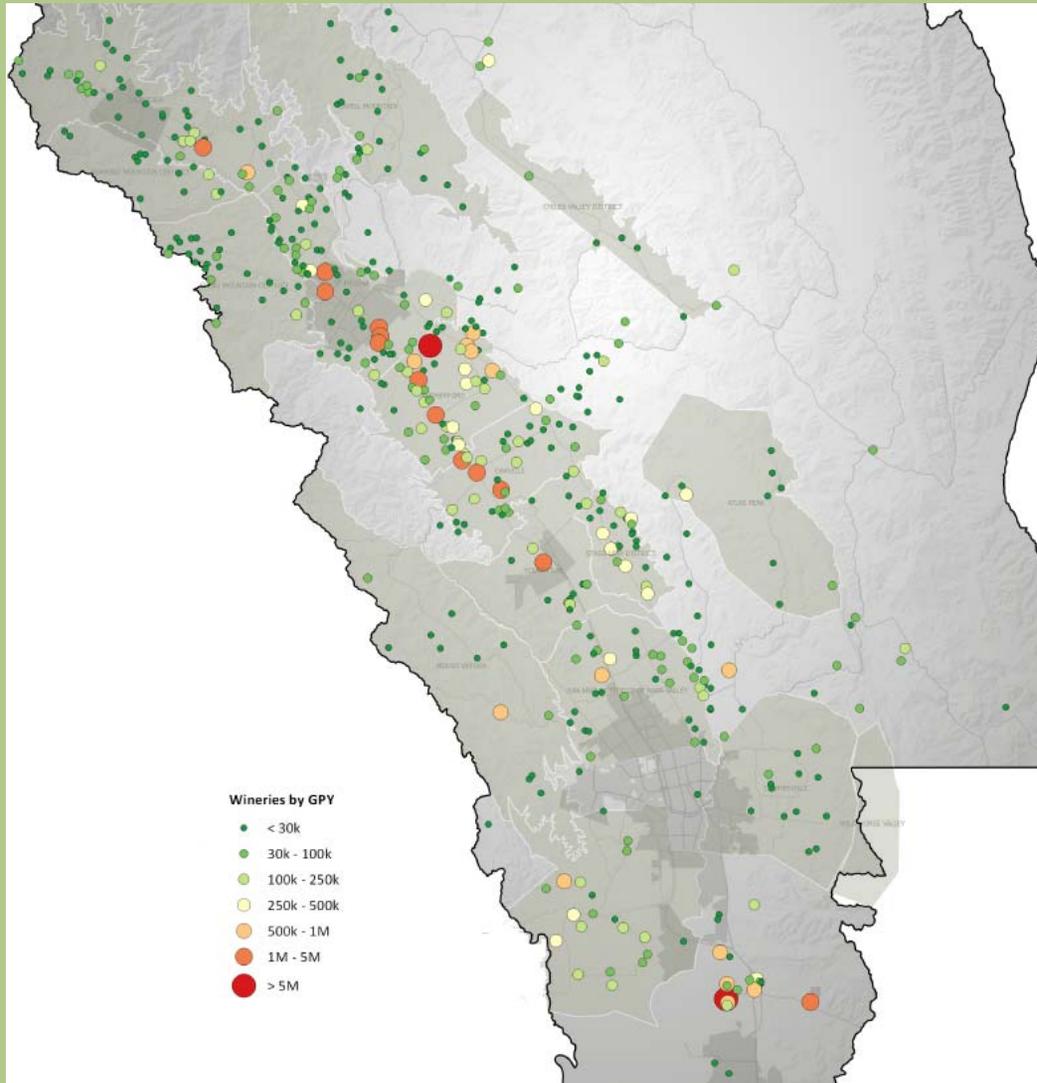
20% of wineries and 44% of production are not located in any sub-AVA.

39.9% of wineries and 44.7% of production are located in the core AVAs.



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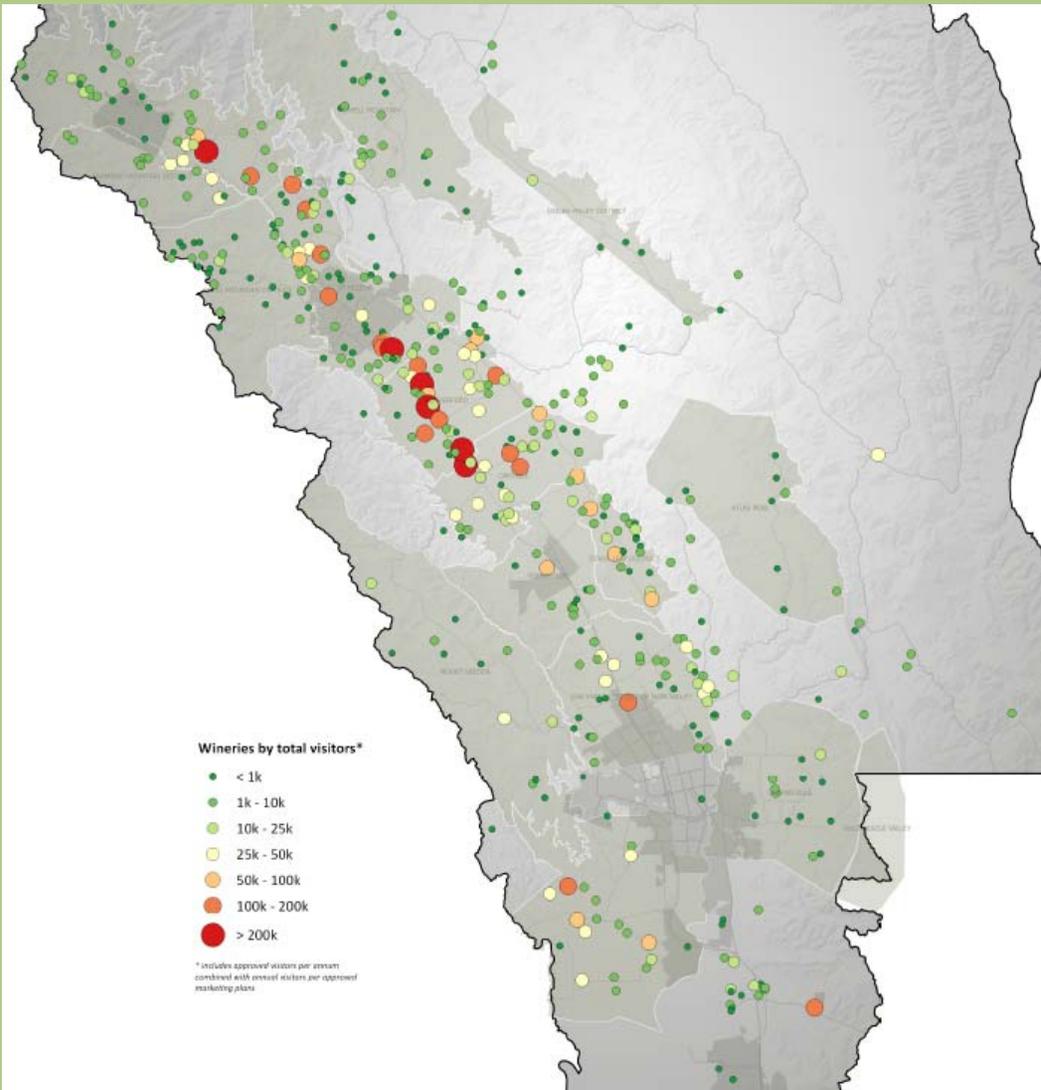
Total Permitted Wine Production is primarily focused in two areas:

- **Highway 29 between Oakville and St. Helena; and**
- **Airport industrial area.**



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Total Permitted Tasting Room Visitation is primarily focused along both Highway 29 and Silverado Trail, between Calistoga and Oakville.



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WINERIES BY ZONING

AW Zone:				
Number	GPY	Visitors/Yr	Marketing Visitors/Yr	Total Visitors/Yr
266	20,618,522	2,359,295	339,979	2,698,534
AP Zone:				
Number	GPY	Visitors/Yr	Marketing Visitors/Yr	Total Visitors/Yr
170	47,519,400	4,209,651	423,309	4,632,960
AIASP:				
Number	GPY	Visitors/Yr	Marketing Visitors/Yr	Total Visitors/Yr
14	47,912,500	57,668	28,060	85,728

Most wineries are located in the hillside areas. However, most production is located in the Airport Industrial Area, and most visitation is located on the valley floor.



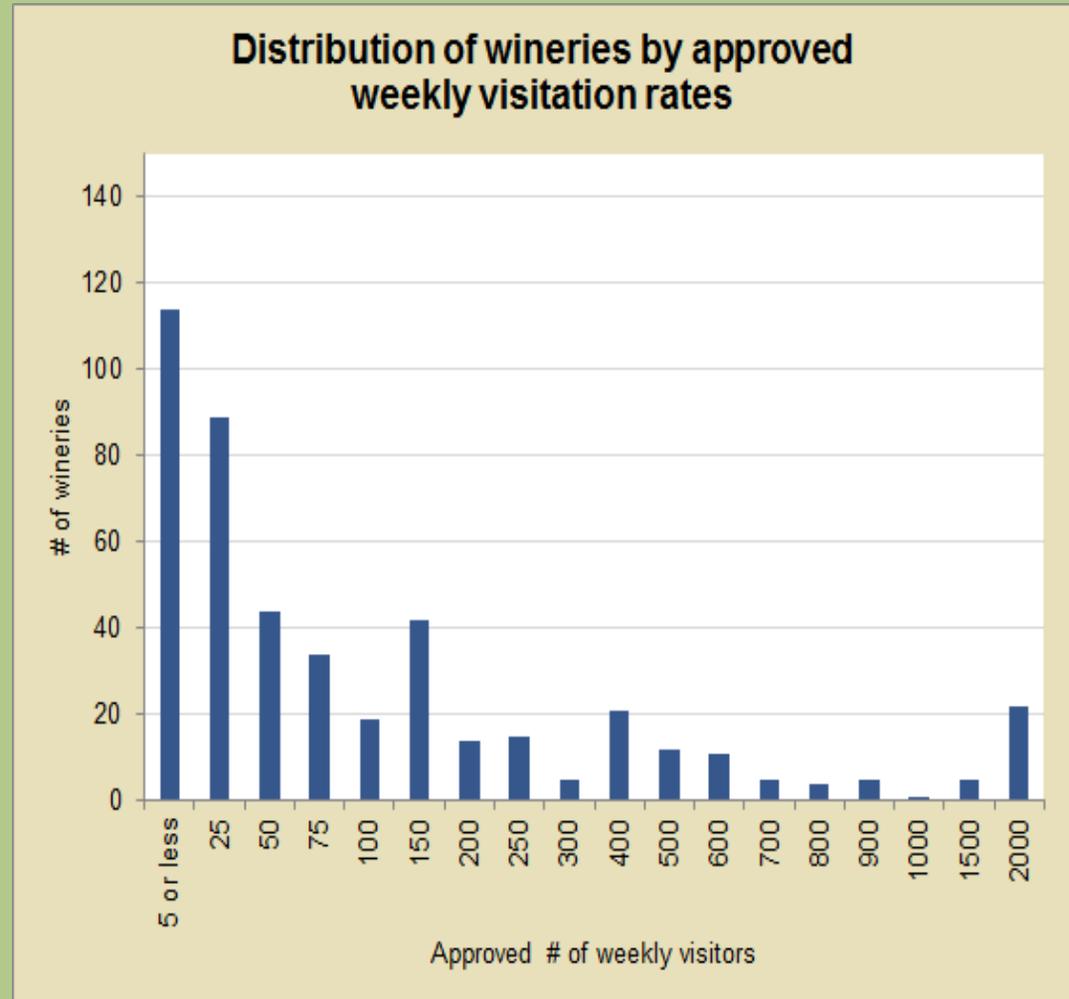
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65% of wineries are permitted 100 tasting room visitors or fewer per week.

24% of wineries are permitted between 100 and 500 tasting room visitors per week.

11% of wineries are permitted over 500 tasting room visitors per week.



(Source: Napa County Planning, Building, and Environmental Services)



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THE WINE INDUSTRY IS HIGHLY CONCENTRATED

A total of 41 (9%) permitted wineries have:

- **68% of total production;**
- **55% of weekly tasting room visitation; and**
- **65% of marketing event visitation.**

The remaining 426 wineries have:

- **32% of total production;**
- **45% of weekly tasting room visitation; and**
- **35% of marketing event visitation.**

Of the 41 wineries:

- **5 are in the Airport Industrial Area;**
- **30 are pre-WDO; and**
- **9 are subject to the WDO.**



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THE 75% RULE HAS LIMITED EFFECTIVENESS

Total Gallons Approved as of February, 2015	127,460,952
Wineries Within City Limits	(10,493,530)
Pending Permits (not yet decided)	(2,064,000)
Production in Airport Area (not subject to 75% rule)	(48,912,500)
Pre-WDO Production (not subject to 75% rule)	(35,061,015)
Total Pre-WDO Expansion Subject to the 75% Rule	11,251,349
Total Post-WDO Approved	12,996,348
Total Gallons Subject to the 75% Rule	24,247,697
Total Gallons Required to Comply with the 75% Rule	18,185,773

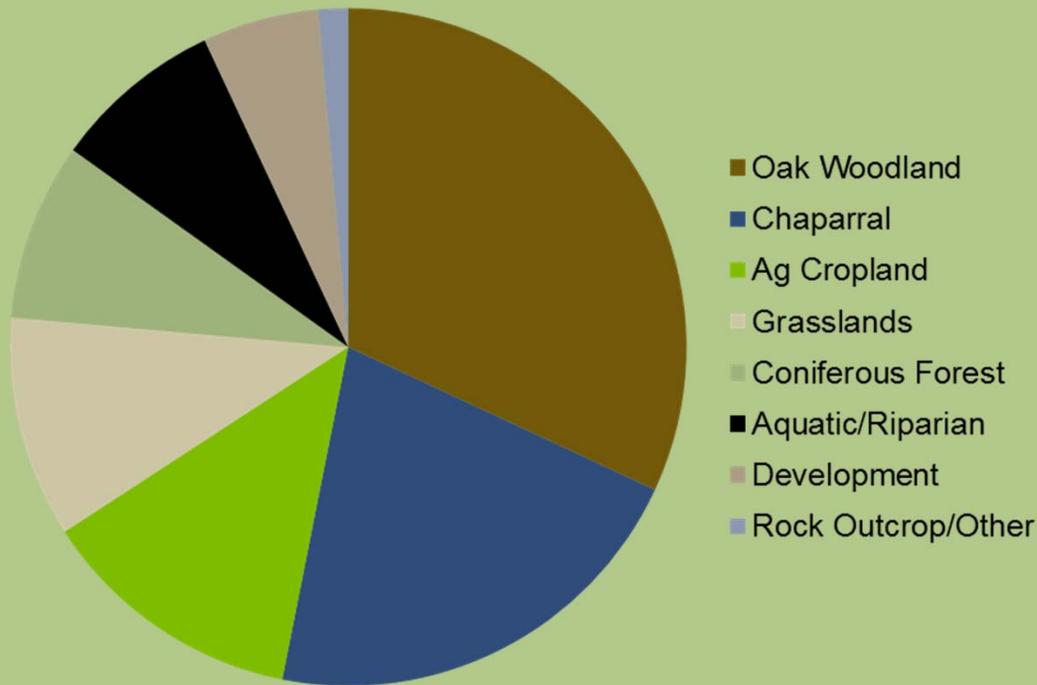
The 75% rule applies to 19% of total permitted production. Over 100 million gallons are not subject to the rule.

There were an estimated 27.8 million gallons of grapes produced in Napa in 2014 (assuming 160 gallons/ton). We could add 192 new 50,000 gallon wineries and remain in compliance with the 75% rule.



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Oak woodland make up 32% of Napa County's land cover. Chaparral is the second largest category at 22%.

There are 50% more oak woodlands than agriculture (13%) and development (6%) combined.

(SOURCE: 2005 BASELINE DATA REPORT)



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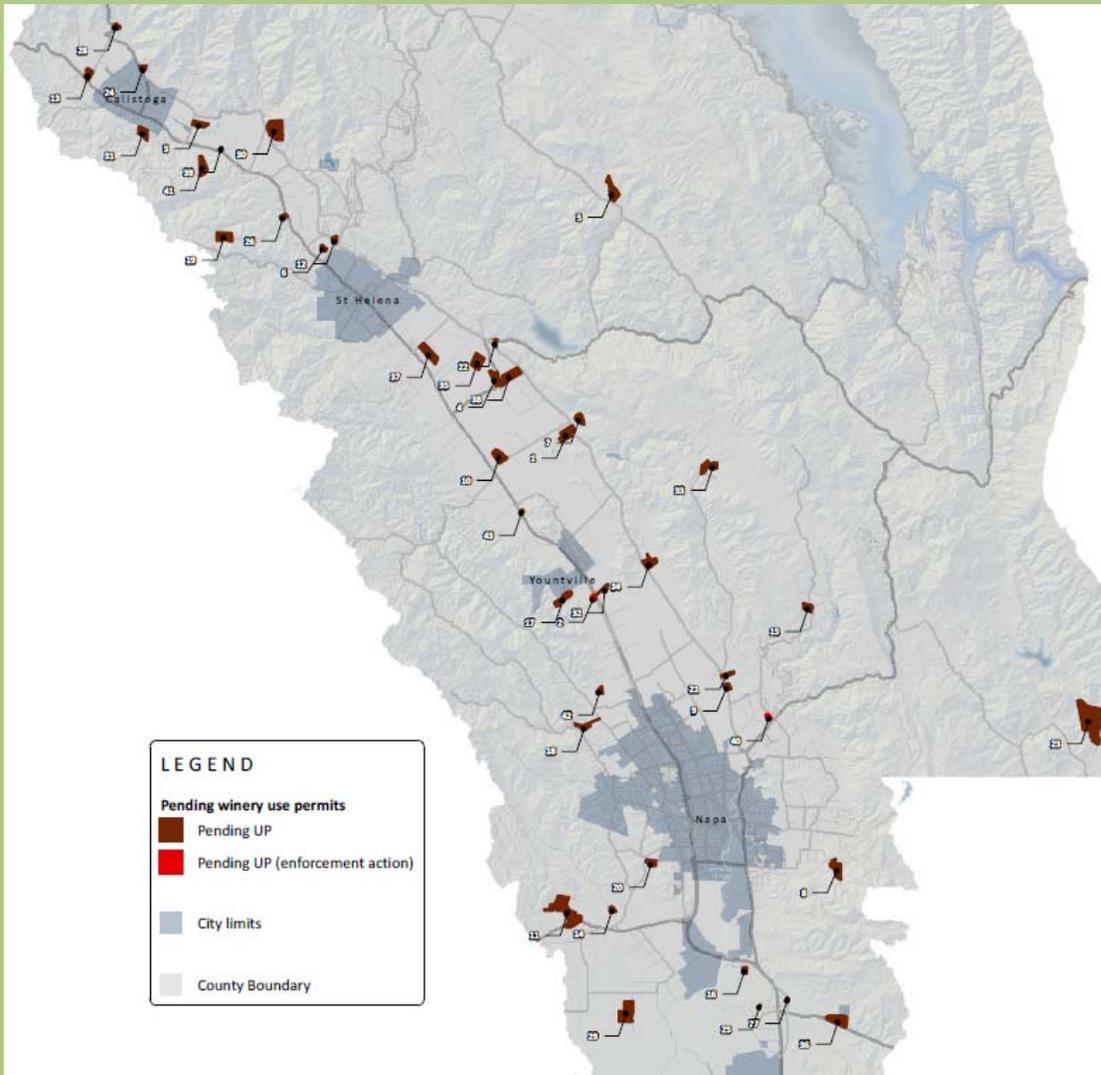
WHERE ARE WE HEADING?





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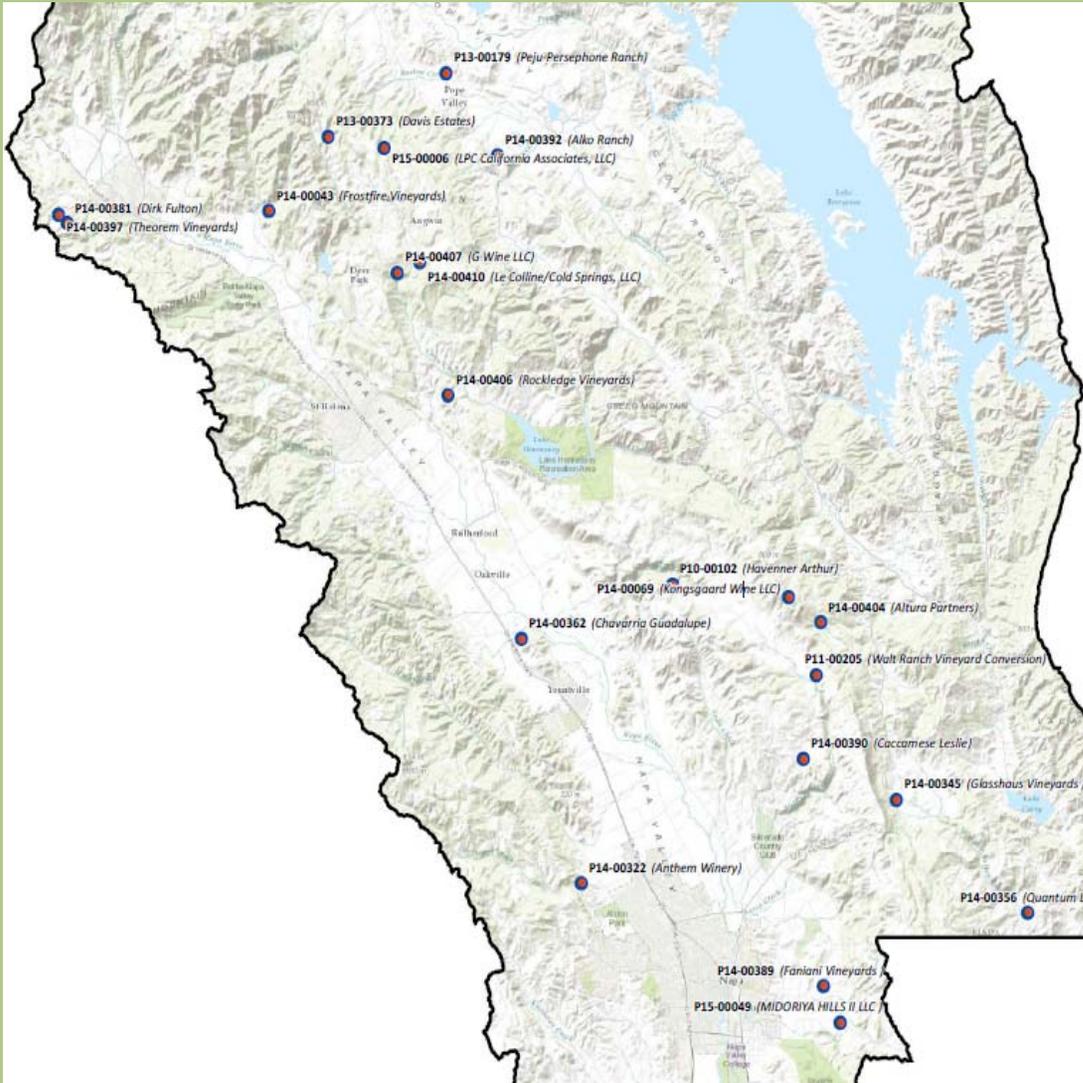
As of March 2015, there are 41 pending use permits for new wineries and modifications, located throughout the unincorporated area.

The pending requests include 21 new wineries, 3.58 million gallons of production capacity, and over 800,000 new visitors.



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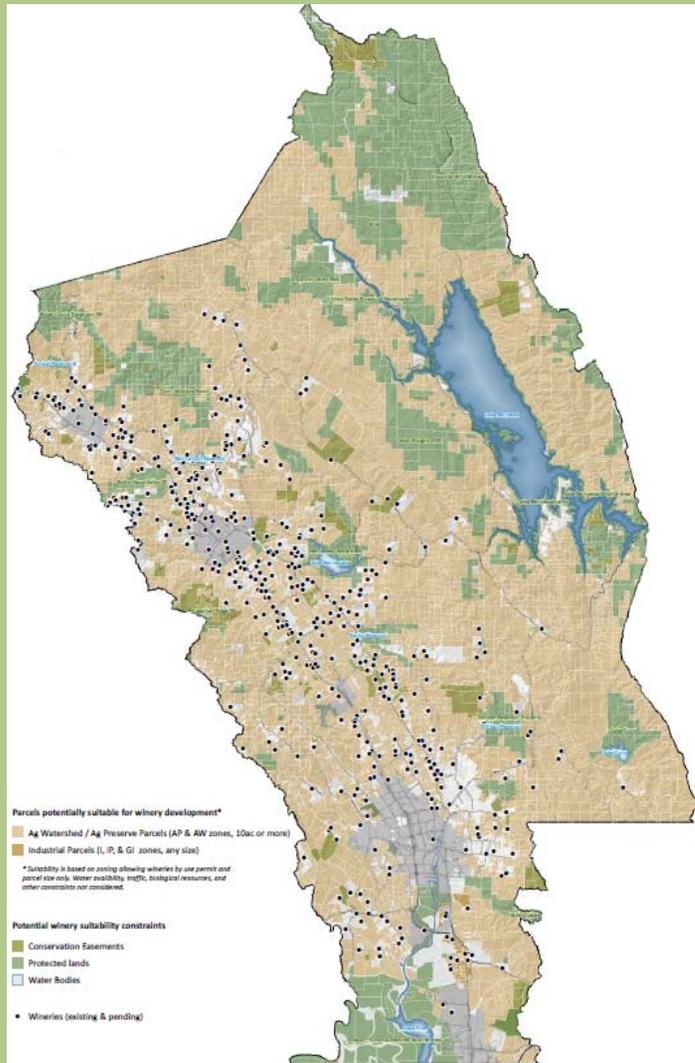
As of March 2015, there are 20 pending vineyard permits, located throughout the unincorporated area.

The pending applications include 608 new net acres of planting. Most of the proposals (18) are less than 30 acres. One application accounts for 356 acres of the total.



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HOW MANY WINERIES COULD THERE BE?

Staff made a very preliminary estimate of the number of parcels that are 10 acre parcels or larger, and do not currently have a winery located on-site.

The analysis indicated that there are 4,523 parcels where a new winery could be located. Most parcels (78%) are in the AW, with 15% in the AP and 7% in industrial zones. A total of 1,687 of the parcels are already planted in vineyards.



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HOW MANY NEW VINEYARDS COULD THERE BE?

Staff also made a preliminary estimate of the number of acres that could be planted into new vineyards. The analysis looked a variety of factors, including soils, flooding, developed areas, steep slopes, state and federal lands, conservation easements, riparian areas, and area.

The analysis did not look at considerations such as sensitive species, oak woodlands, site constraints, or water availability.

The preliminary estimate is that 88,828 acres of new vineyards could potentially be planted in Napa County.



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WHAT DOES THE GENERAL PLAN EIR SAY ABOUT TRAFFIC?

The map on the left shows traffic conditions in 2003 (the base study year). There were 13 road segments classified as Level of Service (LOS) E or F, indicating the road is near or at capacity.

If no improvements are made, the number of road segments at LOS E or F is expected to more than double to 27 by 2030.

“The vast majority of the significant impacts would occur regardless of whether or not the General Plan is updated, since they result from projected traffic from the cities in the County as well as regional traffic volume increases.”



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DEMOGRAPHICS

	1970	2010	2050
Population	79,400	137,600	167,900
White	91.8%	56.1%	37.1%
Hispanic	5.5%	32.6%	47.1%
Asian	1.8%	6.6%	10.4%
Black	0.6%	1.9%	1.3%
Indian, Islander, or Multi-Racial	0.3%	2.7%	4.2%
Ages 0-24	29.2%	31.9%	27.8%
Ages 25-65	52.4%	53.0%	49.5%
Ages 65 +	13.4%	15.1%	22.7%

- **NAPA HAS GROWN 73% OVER THE LAST 40 YEARS, BUT WILL ONLY GROW 22% IN THE NEXT 40 YEARS.**
- **THE POPULATION IS EXPECTED TO BECOME MORE HISPANIC AND OLDER.**
- **SINCE 1984, AN AVERAGE OF 491 IMMIGRANTS HAVE MOVED TO NAPA EACH YEAR.**



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MANAGING CHANGE AND SUCCESS WILL BE ONGOING CHALLENGES

- ABAG projects Napa County will add over 27,000 new residents by 2040. Nearly half may come from outside California.
- Growth will bring a need for 5,600 new homes and over 12,000 new jobs...
- creating new pressures with regards to water availability, farmland protection, traffic, climate change, and habitat preservation.

(Sources: BayAreaOne Plan and State Department of Finance)



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RECOMMENDATIONS

1. Direct staff to complete the Climate Action Plan;
2. Direct staff to revise the Circulation Element of the General Plan, including preparation of a draft traffic mitigation fee;
3. Form a Board of Supervisors ad hoc committee to plan a forum with the cities to discuss joint efforts to address regional land use issues; and
4. Direct staff to return with a draft resolution and guidelines to establish an Ad Hoc advisory committee to review the Winery Definition Ordinance and Conservation Regulations.



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THANK YOU

**David Morrison, Director
Napa County Planning, Building, and
Environmental Services Department**

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