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NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT

Date: July 21, 2020

To: Agencies and Interested Parties

From: Napa County Planning, Building, and Environmental Services Department

Subject: Notice of Preparation of a Draft Environmental Impact Report for the Proposed Inn at the Abbey Project (Use Permit Major Modification Application No. P19-00038-MOD)

Review Period: July 23 to August 24, 2020

Jackson Family Investments III, LLC, is proposing a use permit major modification that, if approved, would allow construction and operation of a new 79-room boutique hotel in the Freemark Abbey Winery complex. The applicant has submitted a use permit major modification application to modify existing use permits to allow the operation of a 79-room boutique hotel on parcels zoned Commercial Limited (CL) (P19-00038-MOD). Modification of a use permit by Napa County (County) is a discretionary action subject to the California Environmental Quality Act (CEQA). The County will serve as the lead agency under CEQA and has prepared an initial study to analyze this proposed project. The attached initial study has identified the potential for significant environmental effects in certain resource areas; therefore, the County will prepare a focused environmental impact report (EIR) for the project to satisfy the requirements of CEQA (Public Resources Code [PRC] Section 21000 et seq.).

PURPOSE OF THIS NOTICE OF PREPARATION

In accordance with the California Code of Regulations (CCR) Section 15082, the County has prepared this notice of preparation (NOP) to inform agencies and interested parties that a focused EIR will be prepared for the above-referenced project. The purpose of an NOP is to provide information about the project and its potential environmental impacts sufficient to allow agencies and interested parties the opportunity to provide a meaningful response related to the scope and content of the EIR, including mitigation measures and alternatives that should be considered (CCR Section 15082[b]).

The project location, description, and potential environmental effects are summarized below. Additional details about the project's potential effects are included in the attached initial study.

PROJECT LOCATION

The 15-acre project site includes six parcels owned by the project applicant. The project site is located approximately one-half mile north of the City of St. Helena in unincorporated Napa County. It is located at Lodi Lane along State Route 29 (SR 29), which is known as St. Helena Highway in the project vicinity. The project includes buildings at the following addresses: 3018/3020 N. St. Helena Highway; 3010 N. St. Helena Highway; 3022 N. St. Helena Highway; 1160

Lodi Lane; 1189 Lodi Lane (also known as 3000 SR 29); and 1157, 1165, 1179, and 1191 Lodi Lane. These properties are located on Assessor's Parcel Numbers 022-130-027, 022-130-028, 022-130-023, 022-130-024, 022-220-028, and 022-220-029. Three of these parcels are zoned for Agricultural Watershed (AW), two are zoned CL, and one parcel includes both AW and CL zoning. The four parcels located north of Lodi Lane are referred to as the "North Parcel," while the two parcels south of Lodi Lane are known as the "South Parcel." The North Parcel totals 1.84 acres of land zoned CL and 8.43 acres of land zoned AW. The South Parcel includes 1.70 acres zoned CL and 4.83 acres zoned AW.

PROJECT DESCRIPTION

The applicant has submitted a use permit major modification request (P19-00038-MOD) to demolish three buildings and redevelop the site with a 79-room hotel, retail and hotel lounge space, a spa with treatment rooms, a main pool and a small plunge pool, a parking garage, a rooftop terrace, a fitness room, an outdoor lawn and gathering space, back-of-house uses, and on-site employee housing. The applicant is also seeking approval of a development agreement.

The project would involve demolition of three buildings totaling 10,048 square feet (sq. ft.). These buildings are currently used as a restaurant, retail wine shop, art gallery, and five-room motel. Demolition activities would also include removal of asphalt concrete driveways and parking areas, as well as concrete slabs.

The proposed hotel would include 79 rooms that would be split between the North Parcel (50 rooms) and the South Parcel (29 rooms). The existing Stone Building on the North Parcel is currently used for winery, retail, retail wine, and restaurant uses. Under the proposed project, there would be no physical change to the building's structure, but the interior may require minor renovations to serve as the hotel's main lobby, which will include a retail component, meeting space, and/or a bar/lounge component. Current barrel storage, wine lab, and bottle storage spaces in this building would be removed, and this space would be used for hotel conference space and back-of-house needs. The Stone Building occupies nearly 13,000 sq. ft. of floor space split between the basement and ground levels.

The project involves constructing a new North Hotel Building on the North Parcel in approximately the same location as the existing restaurant building, which would be demolished as part of this project. The North Hotel Building would occupy approximately 55,000 sq. ft. of floor area. Of this amount, approximately 21,000 sq. ft. would be used for the 50 guest rooms, and the remaining 34,000 sq. ft. would be used for the spa, retail operations, a rooftop terrace and other public areas, circulation, and back-of-house uses. An underground parking garage would be located below the North Hotel Building and would include 54 stalls for valet parking. The North Hotel Building would be a split-level structure with four levels, with a maximum building height of 45 feet.

On the South Parcel, the existing restaurant and five-room motel buildings would be demolished and replaced with a two-story South Hotel Main Building, a two-story South Hotel Barn Building, a freestanding single-story fitness studio, and two separate two-story bungalow buildings. The South Hotel Main Building would include 11 guest rooms, a support kitchen, a library, and back-of-house uses for a total of approximately 11,100 sq. ft. The South Hotel Barn Building would include 12 guestrooms totaling approximately 7,500 sq. ft. and an adjacent plunge pool. The 350-sq. ft. fitness studio would be proximate to the plunge pool. A lawn area would be located between the South Hotel Main Building and the South Hotel Barn Building. Each of the two bungalow buildings would include three rooms each for a total of approximately 4,000 sq. ft. between the two buildings. Buildings on the South Parcel would be connected by a series of walkways, breezeways, patios, courtyards, and landscaped areas. The South Parcel also includes six existing on-site residential dwelling units that would be used to house workers employed on the property.

Overall, the project would involve 10,048 sq. ft. of demolition and 78,481 sq. ft. of new construction. Current uses on the project site have 55 employees, and the project is expected to add 48 new employees for the new hotel use, for a total of 103 employees on the project site.

The City of St. Helena has provided water service to the project site since at least the 1930s. Under an agreement modification executed in March 2000, Freemark Abbey Winery receives up to 2.7 million gallons per year (mgy) or 8.3 acre-feet per year (AFY) of water from the City of St. Helena. The North Parcel uses water from two on-site groundwater wells and a connection to the City of St. Helena water system. A separate public water system serves the South Parcel.

The project would integrate the proposed hotel development on the South Parcel with the public water system on the North Parcel. The projected annual water demand, including demand for irrigation, the winery process, and domestic water, is 21.79 AFY, or 7.1 mgd. Water from the City of St. Helena for up to 2.7 mgd, or 8.3 AFY, would reduce the demand on project wells to 4.4 mgd, or 13.5 AFY. The daily average well water demand would be 12,055 gallons with a peak demand estimate (200 percent of average) of 24,110 gallons.

The North Parcel currently collects and conveys its wastewater to a Combined Wastewater Management System (CWMS). This system, known as the Markham CWMS, is located on the adjacent Markham Vineyards property and is operated under a waste discharge order approved by the San Francisco Regional Water Quality Control Board. The CWMS currently serves Markham Vineyards, Freemark Abbey, the Culinary Institute, and Wine Country Inn. The Freemark Abbey allocation under the CWMS is 4.0 mgd. Domestic wastewater from the North Parcel, which is anticipated to be 3.5 mgd, would be disposed of through the Markham CWMS.

The South Parcel's existing commercial and residential use buildings are served by on-site wastewater treatment systems. Historically, uses in the CL-zoned areas of the South Parcel have disposed of 0.93 mgd of wastewater in systems on the AW-zoned areas of the site. This legacy of shared wastewater disposal would be preserved with the new development. Wastewater from the new South Parcel hotel buildings would be disposed of through discharge to the existing underground septic system and disposal to a new on-site gray water treatment system. The existing shared septic system capacity is 0.55 mgd. This will serve an existing residence at the south end of the parcel (0.13 mgd) and be used to dispose of black water from the proposed hotel and meeting space (0.42 mgd). Gray water from the hotel would be reclaimed for landscape irrigation (0.60 mgd). A maximum of 0.51 mgd of gray water would be used for irrigation on the AW-zoned areas of the site to maintain the historic balance of 0.93 mgd of CL-zoned wastewater on AW-zoned areas of the site. The gray water treatment would meet NSF 350 requirements for gray water systems in jurisdictions with no local requirements for these systems. Treated gray water would be stored and reused through surface drip irrigation on-site.

Runoff from the project site flows via roof gutters and surface flow to on-site storm drains and natural flow lines, which ultimately discharge to the Napa River. The project would include improvements throughout the project site to install new bioretention basins, vegetated buffer strips, and self-retaining areas. Project design incorporates low-impact development design strategies, including stormwater treatment elements, minimization of impervious surfaces, and stormwater control measures. Source control best management practices (BMPs) would be designed and implemented as recommended by the California Stormwater Quality Association's BMP handbooks.

POTENTIAL APPROVALS AND PERMITS REQUIRED

Several agencies will be involved in the consideration of project elements. As the lead agency under CEQA, Napa County is responsible for considering the adequacy of the EIR and determining whether the overall project should be approved.

Permits and approvals may be required from the following agencies:

State

- ▶ **Bay Area Air Quality Management District (BAAQMD):** Authority to construct (for devices that emit air pollutants); permit to operate.
- ▶ **California Regional Water Quality Control Board, Region 2 (San Francisco):** Permits for the on-site gray water treatment system.

Local

- ▶ **Napa County:** Approval of a use permit major modification and various ministerial approvals, including building permits and grading permits. The applicant is also seeking approval of a development agreement.

POTENTIAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA and CCR Section 15064, the discussion of potential effects on the environment in the EIR shall be focused on those impacts that the County has determined may be potentially significant. The EIR also will evaluate the cumulative impacts of the project when considered in conjunction with other related past, current, and reasonably foreseeable future projects. The County has determined that the project could result in potential environmental impacts in the following topic areas, which will be further evaluated in the EIR:

- ▶ **Aesthetics:** The project involves removing existing buildings and constructing a new hotel complex on a site surrounded by vineyards and residences. The EIR will evaluate whether the project would result in significant impacts related to scenic vistas, scenic resources, and visual character. Because the project would include new nighttime lighting, the EIR will evaluate the impacts of the new nighttime light sources.
- ▶ **Agricultural Resources:** The project site is zoned CL and AW and has been used for commercial and agricultural operations. Although the project proposes development of a new hotel on the CL-zoned lands, the AW-zoned areas would be affected by development of project infrastructure and parking. The EIR analysis will focus on the impact of any loss of agricultural lands and associated General Plan and County requirements associated with the protection of agricultural resources.
- ▶ **Air Quality/Greenhouse Gas Emissions:** The project site is located in Napa County, which is under the local air quality jurisdiction of BAAQMD. The analysis of criteria air pollutant and greenhouse gas emissions and impacts will be conducted in accordance with BAAQMD's current methods. The analysis will quantify indirect emissions associated with energy consumption, which also includes the energy associated with water consumption.
- ▶ **Biological Resources:** The project site is currently developed with hardscape and vacant buildings and is adjacent to a winery and vineyard. Therefore, impacts on biological resources are expected to be minor. Nonetheless, the EIR will evaluate the project's impacts on sensitive biological resources using existing documentation pertinent to the biological resources in the project vicinity and a reconnaissance survey of the site to identify any sensitive biological resources potentially on-site.
- ▶ **Cultural and Tribal Cultural Resources:** The project site includes structures that, given their age, require evaluation to determine whether they could be described as historic resources. The EIR will include an evaluation of the potential for historic resources to be present on the project site and will identify mitigation if necessary to reduce impacts. On March 19, 2020, Napa County extended invitations to consult to Middletown Rancheria, Mishewal Wappo, and Yocha Dehe Wintun Nation. Middletown Rancheria has requested consultation on the project and has been in contact with County staff. The Yocha Dehe Wintun Nation responded to the letter, informing the County that the project was not within the aboriginal territories and the tribe declined to comment on the project. The letter to the Mishewal Wappo was returned to the County, and County staff is attempting to resend the letter to the tribe. Because consultation under AB 52 has been initiated and is ongoing, the EIR will include a discussion of potential impacts on these resources.
- ▶ **Energy:** This section will evaluate whether implementing the project would result in a significant environmental effect from the wasteful, inefficient, or unnecessary consumption of energy during project construction or operation.
- ▶ **Hydrology and Water Quality:** The project would increase the extent of impervious surfaces on the project site. This analysis will evaluate the project's potential to result in localized flooding and any potential water quality impacts resulting from construction and operation of the project.
- ▶ **Land Use and Planning:** This section will evaluate whether the project has the potential to divide an established community or would conflict with plans, policies, zoning, and County Code requirements that protect the environment.
- ▶ **Noise:** Implementing the project would result in temporary construction noise and operational noise related to cars, delivery trucks, and events. The EIR will provide an analysis to determine whether traffic or events would expose nearby residences to short-term noise levels that exceed the exterior noise limits established in Napa County Code Chapter 8.16. The EIR will identify feasible mitigation to reduce noise exposure levels (e.g., time-of-day limitations) where necessary.

- ▶ **Population and Housing:** The EIR will evaluate the project’s potential to induce population growth or require the construction of replacement housing for displaced residents.
- ▶ **Public Services/Utilities:** The project would require public services and utilities, such as police and fire protection, water, solid waste, electricity, and natural gas. The project also includes a system for the on-site treatment and reuse of gray water. The EIR will identify the required services and analyze the potential environmental impacts of providing these services.
- ▶ **Transportation:** The project would generate vehicle trips related to both construction and operation. The EIR will evaluate both construction- and operation-related traffic impacts as required by the Napa County General Plan, although traffic level of service is no longer considered an environmental effect for purposes of CEQA. A traffic impact study has been prepared for the project and will be used to inform the analysis of project impacts related to vehicle miles traveled.
- ▶ **Wildfire:** Although the project site is not within a State Responsibility Area or on lands classified as Very High Fire Hazard Severity Zones, potential effects related to wildfire will be evaluated in the EIR.

These issue areas will be discussed further in the EIR, and, where possible, feasible mitigation measures will be recommended to reduce any identified potentially significant and significant impacts.

Pursuant to CEQA, the discussion of potential effects on the physical environment is focused on those impacts that may be significant or potentially significant. CEQA allows a lead agency to limit the detail of discussion of the environmental effects that are not considered potentially significant (PRC Section 21100, CCR Sections 15126.2[a] and 15128). CEQA requires that the discussion of any significant effect on the environment be limited to substantial, or potentially substantial, adverse changes in physical conditions that exist in the affected area, as defined in PRC Section 21060.5 (statutory definition of “environment”). Effects dismissed in the attached initial study as clearly less than significant and unlikely to occur need not be discussed further in the EIR unless the lead agency subsequently receives information inconsistent with the finding in the initial study (CCR Section 15143). Environmental issue areas scoped out of the focused EIR will include an explanation of why these issues would not result in significant environmental effects and are not required to be evaluated further. Environmental issue areas that would be scoped out of the focused EIR are listed below. See the attached initial study for supporting evidence.

- ▶ Forestry Resources
- ▶ Geology/Soils
- ▶ Hazards and Hazardous Materials
- ▶ Mineral Resources
- ▶ Recreation

ALTERNATIVES TO BE EVALUATED IN THE EIR

In accordance with the State CEQA Guidelines (CCR Section 15126.6), the EIR will describe a range of reasonable alternatives to the project that are capable of meeting most of the project’s objectives and that would avoid or substantially lessen any of the significant effects of the project. The EIR will also identify any alternatives that were considered but rejected by the lead agency as infeasible and briefly explain the reasons why. The EIR will provide an analysis of the No-Project Alternative and will identify the environmentally superior alternative.

DOCUMENTS AVAILABLE FOR PUBLIC REVIEW

The NOP and initial study are available for public review at the following locations:

Napa County Planning, Building, and
Environmental Services Department
1195 Third Street, Suite 210
Napa, CA

Napa Main Library
580 Coombs Street
Napa, CA

St. Helena Library
1492 Library Lane
St. Helena, CA

The NOP and initial study are also available for public review online at <https://www.countyofnapa.org/2876/Current-Projects-Explorer>. Project materials can be viewed online at: <https://pbes.cloud/index.php/s/5ybiJ33kpd7S7Yf>.

PROVIDING COMMENTS

Agencies and interested parties may provide the County with written comments on topics to be addressed in the EIR for the project. Because of time limits mandated by state law, comments should be provided no later than 5:00 p.m. on August 24, 2020. Please send all comments to:

Napa County Planning, Building, and Environmental Services Department
Attention: Trevor Hawkes
1195 Third Street, Suite 210
Napa, CA 94559
Telephone: (707) 253-4388
Fax: (707) 299-4320
Email: Trevor.Hawkes@countyofnapa.org

Agencies that will need to use the EIR when considering permits or other approvals for the project should provide the name, phone number, and email address of the appropriate contact person at the agency. Comments provided by email should include "Inn at the Abbey Project NOP Scoping Comment" in the subject line, as well as the name and physical address of the commenter in the body of the email.

All comments on environmental issues received during the public comment period will be considered and addressed in the draft EIR, which is anticipated to be available for public review in early 2021.

PUBLIC SCOPING MEETING

The Napa County Planning Commission will hold a public scoping meeting to inform interested parties about the proposed project and to provide agencies and the public with an opportunity to provide comments on the scope and content of the EIR. The meeting time and location are as follows:

Wednesday, August 5, 2020, at 9:00 a.m.
Napa County Administration Building
Third Floor Board Chamber
1195 Third Street
Napa, CA 94559

This meeting will be conducted via teleconference using the Microsoft Zoom program in order to minimize the spread of the COVID-19 virus, in accordance with the State of Emergency proclaimed by Governor Newsom on March 4, 2020, Executive Order N-29-20 issued by Governor Newsom on March 17, 2020, and the Shelter in Place Order issued by the Napa County Health Officer on March 18, 2020, as may be periodically amended. To participate in the public scoping meeting, the public are invited to observe and address the Commission telephonically or electronically. Instructions for public participation will be included in the agenda for the meeting, which will be available one week prior to the meeting date:

The meeting space is accessible to persons with disabilities. Individuals needing special assistive devices will be accommodated to the County's best ability. Assistive listening devices are available for the hearing impaired from the Clerk of the Board; please call (707) 253-4580 for assistance. If an American Sign Language interpreter or any other special arrangement is required, please provide the Clerk of the Board with 48-hour notice by calling (707) 253-4417.