

## AMENDED PROPOSAL STATEMENT

Date: June 14, 2019

Applicant: Purple Wine + Spirits

Address: 9119 Graton Road, Graton  
APN 130-300-034, 130-300-009, 130-154-005

Parcel Size: 21.1 acres

General Plan: General Industrial (GI)

Zoning: Limited Urban Industrial (M1, AH, F2)

Proposal Name: Proposal to Reduce Production and Add Crush Pad

Groundwater: Zone 2

Ordinance: 26-46-020(e)

### Introduction

This Amended Proposal Statement amends and restates the Proposal Statement submitted by the applicant dated November 30, 2018.

Graton has a long history of crop processing. 9119 Graton Road was, since at least 1940, used for apple processing. Around 1980, as wine was becoming one of the county's most important crops, the on-site processing evolved from apples to grapes. However, rather than a design and permit for an end-to-end winery, the site was developed as a large-scale packaging and storage facility. The on-site processing evolved again when a distillery was added to the site in 2013. This application continues that evolution by adding a crush pad while respecting the community by significantly reducing production, and traffic.

Owner/applicant Purple Wine + Spirits proposes to revise its operations to reduce production, reduce traffic, and restore 0.41 acres of green area on the southern portion of the site. The applicant proposes to add a crush pad with the ability to crush up to 10,000 tons of grapes per harvest season, which is typically September and October. Currently, all wine processed by applicant is trucked onto the site as bulk wine crushed at other facilities. By crushing a portion of its wine on site (10,000 tons is approximately 650,000 cases), the applicant will no longer truck in as much bulk wine. To offset this entitlement, the owner/applicant is requesting a decrease in total production output from 3 million cases per year to 1.5 million cases per year, as is more fully discussed below. This will more than offset the impact of any short term increase in activity during harvest season. The outdoor operating hours will also be reduced, except for harvest, when crush may occur 24/7, but truck traffic for grape hauling would be limited to 7:00

a.m. to 5:00 p.m. The proposed changes do not require any significant, new, physical construction. There will be no increase in well water use or waste water production as a result of the proposed changes. With the proposed installation of additional aeration and the addition of a floating baffle to improve efficiency, the existing waste water treatment facilities are sufficient for applicant's proposed use.

## **Permitting History & Vested Rights**

### 1980: 64,000 Case Permit

The site was a legal nonconforming apple processing facility until 1980. On May 8, 1980, the Board of Zoning Adjustments adopted a Negative Declaration and approved a Use Permit to convert the apple packing shed into a 64,000 case per year wine processing facility, with no on-site sales or tasting.

### 1989: Warehouse Expansion

In 1989, the bottling facility applied for an expansion to add the 65,367 square foot warehouse building to the bottling facility. The Design Review Committee adopted a Negative Declaration and approved the expansion. At that time, there were 90 employees on site working three shifts; plant operations occurred up to 24 hours a day, seven days a week.

There were wastewater issues on the site that resulted in an abatement order from the Regional Water Quality Board and a new wastewater system was installed to comply with the abatement order. The county also required design review approval and prepared a Mitigated Negative Declaration for the new wastewater system. After administrative appeals, in 1993, the county found that a use permit would be required to legitimize other uses on the site and approve the wastewater treatment facility. The then-owner, Graton Beverages, stopped all uses other than the winery on the site and did not pursue a use permit.

### 2002: 1.5 Million Case Permit

In 1997, Pacific Wine Partners applied for a winery on the site with a maximum annual production capacity of 1.5 million cases, with no major new buildings, no crush, and no expansion of the wastewater facility. In August of 2002, the Sonoma County Board of Zoning Adjustments (BZA) adopted a Mitigated Negative Declaration and approved a request by the Godwin Family (UPE 97-0121) for a winery with a maximum annual production capacity of 1.5 million cases.

### 2007: 3 Million Case Permit and Wastewater Improvements

In 2006, another application was submitted to produce 3 million cases of wine, including fermentation, storage, blending, bottling, and warehousing with no crush or retail sales. The application requested an increase to 96 employees on the site, 24/7 indoor wine making and bottling. Outdoor wine production from 6:00 a.m. to 7:00 p.m. was allowed Monday through

Saturday and the operation was authorized in five existing buildings, totaling approximately 194,500 square feet, plus 190,300 gallons of wine stored in 39 tanks under canopies. The waste water pond was also to be improved by raising the embankments and adding a synthetic liner, if one was needed. The 2007 use permit, UPE 06-0069, superseded all earlier use permits.

### 2013: Permit to Include Distillery Operation

In 2013, the county considered an application to convert a portion of the existing winery to a distillery, with no change in total production levels. This use permit, UPE 13-0041, did not supersede the 2007 use permit and the two use permits co-exist on the site. (See UPE 13-0041, condition of approval no. 26.) The 2013 use permit did not establish set limits for winery or distillery production, instead it prohibited a change in the total allowable annual production output to the equivalent of 3 million cases of wine. Thus, the operators have a vested right to:

- Adjust production of wine and spirits up to the equivalent of 3,000,000 cases of wine;
- Indoor operating hours of 8:00 a.m. to 5:00 p.m. for distillation activities;
- 24/7 indoor operations for wine production, bottling, and storage;
- Outdoor operating hours of 6:00 a.m. to 7:00 p.m. for winery production and storage activities;
- Other items set forth in the earlier use permits.

### **Preservation of Vested Rights**

The current owners expressly preserve and retain all vested rights currently on the site, unless a specific change is set forth in this proposal statement. In the event that this application is not acted on or approved, for any reason, the owners again expressly preserve their vested rights, as perfected in prior permits. If this application is approved, the owner requests that the conditions of approval respect the vested rights for this site.

### **Proposed Project**

The owners propose to reduce on-site wine and spirits production by 1.5 million cases and bottling uses, while adding a crush pad with approval to crush up to 10,000 tons of grapes per harvest season, in a calendar year. The parcels have a General Industrial land use designation in the Sonoma County General Plan, which allows processing plants. All proposed uses are allowed with a conditional use permit under Sonoma County Code section 26-46-020(e). A small part of the site has the F2, or floodplain. The crush pad and modest site improvement will be located outside the flood zone and the project will comply with the County's Flood Plain Ordinance. The proposed project would move approximately 91 full-time employees to a different site leaving 42 employees on-site year round. During harvest, an additional 35 employees would be needed resulting in 77 total employees.

While no changes are proposed to the site's existing parking supply of 76 spaces, the County would under applicable requirements require 200 parking spaces on the site based on the site's

specific uses. However, a W-Trans analysis has concluded that the site’s existing parking supply of 76 spaces would be sufficient to accommodate the number of employees anticipated during both non-harvest and harvest periods. In addition, the facility is not open to the public. As a result, a parking reduction is requested as part of the proposed project.

The owners also propose to restore revegetate approximately 0.41 acres of area adjacent to an unnamed waterway.

Thus, the owners are requesting:

<b>Use</b>	<b>Requested</b>	<b>Vesting Schedule</b>
Wine and Spirits Production	Total production output of 1.5 million cases/year of wine or spirits or any combination of thereof	Automatically vested since this a 1.5 million case reduction from the existing vested right
Crush	Crush up to 10,000 tons of grapes per year during a 61 day harvest period (September and October).  Grape truck traffic limited to 7:00 a.m. to 5:00 p.m.	Normal vesting for a new use
Hours of Operation – Indoor	Bottling of wine or spirits, 24/7  Office functions 24/7	Automatically vested for wine production and office uses, normal vesting for 24/7 spirit production
Hours of Operation – Outdoors	6:00 a.m. to 7:00 p.m. for winery and spirit production and storage activities  Crush 24/7 during the “harvest period” of September and October, except that grape truck traffic would be limited to 7:00 a.m. to 5:00 p.m. as noted above.	Winery hours are vested by prior approvals; spirit and crush hours have normal vesting for modified or new uses.
Parking	76 spaces	

Wine & Spirits Production

As was approved in earlier permits, the applicant wishes to preserve its ability to flex between wine and spirits production within a combined case limit. That limit, currently 3 million cases of total production output per year, will be lowered to 1.5 million cases per year under this proposed project, concomitantly lowering the impact to the community. The production of wine

and spirits will be limited by conditioning the project to comply with waste water permits from the Regional Water Quality Board and by existing water use and permitted capacity, in addition to a condition of approval limiting total production output to 1.5 million cases of wine and/or spirits per year.

Currently, wine is crushed offsite and then brought onsite in bulk to age, blend and bottle (“Bulk to Bottle”). By comparison, grain alcohol spirits are produced in two ways. Some grain alcohol is distilled onsite and then barreled (“Grain to Bulk”). Other grain alcohol is bought distilled and in bulk. From these two sources, the applicant processes grain alcohol and bottles the product (“Bulk to Bottle”).

The Grain to Bulk process for spirits, and the Bulk to Bottle process for both wine and spirits, are permitted under applicant’s current permits, and applicant preserves these uses under this application. The Bulk to Bottle process for both wine and spirits has no water demand and produces *de minimis* waste water. These products would be subject to the total production output of 1.5 million cases of wine and/or spirits.

By adding crush capacity to its facility, applicant will be able to produce up to 1,650,000 gallons of wine in bulk (Grape to Bulk), using approximately 2.49 gallons of well water per gallon of Grape to Bulk wine processed. By contrast, the Grain to Bulk process for spirits uses approximately 7.25 gallons of well water per gallon of Grain to Bulk spirits processed. Applicant does not propose any increase in total water use, which is currently served by an onsite well. Rather, it intends to fluctuate the various types of production over time, reducing the level of one process type as it increases the level of another process type to ensure that the net result will have no effect on total water demand.

Since there will be no increase in total water demand, applicant’s existing waste water treatment facilities will be able to accommodate applicant proposed use with some minor improvements such as the installation of additional aeration and the addition of a floating baffle to improve efficiency. There will be no changes in the current use of Graton’s Sewer System for domestic wastewater.

### Riparian Restoration

The owners also propose to restore and revegetate approximately 0.41 acres of area adjacent to an unnamed waterway. (See Production Facility Site Plan dated May 31, 2019.) The restoration will involve the removal of a portion of an existing asphalt driveway and gravel equipment storage area by excavating to a depth of less than 12 inches and removing the excavated material from the site, followed by the importation of 12 inches of clean uncompacted topsoil. The revegetation will involve the planting of native trees and understory shrubs or as directed by a qualified biologist/botanist. The trees and shrubs are selected to match the existing native vegetation on the south side of the waterway which include, arroyo willow (*salix lasiolepis*), boxelder seedlings, coast live oak (*quercus agrifolia*), black oak (*q. kelloggii*) seedlings and native coyote brush (*baccharis pilularis*).