

INITIAL ENVIRONMENTAL STUDY and NEGATIVE DECLARATION

Project Title: General Plan Amendments related to Annexations & Land Preservation

Lead Agency Name & Address: Town of Yountville
Planning and Building Department
6550 Yount Street
Yountville, CA 94599

Project Location: Town of Yountville including future potential annexation of a portion of APN 034-140-022 (Domaine Chandon).

Project Sponsor's Name & Address: Town of Yountville
Planning and Building Department
6550 Yount Street
Yountville, CA 94599

General Plan Designation(s): Townwide

Zoning: N/A

Contact Person: Sandra Liston
Planning and Building Director
Town of Yountville

Phone Number: (707) 944-8851

Date Prepared May 19, 2016

INTRODUCTION

This document is an Initial Study and Negative Declaration (ND) prepared pursuant to the California Environmental Quality Act (CEQA), for the Town of Yountville General Plan Amendments related to Annexations & Land Preservation. This ND has been prepared in accordance with CEQA, Public Resources Code Sections 21000 et seq., and the CEQA Guidelines.

An Initial Study is conducted by a lead agency to determine if a project may have a significant effect on the environment. In accordance with CEQA Guidelines Section 15064, an environmental impact report (EIR) must be prepared if the Initial Study indicates that the proposed project under review may have a potentially significant impact on the environment. A negative declaration may be prepared instead, if the lead agency prepares a written statement describing the reasons why a proposed project would not have a significant effect on the environment and therefore why it would not require the preparation of an EIR (CEQA Guidelines Section 15371). According to CEQA Guidelines Section 15070, a negative declaration is to be prepared for a project subject to CEQA when either:

- a) *The initial study shows there is no substantial evidence, in light of the whole record before the agency, that the proposed project may have a significant effect on the environment, or*
- b) *The initial study identified potentially significant effects, but:*
 - (1) *Revisions in the project plans or proposals made by or agreed to by the applicant before the proposed negative declaration is released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and*
 - (2) *There is no substantial evidence, in light of the whole record before the agency, that the proposed project as revised may have a significant effect on the environment.*

If revisions are adopted into the proposed project in accordance with the CEQA Guidelines Section 15070(b), a mitigated negative declaration (MND) is prepared.

LEAD AGENCY

The lead agency is the public agency with primary responsibility over a proposed project. In accordance with CEQA Guidelines Section 15051(b)(1), “the lead agency will normally be the agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose.” Based on these criteria, the Town of Yountville will serve as lead agency for the environmental analysis of the General Plan Amendments and will initiate subsequent implementing actions.

PURPOSE AND DOCUMENT ORGANIZATION

The purpose of this Initial Study and Negative Declaration is to evaluate the potential environmental impacts of the proposed Town of Yountville 2015–2023 Housing Element. This document is divided into the following sections:

- 1.0 **Introduction:** Provides an introduction and describes the purpose and organization of this document.
- 2.0 **Project Description:** Provides a detailed description of the proposed Housing Element.
- 3.0 **Environmental Factors Potentially Affected:** Provides an identification of those environmental factors that involve a “Potentially Significant Impact.”
- 4.0 **Determination:** Provides the environmental determination for the proposed General Plan Amendments.
- 5.0 **Environmental Checklist and Evaluation:** Describes the environmental setting for each of the environmental subject areas, evaluates a range of impacts classified as “no impact,” “less than significant impact,” “less than significant impact with mitigation incorporated,” or “potentially significant” in response to the environmental checklist.

This ND has been prepared in accordance with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., and the State CEQA Guidelines, California Code of Regulations (CCR) Section 15000 et seq. The ND analyzes the potential impacts of the Proposed Amendments to the Town of Yountville General Plan.

This is a public document to be used by the Town to determine whether the Proposed Amendments to the Town of Yountville General Plan may have a significant effect on the environment. The Yountville General Plan was adopted by the Town Council in 1992. The General Plan contains supporting environmental studies, as well as extensive goals and policies designed to identify and address the environmental impacts of development in the town over the long term.

2.0 PROJECT DESCRIPTION

General Plan Amendment

The project is a proposed General Plan Amendment associated with the Town's physical boundary, planning area and service area that have not been addressed since the last General Plan Update in 1992. The change to the planning area is shown in Exhibit A. The Town is in the initial stages of conducting a comprehensive General Plan Update of all of the elements of the General Plan to bring it current, but is proceeding with the limited amendments evaluated here because of Napa LAFCO's Municipal Service Review and Sphere of Influence Update for the Town that is currently being conducted.

The proposed amendment to General Plan policies relates only to a small portion of the Domaine Chandon property that has been in commercial use for over 25 years and which is connected to the Town's wastewater system. This area represents 13.41 acres of the overall 88.41 acre Domaine Chandon parcel (APN 034-140-022). It is important to note that the subject area is already developed with commercial uses and is not planted with vines nor viable for agriculture. The proposed area is shown in Exhibit B. With the project, the Town's goal is to support and defend Napa County policies for the protection and preservation of the Agricultural Preserve and to center urban growth and the extension of urban services within the Town boundaries.

The three existing General Plan policies studied in this document are as follows:

General Plan Policy C.3.a - Issue: Measure J & Town Limits

1.1 Maintain the existing relationship and boundary between the Town and the surrounding agricultural land until the year 2020.

General Plan Policy D.4.a - Issue: Identity & Character of the Town

4.1 Limit future growth, through the year 2020, to the Town's current limits and the number of housing units permitted in the General Plan.

General Plan Policy D.4.e - Issue: Agriculture

12.1 Discourage annexation of agricultural lands to the Town through the year 2020.

The core of these policies will be upheld with minor revisions as they relate to the Domaine Chandon property only. While this Initial Study primarily serves as the environmental checklist for the General Plan policy changes, it also evaluates the potential future annexation of the 13.41 acre commercial component of the Domaine Chandon property.

Site History

While presently within County of Napa jurisdiction, the Domaine Chandon commercial facilities have been served by the Town's sewer system since 1992.

In 1990, the County of Napa granted Domaine Chandon approval to expand its business operations and construct a 7,500 square foot office facility to support its restaurant, retail sales, wine tasting, and wine club membership. To support this expanded commercial activity, Domaine Chandon was required to provide a wastewater system adequate to serve these uses, which would have resulted in several acres of prime agricultural land being converted to an onsite sewage disposal system.

In order to avoid the loss of any prime agricultural land for the required sewage system, the Town of Yountville agreed with a recommendation from the Napa County Department of Environmental Management that the facility should be (1) connected to the Town's wastewater system and (2) annexed to the Town. The County staff report to the Planning Commission included the following recommended condition of approval:

Prior to issuance of any building permit for the office expansion, annexation of the Commercial Limited zoned portion of the parcel to the Town of Yountville shall be completed.

The Planning Commission, however, expressed concern about possible future land use conflicts as well as the potential loss of sales tax and other revenues and modified the condition to read:

Prior to issuance of a building permit for the office expansion, the applicant shall furnish proof that the office can be serviced by an onsite sewage disposal system.

To satisfy the condition of approval, Domaine Chandon obtained a consultant to conduct an engineering feasibility report. The report concluded that two or more acres would be required to support an onsite leach field for the office expansion, which was in addition to the one acre leach field that was already in place for the domestic wastewater disposal needs of the existing visitor center, restaurant, and tasting room.

Since Domaine Chandon had already developed vineyards on **all** of the land that had sufficient soil to support the leach field (due to the rocky slope and soil conditions around the commercial facilities), expansion of the leach field would have required removal of existing vineyards from cultivation.

With an annexation application pending before Napa LAFCO, the Town in good faith agreed to provide this critical sewer service to Domaine Chandon so that it would not need to remove vineyards. If the Town had known that the annexation would not be completed, it would not have connected the facility to its system. Please note that only the commercial uses at Domaine Chandon are connected to the Town's system; winery process wastewater is disposed of onsite. Nonetheless, Domaine Chandon is the Town's largest per volume wastewater customer.

In addition to wastewater treatment, the Town provides a host of other community services to this commercial operation: street and road maintenance as the only access to the site is on Town streets, priority status for local affordable housing for eligible Domaine Chandon employees, inclusion in visitor marketing paid for by the Town, public space and parks, recreational opportunities, and public safety.

The potential future inclusion of the 13.41 acre commercial component of the Domaine Chandon property into the Town's physical boundary and service area would serve to mitigate this long-standing inequitable use of Yountville's municipal resources. The Town maintains a strong commitment to preserve agriculture in the County and concentrate commercial development in incorporated cities and towns in order to support agriculture.

Proposed amendments to General Plan Policy is as follows:

General Plan Policy C.3.a - Issue: Measure J & Town Limits

1.1 Maintain the existing relationship and boundary between the Town and Napa County for prime farmland (prime agricultural land) and land planted with existing vineyards with the exception of the commercial component of the Domaine Chandon property since it neither contains prime farmland nor is planted as vineyard.

General Plan Policy D.4.a - Issue: Identity & Character of the Town

4.1 Limit future residential growth to the number of housing units permitted in the General Plan. Permit only minor changes in the Town's current limits for the commercial component of the Domaine Chandon property served by the Town's wastewater system.

General Plan Policy D.4.e - Issue: Agriculture

12.1 Discourage annexation of prime farmland (prime agricultural land) and land planted with existing vineyards. Strongly support the protection of agriculture in the unincorporated areas surrounding the Town and consider the annexation of the commercial component of the Domaine Chandon property served by the Town's wastewater system.

As shown in Exhibit A, the Town also proposes to add the commercial component for the Domaine Chandon operation to the Town of Yountville Planning Area.

ENVIRONMENTAL SETTING AND SURROUNDING LAND USES

The environmental setting consists of the areas located within the town limits of Yountville, which is located in central Napa County. Yountville is positioned approximately 8.5 miles north of Napa and 50 miles west of Sacramento. The town is bounded on the southwest by State Route 29, with unincorporated agricultural lands beyond. The town is surrounded on all sides by unincorporated agricultural lands.

The Town of Yountville has 13 zoning districts which cover residential, commercial, agricultural & public facility districts. The proposed General Plan Policy language would apply to all zone districts within the Town boundaries.

OTHER APPROVALS REQUIRED

There are no other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement) for the proposed General Plan Amendments.

INCORPORATED SOURCE DOCUMENTS:

- X Town of Yountville Planning Department Sources and Criteria Manual
- X Napa County General Plan and Associated EIR
- X Town of Yountville General Plan and Associated EIR
- X Town of Yountville Zoning Ordinance

- X Other: Special studies prepared in conjunction with the project
- Attachment A- Domaine Chandon Onsite Wastewater Capacity Analysis by RSA dated June 10, 2015
 - Attachment B- Growth Inducing Impacts Analysis of Proposed General Plan Policy Revisions by LSA dated February 25, 2016
 - Attachment C- Domaine Chandon Parcel Yountville Annexation Fiscal Impacts Analysis by ALH Econ dated March 4, 2016

3.0 ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|---|--|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural & Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards/ Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Mandatory Findings
Of Significance |

4.0 Determination

On the basis of this initial evaluation:

- I find that the proposed project **COULD NOT** have a significant effect on the environment and the proposed project is exempt under Categorical/Statutory Exemption _____.
- I find that the proposed project **COULD NOT** have a significant effect on the environment and a **NEGATIVE DECLARATION** will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- I find that the proposed project **MAY** have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier **EIR** or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier **EIR** or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.



Sandra Liston, Planning & Building Director

May 19, 2016
Date

5.0 Environmental Checklist & Evaluation

ISSUE				
I. AESTHETICS. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Have a substantial adverse effect on a scenic vista?				X
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?				X
d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?				X
<p>SETTING: The Town of Yountville’s General Plan identifies views of the surrounding Mayacamas Range, agricultural lands and open spaces as scenic resources that should be protected. The Town is nearly completely built out, including the project site, and the project will make only minor alterations to the existing development potential.</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> a. The Town of Yountville General Plan identifies agricultural landscapes and the surrounding hills as scenic vistas. The General Plan also identifies and protects view corridors at selected intervals throughout Town. These corridors provide “windows” to the vineyards and hills that surround the Town. The proposed General Plan policy changes support these policies as adopted. Annexation of the existing commercial structures at Domaine Chandon and the ongoing operation of the site would not change any scenic vistas. Therefore, the project would result in <i>no impact</i> on a scenic vista. b. The proposed policy changes will not affect trees, rock outcroppings and historic buildings along scenic Highway 29. Therefore, the project would result in <i>no impact</i> associated with damage to scenic resources within a State scenic highway. c. The project will preserve agricultural lands and vistas. The Domaine Chandon property is already developed to its highest and best use as a Visitor’s Center. Therefore, the project would result in <i>no impact</i> to Town or county lands adjacent to the Town boundaries. d. The project will not result in changes to lighting in the vicinity; therefore there is <i>no impact</i> associated with light and glare. 				

ISSUE	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
<p>II. AGRICULTURE AND FORESTRY RESOURCES. In determining whether impacts to agricultural resources are significant environment effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining, whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project?</p>				
<p>a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?</p>				X
<p>b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?</p>				X
<p>c) Conflict with existing zoning for, or cause rezoning of forest land (as defined in Public Resources Code Section 12220 (g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?</p>				X
<p>d) Result in the loss of forest land or conversion of forest land to non-forest use?</p>				X
<p>e) Involve other changes in the existing environment that due to their location or nature could result in conversion of Farmland to non-agricultural use or to non-forest use?</p>				X
<p>SETTING: The Domaine Chandon project site that is the subject of this General Plan amendment is currently being served wastewater services by the Town through a service agreement which could be discontinued with a one-year notice by either party.</p> <p>DISCUSSION:</p> <p>a. The Domaine Chandon Visitor’s Center is currently served by the Town’s Wastewater Treatment Facility through an out-of-agency service agreement. That agreement can be discontinued by either party with a one year notice. Annexation of the Visitor’s Center property would preserve the continuation of this service without regard to establishing the right through an agreement as service is provided to all properties located</p>				

within the Town boundaries. RSA prepared a study dated June 10, 2015 (Attachment A) evaluating the environmental impacts of disconnecting from the Town's sewer system and developing an onsite septic system to serve the Visitor's Center. The study concludes that up to 2.1 acres of prime agricultural land could be affected as a result of the conversion to on-site septic by taking the property out of agricultural production. The project and subsequent annexation of the subject site therefore would preserve prime agricultural land by eliminating this possibility as all Town properties are guaranteed the right of service. Therefore, there would be a positive environmental benefit from the project and therefore, ***no significant impact*** on existing agricultural uses or farmland.

- b. As a result of the no net change in conversion of agricultural land as a result of the project, there would be ***no significant impact*** on existing agricultural zoning or Williamson Act contracts.
- c. There would be no changes to forest land or timber land as a result of the project. Therefore there is ***no impact***.
- d. See (c) above.
- e. See (a & b) above.

ISSUE				
III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?				X
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?				X
d) Expose sensitive receptors to substantial pollutant concentrations?				X
e) Create objectionable odors affecting a substantial number of people?				X
<p>SETTING: The US Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) have established air quality standards, referred to as the National Ambient Air Quality Standards (NAAQS) and the State Ambient Air Quality Standards (SAAQS) respectively. The federal Clean Air Act and State Clean Air Act both require that an area in violation of the ambient air quality standards adopt strategies to attain these standards. California is divided into 14 air basins for the purpose of monitoring air quality. Napa County is under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD).</p> <p>Air quality within the Napa Valley is considered to be relatively good, although State standards for ozone and PM-10 have been exceeded in recent years. Ozone violations typically stem from motor vehicle emissions, while PM-10 issues tend to arise during periods when dust is generated. Guidelines for evaluation of project air quality impacts issued by the BAAQMD consider emission increases to be significant if they exceed 150 pounds per day for regional pollutants. Air quality impacts are considered critical when they affect sensitive receptors, which include, among others, the elderly, the acutely ill, and the chronically ill.</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> a. The proposed General Plan Amendment Project is a proposed policy change consistent with General Plan Policies related to Air Quality. No construction or development is proposed as a result of the project. Therefore, the project is not anticipated to result in emission levels that would conflict with the air quality plan, and the project would result in <i>no impact</i>. b. See (a) above. c. See (a) above. d. See (a) above. e. See (a) above. 				

ISSUE				
IV. BIOLOGICAL RESOURCES. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X
<p>SETTING: The Domaine Chandon project site is currently developed with commercial facilities and services. Hinman Creek traverses an open area of the property, sits distant from buildings, and has been maintained in its natural state. Creek setback requirements will preserve this condition. No changes in either the built environment or land use on the Domaine Chandon Visitor's Center property are anticipated or proposed as a result of this project.</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> a. There were no listed species or species of special concern observed at the project site. Hinman Creek has been retained and protected as a riparian zone. The continued operation of the Domaine Chandon project site will maintain creek setback requirements and no construction or development is anticipated. Therefore, there is <i>no impact</i>. b. See (a) above. c. See (a) above. d. The Domaine Chandon site is currently developed and no changes to existing wildlife corridors are anticipated. Therefore, there is <i>no impact</i>. e. No trees are proposed to be removed as a result of this project. Therefore there is <i>no impact</i>. f. There is not an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan for this site; therefore, there will be <i>no impacts</i> to other plans. 				

ISSUE				
V. CULTURAL RESOURCES. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Cause substantial adverse change in the significance of a historical resource as defined in Sec 15064.5?				X
b) Cause substantial adverse change in the significance of an archaeological resource pursuant to Sec 15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X
<p>SETTING: The Domaine Chandon Visitor's Center site is a developed and paved property that has been used for commercial purposes for several decades.</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> a. There are no potential impacts to historic resources at the project site; therefore there is <i>no impact</i>. b. The Domaine Chandon site does not propose any changes which would disturb soil on site and therefore, <i>no impact</i>. c. See (b) above. d. See (b) above. 				

ISSUE				
VI. GEOLOGY AND SOILS. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?				X
c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?			X	

d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			X	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste disposal systems where sewers are not available for the disposal of wastewater?				X
<p>SETTING:</p> <p>The Town is located along the border of the Coast Range and Great Valley geomorphic provinces. The major geologic units in the area are the Franciscan Assemblage, the Sonoma Volcanics, and the Great Valley Sequence. The geology in the area is dominated to the west by the presence of the San Andreas Fault, and some of its accompanying faults, including the Rodgers Creek, West Napa, Hayward, and Green Valley Faults. The Napa Valley is a northwest trending valley that generally follows the trend of the San Andreas Fault system. Typically, Franciscan units are found on the western side of the valley and Great Valley units are found to the east. The Sonoma Volcanics are interspersed among these assemblages and generally overlie them. The Napa Valley bottom is filled with Quaternary alluvium deposited from the Napa River. Surface soil on the project site is mapped as Coombs gravelly loam, 0 to 2 percent slopes, by the U. S. Department of Agriculture, Soil Conservation Service (SCS 1978) which is a nearly level soil on old low terraces and old alluvial fans.</p> <p>The Town is not within an Alquist-Priolo Special Study Zone which defines zones that are considered to contain active faults, however, the entire Bay Area is subject to large earthquake events and earthquakes of low magnitude occur every year. The nearest active fault is the northern extent of the West Napa fault, which is suspected of being in proximity to the site as shown in Figure IV.2 of the General Plan. However, the West Napa fault does not have well established seismic history in terms of slip rate or recurrence interval, and as such, the practical risk of ground shaking may be lower than from other more active nearby faults (Hayward or Rodgers Creek). Portions of the West Napa fault have been zoned active by the California Division of Mines and Geology (CDMG) and an Alquist-Priolo Special Studies Zone has been established for the fault. However, the fault segments north of the Napa Airport typically are considered to be poorly defined and do not display topographic and geomorphic features suggestive of extensive recent ground rupture and/or activity. The lack of Alquist-Priolo zoning does not indicate that the fault is inactive; but that the fault may have a very slow slip rate and/or very small or infrequent ground rupture events and that the potential risk of ground rupture would be very low.</p> <p>DISCUSSION:</p> <p>a. (i. to iv).</p> <p>i. Near-source faults include the West Napa fault, a B type fault (faults which are known to be slipping but lack sufficient information to fully model how close they might be to rupture) approximately one mile from the Town, and the Rodgers Creek fault, an A type fault (enough information available to both estimate & model the probability of an earthquake greater than 6.7 on the Richter Scale within the next 30 years) approximately 14 miles from the project site. The project site is not within a current Alquist-Priolo Earthquake Fault Zone. Prior geotechnical reports have concluded that the risk of fault rupture is low. The Fault Evaluation Report for the West Napa Fault concluded that there is no geomorphic evidence of recent faulting along the inferred fault segments. Therefore, the project would result in a no impact associated with fault rupture.</p> <p>ii. Ground shaking from an earthquake can be mitigated by adherence to the seismic provisions of the current edition of the Uniform Building Code (UBC) and California Building Code (CBC), which would be minimum requirements of any subsequent development of the project site. Therefore, the potential impact to structures from ground shaking will be reduced to a less-than-significant level.</p> <p>iii. Other than liquefaction, which is discussed below, other seismic-related ground failure hazards are not associated with the mapped soil type. Therefore, the project would result in no impact from these hazards.</p> <p>iv. The potential for on-site or off-site landslide does not exist because the project site is essentially flat and hills are not located nearby. Therefore, the project would result in no impact associated with</p>				

- landslides.
- b. The soil type at the annexation site is mapped as Coombs gravelly loam, 0 to 2 percent slopes, by the U. S. Department of Agriculture, Soil Conservation Service (SCS 1978) which is a nearly level soil on old low terraces and old alluvial fans. The top soil is moderately well drained suited to small grains with subsurface clay. This soil type is found on land with little or no slope and is listed as having little or no erosion hazard and very strong to medium acid. No development is proposed which would disturb the existing soil on the Domaine Chandon site. Therefore, the project would result in a **no impact** associated with top soil loss and erosion.
 - c. The “Liquefaction Susceptibility Map” prepared by Janet M. Sowers et al. (1988) indicates the site lies at the contact of a Low to Moderate (L-M) Zone of liquefaction risk. Subsidence, settlement, and liquefaction risk is considered low to moderate for the area and soils. Therefore, the soil condition represents a low potential impact to the existing structures and a **less-than-significant** impact.
 - d. Impacts of expansive and corrosive soils can be mitigated through the preparation of a site-specific geotechnical study that includes design criteria for remedial grading of corrosive, weak, compressible and/or expansive surface soils to determine adequate foundation supporting capacity. No construction is proposed at the site and any future change would require a soils report. Therefore, the soil condition represents a **less-than-significant impact**.
 - e. The Domaine Chandon site is currently served by and is connected to the Town’s municipal sanitary sewer system. The use of septic tanks or alternative wastewater disposal methods would not be permitted when the site is annexed. In fact, if the Agreement, under which the unincorporated site is served by municipal services were ended, a negative environmental impact would occur to prime agricultural land which would be required to be taken out of agricultural production to serve the Visitor’s Center with an onsite wastewater system. Therefore, **no impact** will occur related to soils incapable of adequately supporting the use of septic tanks.

ISSUE				
VII. GREENHOUSE GAS EMISSIONS – Would this project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X
b) Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X
<p>SETTING: The project site is located within the Bay Area Air Quality Management District (BAAQMD) and emissions from the site fall under their jurisdiction.</p> <p>Globally, temperature, precipitation, sea level, ocean currents, wind patterns, and storm activity are all affected by the presence of greenhouse gases (GHG) in the atmosphere. Human activity contributes to emissions of six primary GHG gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons & sulfur hexafluoride. Human-caused emissions of GHGs are linked to climate change.</p> <p>The California Global Warming Solutions Act of 2006 (AB32) requires the California Air Resources Board to adopt a statewide greenhouse gas emissions limit and planning documents. The BAAQMD and the Metropolitan Transportation Commission (MTC) have teamed to develop the Plan Bay Area which links land use with transportation funding so that Sustainable Communities Strategies are developed that are designed to reduce greenhouse gas emissions.</p>				

DISCUSSION:

- a. The change in the General Plan policies which could allow annexation of the Domaine Chandon site will not result in any changes to greenhouse gas emissions and therefore, the project would result in *no impact*.
- b. No construction is proposed with the project and therefore, there will be *no impact* to existing plans, policies or regulations.

ISSUE				
VIII. HAZARDS AND HAZARDOUS MATERIALS. Would this project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				X
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e) For a project located within an airport land use plan, or, where such a plan has not been adopted, within two miles of public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized area or where residences are intermixed with wildlands?				X

SETTING:

The project is a revision in General Plan Policies and could potentially allow annexation to occur. The Domaine Chandon site stores & maintains minor amounts of general cleaning and maintenance products in compliance with adopted California regulations.

DISCUSSION:

- a. The project is a General Plan Amendment and does not involve the use and storage of chemicals. The project site itself is not anticipated to include storage of chemicals on the Department of Toxic Substances Control List of Hazardous Wastes of Concern. Therefore, the project would result in *no impact* related to transportation, accident conditions, or emissions involving hazardous substances.
- b. See (a) above.
- c. The project will not result in the emittance of hazardous materials into the environment. Therefore, the project would result in *no impact*.
- d. The project site is not included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would not create a significant hazard to the public or the environment. Therefore, the project would result in *no impact*.
- e. The project site is not located within an airport land use plan or within two miles of an airport or private airstrip. Therefore, nearby residents or people working in the project area would not be exposed to safety hazards, and *no impact* would occur.
- f. See (e) above.
- g. The proposed policy changes will not affect existing facilities or alter existing circulation or emergency services. Therefore, the continued operation of the project site would not impair an emergency access plan, and the project would result in *no impact*.
- h. The potential project site is located within an urbanized area with fire protection services. Therefore, wildlands do not exist in the vicinity and the project would not subject people or structures to risk from wildland fires. Consequently, the project would result in *no impact*.

ISSUE				
IX. HYDROLOGY AND WATER QUALITY. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Violate any water quality standards or waste discharge requirements?			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g. the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted?)			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a way that would result in substantial erosion or siltation on- or off-site?				X
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional source of polluted runoff?				X
f) Otherwise substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j) Inundation by seiche, tsunami, or mudflow?				X

SETTING:

Hinman Creek trends north-south and traverses the open area of the Domaine Chandon site. The project site is not located within the 100-year floodplain and is not subject to inundation during rainfall more severe than a 100-year event. There are no known wells or septic tanks located on site. No construction or development activity is proposed for the Domaine Chandon project site.

DISCUSSION:

- a. The project does not propose any change to the existing on-site drainage patterns nor increase the amount of water generated. The Town's objective is to retain runoff on-site and minimize off-site discharge. With annexation, waste discharge into the Town's existing sanitary sewer system would be assured. Therefore, site runoff will be managed within a planned system and the project would result in a *less-than-significant* impact associated with water quality.
- b. The project will not result in the pumping of any additional groundwater. The water table is relatively shallow and with the storm water management objective of onsite retention, there will be little interference with recharge. Therefore, the project would result in a *less-than-significant* impact associated with groundwater depletion and recharge.
- c. The project will not involve grading activities, therefore, there would be *no impact* associated with stream alteration, erosion or siltation.
- d. See (a) above.
- e. See (c) above.
- f. See (c) above.
- g. The entire project site is located outside of the 100-year floodplain. The hazard from flooding represents *no impact*.
- h. See (g) above.
- i. The project site is within inundation areas for Rector and Hennessy Dams. The dams are located east of Napa River which has levees; therefore, *no impact* will result.
- j. The site is not located in an area subject to seiche, tsunami, or mudflows. The project site is located inland from the Pacific Ocean. Mudflows typically occur in mountainous or hilly terrain; the project site and surrounding areas are relatively flat. Therefore, *no impacts* will result from the effects of seiche, tsunami, or mudflows.

ISSUE				
X. LAND USE AND PLANNING. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X
<p>SETTING: The project site is already developed and adjacent to a highly urbanized area – the Town of Yountville - in what is otherwise a sea of agriculture. The project will amend the Town of Yountville General Plan to recognize this existing connection between the Domaine Chandon commercial activity and the Town of Yountville. Not only does one need to go through Town of Yountville to access the primary access point of Domaine Chandon, but one has to cross over Town-owned land. This relationship creates both a physical association with Yountville and its business district as well as a social connection. Additionally, it will protect agriculturally zoned property adjacent to and surrounding all of the Town limits.</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> a. Annexation of the Domaine Chandon Visitor’s Center would enhance the connectivity to this established commercial use as the access to the site is through the Town of Yountville on town roads. There would be <i>no impact</i> as a result. b. With the adoption of the General Plan Policies proposed and site rezoning, the use will be consistent with the uses allowed in the zoning designation and, therefore, would result in <i>no impact</i>. c. There are no habitat conservation or natural community conservation plans that apply to the project site, therefore, <i>no impact</i> is anticipated as a result of the project. 				

ISSUE				
XI. MINERAL RESOURCES. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X
SETTING: No mineral resources are located within the Town of Yountville.				
DISCUSSION:				
<ul style="list-style-type: none"> a. Mineral resources of regional or state significance are not located within Yountville. Therefore, the project would have <i>no impact</i>. b. Mineral resources of local significance do not exist within or adjacent to the project site. Therefore, the project would result in <i>no impact</i>. 				

ISSUE				
XII. NOISE. Would the project result in?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				X
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				X
c) A substantial permanent increase in ambient noise levels in the project vicinity above level existing without the project?				X
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels.				X
SETTING: The Town of Yountville has adopted goals within the General Plan to reduce noise wherever possible. The Municipal Code establishes standards, including ambient noise levels and restriction on hours where construction activities can take place.				
DISCUSSION:				
<ul style="list-style-type: none"> a. The Domaine Chandon site is not proposed for any changes resulting in <i>no impacts</i> due to noise. b. See (a) above. c. See (a) above. 				

- d. See (a) above.
- e. The project site is not located near an existing airport or private airstrip and is not located within an existing airport land use plan. Therefore, *no impact* would occur.
- f. See (e) above.

ISSUE				
XIII. POPULATION AND HOUSING. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X
<p>SETTING: The population of Yountville is approximately 3000 with about 1000 residential units. As discussed in the LSA report (Attachment B), no increase in the number of Domaine Chandon employees is anticipated, operations are expected to remain as-is.</p> <p>DISCUSSION:</p> <p>a) The fiscal analysis discusses the revisions to the current format changes of the food service operations at Domaine Chandon with the closure of the Etoile restaurant, which results in a reduction of employees at the Domaine Chandon site. This could also always be changed back to the current format. Therefore, <i>no impact</i> is associated with the project.</p> <p>b) See (a) above.</p> <p>c) See (a) above.</p>				

ISSUE				
XIV. PUBLIC SERVICES. Would the project result?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
In substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
a) Fire protection?				X
b) Police protection?			X	
c) Schools?				X
d) Parks?				X
e) Other public facilities?			X	

SETTING:

Fire Protection

Fire protection and emergency medical service (EMS) are provided to the Town of Yountville through contractual agreements between the Town, the Veterans Home, and Napa County who contract for the service with CalFire. This cooperative fire protection arrangement provides for automatic “cover” engine response to Yountville from the Rutherford or Napa stations whenever all fire equipment in Town is committed or unavailable. The majority of the calls for service are to the Veteran’s Home with the Town of Yountville having the lowest call volume.

The Yountville Station (#12) is a shared services station funded by the County, Town and the Veterans Home. It is located at California Drive and Solano Avenue (7401 Solano Avenue), west of State Route 29 approximately one mile, or three minutes away. Average response time is three minutes for emergency calls and three to five minutes of non-emergency calls.

The fire station has a minimum of four paid firefighters daily who man two pieces of equipment: an engine and a ladder/rescue truck. CalFire provides three levels of emergency medical service: 1) first responder (advanced first aid); 2) emergency medical technician (EMT); and 3) EMT with defibrillation capabilities. Paramedic services are provided through a contracted ambulance service.

All of the fire fighters are trained to provide basic life support.

Law Enforcement

Law enforcement, dispatch, and investigation services are provided through contract with the Napa County Sheriff’s Department. The Town contracts annually for three full-time deputies, and a minimum coverage of 80 hours per week. The Sheriff’s Department designates one deputy per shift to serve the Town. The patrol area of Yountville is one square mile and is part of the larger 150 square mile patrol area identified as Beat 3. Approximate response times for all calls are as follows: Emergency calls (4 minutes), Urgent calls (6 minutes), Routine calls (12 minutes). The Sheriff’s local station is at 6546 Washington Street. The main office is located in Napa, approximately 14.7 miles (18 minutes) from the Town. In most cases, town contracted sheriff personnel are the first responders to the Domaine Chandon Visitor’s Center.

Schools

The local Yountville Elementary School is administered by the Napa Valley Unified School District (NVUSCD). K–5 children attend this school with grades 6–8 attending Redwood Middle School in north Napa and grades 9–12 attending Vintage High School in north Napa. The local school facility was improved in 2004 with the addition of a new multipurpose building and playground equipment. With the relatively static population growth, there is currently adequate capacity at Yountville Elementary to serve the local population.

Parks

Active park and recreation facilities within the Town include: Yountville Community Park, Vineyard Park, Veteran’s Memorial Park, Toyon Terrace Tot-Lot, Yountville Elementary School playfields, Oak Circle Park and the Hopper Creek multi-use bike path. Passive use parks include Hopper Creek Park, Forester Park, Van de Leur Park, and Washington Street Park. These facilities represent a total of approximately 13 acres of park area and do not include the park areas at the Veterans Home. These 13 acres serve a population of approximately 2,900 residents, one-third of who reside at the Veterans Home.

DISCUSSION:

Since there is no proposed modification to the Domaine Chandon site, the project would not create a demand for fire services; therefore, the project would result in a *no impact* to fire protection services.

- a. The Napa County Sheriff’s Department currently serves the Town of Yountville including the Domaine Chandon site. Attachment C, Domaine Chandon Parcel Yountville Annexation Fiscal Impacts Analysis by ALH Econ dated May 11, 2015 determined that that there would be service costs incurred to the Town of Yountville with these annexations, including public safety. These costs would be shifted to the Town’s contract with the County, however no increase in demand for the services would occur. Therefore, the project would result in *less than significant impact* to police protection services.
- b. Since no new employees are anticipated as a result of the project, there would be *no impact* to school facilities.
- c. See (c) above.
- e. See (c) above.

ISSUE				
XV. RECREATION.	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Does the project include recreational facilities or require the construction of expansion of recreational facilities that might have an adverse physical effect on the environment?				X
SETTING: As discussed above, the Town of Yountville has parks and a community center to serve residents and visitors.				
DISCUSSION:				
<ul style="list-style-type: none"> a. The project would not result in an increase in population that would require the development of new parks or other recreational facilities. Therefore, the project would result in <i>no impact</i> to recreation facilities and would not result in the degradation of existing parks and/or open spaces. b. See (a) above. 				

ISSUE				
XVI. TRANSPORTATION/TRAFFIC. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways, and freeways, pedestrian, and bicycle paths, and mass transit?				X
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated road or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X
SETTING: The Town of Yountville is located adjacent to Highway 29 which is the primary access to the Town from the Bay Area to the south via Interstate 80 and from the up-valley communities of St. Helena and Calistoga and northerly to Highway				

101. In addition, Silverado Trail to the east also connects the Town both northerly and southerly as an alternate route. The Town of Yountville recently completed an update to their Circulation Element which showed that, even with build-out conditions, the road network will operate at acceptable levels of service. In addition, the Town has an extensive system of pedestrian paths and a segment of the Vine Trail is currently under construction southerly from the Town to provide a link to the City of Napa. When completed, the Vine Trail will link the Up Valley cities and the Town with American Canyon to the south.

DISCUSSION:

- a. Should the Domaine Chandon property be annexed, no changes in trip generation would be anticipated as no changes in development are anticipated. All key intersections would continue to operate at LOS “C” or better during the weekend mid-day peak hour. In addition, transit and pedestrians as well as bicyclists will not be affected by the project. Therefore, *no impact* will result.
- b. See (a) above.
- c. The project would not require any changes to existing regional air traffic activity and the project site is not located near an airport. Therefore, *no impact* to air traffic would occur.
- d. There would not be any changes to driveway access and there are no existing sight distance problems. Therefore, *no impact* will result.
- e. No change to the Domaine Chandon emergency access will occur as a result of the proposed changes to the General Plan. Therefore, the project would result in a *no impact* associated with emergency access.
- f. No change to transit, bicycle or pedestrian facilities are proposed as a result of the project. Attachment C Domaine Chandon Parcel Yountville Annexation Fiscal Impacts Analysis by ALH Econ dated May 11 2015 states that the Town is currently already paying for the service of the Trolley transit bus and maintenance of the road to access Domaine Chandon without benefiting from the tax revenue from the Domaine Chandon Visitors Center. Given that there are no changes to existing levels of service, there is *no impact* anticipated.

ISSUE				
XVII. UTILITIES AND SERVICE SYSTEMS. Would the project?	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansions of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projects demand in addition to the provider's existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

SETTING:

Wastewater

The Town of Yountville is currently served by a publicly owned sewer system operated by the Town. The Town's wastewater collection system flows by gravity to a pumping station where it is metered and pumped to the treatment plant located within the golf course grounds (at California Drive and Solano Avenue). The treatment plant is owned by the Town of Yountville and serves the California Veterans Home, Department of Veterans Affairs under contract. The treatment plant operates in compliance with the Regional Water Quality Control Board.

The average dry weather flow in 2020 is projected to be 0.63 mgd (million gallons/day), over a 50% increase in comparison to current volumes. Of this amount, 0.36 mgd is projected to come from the Town and 0.27 mgd is projected to come from the Veterans Home. While the Town will contribute over 50% of the flow volumes, the Veterans Home will contribute over 50% of total dissolved solids (TDS) and biochemical oxygen demand (BOD). The dry weather capacity of the joint treatment plant (0.63 mgd) is the same as the projected Year 2020 wastewater flows of 0.63 mgd. Therefore, an expansion of the facility is unnecessary.

Advanced secondary treatment is provided at the Yountville/Veterans Home Wastewater Treatment Plant to produce reclaimed water for irrigation of Vintners Golf Course and six vineyards. Vineyards currently served in the unincorporated Napa County area include Chimney Rock, Silverado, Stag's Leap, Clos du Val, Mondavi, and Beringer. The Town maintains approximately 5.5 miles of irrigation lines to provide service to these facilities. The advanced secondary treatment consists of filtration following regular secondary treatment, which allows irrigation of areas with restricted public use. In 2015, the facility recycled 85% of its treated wastewater through these vineyard contracts, insuring an adequate water supply to these businesses while protecting limited fresh water sources in the groundwater basin.

Treated effluent from the Wastewater Plant is disposed of at different locations depending upon the time of year and reclaimed water irrigation demands. During the winter and spring, the effluent is discharged to the Napa River when river flows are sufficiently high. During the summer and fall, reclaimed water is sprayed on the Vintners Golf Course and transported to six vineyards. Under the contract with the Veterans Home, the amount of wastewater that is generated by the Veterans Home must be sprayed on the Vintners Golf Course.

The treatment plant has two discharge permits from the Regional Water Quality Control Board (RWQCB): a National Pollutant Discharge Elimination System (NPDES) permit to discharge to the Napa River and a Water Reclamation Requirement Order for reclaimed water use and spray irrigation. The NPDES permit allows discharge to the Napa River under flow conditions that are sufficient to achieve a 25 to 1 dilution factor for highly treated effluent that meets advanced secondary treatment standards. Discharge to the Napa River is generally prohibited from May 16 through September 30 of each year. Discharge to the river for a period not to exceed a month may be allowed upon written request to the RWQCB provided that adequate dilution is available within the river.

As flow volumes increase, there will be a need to develop additional storage facilities and/or additional irrigation disposal capacity for the wastewater effluent that is generated during the dry season when there is no discharge to the Napa River. The Wastewater Treatment Plan Master Plan Update found that the most cost-effective effluent reuse and disposal program includes a combination of storage ponds, discharge to the Napa River, and irrigation of golf courses and other crops.

As stated in the introduction in the Project Description section of this document, the Town has served the Domaine Chandon Visitor's Center, Restaurant and administrative offices since 1992 under contract. Please note that only the commercial uses at Domaine are connected to the Town's system; winery process wastewater is disposed of onsite.

Currently the Domain Chandon property contribution to the wastewater flow at the Town's Plant is approximately 1% of the total flow.

Water Supply

The Town of Yountville obtains its water supply from the Veterans Home of California, which provides treatment of water from Rector Reservoir. A municipal well has also been constructed for the purposes of providing a back-up supply during drought conditions or emergency, and would not be relied upon as a primary water source. Monitoring sites have been established in the vicinity of the well to monitor both the water quality, as well as the groundwater level, and if groundwater levels drop substantially, the well production would be adjusted. A Groundwater Management Plan was prepared by West Yost & Associate. The total projected water demand for the Town at maximum buildout is 679 acre feet (af) in normal years, 611 af in below normal years, and 543 af in dry years. The Yost report projected 31 acre feet to be available for projects beyond those known projects that were assigned a direct water allocation.

In July of 2004 the Town completed a Water Supply Plan Update concluding that, with the construction of a municipal well for emergency and drought backup, the Town has adequate water supply for existing and future development needs contained in the general plan. The Plan includes projected water demands for all future projects and during normal and single-dry year conditions. With the back-up municipal well and the long-term contract for water supply with the State of California for Rector Reservoir supply, the Town's water needs are met into the foreseeable future. The Town's five-year Capital Improvement Plan includes several projects to replace and upgrade the existing water system infrastructure. Any future development which could occur as a result of the General Plan policy changes would not exceed Town available supplies and would be required to include low use water features in the design of the project improvements.

Storm Drainage

The project could allow for future development all sites which may be impacted by development are outside of the 100 year floodplain. All existing site drainage is either contained on-site or flows to Hinman or Hopper Creeks by the

public storm drain system design.

Utilities

Pacific Gas and Electric (PG&E) Company delivers natural gas and electricity to the Town. Pacific Bell and other telephone companies provide basic telephone service to this area. Any potential future development project within the area served by these private companies is insignificant, and is not expected to require the alteration or expansion of existing systems.

Solid Waste

The Upper Valley Disposal Company provides solid waste collection services to the Town. The waste is deposited at the Clover Flat Landfill which has adequate capacity to serve the needs of the Town and project for the foreseeable future.

- Total Estimated Permitted Capacity: 5,100,000 (cubic yards)
 - Total Estimated Capacity Used: 2,018,054 (cubic yards) 39.6%
 - Remaining Estimated Capacity: 3,081,946 (cubic yards) 60.4%
- U.S. EPA Facility Registration System ID: 110017973139.

DISCUSSION:

- a. The Domaine Chandon Visitor's Center is already served by the Town of Yountville's treatment facility.

The RSA Onsite Wastewater Capacity Analysis (Attachment A) was prepared as a part of the proposed General Plan Policy Project. Although the report demonstrates that onsite treatment and disposal of the Domaine Chandon domestic wastewater via an ASTS is feasible; constructing a new ASTS is in conflict with Napa County General Plan policies as well as the goal of the State of California. In addition, it will require an initial capital investment as well as ongoing expenses for operations, monitoring and testing. As the system will require oversight by the Regional Board, it will also bear an ongoing risk of noncompliance as well as changing regulatory requirements.

The benefits of the Domaine Chandon Visitors Center remaining connected to the Yountville WWTP include the following:

1. Consistency with Napa County General Plan Goals and Policies related to eliminating groundwater and surface water contamination and use of recycled water.
2. The wastewater can be recycled/reused if treated at the Yountville WWTP.
3. No agricultural resources would be impacted (i.e. no removal of existing vineyards for installation of septic systems).
4. Wastewater systems serving larger communities that are operated by public entities are better maintained and are at lower risk of creating illicit discharges.
5. The existing infrastructure is in place and operational. No new construction is required.
6. No additional personnel resources are required if the Town continues to provide service. A new employee possessing the necessary certification would be required to operate and maintain a new septic system.
7. The life cycle cost of sending wastewater to the Town of Yountville is substantially less than treating on-site.

The Technical Report concludes that, although an ASTS is feasible, maintaining the existing connection to the Yountville WWTP is the superior environmental alternative for treatment of the domestic waste generated by the commercial Domaine Chandon operation.

The Domaine Chandon project site is proposed to continue to be served by the Town wastewater plant should the property be eventually annexed. The treatment plant operates in compliance with the Regional Water Quality Control Board and the project will not result in wastewater treatment requirements being exceeded due to the ability of the plant to operate within capacity. Therefore, the project would result in **no impact**.

- b. As noted above, the project would not require expanded water or wastewater facilities in that, existing facilities are adequate. Section 13.12.070 of the YMC states "A. The owner of any structure located within

the Town in which plumbing for potable water is to be installed shall, at the owner's expense, connect the plumbing of such structure directly to the proper public water main in accordance with this title." However, the Town Council could allow the Domaine Chandon Visitor's Center to remain on their existing water supply under an agreement. Water and wastewater generation from anticipated redevelopment resulting from this project is well within the capacities of existing facilities and, therefore, will result in **no impact**.

- c. No construction is anticipated as a result of the future annexation of the Domaine Chandon site. Therefore, **no** impact related to storm water facilities will result.
- d. The Domaine Chandon Visitor's Center has its own water system which is not proposed to be changed as a result of the project. Therefore, the project will have **no impact**.
- e. See (a) above.
- f. The project is not expected to result in any increase in the generation of solid waste. The Clover Flat Landfill has adequate capacity for the foreseeable future and therefore, **no impact** will occur to solid waste services as a result of the project.
- g. Development on the Domaine Chandon site is not proposed to change and therefore no additional solid waste will be generated resulting in **no impact**.

ISSUES				
XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?				X
b) Does the project have impacts that individually limited, but cumulatively considerable? (Cumulatively considerable means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of current projects, and the effects of probable future projects)				X
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?				X
DISCUSSION:				
<ul style="list-style-type: none"> a. The proposed policy changes to the General Plan for the project are design to minimize the environmental impacts of the proposed potential boundary changes which may result. The Domaine Chandon property is already commercially developed and not proposed for intensification of use. In fact, being annexed to the Town of Yountville will insure that the site continues to be served by the Town's Wastewater Plant as the site is currently served by an Out-Of-Agency Agreement which can be cancelled with a minimum of one year's notice. This is the Environmentally Superior Alternative over construction of an on-site sewer facility which will take prime agricultural land out of production. Therefore, the project will result in no impact. b. The Domaine Chandon property will be pre-zoned Primary Commercial which is consistent with its current county zoning of CL (Commercial Limited). Therefore, the project will result in no impact to long-term environmental goals. c. There have been no environmental effects identified in the analysis above resulting from the project that would have substantial adverse effects on human beings, directly or indirectly; therefore, no impact will occur. 				

Exhibit A

Yountville Planning Area

Legend

-  Planning Area
-  Town Boundary



EXHIBIT "B"

DOMAINE CHANDON AFFECTED TERRITORY
 AREA TO BE ADDED TO SPHERE OF INFLUENCE

REORGANIZATION TO THE TOWN OF YOUNTVILLE

PORTION OF A.P.N. 034-140-022

NAPA COUNTY, CALIFORNIA

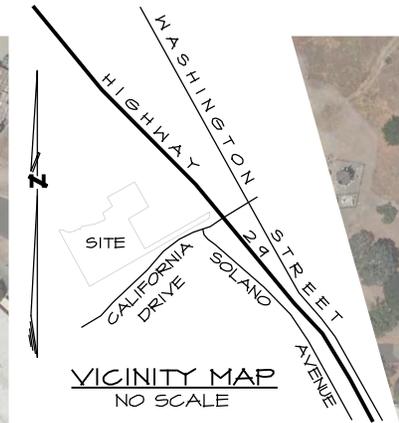
BEING A PORTION OF THE CAYMUS RANCHO

PREPARED BY:

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SECTION 2

CAYMUS RANCHO LINE

POINT OF BEGINNING

$S75^{\circ}00'21''W$
2990.73'

EAST 1/4 CORNER OF SECTION 2, TOWNSHIP 6 NORTH, RANGE 5 WEST, MOUNT DIABLO MERIDIAN

APN 034-140-022

13.41 ACRES

APN 034-140-027

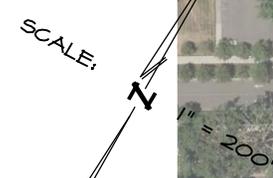
APN 034-140-023

APN 034-140-012

APN 034-140-023

APN 036-330-008

PARCEL LINE TABLE		
COURSE #	DIRECTION	LENGTH
1	N79°46'50"E	19.65'
2	S80°58'13"E	39.92'
3	S63°57'27"E	26.38'
4	S73°37'20"E	47.50'
5	N75°12'04"E	59.32'
6	N53°52'06"E	55.11'
7	S44°41'03"E	21.56'
8	N19°55'59"E	41.01'
9	N79°02'41"E	167.81'
10	N69°25'48"E	129.29'
11	N20°49'36"W	86.65'
12	N53°06'49"E	134.57'
13	N29°23'24"W	114.07'
14	N60°50'03"E	93.24'



DISCLAIMER:
 FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

LEGEND
 ——— EXISTING BOUNDARY LINE
 ——— PROPOSED DISTRICT BOUNDARY



DOMAINE CHANDON

ONSITE WASTEWATER CAPACITY ANALYSIS

Prepared for

TOWN OF YOUNTVILLE
6550 YOUNT STREET
YOUNTVILLE, CA 94599

APN's: 034-140-022 and 034-140-027

Property Owner:

Domaine Chandon, Inc.
1 California Drive
Yountville, CA 94599

Project# 4114095.0
June 10, 2015





TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION.....	1
SITE EVALUATION.....	2
DOMESTIC WASTEWATER GENERATION	2
PRETREATMENT AND SUBSURFACE DRIP CONCEPTUAL DESIGN.....	2
OPERATION AND MAINTENANCE	3
IMPACT TO VINEYARDS.....	3
IMPACT TO TOWN OF YOUNTVILLE’S WASTEWATER TREATMENT PLANT	4
NAPA COUNTY GENERAL PLAN POLICY	5
CONCLUSION.....	5

ATTACHMENTS

1. SITE CONSTRAINTS MAP
2. PRETREATMENT SCHEMATIC
3. NAPA COUNTY ORDINANCE 13.16.010
4. NAPA COUNTY GENERAL PLAN POLICY
Goal CON-8, Policy CON-42, Policy CON-50, Policy CON-62
5. SUPPLEMENTAL ECONOMIC EVALUATION OF ALTERNATIVES FOR WASTEWATER
TREATMENT REPORT



EXECUTIVE SUMMARY

This technical report demonstrates that a Napa County Alternative Sewage Treatment System (ASTS) is a feasible alternative to serve the Domaine Chandon facility in lieu of the existing connection to the Town of Yountville's wastewater treatment plant (WWTP.) Although an ASTS was found to be feasible, maintaining the existing connection to the Yountville WWTP is a superior alternative based on the following findings:

1. Continuing wastewater discharge to the Yountville WWTP is consistent with Napa County General Plan goals as it reduces the potential for groundwater and surface water contamination.
2. Continued wastewater discharge to a public treatment facility is a goal/policy of the Regional Board because these publically operated plants are at a lower risk of illicit discharge and generally better maintained.
3. Agricultural resources are preserved in keeping with Napa County General Plan policies as there would be no need for removal of a portion of the existing vineyards for installation of a new septic system.
4. The wastewater will continue to be recycled and reused if treated at the Yountville WWTP. Encouraging recycle and reuse is consistent with Napa County General Plan Policy.
5. The existing infrastructure is paid for, in place and operational. No new construction is required at the expense of Domaine Chandon.
6. No additional personnel or resources would be required to operate and maintain a new on-site septic system.

INTRODUCTION

The Town of Yountville is seeking to annex part of the Domaine Chandon property. The property is located just outside the southern tip of the Town of Yountville, adjacent to Highway 29.

The Town is considering expanding its sphere of influence to include the portion of Domaine Chandon that is commercially developed and is currently served by the Town's wastewater treatment plant (WWTP). The commercial development includes the restaurant, tasting room, visitor center, offices and areas with various other uses.

This report evaluates the feasibility of designing and constructing an onsite Alternative Sewage Treatment System (ASTS) in the event that the facility is not annexed and the commercial uses were disconnected from the Town's WWTP. Winery process water is currently treated on-site



and reused for irrigation. The treatment and reuse of winery process waste will not be affected by the proposed annexation and is not a part of this technical study.

SITE EVALUATION

Napa County utilizes a site evaluation investigation procedure to determine if a property can accommodate a conventional standard system or an ASTS. Based on recent site evaluations for adjacent properties, we do not foresee sufficient area with a soil profile that is suitable for a conventional standard septic system. Consequently, we have focused our evaluation on the feasibility of an ASTS that meets Napa County requirements.

The NRCS soil maps show clay loam for most of the parcel. In addition, a soil and foundation report conducted by Converse, Davis & Associates in 1983 shows that a half acre area exists with at least 24 inches of soil. Based on the recent site evaluations for adjacent property, the NRCS soil map, and the 1983 soil report, we have concluded that an ASTS consisting of a subsurface drip dispersion system with pretreatment is suitable for this site. A site evaluation conforming to Napa County guidelines would be required prior to preparing a final design of this ASTS.

DOMESTIC WASTEWATER GENERATION

The proposed ASTS has been sized to accommodate the projected peak day domestic wastewater flows as calculated in Table 1 below. The number of employees, restaurant seats, and tasting room visitors are based on the program approved in Use Permits #U57677, #U428182 and #U387374. There are 100 seats at the restaurant, 110 employees and a maximum of 1,000 visitors to the tour center and tasting room allowed daily. The number of meals served was determined using the number of seats times 3.2 meals served per seat.

The projected waste flow is based on Napa County Environmental Management guidelines – Table 7. The following is a summary of the estimated sanitary waste flows from Domaine Chandon approved uses.

Table 1

Description	Units	No. Units **	Per Napa Co. Table 7	
			[gal/day/unit]	[gal/day]
Winery	Employees	110	20	2,200
Tasting Room	Visitors	1,000	3	3,000
Indoor Dining (100 Seats)	Meals	320	15	4,800
Grand Total				10,000

PRETREATMENT AND SUBSURFACE DRIP CONCEPTUAL DESIGN

Using the peak day projected flows, we have developed a conceptual design for an ASTS in accordance with the Napa County guidelines. Domestic wastewater from Domaine Chandon will flow into a new 30,000 gallon septic tank and then to a new pretreatment system with the



capability of treating effluent to a 30 mg/l BOD, 30 mg/l TSS standard. After pretreatment wastewater will be pumped to the proposed subsurface drip distribution field.

The subsurface drip field is sized to meet Napa County Environmental Management guidelines. The distribution field is proposed in the vicinity of the existing process waste treatment ponds where the NCRS mapping identifies clay loam. Attachment 1 demonstrates the area identified for the primary dispersal field. The allowable application rate for clay loam is 0.35 gallons/square foot/day. Applying a peak domestic wastewater flow of 10,000 gallons/day the following calculation would determine the required size of the dispersion field:

$$\text{Dispersal Field Required Area} = \frac{10,000 \text{ gpd}}{0.35 \text{ gpd/SF}} = 28,572 \text{ square feet}$$

Based on our experience with similar systems, we anticipate the capital cost to design, permit and construct the above ASTS would range from \$400,000 to \$450,000.

OPERATION AND MAINTENANCE

The proposed subsurface drip system would be fully automated and would be designed so minimal input from winery staff is required. Per Napa County guidelines, semi-annual monitoring and evaluation of the dispersal system would be required to be performed by a Registered Civil Engineer, Registered Environmental Health Specialist or Licensed Contractor. A system operation contract would be required prior to the final inspection for the system installation. We anticipate the inspection and operation of the subsurface drip dispersion system would cost approximately \$800 to \$1,200 per year.

Since Domaine Chandon produces a peak daily flow in excess of 5,000 gallons per day, the proposed system would require Regional Water Quality Control Board Approval per County Code 13.16.010 (See Attachment 3). The Regional Water Board would likely require a Grade III treatment operator to prepare regular testing and monthly reporting of the pretreatment system. Based on our experience with similar permits, we estimate the operation, monitoring, and testing of the pretreatment system would cost approximately \$80,000 per year. (See Attachment 5.)

Based upon the wastewater generated by the commercial operation at Domaine Chandon, the cost per gallon of wastewater generated (which includes construction, ongoing maintenance, depreciation, permit monitoring etc.) is \$47 per 1,000 gallons. (See Attachment 5.)

IMPACT TO VINEYARDS

The subsurface drip dispersal fields would interfere with vineyard operations and fruit quality. The vineyards within the primary field would be substantially degraded due to excess nutrients and normal vineyard operations would likely damage the shallow drip system.



Consequently, we anticipate a total area of 34,210 square feet of vineyard will need to be cleared to accommodate the primary dispersal field as a result of the construction of an on-site system.

In addition to the primary dispersal area of 28,572 square feet, a 200% reserve area is required. The total required domestic wastewater reserve area is 57,144 square feet. The total combined area required for the primary and reserve is 85,716 square feet. The reserve areas are depicted immediately north of the primary dispersal field. Reserve fields do not interfere with vineyard operation or fruit production and are only required for actual use if the primary field fails. In the event that the primary field failed, the vineyards in one of the two reserve areas would have to be cleared to replace the primary field.

Therefore, at a minimum, 34,210 square feet (0.8 acre) of grape production would be taken out of production as a result of construction of an on-site system. If there were a failure of the system, potentially up to 91,354 square feet (2.1 acres) could be affected.

IMPACT TO TOWN OF YOUNTVILLE’S WASTEWATER TREATMENT PLANT

The Town of Yountville’s wastewater treatment plant (WWTP) has a rated capacity for average dry weather flow (effluent) of 0.55 Million Gallons per Day (MGD). The actual average dry weather flow was 0.295 MGD in the 2014 year. The 3 year average for 2011-2014 is 0.332 MGD (Source: E-mail correspondence with Don Moore, the Town’s Utility Operations Manager dated February 3, 2015). The peak daily flow from Domaine Chandon is 0.01 MGD. The Town of Yountville’s wastewater treatment plant would see a 3% decrease of effluent flow should Domaine Chandon be disconnected from the Town’s sewer system.

The potential “ultimate build-out” of Yountville and the Veteran’s Home, in 1977, was estimated at a population of 5,900 (Town) plus 2,750 (Veteran’s Home). However, current growth projections for the Town are significantly less than the 1977 projections. The new 2015 Housing Element projects that the population could increase to 3,800 by 2040, but even this increase appears unrealistic in light of the available land to accommodate additional growth. When the WWTP was designed, it was sized for a population of 1,500 (Town) + 1,650 (Veteran’s Home) = 3150 x 175 gallons/day = 551,250 (.55 MGD). With an existing population of 2,890, 3,800 would represent a 28% increase. A 28% increase in the current wastewater generation would be 0.378 MGD (0.295 MGD x 1.28). This is well within the existing capacity of the WWTP and the 0.01 MGD from Domain Chandon is relatively insignificant.

Wastewater Source	Average Dry Weather Flow (MGD)
Existing Capacity of WWTP	0.55
3 year Average (2011-2014)	0.332
Population 3,800 build-out (2040)	0.378
Domain Chandon	0.01



Based on the above summary, the Town's WWTP has adequate capacity to continue to serve the Domain Chandon property. The current full cost to treat wastewater at the Yountville plant (including treatment costs, depreciation, recycled water operation etc.) is \$7.92 per 1,000 gallons of wastewater treated. (See Attachment 5.)

NAPA COUNTY GENERAL PLAN POLICY

Napa County's General Plan has several goals and policies discouraging new septic systems where existing treatment and recycling facilities are available, including the following:
Goal CON-8, Policy CON-42, Policy CON-50, Policy CON-62 (See Attachment 4).

CONCLUSION

This report demonstrates that onsite treatment and disposal of the Domaine Chandon domestic wastewater via an ASTS is feasible. However, constructing a new ASTS is in conflict with Napa County General Plan policies as well as the goal of the State of California. In addition, it will require an initial capital investment as well as ongoing expenses for operations, monitoring and testing. As the system will require oversight by the Regional Board, it will also bear an ongoing risk of noncompliance as well as changing regulatory requirements.

The benefits of remaining connected to the Yountville WWTP include the following:

1. Consistency with Napa County General Plan Goals and Policies related to eliminating groundwater and surface water contamination and use of recycled water.
2. The wastewater can be recycled/reused if treated at the Yountville WWTP.
3. No agricultural resources would be impacted (i.e. no removal of existing vineyards for installation of septic systems).
4. Wastewater systems serving larger communities that are operated by public entities are better maintained and are at lower risk of creating illicit discharges.
5. The existing infrastructure is in place and operational. No new construction is required.
6. No additional personnel required to operate and maintain a new septic system.
7. The life cycle cost of sending wastewater to the Town of Yountville is substantially less than treating on-site.

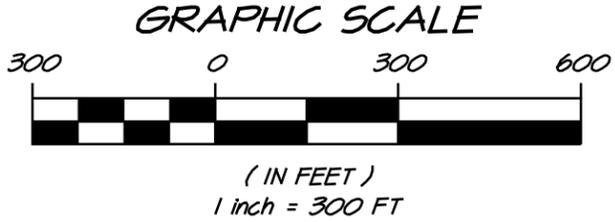
This Technical Report concludes that, although an ASTS is feasible, maintaining the existing connection to the Yountville WWTP is the superior environmental alternative for treatment of the domestic waste generated by the commercial Domaine Chandon operation.



ATTACHMENT 1

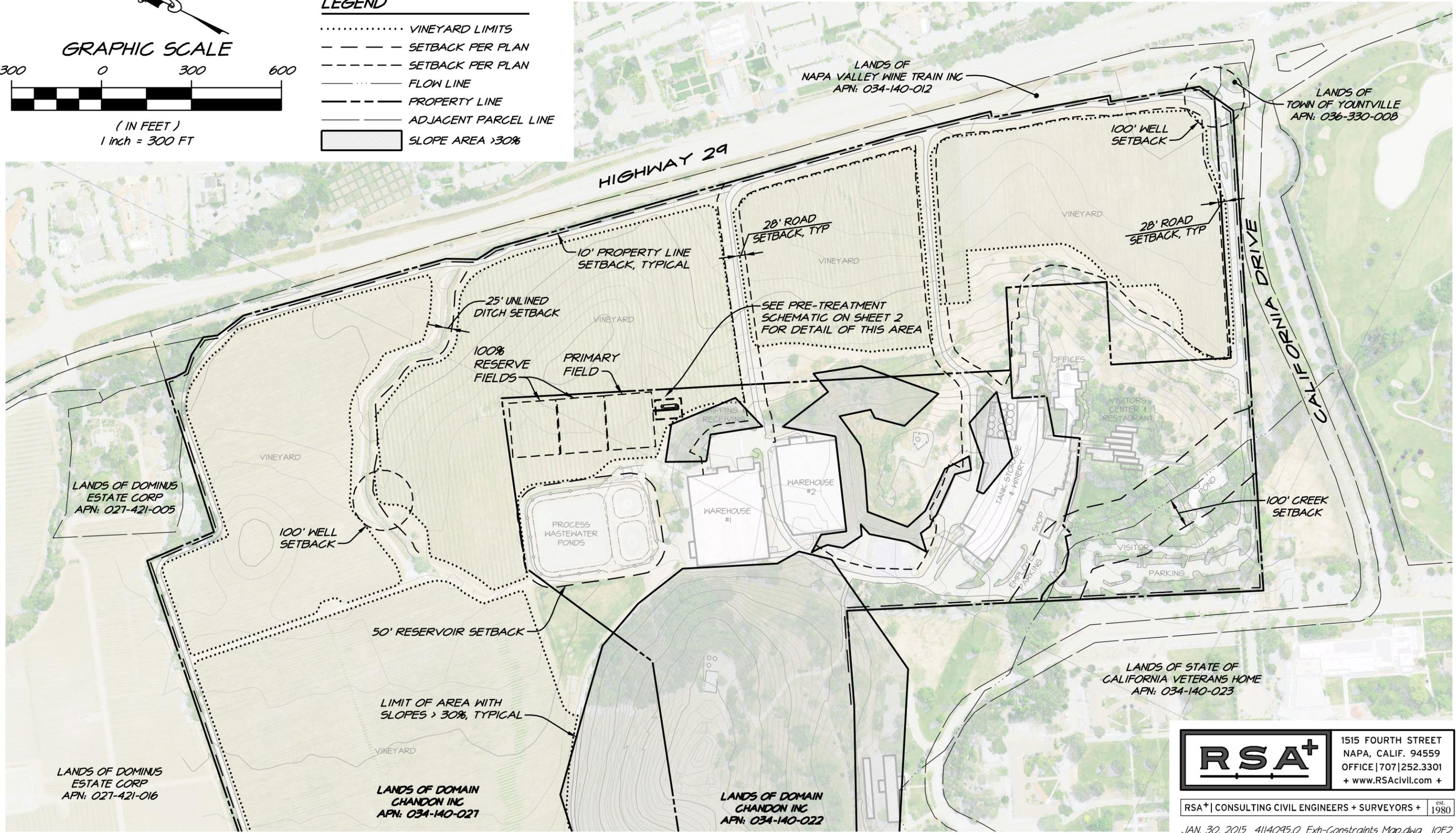
Site Constraints Map & Conceptual Plan

DOMAINE CHANDON ON SITE WASTE DISPOSAL CONSTRAINTS MAP



LEGEND

- VINEYARD LIMITS
- - - - - SETBACK PER PLAN
- - - - - SETBACK PER PLAN
- FLOW LINE
- - - - - PROPERTY LINE
- - - - - ADJACENT PARCEL LINE
- ▨ SLOPE AREA >30%



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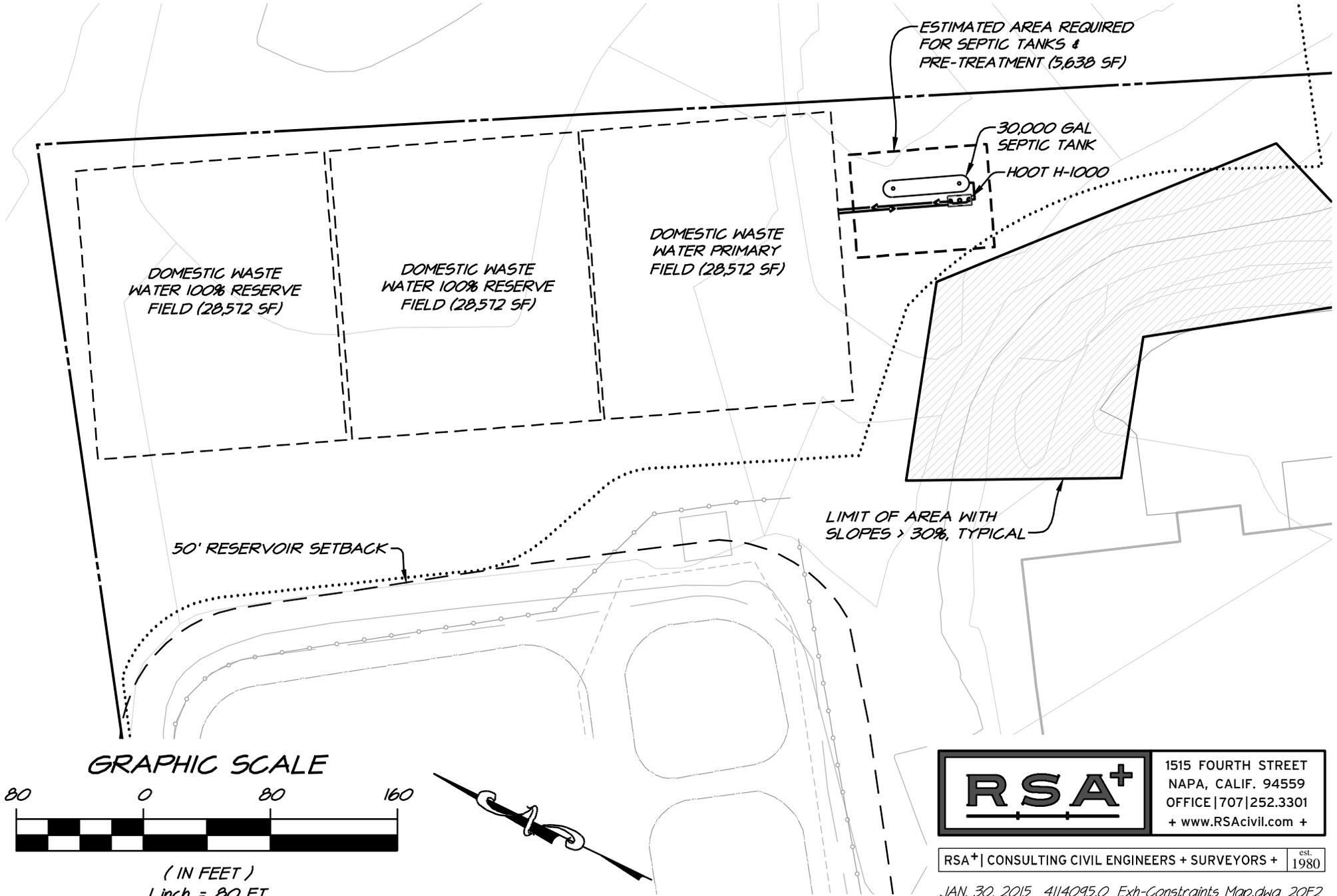


ATTACHMENT 2

Pretreatment Schematic

DOMAINE CHANDON

ON SITE DOMESTIC WASTEWATER DISPOSAL SCHEMATIC



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ATTACHMENT 3

Napa County Ordinance 13.16.010



Napa County Ordinance 13.16.010

Scope of Division II provisions:

- A. Chapters 13.16 through 13.56 are intended to regulate individual, private and public sewage systems with a maximum daily flow of less than five thousand gallons per day within the unincorporated portions of the county. Larger systems are regulated by the applicable Regional Water Quality Control Board.
- B. The definitions in Chapter 2 of the 2007 Edition of the California Plumbing Code (CPC) apply herein by reference where unchanged, and are referenced as e.g. "(CPC § 202.0)." If the CPC definition has been modified, it is indicated as e.g. "(CPC § 202.0, modified)."
- C. Where non-substantive changes are made in this chapter to other referenced CPC provisions or where the only substantive changes in this chapter are modifications of this code to conform to the CPC, then the CPC section, table number, or appendix is noted at the end of the section. Where substantive modifications have been made from the CPC provision, then the CPC section, table number, or appendix is noted at the end of the section followed by the word "modified."



ATTACHMENT 4

Napa County General Plan Policy
Goal CON-8, Policy CON-42, Policy CON-50, Policy CON-62



Napa County General Plan Policy:

Goal Con-8: Reduce or eliminate groundwater and surface water contamination from known sources (e.g., underground tanks, chemical spills, landfills, livestock grazing, and other dispersed sources such as septic systems).

Policy Con-42: The County shall work to improve and maintain the vitality and health of its watersheds. Specifically, the County shall:

- a) Use all available sources of assistance to protect and enhance the Napa River and its tributaries and watershed to meet or exceed water quality standards imposed by state and federal authorities (e.g., pursue grants and other funding opportunities to assist in the identification, testing, and improvement of individual septic as well as community waste disposal systems, and to support watershed monitoring/sampling and scientific understanding to inform and develop effective and targeted management options in an adaptive and locally driven manner).
- b) Reduce water pollutants through education, monitoring, and pollutant elimination programs (e.g., watershed education and monitoring programs identified in the Watershed Information Center and Conservancy (WICC) Strategic Plan and Napa County/Resource Conservation District (RCD) Watershed Programs, and pollution reduction goals outlined in Napa County's Phase II National Pollution Discharge Elimination System (NPDES) General Permit from the State Water Board).
- c) Support voluntary cooperative efforts in watershed planning to identify and establish habitat enhancement goals on various reaches of the Napa River and its tributaries, including, but not limited to, the development of localized watershed management plans, project identification, implementation and monitoring to support adaptive management (e.g., Napa Green Certified Land/Fish Friendly Farming, Rutherford Dust Restoration Team, Resource Conservation District's Stewardship Program, on- and off-site habitat protection and mitigation programs, and dozens of other active efforts currently planned or now underway).
- d) Support environmentally sustainable agricultural techniques and best management practices (BMPs) that protect surface water and groundwater quality and quantity (e.g., cover crop management, integrated pest management, informed surface water withdrawals and groundwater use).
- e) Promote and support the use of recycled water wherever feasible, including the use of tertiary treated water, to help improve supply reliability and enhance groundwater recharge.
- f) Support completion of the federal, state, and local government flood control projects that contribute to the health of Napa County's watersheds.
- g) Recognize that unmanaged forests and watersheds can have unintended adverse environmental consequences such as increasing the threat and intensity of wild land fires, which could lead to widespread erosion and degradation of water quality. Support voluntary efforts by landowners to reduce fuel loads in forests and watersheds to reduce this threat.
- h) Recognize that efforts to protect and preserve water for wildlife habitat and watershed health in Napa County can have long term benefits related to adequate water supplies and water quality. [Implemented by Action Items CON WR-1, 4, and 7]



Policy Con-50: The County will take appropriate steps to protect surface water quality and quantity, including the following:

- a) Preserve riparian areas through adequate buffering and pursue retention, maintenance, and enhancement of existing native vegetation along all intermittent and perennial streams through existing stream setbacks in the County's Conservation Regulations (also see Policy CON-27 which retains existing stream setback requirements).
- b) Encourage flood control reduction projects to give full consideration to scenic, fish, wildlife, and other environmental benefits when computing costs of alternative methods of flood control.
- c) The County shall require discretionary projects to meet performance standards designed to ensure peak runoff in 2-, 10-, 50-, and 100-year events following development is not greater than predevelopment conditions.
- d) Maintain minimum lot sizes of not less than 160 acres in Agriculture, Watershed, and Open Space (AWOS) designated areas to reflect desirable densities based on access, slope, productive capabilities for agriculture and forestry, sewage disposal, water supply, wildlife habitat, and other environmental considerations.
- e) In conformance with National Pollution Discharge Elimination System (NPDES) requirements, prohibit grading and excavation unless it can be demonstrated that such activities will not result in significant soil erosion, silting of lower slopes or waterways, slide damage, flooding problems, or damage to wildlife and fishery habitats.
- f) Adopt development standards, in conformance with NPDES Phase II requirements, for post-construction storm water control.
- g) Address potential soil erosion by maintaining sections of the County Code that require all construction-related activities to have protective measures in place or installed by the grading deadlines established in the Conservation Regulations. In addition, the County shall ensure enforceable fines are levied upon code violators and shall require violators to perform all necessary remediation activities.
- h) Require replanting and/or restoration of riparian vegetation to the extent feasible as part of any discretionary permit or erosion control plan approved by the County, understanding that replanting or restoration that enhances the potential for Pierce's Disease or other vectors is considered infeasible.
- i) Encourage management of reservoir outflows (bypass flows) to maintain fish life and riparian (streamside) vegetation.
- j) Encourage minimal use of chemical treatment of reservoirs to prevent undue damage to fish and wildlife resources.
- k) Prohibit new septic systems in areas where sewage treatment and disposal systems are available and encourage new sewage treatment and disposal systems in urbanized areas where there is high groundwater recharge potential and existing concentrations of septic systems.



Policy Con-62: As stated in Policy AG/LU-74, the County supports the extension of recycled water to the Coombsville area to reduce reliance on groundwater in the MST groundwater basin and exploration of other alternatives. Also, the County shall identify and support ways to utilize recycled water for irrigation and non-potable uses to offset dependency on groundwater and surface waters and ensure adequate wastewater treatment capacity through the following measures:

- a) Require (as part of continued implementation of County Code Title 13 Division 2 provisions associated with sewer systems) verification of adequate wastewater service for all development projects prior to their approvals. This requirement includes coordination with wastewater service purveyors to verify adequate capacity and infrastructure either exists or will be available prior to operation of the development project.
- b) Use wastewater treatment and reuse facilities where feasible to reclaim, reuse, and deliver treated wastewater for irrigation and possible potable use depending on wastewater treatment standards.
- c) Require proposals for non-residential construction in the Airport Industrial Area and lower Milliken-Sarco-Tulocay Creeks Area to incorporate dual plumbing to allow for the use of non-potable/recycled water when such water becomes available.
- d) Encourage the use of non-potable/recycled water wherever recycled water is available and require the use of recycled water for golf courses where feasible.



ATTACHMENT 5

Supplemental Economic Evaluation of Alternatives for Wastewater Treatment Report



DOMAINE CHANDON

SUPPLEMENTAL ECONOMIC EVALUATION OF ALTERNATIVES FOR WASTE WATER TREATMENT

Prepared for

TOWN OF YOUNTVILLE
6550 YOUNT STREET
YOUNTVILLE, CA 94599



APN's: 034-140-022 and 034-140-027

Property Owner:

Domaine Chandon, Inc.
1 California Drive
Yountville, CA 94599

Project# 4114095.0

May 26, 2015



ECONOMIC COMPARISON OF ON-SITE WASTE WATER TREATMENT VS. MAINTAINING EXISTING CONNECTION TO THE TOWN OF YOUNTVILLE

This supplemental report evaluates the annual cost per gallon of treating 7,000 gpd of sanitary waste generated by the Domain Chandon facility. This sanitary waste is currently discharged to the Town of Yountville’s system and the cost for service under the existing condition was provided by the Town’s staff. (See Attachment 1.)

The estimated capital cost to permit and construct an ASTS is \$450,000. To compare this cost to the existing system, we have annualized this expenditure using an interest rate of 3.5% and a 20 year life-cycle. The annualized capital is \$38,250 per year. (See Attachment 2.)

In addition, operating the ASTS would require testing, operation, maintenance, energy, reporting, and sludge hauling. The total annual estimating the cost of operating an ASTS is \$82,000 per year. (See Attachment 2.)

Using an average daily flow of 7,000 gallons per day. That facility would regularly generate an estimated 2.56 million gallons of waste per year. The following table summarizes the annualized cost per gallon of waste water to permit, construct, and operate a new ASTS system:

Description	Cost per year	Gallons Treated (MGY)	Cost per gallons treated
Annualized Capital Cost	\$38,250	2.56	\$.015
Annualized Operating Cost	\$82,000	2.56	\$.032
Total	\$199,450		\$0.047

The current cost per gallon to treat sanitary sewer through the Towne of Yountville’s facility is \$0.008. We conclude that the alternative to continue service to the Towne of Yountville is the economically superior alternative.

Attachments:

- 1) Town of Yountville - Cost of Wastewater Treatment
- 2) Source of Estimated Capital and Operating Costs



Attachment 1

Town of Yountville Cost of Wastewater Treatment

Town of Yountville
Cost of Wastewater Treatment
Fiscal Year 2014



General Ledger
 Expenses by Acct Type
 User: kbradbury
 Printed: 2/18/2015 7:16:35 PM

Account Number	Description	YTD Balance	
62	Wastewater Utility Operations		
62-4515-4010	Salaries - Full Time	\$ 277,365.85	
62-4515-4012	Overtime	\$ 1,308.06	
62-4515-4013	Medicare & Fica	\$ 3,720.00	
62-4515-4020	Pers Employer Rate	\$ 52,125.82	
62-4515-4030	Deferred Compensation	\$ 16,681.62	
62-4515-4040	Health Insurance	\$ 58,645.12	
62-4515-4042	Dental Insurance	\$ 6,443.56	
62-4515-4043	Vision Insurance	\$ 577.99	
62-4515-4044	Life/Disability Insurance	\$ 2,251.99	
62-4515-4049	Allocated OPEB	\$ 29,340.00	
62-4515-4050	Tuition Reimbursement	\$ -	
62-4515-4052	Cell Phone Allowance	\$ 1,125.00	
62-4515-4053	Other Employee Reimbursements	\$ 375.00	
E40	Personnel	\$ 449,960.01	
62-4515-4110	Office Supplies	\$ 204.06	
62-4515-4120	Other Supplies & Materials	\$ 3,535.01	
62-4515-4125	Chemicals	\$ 47,161.09	
62-4515-4130	Postage & Printing	\$ 595.49	
E41	Supplies	\$ 51,495.65	
62-4515-4210	Contract Services	\$ 135,434.51	
62-4515-4220	Audit & Accounting Services	\$ 2,150.00	
62-4515-4225	Bank & Fiscal Agent Fees	\$ 3,043.17	
62-4515-4280	Other Agencies	\$ 17,366.00	
E42	Services	\$ 157,993.68	
62-4515-4310	Facilities Maintenance	\$ 13,937.76	
62-4515-4320	Equipment Maintenance	\$ 33,758.67	
62-4515-4330	Vehicle Maintenance	\$ 4,260.84	
E43	Repair & Maintenance	\$ 51,957.27	
62-4515-4510	Utilities - Gas & Electric	\$ 89,990.62	
62-4515-4520	Waste Disposal & Recycling	\$ 3,946.68	
E45	Utility Services	\$ 93,937.30	
62-4515-4699	Allocated IT Costs	\$ 15,367.00	
E46	IT & Telecommunication	\$ 15,367.00	
62-4515-4710	Conference & Travel	\$ 257.48	
62-4515-4715	Meetings & Training	\$ 1,423.49	
62-4515-4720	Dues & Subscriptions	\$ 7,173.50	
E47	Staff Development	\$ 8,854.47	
62-4515-4819	Allocated Liability Insurance	\$ 12,346.77	
62-4515-4829	Allocated Property Insurance	\$ 3,769.00	
62-4515-4839	Allocated Workers' Comp Ins.	\$ 10,022.76	
E48	Insurance/Claims	\$ 26,138.53	
62-4515-5700	Machinery & Equipment < \$10k	\$ 7,447.78	
62-4515-5999	Depreciation Expense	\$ 235,143.54	
E50	Capital Outlay	\$ 242,591.32	
62-4515	Wastewater Treatment O&M	\$ 1,098,295.23	
	Thousand Gallons Treated	138,720	provided by Don Moore, Utility Operations Manager
	Cost per Thousand Gallons Treated	\$ 7.92	Fiscal Year ending 6-30-14 (audited) with estimated cost of Recycled Water Project



Attachment 2

Source of Estimated Capital and Operating Costs

On Site Waste Water Estimated Cost for Sanitary Waste Under Waste Discharge Order (WDO)

Capital Costs

Item	Description	Cost	Comment
1	Permitting & Design	\$100,000	Soft cost based on processing WDO with Regional Board & System Permit with Napa County, includes inspections for installation.
2	System Purchase and Installation	\$350,000	System cost based on premanufactured Orenco or Lyve System. Includes installation and post treatment storage tank. Assumes connects to existing discharge and minimal collection system modifications required. Treats sanitary waste only.
Sub Total		\$450,000	

Annual Operation and Maintenance Costs

Item	Description	Cost	Comment
1	Testing, Reporting, and Operations	\$62,000	Yearly cost for testing, operations, reporting, and maintenance. Assumes requirements necessary to conform to WDO based on existing systems operated and monitored by RSA+ and Heritage Systems.
2	Sludge Handling	\$20,000	Hauling 5% to 8% sludge volume off site at \$.13 per gallon costs.
Sub Total		\$82,000	



LSA ASSOCIATES, INC.
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BERKELEY
CARLSBAD

FRESNO
IRVINE
PALM SPRINGS

RIVERSIDE
ROCKLIN
SAN LUIS OBISPO

February 25, 2016

Steven R. Rogers, Town Manager
Town of Yountville
655 Yount Street
Yountville, CA 94599

Subject: Growth Inducing Impacts Analysis of Proposed General Plan Policy Revisions and Potential Future Annexation of Domaine Chandon Property

Dear Mr. Rogers:

LSA Associates, Inc. (LSA) has completed its Growth Inducing Impacts Analysis of the Town of Yountville's (Town) proposed General Plan Policy Revisions and the potential annexation of a portion of the Domaine Chandon property (Project). Our findings are described in this letter report.

EXECUTIVE SUMMARY

The Town has contracted with LSA to evaluate the potential growth inducing impacts of proposed General Plan policy revisions and potential annexation of 13.41 acres of the Domaine Chandon property.

Because no expansion of commercial use is anticipated at the Domaine Chandon property, the proposed Project would not have the potential to indirectly induce growth by removing obstacles to additional economic or population growth in the Town or Napa County, or by generating new growth, such as a demand for housing. Therefore, the proposed Project is not expected to generate growth-inducing impacts. The high demand for commercial and residential uses in Napa Valley has already transformed the Town over the previous three decades, and it is now a mostly built-out community with very limited potential for additional growth. Additional infill development within the Town would occur due to the existing economic conditions, and not as a result of annexing the Domaine Chandon property.

PROJECT DESCRIPTION

The Town of Yountville (Town) is considering General Plan revisions that would allow the Town to consider to annex 13.41 acres of the Domaine Chandon winery property (a portion of APN 034-140-022) currently occupied by commercial land uses, including a former restaurant, visitors' center, and corporate offices, plus the access road from California Drive. The potential annexation site is shown in Figure 1. While presently within Napa County jurisdiction, these facilities have been served by the Town's sewer system since 1992. The potential annexation would require amendments to several General Plan Policies related to the Town limits, annexation, growth, and agriculture, as described below.

General Plan Policy C.3.a - Issue: Measure J & Town Limits**Existing:**

1.1 Maintain the existing relationship and boundary between the Town and the surrounding agricultural land until the year 2020.

Revision:

1.1 Maintain the existing relationship and boundary between the Town and Napa County for prime farmland (prime agricultural land) and land planted with existing vineyards with the exception of the commercial component of the Domaine Chandon property since it neither contains prime farmland nor is planted as vineyard.

General Plan Policy D.4.a - Issue: Identity & Character of the Town**Existing:**

4.1 Limit future growth, through the year 2020, to the Town's current limits and the number of housing units permitted in the General Plan.

Revision:

4.1 Limit future residential growth to the number of housing units permitted in the General Plan. Permit only minor changes in the Town's current limits for the commercial component of the Domaine Chandon property served by the Town's wastewater system.

General Plan Policy D.4.e - Issue: Agriculture**Existing:**

12.1 Discourage annexation of agricultural lands to the Town through the year 2020.

Revision:

12.1 Discourage annexation of prime farmland (prime agricultural land) and land planted with existing vineyards. Strongly support the protection of agriculture in the unincorporated areas surrounding the Town and consider the annexation of the commercial component of the Domaine Chandon property served by the Town's wastewater system.

METHODOLOGY AND FINDINGS

The proposed project includes the following components:

- 1) General Plan Policy revisions to allow for potential annexation of County land
- 2) Annexation of the specific property
- 3) Potential development or intensification of use on annexed property
- 4) Potential inducement of growth at other properties.

LSA completed the following tasks to determine the potential growth inducing impacts of the proposed Project:

- Reviewed the Town of Yountville General Plan, including the Housing Element, adopted in 2015, for anticipated growth projections, information regarding available land, pending projects, and related data.
- Identified significant proposed or entitled development projects within the Town and its immediate surroundings in Napa County, to identify growth that is already occurring and then estimated if such projects would have any direct or indirect growth inducing effects from the Project.
- Identified significant opportunity sites within the Town and adjacent County lands that could receive any direct or indirect growth inducing effects from the Project.

Town of Yountville Growth Potential

The Town adopted a new Housing Element in January 2015, and is the primary source of housing and population data in this section. The Housing Element includes a recent survey of land availability and opportunity sites in the Town, as well as growth projections. According to the Housing Element, the Town's population was 2,983 in 2013. The Town's population increased slightly from 2,916 in 2000 to 2,933 in 2010, an increase of approximately one percent. Over the same time, Napa County's population increased approximately ten percent, from 124,279 to 136,484¹.

The Association of Bay Area Government (ABAG) projects that the Town's population will increase approximately 29 percent from 2010 to 2040, reaching a population of 3,800. For the same period, the countywide Napa population is expected to increase by 20 percent reaching 163,700 persons. However, the Housing Element cautions that the ABAG projections are based on growth trends from previous decades, and states that due to the limited availability of developable land in the Town, the Town population is unlikely to meet these projections.

Figure 2, the Vacant Land Map from the Yountville Housing Element Appendix B, exhibits the very limited availability of developable parcels in Town. A comparison of Figure 2 with the 2002 General Plan Figure I.3, Map of Unbuilt Parcels, shows that nearly all of the large parcels that were previously identified as unbuilt have now been developed.

As shown in Table 1 below, the remaining Vacant Land in the Town (18.69 acres) has the potential to accommodate up to 45 dwelling units, and Underutilized Land (4.88 acres) could accommodate up to 26 units. In addition, Approved Projects account for 21 units. Therefore, up to 93 additional units could be accommodated through development on approved, vacant or underutilized sites zoned for residential use. These units would accommodate approximately 172 persons, assuming a continuation of Yountville's current average household size of 1.85 persons. The Town's General Plan and Zoning Districts Map is shown in Figure 3.

¹ Town of Yountville, 2015. *Housing Element*, p. 18.

Table 1: Potential Housing Units

Land Status	Housing Units
Approved Projects	21
Vacant Land	45
Underutilized Land	26
Total	93

Source: 2015 Housing Element, Table 31.

The Town Planning and Building staff provided LSA with information regarding proposed and entitled development projects as well as the development potential of several vacant properties in Town (Refer to Attachment A, Approved and Potential Projects). The information from the Town is consistent with the recent data included in the new Housing Element. This data confirms the lack of developable parcels and the existing economic pressure to develop remaining available land.

Napa County Growth Potential

LSA also reviewed the Napa County General Plan¹ and Zoning Map² for land available for commercial or residential use in the immediate vicinity of the Town. The County's permit website was also reviewed for potential development applications in the vicinity of the Town.

The Napa County General Plan Land Use Map categorizes all land as either Urban or Open Space. Lands categorized as Open Space are subcategorized as Agricultural Resource (AR) or Agriculture, Watershed and Open Space (AWOS). These designations are intended to protect the agricultural (primarily wine) industry. Forty acres is the minimum parcel size for lands within the AR subcategory and 160 acres is the minimum parcel size for lands within the AWOS subcategory. The General Plan Land Use Map designates properties surrounding the Town as either AR or AWOS. The AWOS designation generally applies to the foothills west of Highway 29, while the AR designation applies to the valley's flatlands that are most desirable for agriculture.

As shown on Figure 4, the Napa County Zoning Map, surrounding County lands adjacent to the Town are zoned as either Agricultural Preserve (AP), corresponding to the AR General Plan designation, or Agricultural Watershed (AW), which corresponds to the AWOS General Plan designation. The use of these lands is further limited by the County's Winery Ordinance and Napa County Measure J. The only exception to the agricultural zoning in the immediate vicinity of the Town is an approximately ten acre portion of the Domaine Chandon winery that is part of the area being considered for annexation by the Town. This property, occupied by a former restaurant, visitors' center, and corporate offices, is zoned Commercial Limited (CL). The nearest other commercially zoned parcel in the County's jurisdiction is approximately two miles north of Town.

¹ Napa County, 2008. Napa County General Plan.

² Napa County, 2013. Napa County Zoning Map.

Measure J and Town Limits

In 1990 the voters of Napa County passed the Agricultural Lands Preservation Initiative (Measure J). Measure J provides that, until December 31, 2020, changes to the General Plan policies describing intent, minimum parcel size and maximum building intensity of lands designated AR or AWOS cannot occur unless approved by the voters. Measure J also requires voter approval to change the designation of AR and AWOS lands to a new designation unless certain limited exceptions apply. In 2008, Measure P was approved, which extended through year 2058 the provisions of Measure J. Annexations to cities are exempt from Measure J.

The intent of Measure J is to preserve Napa Valley as a productive agricultural landscape. The measure states that County land designated as agriculture, cannot be re-designated to another land use or subdivided into less than 40 acres. Only one house is permitted per parcel in agricultural districts. General Plan amendments dealing with open space cannot be made until the year 2058 without a yes vote of County residents. Measure J stipulates that new growth must be accommodated within the urban limit lines of existing communities.

Due to the County's significant restrictions on agricultural land that prevent its conversion to other uses, property outside the Town limits is not assumed to have development potential other than for agricultural purposes. However, the County does regularly allow the creation or expansion of wineries on agricultural lands, as subject to the provisions of the Napa County Zoning Ordinance¹. A recent example is the proposed use permit and variance for the Yountville Hill Winery, located approximately two miles north of Town. The application proposes to establish a new winery at the site of the existing Castle in the Clouds Bed and Breakfast. The winery would have an annual production capacity of 100,000 gallons and would include two new buildings with approximately 14,000 square feet of floor area, and 35,600 square feet of caves. The County Planning Commission approved the application in July, 2014, but on appeal the Board of Supervisors requested additional environmental analysis of the project. An Environmental Impact Report is currently being prepared for the project.

GROWTH INDUCING IMPACTS OF PROPOSED PROJECT

The Town proposes to revise its General Plan policies that prohibit or discourage annexation of adjacent agricultural or other lands, thereby allowing the proposed annexation to occur.

The specific property proposed for annexation is a 13.41 acre portion of the Domaine Chandon winery occupied by a former restaurant, visitors' center, and corporate offices, as shown on Figure 1. Most of the area to be annexed (approximately ten acres) is within the County's CL zoning district, but the area also includes portions of the AP district (location of the corporate offices) and AW district (the access road from California Drive).

Property proposed for annexation would have the potential for intensification of its current use. The Domaine Chandon property is a large (13.41 acre) site occupied by a former restaurant, visitors' center, and corporate offices. If annexed to the Town, the property would be rezoned as Primary Commercial (equivalent to the County's CL zoning), and would be governed by the conditions of a

¹ Napa County, 2015. Code of Ordinances, Title 18, Zoning.

new Use Permit with the Town. Intensification of uses on the site could occur if agreed upon by both the winery and the Town. However, the Town has indicated that it does not foresee an intensification of the uses at the site.

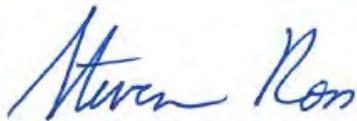
The popular Étoile Restaurant at Domaine Chandon closed on January 1, 2015. The restaurant space has since been repurposed to provide winery visitors with more space as well as an expanded Tasting Lounge menu, and the Club Chandon dedicated space in the Tasting Lounge has migrated to more luxurious and exclusive accommodations within the restaurant space. Private events and gatherings continue to be held at the site¹. These changes to the restaurant do not result in an intensification of the use of the site, and are not a result of the proposed annexation.

CONCLUSION

The proposed Project has no potential for growth inducing impacts, because no expansion of commercial use is anticipated from annexation of the Domaine Chandon property to the Town. The high level of demand for commercial and residential uses in the Napa Valley has already transformed the Town over the previous three decades, and it is now a mostly built-out community with very limited potential for growth due to strong anti-growth measures in the County. Additional infill development within the Town would occur due to existing economic pressure, and not as a result of the annexation of the Domaine Chandon property.

Sincerely,

LSA ASSOCIATES, INC.



Steven Ross
Associate

Attachments

Figures:

- 1: Domaine Chandon Annexation Site
- 2: Vacant Land Map
- 3: General Plan & Zoning Districts
- 4: County Zoning Map

Attachment A: Approved & Potential Projects

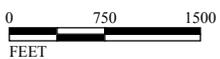
¹ Napa Valley Register, 2014. Étoile, restaurant that helped launch Napa Valley food scene, is closing. Available online at: http://napavalleyregister.com/news/local/etoile-restaurant-that-helped-launch-napa-valley-food-scene-is/article_ade54947-fc0e-543f-97ae-1dacc2f500.html (accessed December 31, 2015).



LSA

LEGEND

-  Administrative Area Boundary Line
-  Possible Boundary Change
-  Possible Annexation

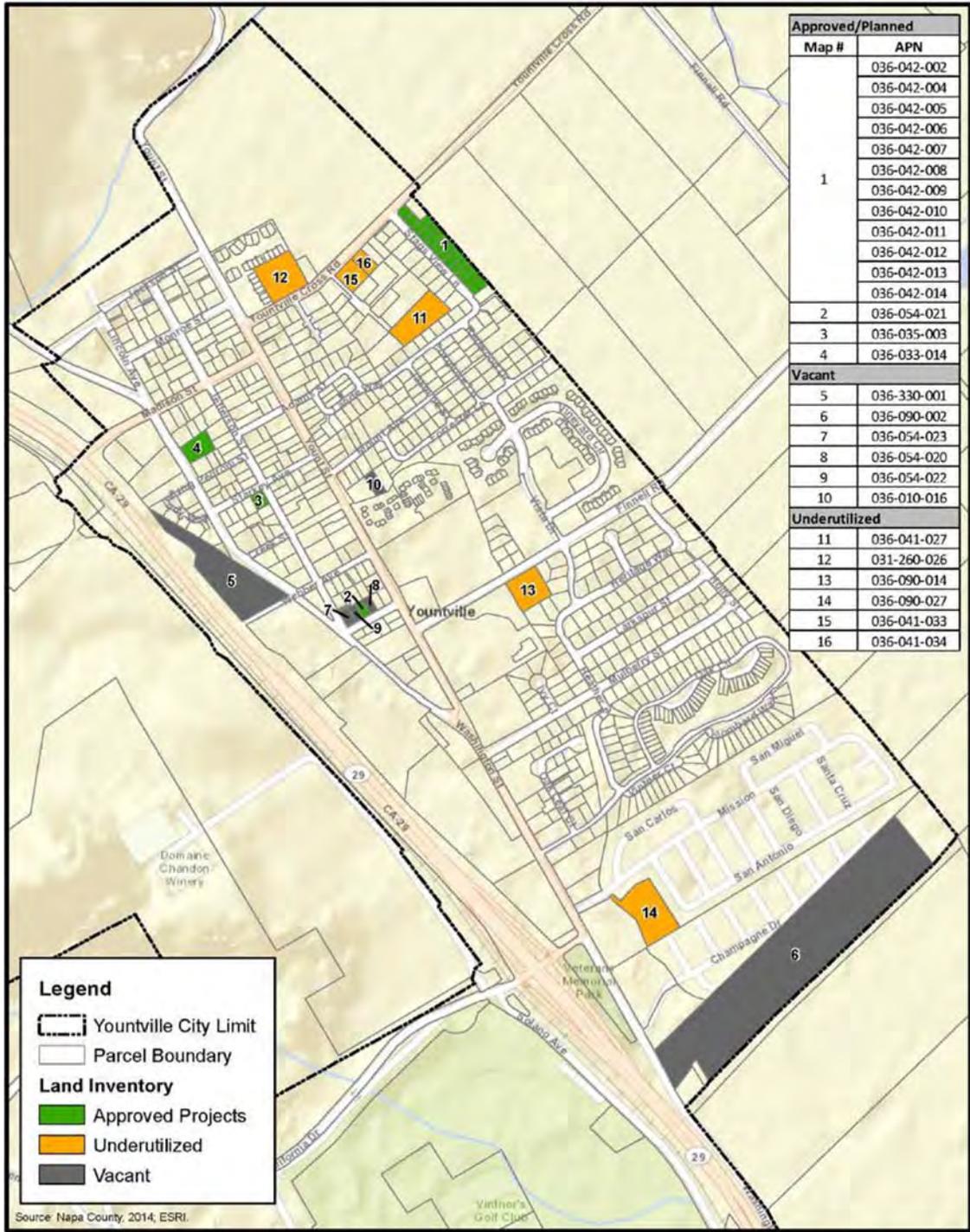


SOURCE: Town of Yountville (12/2014); Esri World Imagery (02/04/2012).

E:\TOY1401\GIS\Maps\GeneralPlan_PolicyRevisions\Figure 1_Domaine Chandon Annexation Site.mxd (2/25/2016)

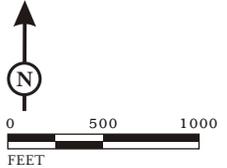
FIGURE 1

Yountville General Plan Policy Revisions
Domaine Chandon Annexation Site



LSA

FIGURE 2



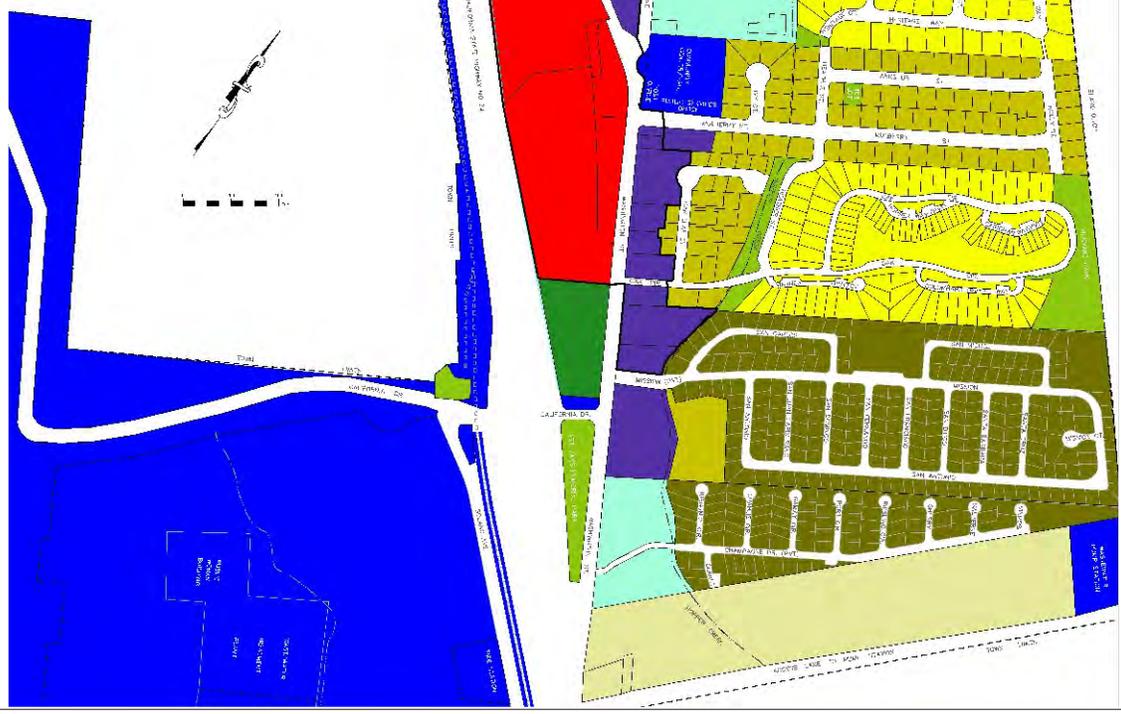
SOURCE: Yountville Housing Element (01/15)



Town of Yountville
"The Heart of the Napa Valley"

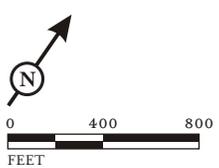
**GENERAL PLAN
 AND
 ZONING DISTRICTS
 2014**

- AGRICULTURAL
- MASTER-PLANNED RESIDENTIAL
- MIXED RESIDENTIAL
- MOBILE HOME PARK
- OLD TOWN COMMERCIAL
- OLD TOWN HISTORIC
- PARKS AND PLAYFIELDS
- PLANNED DEVELOPMENT
- PRIMARY COMMERCIAL
- PUBLIC FACILITIES
- RESIDENTIAL SCALED COMMERCIAL
- RETAINED COMMERCIAL
- SINGLE FAMILY RESIDENTIAL
- RETAIL OVERLAY

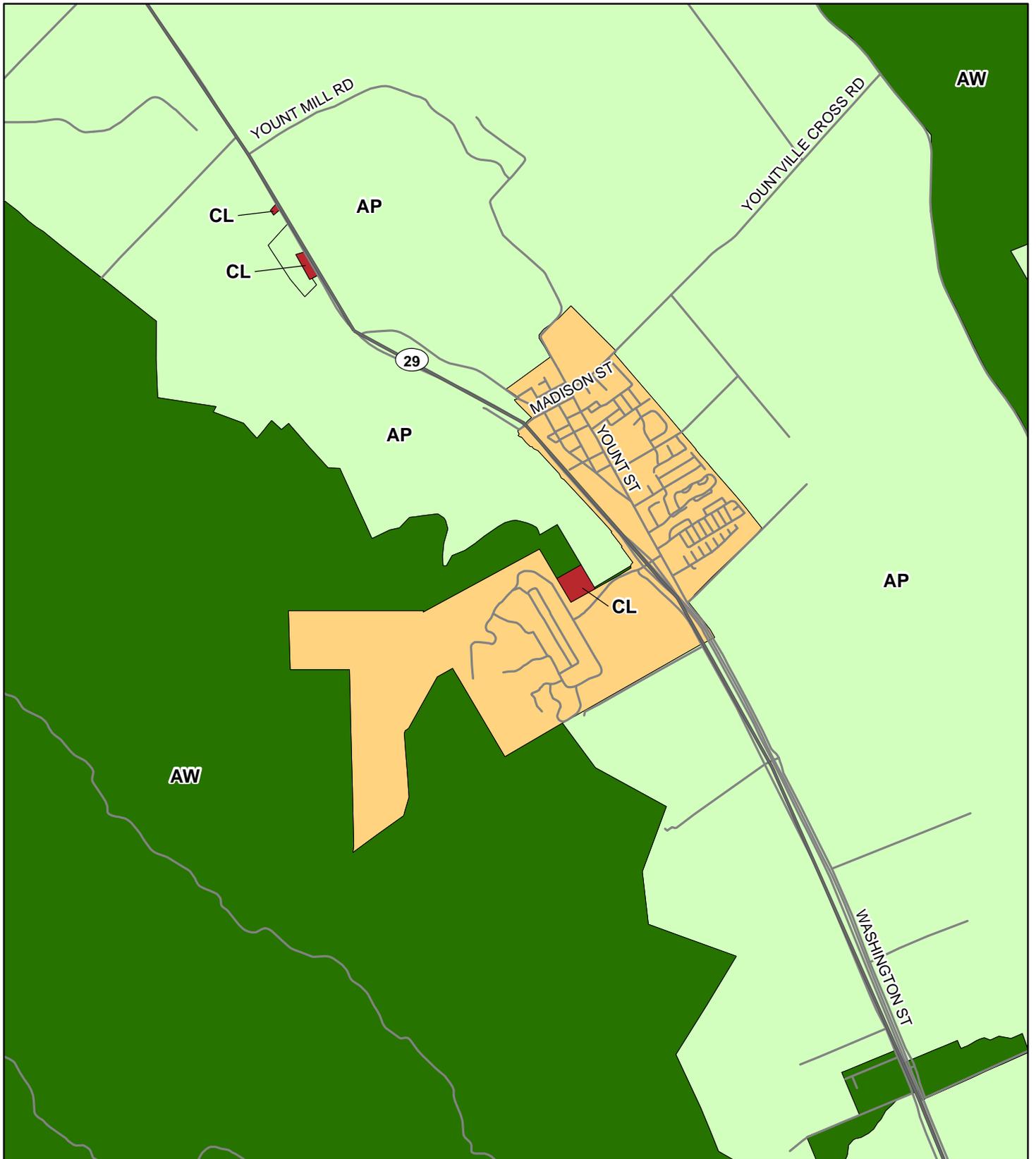


LSA

FIGURE 3



SOURCE: Town of Yountville (12/14)



LSA

LEGEND

- Agricultural Preserve (AP)
- Agricultural Watershed (AW)
- Commercial Limited (CL)
- Town of Yountville



SOURCE: Napa County (2011).

E:\TOY1401\GIS\Maps\GeneralPlan_PolicyRevisions\Figure 4_County Zoning Map.mxd (2/25/2016)

FIGURE 4

Attachment A, Approved and Potential Projects

Location	Project Name / Owner	Project Description	Status
6752 Washington, APN: 036-033-014	Stewart Cellars	Demolish existing structures (garage, carport, shed) on a 21,405 sq.ft. parcel and redevelop with three new buildings and a 17 space parking lot. Buildings include: 2,347 sq.ft. two story building with Stewart Cellars wine tasting room and one bedroom apartment on second floor; 1,423 sq.ft. bookstore and reading room, and 692 sq.ft. café.	Approved
APNs: 036-042-002 to -014	Vineyard Oaks	12 single family residences plus an affordable four-plex.	Completed
	Allen	Single family residence	Completed
	Woodson	Single family residence	Completed
	Winkleman	Single family residence	Approved
	Yountville Community Church	Conversion of single family residence into administrative office space for church.	Completed
West side of Washington Street, North of Weber APN: 036-330-001	Keller	A 3.18 acre parcel currently occupied by gardens opposite the French Laundry restaurant, in the Primary Commercial district. A 20 unit hotel was approved for the property.	Entitlements have Expired
APN: 036-082-026	Lemons	A 16,552 square foot parcel in the Residential Scaled Commercial district. Demolish existing garage and redevelop with a new building consisting of 4,450 square feet of commercial space on ground floor (wine tasting and retail), a 1,618 square foot one bedroom apartment on second floor, and 17 space parking lot.	Approved
6725 Washington, APN: 036-032-008		Currently a 22,651 sq.ft. vacant parking lot south of Hotel Luca in the Old Town Commercial district. Construct 3 separate buildings totaling 5,589 square feet, which will contain retail and limited food service activities, and a 26 space parking lot.	Approved

SOURCE: Town of Yountville Planning and Building staff, e-mail correspondence February 2016.

**Domaine Chandon
Yountville Annexation
Fiscal Impact Analysis**

Prepared for:

LSA Associates, Inc.

Prepared by:

ALH | ECON

ALH Urban & Regional Economics

March 2016

March 4, 2016

Steven D. Ross
Associate / Environmental Planner
LSA Associates, Inc.
157 Park Place
Point Richmond, CA 94801
510-236-6810 office

Re: Domaine Chandon Parcel Yountville Annexation Fiscal Impact Analysis

Dear Mr. Ross:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this fiscal impact analysis of annexation of a part of Domaine Chandon's property in Napa County, located at 1 California Drive in Napa County. This analysis was prepared to provide an overview of the property's prospective fiscal impacts on the Town of Yountville's General Fund assuming annexation of the parcel into the Town of Yountville.

This report includes full documentation of the study analysis, presented in a series of exhibits found in the Appendix.

It has been a pleasure working with you on this interesting project. Please let me know if there are any questions or comments on the analysis included herein. Please note the majority of this analysis was prepared in the first half of 2015. Thus, the study is benchmarked to data available at that time.

Sincerely,



Amy L. Herman
Principal

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY OF FINDINGS	1
INTRODUCTION.....	1
SUMMARY OF FINDINGS.....	1
II. METHODOLOGY AND DATA RESOURCES	3
METHODOLOGY	3
DATA RESOURCES.....	3
III. FISCAL ASSUMPTIONS AND REVENUE AND EXPENDITURE ESTIMATES	5
FISCAL ASSUMPTIONS	5
FISCAL REVENUE ESTIMATES.....	7
FISCAL EXPENDITURE ESTIMATES	9
IV. FISCAL IMPACT FINDINGS	11
TOWN OF YOUNTVILLE NET FISCAL IMPACT ANALYSIS	11
FISCAL IMPACT LIMITATIONS.....	12
V. NAPA COUNTY FOREGONE FISCAL REVENUES	13
KEY COUNTY IMPACTS.....	13
ESTIMATED COUNTY REVENUE IMPACTS.....	13
ASSUMPTIONS AND GENERAL LIMITING CONDITIONS	15

APPENDIX A: EXHIBITS

APPENDIX B: COUNTY AUDITOR REFERENCE MATERIALS

I. INTRODUCTION AND SUMMARY OF FINDINGS

INTRODUCTION

ALH Urban & Regional Economics (“ALH Economics”) prepared a fiscal impact analysis of a 13.41-acre portion of an 88.41-acre parcel of land in Napa County, California. This property is owned by Domaine Chandon, Inc. (“DC”), and houses Domaine Chandon’s office, restaurant, tasting room and terrace. This property is located at 1 California Drive. Other Domaine Chandon functions, such as a bottling plant, are located on different portions of the parcel. Many years ago the process was begun to annex the subject property into the Town of Yountville. Accordingly, Yountville began providing some services to the property, but the process was never completed. The Town of Yountville now seeks to correct this situation, and is seeking to complete the annexation process for this 13.41-acre portion of the property (hereinafter referred to as “DC property annexation”).

The purpose of this study is to demonstrate the fiscal impacts of the DC property annexation on the Town of Yountville assuming annexation, including prospective revenues and service costs. In addition, annexation of the property into the Town of Yountville would result in a changing distribution of revenues and costs associated with the property, with Napa County no longer being the primary beneficiary of sales tax revenues generated by the property as well as reduction in select other revenues. Thus, the study also examines some of the key revenue sources and revenue amounts that will no longer accrue to Napa County or will decline pursuant to the annexation.

The fiscal impact analysis is based on key DC property information and select assumptions developed by ALH Economics. All relevant information and assumptions are cited in the report or the back up documentation. All dollar figures cited are in 2014/2015 fiscal year dollars, unless otherwise noted. Due to the nature of local budgeting, assumptions relevant to the fiscal impact analysis may change over time. This dynamic nature suggests that study findings should be considered general rather than detailed indications of the property’s fiscal implications relative to the Town of Yountville’s budget.

SUMMARY OF FINDINGS

The DC property annexation net fiscal impact findings are summarized in Table 1. These findings indicate that when the property annexation is complete the Town of Yountville is estimated to receive the equivalent of \$108,490 a year in revenues, the majority of which comprises estimated sales tax revenues. Property taxes and property tax in lieu of vehicle license fees are also significant revenues sources. Against all these revenues, the annual Town service costs attributable to the property and its operations are estimated at \$68,910.

**Table 1. Summary of Yountville Fiscal Impacts
Domaine Chandon Property Annexation, FY 2014/15**

General Fund Category	Amount
Revenues	\$108,490
Expenditures	<u>-\$68,910</u>
Net Annual Fiscal Impact	<u>\$39,580</u>

Source: Exhibit 9.

The net result of these revenues and expenditures estimates is a net annual revenue gain of \$39,580 to the Town’s General Fund.

While the Town of Yountville is estimated to experience a net revenue gain, Napa County will likely experience some level of foregone revenues pursuant to the completion of the annexation process. These revenues sources are summarized in Table 2, and include an estimated decline of \$2,090 in property tax revenues and \$93,500 in sales tax revenues. These two foregone revenues total \$95,590. In addition, the County is anticipated to experience a nominal decline in Property Tax in Lieu of VLF revenues, but the amount of this decline cannot be determined from available resources. There may be yet additional County of Napa foregone revenues, but these are not anticipated to be as substantial as those cited.

**Table 2. Summary of Napa County Foregone Revenues
Domaine Chandon Property Annexation, FY 2014/15**

General Fund Category	Amount
Property Taxes	-\$2,090
Sales Taxes	-\$93,500
	<u>-\$95,590</u>
Property Tax in Lieu of VLF	-0.03%
	existing revenues

Source: Exhibit 10.

These foregone revenues will be offset by a shifting of costs to service the property, reducing the County’s service costs, but the analysis focuses on identifying the major sources of lost revenues to the County. These reduced service costs would reduce the estimated level of foregone revenues.

Limitations of Findings

The foregoing findings are intended to give a general sense of the net fiscal impacts of the DC property annexation. The figures are not precise estimates and changes will occur if the Town of Yountville fiscal revenue and expenditure factors or other assumptions are developed with more precision or change. Nonetheless, the findings suggest a very strong likelihood that the DC property annexation will result in a net positive fiscal impact to the Town’s General Fund.

II. METHODOLOGY AND DATA RESOURCES

METHODOLOGY

The ALH Economics approach to estimating the DC property annexation fiscal impact analysis strove to understand the net fiscal impact on the Town of Yountville General Fund using specific Project information as much as possible. This includes estimates of revenues generated by Domaine Chandon that accrue to the Town's General Fund as well as service costs incurred by the Town funded through the General Fund. As noted in the Introduction, the analysis assumes the 13.41-acre portion of the property is successfully annexed into the Town of Yountville. This results in the parallel assumption that a portion of the property is no longer under the primary jurisdiction of Napa County, and thus the County will experience an associated loss in revenues.

The analysis is grounded in the Town's budget and existing revenue bases and actual or estimated performance figures for Domaine Chandon's operations. Additional County financial resources were reviewed for revenue estimation purposes. To facilitate the analysis and interpretation of the results, the findings are presented in approximately FY 2014-15 dollars.

The Town's expenditures analysis was conducted using the average cost approach. In this approach, costs are derived by determining an average cost to provide existing services on a per capita basis for the relevant population served, which is then applied to the relevant population base for the project under study. The average costs in this study are based on the Town of Yountville's annual budget, which for this analysis included the Operating Budget for 2014-2015. This approach is in contrast to the marginal cost, or case study approach, which involves obtaining detailed cost estimates from Town department representatives based on project specifics, such as building area, number of employees, and type of operations. This approach was not the dominant approach for this study because it is most frequently employed for new projects being developed on the "margin," whereas Domaine Chandon has been a longstanding area operation.

Wherever possible, efforts were made throughout the analysis to develop assumptions or estimates in a conservative manner, in order to not overstate potential net revenues or costs attributable to the DC property annexation. The analysis was conducted in a series of linked excel-based worksheets. Exhibits generated from these worksheets are included in Appendix A.

DATA RESOURCES

The fiscal impact analysis relied upon a number of key resources. These resources are all identified in the sources and notes to the exhibits developed to support the analysis and provide the results. These resources are as follows:

- ***Materials provided by Domaine Chandon.*** These include information on retail sales tax trends, anticipated changes in restaurant operations, and employment estimates.
- ***Town of Yountville and Napa County resources.*** These include the Town's website, the Town of Yountville Operating Budget for Fiscal Year 2014/15, Town of Yountville General Government representatives, the Town of Yountville Business License Fee schedule, the County of Napa Comprehensive Annual Financial Report for the Fiscal

Year Ended June 30, 2014; and property files maintained by the Napa County Assessor's Office.

- ***Third party resources.*** A number of third party resources were referred to for information important to the analysis. These sources include RealQuest, U.S. Department of Labor, Association of Bay Area Governments, State of California Employment Development Department, and the Napa County Auditor-Controller's Office. RSA+ also provided information on the size of the portion of the DC property subject to the annexation.

All of these resources are identified as warranted in the series of exhibits that document the fiscal impact analysis as well as the fiscal and economic impact text. The cited exhibits can be found in Appendix A.

III. FISCAL ASSUMPTIONS AND REVENUE AND EXPENDITURE ESTIMATES

FISCAL ASSUMPTIONS

The assumptions and building blocks underlying the fiscal impact analysis are presented in Exhibits 1 through 3, which can be found in Appendix A. A summary of these exhibits and their primary purpose follows. The sources for the data points presented in Exhibits 1, 2, and 3 are all noted in the exhibits and the corresponding footnotes.

- **Exhibit 1, Property Information and Description.** This exhibit provides basic information about the Domaine Chandon property subject to annexation. This is APN 034-140-022-000, located at 1 California Drive. According to the real property database Realquest, the taxable assessed valuation of the property as of tax year 2015 is \$49,696,355 and the property is located in Napa County Tax Rate Area 072076. This total taxable value includes \$835,509 for Land Value and \$44,042,356 in Improvement Value. The portion of the parcel subject to annexation totals 13.41 acres, comprising 15.2% of the total area. Applying this percentage to the land value portion of the property value results in a proportional land valuation of \$127,958.

The property includes numerous improvements in addition to the office, restaurant, tasting room and terrace portions that are subject to the annexation. These additional improvements include winery operations and warehouses. ALH Economics obtained records from the Napa County Assessor's Office regarding the base value of many of the property improvements, including the year associated with the base value. ALH Economics analyzed these records in an effort to differentiate the value of the office, restaurant, tasting room, and terrace from the balance of the property improvements. Toward this end, ALH Economics adjusted the base value of all identified building improvements (excluding land improvements and items noted as "Audit Adjust") to current year dollars pursuant to adjustment factors provided by the Assessor's Office. The resulting value for the building improvements subject to the annexation was analyzed as a percentage of two figures: the calculated adjusted total for all estimated improvements to the property; and the current total assessed taxable value. The resulting percentages were 24% of the adjusted total for all improvements and 12% of the total assessed taxable value. Because of inherent imprecision in these calculations, for the sake of analysis the study assumes the value of the improvements subject to annexation are equal to the averages of these two percentages, or 18% of the taxable value of the property excluding land.

ALH Economics deems this method imprecise because the resulting value of the building improvements did not correspond with the assessed improvement value of the property. Thus it is unclear to what extent the available Assessor's records, or the ALH Economics interpretation of the records, track with the current assessed value of the property. However, the only other reasonable approach to assessing the share of the property value attributable to the portion subject to annexation would be to apply the same percentage applied for the share of land value, or 15.2%, which corresponds to the proportion of the total parcel subject to annexation. While the 18.0% figure applied in the analysis is higher than this proportional allocation, the difference in figures is not deemed significant in the overall scope of the analysis. Notably, a higher share of value attributed to the annexation area results in higher revenues to the Town of Yountville and more foregone revenues to Napa County. Thus, from the perspective

of the County it would be conservative to use a higher valuation figure while from the Town perspective it would be more conservative to use a lower valuation figure.

Domaine Chandon provided sales tax data for 2012, 2013, and 2014, which averaged \$1.03 million a year, equivalent to taxable sales averaging \$12.9 million. The sales trend data provided by Domaine Chandon indicate that taxable sales have declined annually since 2012, with the 2014 level about 15% lower than the 2012 level. Domaine Chandon anticipates that future taxable retail sales will be yet lower, due to changes in the format of the on-site restaurant. After New Year's Eve 2015, Domaine Chandon closed Etoile, the facility's white table cloth restaurant. The new restaurant, anticipated to open in May 2015, will have a different format and is anticipated by Domaine Chandon to achieve approximately \$2.5 million less in sales. Holding all other sales constant, but for a 1.62% inflationary adjustment from 2014 to 2015, and reducing the restaurant sales by the \$2.5 million estimate results in an annual average taxable retail sales estimate of \$9,350,000. This is the estimated volume of taxable sales for the Domaine Chandon property subject to annexation.

Upon reopening of the new format restaurant, Domaine Chandon estimates that full-time equivalent employment in the structures associated with the annexed property will total 65. This is a lower figure than pertained during the tenure of Etoile. This FTE employment count provides a basis for estimating the "service population" for the DC property subject to annexation. This service population estimate totals 32.5, comprising one-half the 65 estimated full-time equivalent employees, on the assumption that employees do not require the same level of service as residents. This is an industry-standard assumption, and is relevant to the calculation of Town revenues and expenditures on an average basis.

- **Exhibit 2, Town of Yountville Demographic, Employment, and Tax Characteristics.** This exhibit contains many of the baseline assumptions and information necessary to generate estimates of Town of Yountville revenues and expenses applicable to the annexation. These include population and employment estimates used to generate the size of the Town's existing service population for the purpose of deriving existing average cost expenditures and some per capita revenues. These estimates include a population base of 3,000 and an employment base of 1,600. A significant amount of Yountville's population and employment base is associated with the Veterans Home of California, a state run facility for aged and disabled war veterans. Available information suggests that Veterans Home residents total approximately 1,000, and that employment ranges between 500 to 999. For the sake of analysis, ALH Economics assumes employment at the mid-point, or 750. These figures are relevant because while this population base is located in Yountville, the Veteran's Home does not directly benefit from all Town services, nor do the Veteran's Home residents generate revenues to the same extent as other Town residents. Thus, pursuant to the service population methodology of assuming one employee is equivalent to ½ a resident, this exhibit calculates three service population bases, as follows: Based on all residents and employees, 3,800; Excluding Veteran's Home population; 2,800; Excluding Veteran's Home population and employees, 2,425; All residents, 3,000. These figures will be used as relevant benchmarks for key revenue and cost calculations.

This exhibit also includes key tax-related information unique to Yountville, such as property tax rate, vehicle in lieu of property tax revenues, property assessed valuation,

and property tax revenues, all of which are germane to the fiscal impact analysis as noted in other exhibits. Most relevant is the Town's share of the basic 1% property tax rate collected by the County, once the property is annexed into the Town. ALH Economics engaged in several estimating procedures to estimate this rate, which is estimated at 8.8% (see following Exhibit 4 for an explanation of the derivation of this rate). This exhibit also includes information about the Town's business license fee, which is assessed annually per business, plus a one-time fee for new businesses operating in Yountville.

Sales tax revenues are a strong source of revenue generation for cities. Yountville is anticipated to receive sales taxes equivalent to 1.0% the value of taxable sales. This is the local share of sales taxes, which would otherwise continue to accrue to go to Napa County if the property is not annexed into Yountville.

- **Exhibit 3, Estimation of Effective Yountville Property Tax Rate.** This exhibit shows the derivation of Yountville's effective property tax rate for the annexed property. It is necessary to estimate this rate because the tax increment factors provided by Napa County for tax rate areas in the County are not adjusted pursuant to the Educational Revenue Augmentation Fund, which began implementation 1992-1993. The ERAF legislation authorized the shifting of property tax revenues from many taxing jurisdictions to the ERAF fund to provide more revenues in support of public education. Most County Auditors have adjusted the increment factors to account for this ERAF shift. However, Napa County is one of only a few counties in California that did not make this adjustment. Thus, ALH Economics engaged in an estimation procedure to assess, within some margin of error, the likely effective property tax rate in Yountville pursuant to this shift.

To accomplish this estimation, ALH Economics obtained information from the County Auditor regarding the annual shift from the Town of Yountville plus information from the Town regarding the most recent shift rebate back to the Town (see Appendix B for the ERAF shift *from* Yountville). The rebate occurs if not all funds are required per the ERAF formula, thus resulting in an excess portion. These figures were applied to an estimate of the total volume of property taxes that would be generated based on the Town's assessed valuation and the 13.33% average property tax rate based on the increment factors provided by the County for two sample Tax Rate Areas in Yountville. The mechanics of this estimation procedure are presented in this exhibit, which results in estimating that the effective property tax rate in Yountville is about 66% of the cited tax rate, which equates to an 8.76% effective rate.

FISCAL REVENUE ESTIMATES

The revenue calculations for the fiscal impact analysis are presented in Exhibits 4 through 6. A summary of these exhibits and their primary purpose follows.

- **Exhibit 4, Town of Yountville Domaine Chandon Annexation, Annual Property Tax Revenues, 2015 Dollars.** This exhibit presents the estimated property tax revenues that will accrue to the Town of Yountville once the 13.41-acre portion of the Domaine Chandon property is annexed into the Town. These revenues are based upon the property's assumed assessed valuation and the effective property tax rate for the Town of Yountville. Based upon these factors, documented in earlier exhibits, the Town of Yountville is anticipated to receive \$7,060 annually in property tax revenues.

This is the amount of revenue based upon the property's current valuation. This amount will increase over time as the property value increases, which will likely comprise at least a 2.0% annual increase pursuant to the provisions of Proposition 13.

- **Exhibit 5, Property Tax in Lieu of VLF Estimates, Net New Valuation Attributable to Annexation, FY 2014-15 Dollars.** This revenue component, Property Tax in Lieu of Vehicle License Fees (VLF), is derived from the Project's anticipated contribution to increased property valuation throughout the Town of Yountville. This is the method by which such tax revenues are estimated by the State of California and redistributed to local jurisdictions. The results of these calculations indicate that the incremental value associated with the Project is estimated to increase the Town's assessed valuation by 1.10%, a nominal increase. This will provide an estimated annual revenue increase of \$5,580 to the Town of Yountville.
- **Exhibit 6, Assorted Town of Yountville General Fund Revenues, FY 2014-15 Dollars.** There are four revenue sources identified in this exhibit along with the corresponding revenues estimated to be generated by the DC property annexation. These revenue sources include sales taxes; franchise fees and PEG fees; licenses and permits; and fines and forfeitures. There are yet other revenues that will be generated by the DC property annexation that will accrue to the General Fund, but ALH Economics believes the four cited revenues are likely to comprise the most substantial revenue sources, aside from the previously referenced property tax and property tax in lieu of VLF revenues.

The sales tax revenues estimated to accrue to the Yountville General Fund total \$93,500. This is based on allocation of the 1.0% local sales tax to the Town of Yountville, based on the estimated taxable sales presented earlier. The Town of Yountville "Other Taxes" category includes several taxes, including real estate transfer tax, franchise tax, and PEG fees. Because the real estate transfer tax is triggered by changes in property ownership, the average revenue analysis conducted in this exhibit excludes the real estate transfer tax. Thus, the Town's franchise taxes and PEG fees are spread across the service population excluding the Veteran's Home population and employees to derive a revenue estimate of \$52.35 per service population. The Veteran's Home was excluded from this calculation because discussion with Town representatives suggests the Veteran's Home is not likely to contribute substantially to this revenue source. For the DC property service population of 32.5 this therefore equates to an annual revenue estimate of \$1,700.

The licenses and permits estimate for the Town based on the budget excludes the business license revenues for average revenue calculation purposes, but then adds in the individual business license fee estimated to be generated by Domaine Chandon on an annual basis. This revenue source is also spread across the service population excluding the Veteran's Home resulting in a per service population cost of \$17.32. Multiplying this by the DC property service population of 32.5, plus the estimated Domaine Chandon business license fee of \$16, results in a total annual revenue estimate of \$580 attributable to the DC property.

Finally, the annual fines and forfeitures revenues is spread across the service population excluding the Veteran's Home population (but not excluding employees) to derive a per service population estimate of \$2.14. Veteran's Home employees are included in this service population because they most likely use Town roads for

commute and other purposes, and can potentially receive vehicle code tickets, which is a component of this revenue sources. For the DC property service population of 32.5 this revenue component will generate an estimated \$70 per year in annual revenues.

FISCAL EXPENDITURE ESTIMATES

As discussed in the Methodology section, fiscal impact studies typically engage in two methods to estimate project-based service costs. One is the average cost approach, typically implemented in the absence of detailed service provision and cost information, and one is the marginal, or case study approach, which derives estimated service costs based on expectations of service demands and associated actual service delivery costs.

Because Domaine Chandon is an existing use, it seems most appropriate to calculate the fiscal costs on an average cost basis, allocating only the relevant General Fund expenditures to Domaine Chandon. Some Town services are provided primarily to residents, or some again are not very germane to the Veteran's Home, so different Town expense categories are spread across different service populations. This process is documented in Exhibit 7, with Exhibit 8 estimating the share of the Yountville Trolley costs, another General Fund expense, to Domaine Chandon.

- ***Exhibit 7, Town of Yountville General Fund Average Cost Expenditures, Fiscal Impact Factors Relevant to Domaine Chandon, FY 2014-2015 Adopted Budget.*** In this exhibit the Town of Yountville's General Fund Expenditures are expressed as average costs relative to select service population groups. For expenditure estimate purposes this includes the Town's six major expenditure categories, comprising General Government, Housing, Planning and Building, Public Safety, Public Works, and Parks & Recreation. The General Government cost is spread across the service population including all residents and employees, the Parks and Recreation cost is spread across all residents (which includes Veteran's Home residents), and the remainder of costs are spread across the service population excluding all Veteran's Home residents and employees. The Parks & Recreation services are not typically used by persons who work in Yountville but do not live in Yountville, hence these costs are spread only across the resident population base, which includes Veteran's Home residents who can use the Town's facilities. The Veteran's Home has its own share of Public Safety costs, which are provided on a contract basis by the Napa County Sheriff (police services) and Cal-Fire (fire services). Hence these costs are not allocated to the Veteran's Home, similar to other expense categories not anticipated to be used to any significant degree by the Veteran's Home.

Among the six departments included in the exhibit, the average cost per employee is \$1036.31. This exhibit is structured to facilitate analysis of the Town's expenditures on a fixed and variable cost basis. Using this approach, some of the Town's departmental expenditures are assumed to be fixed regardless of the size of the population served. The balance of the expenditures is then deemed to be variable, i.e., to change with the size of the population served. While this exhibit is structured to accommodate a fixed versus variable analysis, the analysis conservatively assumes that all costs are variable. This means all of the departmental expenditures are spread across the relevant service population base. As stated, this is a conservative approach, and serves to provide a maximum estimate of average service costs associated with the DC property annexation.

- **Exhibit 8, Yountville Trolley Cost Allocation, Town of Yountville, FY 2014-2015 Dollars.** Yountville is served by the Yountville Trolley, provided on demand by the Napa County Transportation and Planning Agency (NCTPA). The Yountville Trolley provides door-to-door rides for residents and visitors of the Town of Yountville and Veteran’s Home. While free of charge to passengers, the Town of Yountville provides an annual subsidy to NCTPA, most recently totaling \$35,000. The Town of Yountville obtained detailed ridership data for the Yountville Trolley for November and December 2014 from NCTPA. This information includes information on total ridership and ridership by select destination/origination points. These ridership data indicate that in this two-month period ridership totaled 4,225, with 192 boardings or deboardings occurring at Domaine Chandon. Thus, approximately 5% of ridership pertained to Domaine Chandon. Applying this percentage to the Town’s annual farebox subsidy results in an allocation of \$1,590 of the Town’s cost to Domaine Chandon’s effective use of the Trolley.

The summary of this fiscal expenditures and their relationship to the preceding estimated revenues generated by the Domaine Chandon property following annexation is discussed in the next chapter.

IV. FISCAL IMPACT FINDINGS

TOWN OF YOUNTVILLE NET FISCAL IMPACT ANALYSIS

The results of the DC property annexation fiscal impact analysis are presented in Exhibit 9. These findings present the estimated annual revenues and expenditures accruing to the Town of Yountville's General Fund pursuant to Domaine Chandon's operations on the property anticipated to be annexed into Yountville.

Summary of Revenues

The fiscal impact findings indicate that on an annual basis, assuming annexation, the DC property and operations are estimated to generate \$108,490 in gross revenue to the Town of Yountville General Fund (all constituent figures are rounded to the nearest \$10). The largest annual General Fund revenue component is sales tax at \$93,500. This is the most significant revenue source, followed by property taxes estimated at \$7,060. The next largest revenue source is property tax in lieu of VLF (vehicle license fees) of \$5,580. All other annual General Fund revenues are much lower, including \$1,700 in franchise taxes and PEG fees, \$580 in licenses and permits, and a scant \$70 in fines and forfeitures. There are likely to be yet additional General Fund revenues associated with the DC property annexation, but the most substantial revenue sources are reflected in the \$108,490 annual estimate. This would comprise a modest 1.2% increase over the Town's Fiscal Year \$8.9 million General Fund revenues in the Adopted Fiscal Year 2014/2015 Budget.¹

Summary of Expenditures

The average cost General Fund expenditures estimated to be attributable to the DC property annexation Project totals \$68,910 annually. This reflects the average General Government, Housing, Planning and Building, Public Safety, Public Works, and Trolley costs associated with serving Domaine Chandon, using employment as a proxy for its draw on Town services. This level of costs is equal to less than 1.0% of the Town's estimated \$7.3 million in General Fund expenditures in the Adopted Fiscal Year 2014/2015 Budget.²

Net Fiscal Impact Summary

The net result of the DC property annexation fiscal impact is a projected \$39,580 annual contribution to the Town of Yountville's General Fund. This represents a nominal contribution relative to the Town's General Fund expenditures.

Notably, the fiscal impact findings are sensitive to the value of the property subject to annexation. The value included in this analysis is an estimate based upon the limited data availability. The actual value once the Napa County Assessor's Office is engaged in the process will likely vary from the study estimate. This variation may result in a material change in the value, which would impact the annual net fiscal impact finding.

¹ Town of Yountville Operating Budget For Fiscal Year 2014/2015, page 115.

² Ibid.

FISCAL IMPACT LIMITATIONS

The foregoing fiscal impact analysis is intended to give a general sense of the net fiscal impact associated with the DC property annexation. The figures are not precise estimates and changes will occur if the revenue and expenditure factors or other assumptions are developed with more precision. Nonetheless, the findings suggest a strong likelihood that the DC property annexation will result in a net positive fiscal impact to the Town's General Fund. However, some limitations to the analysis, listed below, may affect the degree of the estimated net benefit and change the net fiscal impact balance.

General Limitations

- The analysis is benchmarked to an estimated level of operations. Changes in these operational characteristics will result in changes to the estimated revenue and service costs that will impact the findings.
- The analysis may not be inclusive of all revenue and cost estimates. Major categories associated with ongoing revenues and costs are included, but there may be other less significant categories excluded from the analysis.

Ongoing Revenue and Appropriation Factors

- The analysis does not include any increase in valuation, such that would occur with the maximum 2% allowable increase pursuant to Proposition 13 or that would occur based upon increased valuation upon sale.
- As noted above, the fiscal impact findings are sensitive to the value of the property subject to annexation. The value included in this analysis is an estimate based upon the limited data availability. The actual value once the Napa County Assessor's Office is engaged in the process will likely vary from the study estimate. This variation may result in a material change in the value, which would impact the annual net fiscal impact finding.
- The analysis does not take into account long-term service cost inflation, which may or may not be greater than the estimated rate of inflation.
- The DC property annexation may trigger the need for additional services not accounted for in this analysis. The costs associated with these services could be meaningful, both for amortized capital and operating expenditures, and could reduce the estimated net positive annual impacts. The likelihood of such additional costs being high, however, is deemed to be low.

In summary, the DC property annexation net fiscal impact findings estimated above may change as more information and factors are considered. The results, however, suggest a likelihood that annexation of the DC property will result in a net positive fiscal impact to the Town's General Fund and a loss of revenue to Napa County.

V. NAPA COUNTY FOREGONE FISCAL REVENUES

KEY COUNTY IMPACTS

If the DC property annexation occurs then a portion of the property will no longer be under the primary jurisdiction of Napa County. As a result, Napa County will experience some level of foregone revenues pursuant to the shift in jurisdiction to the Town of Yountville. The purpose of this analysis is to estimate the key County revenues likely to be lost or experience reduction pursuant to the annexation. In keeping with the major revenue sources estimated for the Town of Yountville, these include property taxes, property tax in lieu of VLF, and sales taxes. There are likely to be other foregone revenues, but the purpose of this analysis is to identify and analyze the most significant likely revenue sources.

These foregone revenues will likely be at least partially offset by a shifting of costs to service the property, reducing the County's service costs. The analysis, however, focuses on identifying the major sources of lost revenues to the County.

ESTIMATED COUNTY REVENUE IMPACTS

Exhibit 10 presents the estimated findings regarding foregone revenues to Napa County pursuant to the completion of the DC property annexation process. Detailed estimates for the three major revenue sources are included in Exhibit 10, and discussed below.

Foregone Property Taxes

Because the annexed portion of the property will be within the jurisdiction of the Town of Yountville, Napa County will receive a lower share of the parcel's property taxes. However, the County will continue to receive some portion of property taxes, as the County receives a share of property taxes for all properties located in Napa County. As noted in Exhibit B, the County currently receives 29.57% of the property taxes generated by application of the basic 1.0% property tax rate. This is the share of taxes received for TRA 072-076, which is the tax rate area currently associated with the property. As with the analysis for the Town of Yountville, this is a Pre-ERAF allocation, and does not reflect any shifts from the County's property tax receipts to ERAF.

As a proxy for estimating the County's share of property taxes following annexation ALH Economics looked at the same two tax rate areas used to estimate the property tax rate for the Town of Yountville after annexation. The County's share of property taxes is lower for these two tax rate areas, rounding to 25.63% for both tax rate areas. Thus, the analysis assumes the County's share of Pre-ERAF property taxes following annexation of the DC property will be 25.63%.

Available resources do not identify the amount of County property taxes that are shifted to ERAF. Thus, for the sake of analysis ALH Economics assumes the percentage shift away from the County is comparable to the percentage shift away from the Town of Napa. Based on the analysis prepared for the Town of Yountville, the share of effective taxes to the Pre-ERAF total is estimated at 66%. Thus, the County's share of effective property taxes is estimated to decline from 19.43% to 16.84% following annexation of the DC property. Pursuant to the

property's current valuation, this will result in an estimated \$2,090 annual decline in property tax revenues accruing to Napa County.

Foregone Property Tax in Lieu of VLF

Because the 13.41-acre portion of the DC property will be under the jurisdiction of the Town of Yountville upon annexation ALH Economics assumes a portion of the County's Property Tax in Lieu of VLF taxes will decline. This may or may not be a valid assumption, but at this juncture in the analysis ALH Economics is limiting outreach to Napa County in order to develop a preliminary estimate of Napa County impacts associated with the annexation. This revenue source is derived from property valuation, and changes annually based upon changes in a jurisdiction's assessed valuation. Because the Town of Yountville is assumed to receive this revenue source following annexation ALH Economics assumes the opposite change will occur relative to the County, with a corresponding loss in this revenue source.

Based upon the property's current valuation and the County's total assessed valuation as of June 2014, ALH Economics estimates that the County's decline in assessed valuation following annexation will be 0.02%. This would therefore be the corresponding decline in the County's Property Tax in Lieu of VLF revenues. However, this revenue amount is not available in public resources, with the County combining these revenues with property tax revenues for reporting purposes. Therefore, sufficient information is not available to estimate the amount of this foregone revenue. Yet, as indicated in Exhibit 10, this foregone revenue is estimated to comprise 0.02% of the County's current Property Tax in Lieu of VLF revenues.

Foregone Sales Taxes

Once the DC property is annexed into the Town of Yountville the sales taxes associated with taxable sales at Domaine Chandon will shift away from Napa County and to the Town of Yountville. Generally, the local share of property taxes is 1.0%, whether the taxable sales occur in a city, town, or unincorporated area. The current situation is that the sales occur in an unincorporated part of Napa County, and thus this 1.0% local share of sales taxes accrues to Napa County. Upon annexation this 1.0% share will instead accrue to the Town of Yountville. As estimated earlier in Exhibit 9, the sales taxes associated with Domaine Chandon's operations are estimated to total \$93,500. Thus, this amount of sales tax revenues is assumed to be foregone by Napa County upon completion of the property annexation.

Summary of Foregone Revenues

In summary, Napa County is estimated to experience an estimated decline of \$2,090 in property tax revenues and \$93,500 in sales tax revenues, which sums to a \$95,590 annual decline in revenues. The County is also anticipated to experience a nominal decline in Property Tax in Lieu of VLF revenues, but the amount of this decline cannot be determined from available resources. There may be yet additional County of Napa foregone revenues, but these are not anticipated to be as substantial as those cited. Further, the foregone revenues will be offset by a shifting of costs to service the property, reducing the County's service costs, but the estimation of these reduced costs was not included in the scope of the analysis. These reduced service costs would reduce the estimated level of foregone revenues. Further, an adjustment in the estimate of the property value subject to annexation pursuant to analysis by the Napa County Assessor's Office likely result in a material change in the value, which would impact estimate of foregone property tax revenues.

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of Town and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: EXHIBITS

**Exhibit 1
 Domaine Chandon Proposed Annexation
 Property Information and Description
 2015**

Land Use	Property Value			Annual Taxable Sales (4)	Full-time Equivalent Employees (5)	Service Population (6)
	Total (1)	% of Total (2)	Annexed Area Value (3)			
Domaine Chandon, 1 California Drive	\$49,696,355	16.2%	\$8,054,628	\$9,350,000	65	32.5
Portion of Property Value for Land	\$835,509	15.2%	\$126,730			
Other Taxable Value	\$48,860,846	18.0%	\$8,795,256			

Sources: Realquest; Napa County Assessor's Office; Domaine Chandon; RSA+; U.S. Department of Labor, Consumer Price Index; and ALH Urban & Regional Economics.

Notes:

(1) The total taxable value for APN 034-140-022-000 per Realquest for Assessment Year 2015 is \$49,696,355, including \$835,509 for land value and \$44,042,356 for improvement value. The full parcel size is 88.41 acres. The size of the parcel subject to annexation is 13.54 acres, or 15.32% of the land parcel. This parcel is located in Tax Rate Area 072-076.

(2) For purposes of the analysis the value of the land subject to annexation is assumed to be proportional to the area of the parcel being annexed, or 15.32%. The estimated share of Other Taxable Value associated with the balance of the property value is a generalized estimate averaging two calculations. ALH Economics obtained a hard copy file of the Napa County Assessor's Office notes regarding the base year value of numerous improvements to the property beginning in 1977. These improvement values were adjusted to 2015 dollars using adjustment factors provided by the Assessor's Office. The improvement values associated with the structures on the portion of the property subject to annexation were then calculated as a percentage of two figures: the adjusted total for all estimated improvements to the property (less Assessor notations regarding "Audit Adjust" and "Land Imps"); and the current total assessed taxable value. The resulting percentages were 24% and 12%, respectively. This average was taken because the approach based on reviewing the Assessor's file is deemed to be imprecise, as the calculated total assessed value based upon the individual improvements referenced in the file did not match the current total assessed value. Notes on these calculations are maintained in the project files of ALH Urban & Regional Economics. The result of these analyses is an estimate of 16.2% of total property value associated with the portion of the property subject to annexation.

(3) Comprises "Total" multiplied by "% of Total." The result is an estimate of the valuation associated with the portion of the parcel subject to annexation.

(4) Estimated figure based upon historical trend in sales tax payments (which averaged \$1.03 million/year for 2012-2014), anticipated downward adjustments in restaurant revenues per the closure of the former white tablecloth Etoile restaurant and development of a new, format estimated by Domaine Chandon to generate less revenues, and inflation. Reflects the annual average inflation rate from 2013 to 2014 for the U.S. City Average.

(5) Figure provided by Domaine Chandon. This comprises an estimated annual full-time equivalent figure upon reopening of the former Etoile restaurant space with a new format, which is no longer a white table cloth restaurant. Total seasonal employment is estimated at 85.

(6) All employees are assumed to be equivalent to one-half a resident for town average service cost and revenue purposes. This is a standard fiscal impact analysis assumption.

Exhibit 2
Town of Yountville Domaine Chandon Annexation (partial)
Town of Yountville Demographic, Employment, and Tax Characteristics

Data Point	Value	Measurement
Population and Employment Base, 2014 estimates		
Town of Yountville Population		
All Population (1)	3,000	annual
Veteran's Home Population (2)	1,000	annual
Town of Yountville Employment Base		
All Employment (1)	1,600	annual
Veteran's Home Employment (3)	750	annual
Estimated Service Population (4)		
All Residents and Employees	3,800	annual
Excluding Veteran's Home Population	2,800	annual
Excluding Veteran's Home Population and Employment	2,425	annual
All Residents	3,000	annual
Town of Yountville Tax Rates and Select Tax Revenues		
General Fund Property Tax Rate		
Pre-ERAF Allocation (5)	13.33%	of 1.0% of property value
ERAF Adjusted (6)	8.8%	of 1.0% of property value
Vehicle in Lieu of Property Tax Revenues		
FY 2014-2015 Adopted (7)	\$400,000	annual
Property Tax Revenues		
FY 2014-2015 Adopted (7)	\$995,000	annual
Sales Tax Rate (8)	1%	annual
Town of Yountville Secured and Unsecured Property Assessed Valuation (9)		
FY 2012-2013	\$546,477,582	annual
FY 2013-2014	\$566,095,263	annual
FY 2014-2015 Projection (10)	\$577,417,168	annual
Business License Fees (11)		
One-time New Fee	\$49.00	per business
Annual Fee per Business	\$16.00	per business

Sources: "Plan Bay Area, Projections 2013," Association of Bay Area Governments; State of California Employment Development Department; Auditor-Controller's Office, County of Napa; Town of Yountville Operating Budget, Fiscal Year 2014/15; Town of Yountville website; Town of Yountville staff; and ALH Urban & Regional Economics.

Notes:

- (1) Demographic and employment estimates per the Association of Bay Area Governments; "Plan Bay Area, Projections 2013."
- (2) See <https://www.calvet.ca.gov/VetHomes/Pages/Yountville.aspx>
- (3) The State of California Employment Development Department identifies the Veteran's Home as a major employer in Napa County. The identified employment range is 500-999. For the sake of analysis ALH Urban & Regional Economics assumes the mid-point of this range, or 750 FTE employees.
- (4) The service population is equivalent to the residential population plus 1/2 the employment base. This is a standard fiscal impact assumption.
- (5) Town of Yountville share of property taxes, pursuant to allocation factors for two representative Tax Rate Area (TRA) in the Town of Yountville. These tax rates averaged 13.33%. See Appendix B.
- (6) See Exhibit 3.
- (7) See "Town of Yountville, Operating Budget," Fiscal Year 2014/15, page 44.
- (8) Comprises the local share of sales taxes, received by a city/town if the retailer is located in an incorporated area, or by a county if the retailer is located in an unincorporated area.
- (9) See "Town of Yountville, Operating Budget," Fiscal Year 2014/15, page 85.
- (10) Projection prepared by ALH Urban & Regional Economics, assumes conservative 2.0% annual increase in valuation per the provisions of Proposition 13.
- (11) Town of Yountville, website, see <http://www.townofyountville.com/index.aspx?page=125>. Reflect one-time fee and annual recurring fees.

Exhibit 3
Estimation of Effective Yountville Property Tax Rate
Fiscal Year 2013-2014

Characteristic	Figure
Town Property Valuation, 2013-2014 (1)	\$566,095,263
Property Tax Rates (1)	
Basic County Property Tax Rate	1.00%
Yountville Pre-ERAF Property Tax Rate (2)	13.33%
Yountville Property Tax Revenues	
Pre-ERAF Property Taxes (calculated)	\$754,605
Yountville Property Tax Shifted to ERAF (3)	\$185,633
ERAF Shift Rebate back to Yountville (4)	\$73,106
Effective Shift to ERAF	\$258,739
Effective Property Taxes (calculated)	\$495,866
Share of Effective Taxes to Pre-ERAF Total (5)	65.71%
Effective Town Share of 1% Property Taxes (6)	8.76%

Sources: Exhibit 3; Auditor-Controller's Office, County of Napa; Town of Yountville; and ALH Urban & Regional Economics.

Notes:

- (1) See Exhibit 2 for the cited rates.
- (2) Reflects the Town of Yountville share of the basic 1.0% property tax rate collected by Napa County for the typical Tax Rate Area in Yountville. This rate is inclusive of funds subsequently redistributed to public schools pursuant to the Educational Revenue Augmentation Fund, which began implementation in 1992-1993.
- (3) The ERAF shift occurs annually. These figures pertain to amounts for the 2013-2014 fiscal year. Typically some portion of funds is shifted away from the Town of Yountville, but then if not all funds are required per the ERAF formula, the excess portion is sent back to the Town of Yountville.
- (4) Figure provided by the Town of Yountville.
- (5) Comprises the Effective Property Taxes as a share of Pre-ERAF Property Taxes.
- (6) Equal to the Pre-ERAF Property Tax Rate multiplied by the Share of Effective Taxes to Pre-ERAF Total.

Exhibit 4
Town of Yountville Domaine Chandon Annexation
Annual Property Tax Revenues
2015 Dollars

Item	Amount
Property Valuation (1)	
Existing Property Valuation (2)	\$8,054,628
Property Tax	
Basic County Tax Rate	1.00%
Town of Yountville Effective Share of Basic Tax Amount Assuming Annexation (3)	8.76%
Town of Yountville General Fund Property Tax Revenues, Annual	\$7,060

Sources: Exhibits 1 and 2.

Notes:

(1) See Exhibit 1.

(2) This is a proxy for the estimated value of the 13.54-acre portion of the Domaine Chandon parcel subject to annexation.

(3) See Exhibit 2.

Exhibit 5
Town of Yountville Domaine Chandon Annexation
Property Tax in Lieu of VLF Estimates
Net New Valuation Attributable to Annexation
Town of Yountville, FY 2014-2015 Dollars

Category	Value
Assessed Value Change	
Town of Yountville Projected Secured and Unsecured Property Assessed Valuation (1)	\$577,417,168
Property Valuation Increment Attributable to Domaine Chandon Annexation (2)	\$8,054,628
Total Projected Yountville Property Valuation	\$585,471,796
Percent Increase in Property Valuation Attributable to Domaine Chandon Annexation Development	1.39%
VLF in Lieu Revenue	
FY 201-2015 projected (1)	\$400,000
Town Increase (Annual)	
Percent Assessed Value	1.39%
VLF In Lieu Revenue Attributable to Domaine Chandon Annexation (rounded)	\$5,580

Source: ALH Urban & Regional Economics.

Notes:
(1) See Exhibit 2.
(2) See Exhibit 1.

Exhibit 6
Town of Yountville Domaine Chandon Annexation
Assorted Town of Yountville General Fund Revenues
Town of Yountville, FY 2014-15 Dollars

Sales Taxes

<u><i>Taxable Retail Sales and Tax Basis Data</i></u>	<u><i>Parameters and Annual Revenue</i></u>
Domaine Chandon Taxable Sales (1)	\$9,350,000
Local Jurisdiction Sales Tax Rate (2)	1%
Domaine Chandon Sales Tax Revenue	\$93,500

Other Taxes (Select)

<u><i>Franchise Taxes and PEG Fees and Population Basis Data</i></u>	<u><i>Parameters and Annual Revenue</i></u>
Town of Yountville FY 2014/15 Franchise Fees (3)	\$115,000
Town of Yountville FY 2014/15 PEG Fees (3)	\$11,960
Town of Yountville FY 2014/15 Total Franchise and PEG Fees	\$126,960
Service Population Excluding Veteran's Home Population and Employees (4)	2,425
Franchise and PEG Fees Revenues Per Service Population (5)	\$52.35
Domaine Chandon Service Population (1)	32.5
Domaine Chandon Other Tax Revenues, rounded (6)	\$1,700

Licenses and Permits

<u><i>Licenses and Permits Revenues and Population Basis Data</i></u>	<u><i>Parameters and Annual Revenue</i></u>
Town of Yountville FY 2014/15 Licenses and Permits Revenues, Exc. Bus. License (7)	\$42,000
Service Population Excluding Veteran's Home Population and Employees (4)	2,425
Licenses and Permit Revenues Per Service Population (5)	\$17.32
Domaine Chandon Service Population (1)	32.5
Domaine Chandon Business License Fee (2)	\$16.00
Domaine Chandon Licenses and Permits Revenues, rounded (6)	\$580

Fines & Forfeitures

<u><i>Fines & Forfeitures Revenues and Population Basis Data</i></u>	<u><i>Parameters and Annual Revenue</i></u>
Town of Yountville FY 2014/15 Fines & Forfeitures (8)	\$6,000
Service Population Excluding Veteran's Home Population (9)	2,800
Fines & Forfeitures Revenues Per Service Population (5)	\$2.14
Domaine Chandon Service Population (1)	32.5
Domaine Chandon Fines & Forfeitures Tax Revenues (6)	\$70

Sources: "Town of Yountville Operating Budget, Fiscal Year 2014/15", page 116; and ALH Urban & Regional Economics.

Notes:

- (1) See Exhibit 1.
- (2) See Exhibit 2.
- (3) See "Town of Yountville, Operating Budget," Fiscal Year 2014/15, page 116. Business Licenses are excluded from this category as this revenue is separately estimated for Domaine Chandon in Exhibit 3.
- (4) See Exhibit 2. This revenue source is not anticipated to be relevant to Veteran's Home residents or employees as the Veteran's Home is exempt from paying licenses and permits.
- (5) Revenues calculated on a per service population basis.
- (6) Calculated by multiplying the Revenues Per Service Population by the estimated Domaine Chandon service population.
- (7) See "Town of Yountville, Operating Budget," Fiscal Year 2014/15, page 116. Business Licenses are excluded from this figure and estimated separately below per revenue figures included in Exhibit 2.
- (8) See "Town of Yountville, Operating Budget," Fiscal Year 2014/15, page 116.
- (9) See Exhibit 2. This revenue source is not anticipated to be relevant to Veteran's Home residents, but it is to employees who use Town facilities and infrastructure.

Exhibit 7
Town of Yountville Domaine Chandon Annexation
Town of Yountville General Fund Average Cost Expenditures
Fiscal Impact Factors Relevant to Domaine Chandon
FY 2014-2015 Adopted Budget

Town Expense	FY Budget (1)	Percent Fixed (2)	Allocable Expenditures (3)	Population Factor (4)		Expenditure per Service Population (5)	Expenditure per Resident (6)	Expenditure per Employee (7)
				Title	Amount			
General Government	\$2,209,065	0%	\$2,209,065	Service Population	3,800	\$581.33	\$581.33	\$290.67
Housing	\$40,030	0%	\$40,030	Service Pop. Exc. VH	2,425	\$16.51	\$16.51	\$8.25
Planning and Building	\$604,450	0%	\$604,450	Service Pop. Exc. VH	2,425	\$249.23	\$249.23	\$124.62
Public Safety (8)	\$1,346,790	0%	\$1,346,790	Service Pop. Exc. VH	2,425	\$555.32	\$555.32	\$277.66
Public Works	\$1,625,465	0%	\$1,625,465	Service Pop. Exc. VH	2,425	\$670.23	\$670.23	\$335.11
Parks & Recreation	\$1,440,551	0%	\$1,440,551	Residents - All	3,000	\$480.18	\$480.18	\$0.00
Total	\$7,266,351		\$7,266,351			\$1,150.41	\$2,552.80	\$1,036.31

Sources: "Town of Yountville Operating Budget, Fiscal Year 2014/15", page 29; Town of Yountville staff; and ALH Urban & Regional Economics.

Notes:

(1) Figures from Yountville Operating Budget, Fiscal Year 2014/15, page 29.

(2) Fiscal impact studies that examine municipal expenditures on an average cost basis, such as this analysis, often assume a portion of municipal expenditures are fixed and will not vary with a change in the population served. The resulting variable expenditures are then allocated across the relevant population served, which could include just residents, just employees, or the service population, which includes both residents and an allocation for employees. For the purpose of this analysis, all Town expenditures are conservatively assumed to be variable. In this manner, costs are spread as widely as possible given the size of the different service population bases.

(3) Comprises the share of the General Fund expenditures assumed to be allocable to the population served, i.e., total expenditures less fixed expenditures. In this case, as all expenditures are assumed to be variable, the allocable expenditures are equal on a department by department basis to each department's budget.

(4) The analysis assumes different expenditures are spread across different population bases, with the main considering being the exclusion of the Veteran's Home from many Town service costs. This determination was made in association with Town of Yountville staff. Because Veteran's Home residents can use the Town's parks and recreation services at the resident rate these costs are allocated across all residents, but not the Town's employment base. See Exhibit 3 for the service population estimates.

(5) Equal to allocable expenditures divided by the cited population factor.

(6) The expenditure per resident is equal to the expenditure per service population.

(7) The expenditure per employee is equal to one half the expenditure per service population except for the category estimated to serve only residents.

(8) The Town of Yountville does not anticipate that the Town's annual allocation for public safety costs for Sheriff and CalFire services will increase with the annexation of the Domaine Chandon property. Hence this analysis focuses on the average costs of the services based on the service population served.

Exhibit 8
Town of Yountville Domaine Chandon Annexation
Yountville Trolley Cost Allocation
Town of Yountville, FY 2014-2015 Dollars

Category	Figure
Yountville Trolley Farebox Subsidy (1)	\$35,000
Trolley Ridership, November and December 2014 (2)	
Total Ridership	4,225
Domaine Chandon Boardings and Deboardings	192
Percent Trolley Ridership Associated with Domaine Chandon	5%
Domaine Chandon Allocation of Trolley Subsidy (rounded)	\$1,590

Sources: "Town of Yountville Operating Budget, Fiscal Year 2014/15," page 133; Town of Yountville; and ALH Urban & Regional Economics.

Notes:

- (1) Comprises subsidy provided to NCTPA by the Town of Yountville, denoted in the budget as "Normal shuttle fare box requirement of 10% operating cost."
- (2) Representative ridership for November and December 2014. Data provided to ALH Urban & Regional Economics by the Town of Yountville, which obtained the information from the Napa County Transportation and Planning Agency.

Exhibit 9
Town of Yountville Domaine Chandon Annexation
Annual Net Fiscal Impact Analysis (1)
Town of Yountville General Fund
FY 2014-15 Dollars

General Fund Revenues and Expenditures Categories	Amount
Revenues (2)	
Property Taxes (3)	\$7,060
Property Tax in Lieu of VLF (4)	\$5,580
Sales Taxes (5)	\$93,500
Franchise Taxes and PEG Fees (5)	\$1,700
Licenses and Permits (5)	\$580
Fines & Forfeitures (5)	\$70
Sub-total	<u>\$108,490</u>
Expenditures (6)	
General Government	\$18,890
Housing	\$500
Planning and Building	\$8,100
Public Safety	\$18,050
Public Works	\$21,780
Parks & Recreation	\$0
Trolley (7)	\$1,590
Sub-total	<u>\$68,910</u>
Net Impact (8)	\$39,580

Source: ALH Urban & Regional Economics.

Notes:

- (1) Includes revenues assuming the property is annexed into the Town of Yountville. All revenues are gross revenues as prior to the annexation no revenues would accrue to the Town of Yountville. All revenue and cost figures are rounded to the nearest \$10.
- (2) Includes the most substantial revenues anticipated to accrue to the Town of Yountville General Fund resulting from Domaine Chandon's annexation. However, there may be yet additional revenues flowing to the General Fund pursuant to the Domaine Chandon's operations.
- (3) See Exhibit 4.
- (4) See Exhibit 5.
- (5) See Exhibit 6.
- (6) See Exhibit 7, with all per employee figures in Exhibit multiplied by the number of full-time equivalent employees at Domaine Chandon noted in Exhibit 2.
- (7) See Exhibit 8.
- (8) Comprises revenues less expenditures.

Exhibit 10
Town of Yountville Domaine Chandon Annexation
Key Foregone Napa County Revenues Pursuant to Annexation (1)
Napa County General Fund
FY 2014-15 Dollars

Revenues Categories	Amount
Property Taxes	
Existing Pre-ERAF Allocation (2)	29.57%
Estimated Allocation following ERAF Shift (3)	19.43%
Assumed Pre-ERAF Allocation after Annexation (4)	25.63%
Estimated Allocation After Annexation following ERAF Shift (3)	16.84%
Estimated ERAF-Adjusted Property Taxes Prior to Annexation (5)	\$15,651
Estimated ERAF-Adjusted Property Taxes After Annexation (5)	\$13,564
Estimated ERAF Adjusted Decline in Property Tax (6)	-\$2,090
Property Tax in Lieu of VLF	
Assessed Valuation (June 30, 2014) (7)	\$29,745,725,474
Domaine Chandon Property Share of Valuation (8)	0.03%
Property Tax in Lieu of VLF (9)	Not Available
Estimated Share of Property Tax in Lieu of VLF (10)	Not Available
Sales Taxes (11)	
Annual Taxable Sales	\$9,350,000
Sales Tax Rate	1%
Decline in Sales Tax Revenues	-\$93,500

Sources: Auditor-Controller's Office, County of Napa; County of Napa, "Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2014"; and ALH Urban & Regional Economics.

Notes:

- (1) Comprises key revenue categories anticipated to be impacted by annexation of the Domaine Chandon property into the Town of Yountville. Other less significant categories are not included.
- (2) This is the Napa County increment factor for TRA 072-076, where the Domaine Chandon property is located. See Appendix B for this increment factor.
- (3) This is an estimate. Information about the ERAF shift from the County share of property taxes is not readily available. For the sake of analysis ALH Urban & Regional Economics assumes that the same proportional shift that is estimated to occur for the Town of Yountville will be the same for Napa County. This proportional shift, based upon the information presented in Exhibits 2 and 3, is equivalent to 66% of the Pre-ERAF tax revenue, or a corresponding 34% reduction in property taxes.
- (4) A portion of property taxes generated by properties in the Town of Yountville is allocated to Napa County. For two representative Tax Rate Areas in Yountville (TRA 004-000 and 004-001) the County's share of the basic 1.0% property tax rate is an average of 25.63%. ALH Urban & Regional Economics therefore assumes that following annexation of the Domaine Chandon property the County will receive this average amount of property tax revenues associated with the property. See Appendix B for the TRA tax allocation factors.
- (5) These are the pre and post annexation property tax revenues estimated pursuant to the ERAF-adjusted rates. These are based on the Domaine Chandon property valuation presented in Exhibit 1, multiplied by the 1.0% basic property tax rate and then the County's ERAF-adjusted property tax rates.
- (6) This is the estimated amount of property taxes that Napa County will not receive pursuant to annexation of Domaine Chandon into the Town of Yountville. Figure rounded to the nearest \$10.
- (7) See County of Napa, California, Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2104, page 186.
- (8) See Exhibit 1 for Domaine Chandon property valuation.
- (9) Since 2006 motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation, thus these revenues cannot be isolated from the property tax revenues reported by the County. See page 175 of the County CAFR.
- (10) Because the Property Tax in Lieu of VLF revenue is not available the estimated share of the revenue attributable to the Domaine Chandon property cannot be determined. However, ALH Economics anticipates that this share would be equivalent to the 0.14% share of property value cited above.
- (11) See Exhibit 9. The County's share of sales taxes pre-annexation is estimated to be equivalent to the Town's share of sales taxes following annexation, as each comprises the local share of sales taxes.

APPENDIX B: COUNTY AUDITOR REFERENCE MATERIALS

County of NAPA

**MPTS Property System - Auditor
Tax Increment Distribution Report
Model FINAL
Before ERAF**

	TRA	004-000	004-001	072-076
Tax Code	Description	Incr Factor	Incr Factor	Incr Factor
10000	NAPA COUNTY	0.256287	0.256271	0.295694
10800	FIRE NON-STRUCTURAL	0.009024	0.009020	0.010413
11500	LIBRARY COUNTY	0.024601	0.024606	0.028388
11700	FIRE PROTECTION	0.029100	0.029102	0.033581
15400	TOWN OF YOUNTVILLE	0.133384	0.133326	0.000000
38500	MOSQUITO ABATEMENT	0.003459	0.003461	0.003993
42000	RESOURCE CONSERVATION	0.000780	0.000788	0.000909
43100	BAY AREA AIR QUALITY MGMT	0.002341	0.002341	0.002699
45700	NAPA VALLEY UNIFIED SCHOOL	0.445843	0.445871	0.514473
46500	NAPA VALLEY COMMUNITY COLLEGE	0.070216	0.070216	0.081015
49000	NAPA COUNTY OFFICE OF EDUCATION	0.024965	0.024998	0.028835
49999	E R A F	0.000000	0.000000	0.000000
TRA Totals:		1.000000	1.000000	1.000000

4/28/2015

A

A B E K
SCHEDULE A- Worksheet

	Napco/Trust FUND	DESCRIPTION	14/15 ADJUSTED GROSS AB 8 ALLOCATION (C+D)	14/15 TOTAL SHIFT WITH GROWTH (I + J)	14/15 ERAF Shift % (K / E)
1	1000	NAPA COUNTY	83,984,055.07	(29,752,227.07)	-0.354260425
2	2100	FIRE NON-STRUCTURAL	3,207,760.21	1,591,148.85	0.496031108
3	2020	LIBRARY COUNTY	7,906,453.90	(1,508,581.88)	-0.190803855
4	2100	FIRE PROTECTION	6,155,540.74	(1,695,545.68)	-0.275450322
5		County subtotal	101,253,809.92	(31,365,205.78)	-0.309768154
6					
7	15100	CITY OF CALISTOGA	1,508,594.29	(367,729.84)	-0.243756617
8	15200	CITY OF NAPA	22,309,231.73	(5,084,847.17)	-0.227925696
9	15300	CITY OF ST HELENA	3,615,176.97	(563,409.95)	-0.155845745
10	15400	TOWN OF YOUNTVILLE	814,963.48	(185,632.80)	-0.227780514
11	18800	CITY OF AMERICAN CANYON	6,647,234.48	(72,907.83)	-0.010968145
12		City subtotal	34,895,200.95	(6,274,527.59)	-0.179810616
13					
14	5220	LAKE BERRYESSA RESORT IMPROVEMENT	39,515.12	(15,839.83)	-0.400854913
15	5240	NAPA BERRYESSA RESORT IMPROVEMENT	70,542.38	(28,320.58)	-0.401469018
16	2860	MONTICELLO CEMETERY DISTRICT	36,880.02	(16,637.71)	-0.451130721
17	9504	CIRCLE OAKS WATER DISTRICT	50,294.02	(20,188.48)	-0.401409154
18	7400	CONGRESS VALLEY WATER DISTRICT	105,631.80	(40,774.23)	-0.386003363
19	18900	AMERICAN CANYON FIRE DISTRICT	3,251,689.28		0
20	7100	NAPA COUNTY MOSQUITO ABATEMENT	1,237,718.64	(113,236.39)	-0.09148799
21	7300	NAPA COUNTY RESOURCE CONSERVATION	276,842.60		0
22	7500	NAPA COUNTY RIVER RECLAMATION	69,908.01	(49,766.56)	-0.711886378
23	9503	BAY AREA AIR QUALITY MANAGEMENT	856,328.38		0
24		Special District subtotal	5,995,350.25	(284,763.78)	-0.047497439
25					
26	9020	HOWELL MTN ELEMENTARY SCHOOL DISTRICT	1,176,988.97		0
27	9060	POPE VALLEY ELEMENTARY SCHOOL DISTRICT	980,166.97		0
28	9300	FAIRFIELD-SUISUN UNIFIED SCHOOL DISTRICT	496,861.22		0
29	9010	CALISTOGA JOINT UNIFIED SCHOOL DISTRICT	9,750,434.48		0
30	9050	NAPA VALLEY UNIFIED SCHOOL DISTRICT	94,496,251.53		0
31	9070	ST HELENA UNIFIED SCHOOL DISTRICT	23,240,217.45		0
32	9030	NAPA VALLEY COMMUNITY COLLEGE	24,913,053.29		0
33	9310	SOLANO COUNTY OFFICE OF EDUCATION	19,981.82		0
34	9040	NAPA COUNTY OFFICE OF EDUCATION	9,454,565.86		0
35	9490	EDUCATIONAL REVENUE AUGMENTATION	0.00	37,924,497.15	0
36		Schools subtotal	164,528,521.59	37,924,497.15	0
37					
38	18175/71510	PARKWAY PLAZA RDA PROJECT	0.00		
39	18175/71520	SOSCOL GATEWAY RDA PROJECT	0.00		
40		Special Agency Adjustment	0.00	0.00	
41		Total (Match to MB AB 8 Summary)	306,672,882.71	0.00	

(Differences due to rounding.)

Hash - Check

9/25/2014